



The telecommunications group's first dividend after its IPO

Euskaltel authorises an interim dividend of €0.15 per share

- *The Board of Directors unanimously agrees to pay an interim dividend against 2016 results for a maximum gross amount of €22.77 million, i.e., €0.15 per share.*
- *The final dividend to be paid against 2016 results will be determined at the General Shareholders' Meeting to be held during the first half of 2017.*

Bilbao, 26 October 2016. At today's meeting, the Euskaltel group's Board of Directors unanimously agreed to pay an interim dividend against 2016 results for a gross amount of €0.15 per share outstanding with dividend rights, which amounts to €22.77 million. The payment date will be 1 February 2017.

Euskaltel had reported to the market that, given its considerable cash generating capacity, the Company expected to close 2016 with a debt ratio below 4.5 times EBITDA, which would allow Euskaltel to initiate its dividend distribution policy for shareholders as of 2017. Today's news confirms the Company's expectations.

Likewise, the Company upholds the dividend distribution policy announced in its IPO prospectus and in its capital increase prospectus (as part of the acquisition of R), which involves paying an ordinary dividend based on each year's net profit after applicable statutory requirements (10% of net profit allocated to the legal reserve), in line with the commitments made by the Company in both prospectuses during 2015. The final dividend to be paid against 2016 results will be determined at the General Shareholders' Meeting to be held during the first half of 2017.

"We stand by the commitments made to our shareholders"

Alberto García Erauzkin, Chairman of Euskaltel group's Board of Directors, has emphasised that Euskaltel's agreement to pay this dividend demonstrates *"the Group's robustness, its financial strength and its cash generating capacity"*. He also noted that this is *"a new milestone in the Company's history since, in just over a year, Euskaltel has successfully completed three major challenges: its IPO, creating the leading telecommunications group in the north of Spain after integrating Galicia's main operator R, and now paying a dividend to shareholders"*.

The Chairman of the Euskaltel group added that this new milestone *"demonstrates the Company's commitment towards shareholders and reinforces its position in our quest to add value to investors, offering the latest products and services to our clients, while*

generating wealth, driving the economy and promoting the technological development in our communities through R in Galicia and Euskaltel in the Basque Country”.

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