



Euskaltel reduces cost of financing institutional tranche by 21%

- **The Company has obtained the unanimous backing of the institutional debt investors and has achieved a reduction in the economic conditions of the loan, less than one year since it was signed.**
- **Francisco Arteche, Euskaltel's CEO: *“This transaction is part of the Company’s strategy, agreed with our shareholders, and shows our financial strength and the support for and confidence in Euskaltel by our investor base”.***
- **Euskaltel expects to achieve savings close to €3 million per year.**

Bilbao, 21 September 2016. Euskaltel has achieved a reduction in the economic conditions of the institutional TLB equivalent to 100bps, entailing a reduction that is greater than in other similar transactions taking place in the market in recent months.

The institutional TLB of €300 million is part of the syndicated financing totalling €900 million obtained in October 2015 for the partial financing of the acquisition of R.

Within a period of 10 days, the process has been unanimously approved by the 39 institutional investors.

Euskaltel's CEO, Francisco Arteche, has highlighted that the transaction has been completed with the unanimous backing of the institutional debt investors *“which shows the Company’s financial strength and the support for and confidence in Euskaltel by our investor base”.*

Arteche points out that the transaction comes under the strategy agreed with shareholders and investors, *“a strategy which, firstly, aims to create value for shareholders, which is compatible with meeting the expectations of all our stakeholders. This strategy is based on growth in clientele and revenue, on efficient spending and on maximum discipline in investments, with the objective of maximising cash generation, reducing leverage and offering the best possible return to shareholders”.*

Euskaltel has been advised by BBVA - which has acted in the process as sole Coordinator & Sole Bookrunner - to design the strategy and decide on the optimal launch date on the basis of its understanding of the market and expected degree of acceptance among investors.

Through this agreement, which involves a 21% reduction in the initial loan, achieved in less than one year since the loan was granted, Euskaltel hopes to achieve savings close to €3 million per year, in a debt tranche that expires in 2022.

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