

Euskaltel's Board of Directors unanimously appoints José Miguel García as chief executive officer of the Group

- **The Board regards José Miguel García as the right professional to lead the Group's sustainability, growth and value-creation strategy.**
- **The telecommunications group seeks to strengthen its objective of value generation for the company and the generation of returns for its shareholders, as well as to consolidate its technological leadership in the market, maintaining its brands' local roots.**
- **José Miguel García has in-depth knowledge of the telecommunications industry, where he has spent part of his career as a CEO over the last 30 years in companies such as Jazztel, Orange, the Millicom Group, Cable & Wireless and Case Technology.**

Bilbao, 5 June 2019. At a meeting held this morning, the Euskaltel Group's Board of Directors unanimously agreed to appoint José Miguel García as the Group's new CEO, following a favourable report from the Appointments and Remunerations Committee.

The Board regards José Miguel García as the right professional to update and invigorate the Euskaltel Group's Business and Action Plan in the coming years and to strengthen the Group's leadership in the face of the new challenges raised by the industry's difficult situation in Europe and Spain, and due to the need for a fresh approach to ensure the strategic objectives are met to make the Euskaltel Group a profitable growth project, based on the sustainability of the current business and faster growth.

The Board of Directors also agreed to end the contractual relationship with the current CEO, Francisco Arteche, and expressly acknowledged his work in the Group over the last three years, *"successfully leading the transformation process from being a telecommunications operator to a digital service operator and driver of the digital economy"*.

The Euskaltel Group's Board of Directors considers that, having completed this phase involving the company's digital transformation, a new phase commences for the operator characterised by fierce competition in the telecommunications industry. *"The time has come to accelerate*

and intensify the sustainability, growth and value-creation strategy that has characterised the Euskaltel Group".

The Board of Directors has highlighted the essence of the Euskaltel Group, which is based on its strong ties with the territories where it operates and on the conviction that it must contribute to and be focused on creating value for all its stakeholders as well as the economic and social development of those territories, ultimately aiming to be a responsible and sustainable business group in the long term.

The Board of Directors has therefore appointed José Miguel García as CEO, *"with the conviction that his extensive knowledge of the telecommunications industry will be extremely valuable in helping the Group through the current difficult market conditions and offering a creative, attractive and valuable strategy for our shareholders".*

With the appointment of the new CEO, the telecom group seeks to strengthen its value generation objective for the company and generate returns for its shareholders, as well as to consolidate its technological leadership in the market, strengthen its customer focus, develop specific communication solutions for companies and individuals, maximise synergies and, consequently, improve results, maintaining the local roots of the Euskaltel, Telecable and R brands by means of a consistent Group culture.

"Euskaltel - A profitable growth project"

In the wake of his appointment the new CEO of the Euskaltel Group, José Miguel García, said the following: *"I am confident that the Euskaltel Group has the potential to be a leading player in the Spanish telecommunications market. I have seen for myself how this success is based on the strategic strength and solid roots of its three brands in the market, which reinforces the link between the Euskaltel Group and its stakeholders, and the commitment to its people".*

José Miguel García defines the Euskaltel Group as a *"profitable growth project equipped with all the assets needed to create value"*, whose future success is based on six pillars: a powerful, simple and efficient **organisation**, with an experienced team; a strong **product**, with a consistent and valuable offer; solid **brands** that can tap into local and national market opportunities and that are the assets that ensure success; a focused **commercial** strategy and best practice; a single **factory**, with a robust systems, network and operational infrastructure that supports the business strategy and achieves efficiencies; and a market that provides great **growth** potential.

Extensive track record

José Miguel García has a remarkable track record. He holds a degree in Electrical and Electronic Engineering and a Masters in Digital Communications from Monash University in Melbourne. He began his career as a telecommunications and technology consultant in Lincoln Scott International (Australia). In the last 30 years he has spent part of his career as a CEO in 16 different countries in Australia, Europe, Latin America and the United States. In 2018 he successfully took part in the acquisition of SQRRL and Briefcam by Amazon and Canon, respectively. In 2016 and 2017 he was a Board member and Vice-President of the Millicom

Group and a Strategic Consultant for the Orange Group, in the transformation of European business units within fixed-mobile convergence.

He was CEO of Jazztel, a Spanish telecommunications company, from 2006 to 2015, when Jazztel became the fastest growing operator in the Spanish telecommunications market. Before he joined Jazztel in 2006, Mr García worked mainly at Cable & Wireless, where his roles included: CEO of Spain and Portugal, executive vice-president in Europe, CEO in Panama and managing director in the UK and Ireland. Previously, he was executive president and CEO in Spain and Portugal of Case Technology, a company he co-founded and subsequently directed in its acquisition by Cable & Wireless, Plc. in 2000. He has also been a Strategic Investor and Advisory Member of the Boards of several start-ups around the world over the past 25 years.

Well versed in technological infrastructures and the Basque industrial fabric

As CEO of Case Technology, between 1990 and 1995, at the request of the Basque Government José Miguel García prepared a project to design a map of fibre optic network infrastructures to be deployed in the three territories of the Basque Country, providing the foundations of the future Euskalnet. The different projects developed in the Basque Country during that stage enabled him to get to know the technological infrastructures of the three Territories, as well as their robust industrial and business fabric through the then emerging local industrial and technological parks. In fact, the first fibre optic infrastructures both at the Bizkaia Technology Park and the Cruces Hospital were designed and supplied by his company. This also allowed him to establish contacts with regional, provincial and local institutions.

New appointments to the Board of Directors

The Euskaltel Group's Board of Directors also agreed to appoint, by co-optation, Eamonn O'Hare as a new Board member and proprietary director representing Zegona Communications, PLC, following a favourable report by the Appointments and Remunerations Committee.

Eamonn O'Hare holds a degree in Aerospace Engineering from Queen's University in Belfast and an MBA from the London Business School. He has held positions as a Board and executive member in some of the world's fastest growing technology and consumer companies. He is currently chairman and CEO of Zegona Communications, Plc, a telecommunications, media and technology (TMT) company listed on the London Stock Exchange.

From 2009 to 2013 he served as Chief Financial Officer and member of the Board of Directors of Virgin Media, a leading UK entertainment and communications company. He also serves as a non-executive director on the Board of Directors of Dialog Semiconductor, Plc, a leading consumer technology company that provides critical components for the world's most successful mobile device brands. He was also Chairman of the Audit Committee at Dialog Semiconductor from 2014 to 2015. Eamonn O'Hare was also executive director on the Board of Directors and Audit Committee of Tele2, a major European telecommunications company in the Nordic and Baltic countries.

Notice of the General Shareholders' Meeting

The Board of Directors has also agreed to call an Extraordinary Shareholders' Meeting, which will be held on 10 July at the company's headquarters. The General Shareholders' Meeting shall have to approve the increase of Euskaltel's Board members from 12 to 13, and the appointment of Robert Samuelson as proprietary director.

The General Shareholders' Meeting also plans to ratify the appointment by co-optation of José Miguel García Fernández, as executive director for the statutory period of 4 years, in addition to the appointment, by co-optation, of Eamonn O'Hare, as proprietary director.

Members of the Board of Directors of Euskaltel, S.A.

Following the decisions made by the Board of Directors of the Euskaltel Group at its meeting today, the Board is currently made up as follows:

Mr. ALBERTO GARCÍA ERAUZKIN

Chairman of the Board of Directors of Euskaltel, S.A.

Executive Director

Mr. JOSÉ MIGUEL GARCÍA FERNÁNDEZ

Chief Executive Officer

Executive Director

Mr. JOSÉ ÁNGEL CORRES ABASOLO

Vice-Chairman of the Board of Directors of Euskaltel, S.A.

Independent Director

Mr. EAMONN O'HARE

Member of the Board of Directors of Euskaltel, S.A.

Proprietary Director

KARTERA 1, S.L., represented by Ms. Alicia Vivanco González

Member of the Board of Directors of Euskaltel, S.A.

Proprietary Director

Mr. LUIS RAMÓN ARRIETA DURANA

Member of the Board of Directors of Euskaltel, S.A.

Proprietary Director

CORPORACIÓN FINANCIERA ALBA, S.A., represented by Mr. Javier Fernández Alonso

Member of the Board of Directors of Euskaltel, S.A.

Proprietary Director

Ms. BELÉN AMATRIAIN CORBI

Member of the Board of Directors of Euskaltel, S.A.

Independent Director

Mr. IÑAKI ALZAGA ETXEITA

Member of the Board of Directors of Euskaltel, S.A.

Independent Director

Ms. ELISABETTA CASTIGLIONI

Member of the Board of Directors of Euskaltel, S.A.

Independent Director

Mr. MIGUEL ÁNGEL LUJUA MURGA

Member of the Board of Directors of Euskaltel, S.A.
Independent Director

Mr. JON JAMES

Member of the Board of Directors of Euskaltel, S.A.
Independent Director

Mr. LUIS ALBA FERRÉ

Non-executive Secretary

Mr. GONZALO SILVEIRO REGULEZ

Non-executive Vice-Secretary

Euskaltel – Communication
94-4011229

comunicacion@euskaltel.com