

Virgin telco has arrived

the first national operator to offer a premium service with maximum savings

Virgin telco breaks open inflexible packages so consumers can choose exactly what they need

- Virgin telco brings high-quality quad-play services to customers with flexibility, simplicity, openness and value as its driving principles
- Customers can select the services they need at the best price without having to subscribe
 to inflexible fixed packages. 'Choose exactly what you want and don't pay for what you
 don't use. As simple as that.'
- The new telecommunications service offers a full range of products from mobile with unlimited calls and 10GB of data for just €9/month to its €53/month all-inclusive package with internet, mobile, landline and 4K premium TV
- Virgin telco is Euskaltel's national proposition, through which the Group aims to double its
 client base and revenues by 2025. It expects to reach the 85% of the Spanish market where
 it does not operate today, addressing a total of 18.4 million homes

Madrid, 20th May 2020. Today Virgin telco, the new telecommunications service in Spain, is launched. Virgin telco offers quad-play services with premium quality landline, mobile, internet and television, perfect for the home and SOHO segments. It brings a new approach for customers; it breaks open traditional inflexible packages, allowing users to personalise their service by choosing exactly what they actually need, saving on unnecessary costs. Virgin telco completely redefines the customer offer, delivering unbeatable value to the Spanish market.

True Value Proposition

The Virgin telco offer is focused on customers and their needs, avoiding unnecessary bundling that ends up increasing the cost of the service. The way telecommunications services are used has evolved, but other providers do not recognize this. 25% of the population never actually uses their landline¹, however, the vast majority of offers in the market continue to charge a compulsory €20 for this service. At Virgin telco, this is optional. And if it is included, it only costs €6/month. Similarly, in 15% of households mobile telephone bills are paid for by someone's employer, meaning that contracting a traditional package is unnecessary and just adds cost.

Virgin telco has designed a range of high-quality and competitive products where each and every service is optional, so that each person can choose exactly what they need - rather like a shopping basket. The process is quick and simple, completed online with no small print, and prevents customers being pushed into inflexible poor-value package deals. The services include high-speed internet, mobile with generous data allowances and a leading television offer, which will soon also include a deal with Netflix.

Ambitious expansion and growth

Virgin telco is the brand under which Euskaltel is rolling out its ambitious national expansion strategy to reach the 85% of the Spanish market where it is not present today to provide services to a total of 18.4 million homes. This Virgin telco expansion outside the Group's current markets of the Basque Country, Galicia and Asturias (where the

¹Source: Euskaltel Group market statistics for the past four years.

Euskaltel, R and Telecable brands are used), is at the core of the Group's 2020-2025 Business Plan. Euskaltel Group expects that by 2025, half of its customers will be from the Virgin telco territories. The company is also aiming nearly to double its 2019 revenues - from €685 million to €1.3 billion, with 40% (i.e. around €520m) of this final amount coming from the Virgin telco business.

Accessible communications for everyone

Virgin telco is ready to shake up the telecommunications sector. Its value proposition is based on two strong pillars: the globally recognised Virgin brand which is highly respected in Spain standing for innovation and customer experience coupled with Euskaltel's market expertise, focus on quality and value-driven services.

Euskaltel CEO José Miguel García explained: "We will transform communications to be more open, simpler and more accessible for everyone. In this market there is still a lack of affordable convergent services. Virgin telco responds by breaking the status quo of traditional fixed packages, which do not add value and which inflate the final cost. We are offering a different approach which adapts to the needs of new digital households and differing customer requirements. Customers can simply choose exactly what they really want: its a reality and it starts now with Virgin telco".

'Choose exactly what you want and don't pay for what you don't use. As simple as that', is a key messages of the Virgin telco launch campaign. CMO Koldo Unanue added: "Until today, putting together an internet, fixed, mobile and TV package was a good idea, but being forced to pay exorbitant prices for services you do not want was not. This is where Virgin telco breaks the mould, because finally we respect consumers, who know perfectly well what they do and don't need. We are committed to flexibility, simplicity and great value and to providing a quality digital experience for all customers".

Quick and simple to connect

You can sign up for Virgin telco services in under 3 minutes through the highly intuitive website. Services can also be accessed by telephone, dialling 1511. Regardless of customers' preferred service combinations, Virgin telco offers highly competitive prices. Examples for residential customers include:

- Mobile with unlimited calls and 20GB data for €6/month, or unlimited calls and data for €29/month
- Landline with unlimited calls to landlines and 100 minutes to mobiles for €6/month
- Premium digital TV service with 4K set top box for €8/month
- 300Mb internet broadband for €33/month
- Grouping all these products together creates a €53/month bundle, the best value quality quad-play service on the Spanish market.

Services adapted to every need

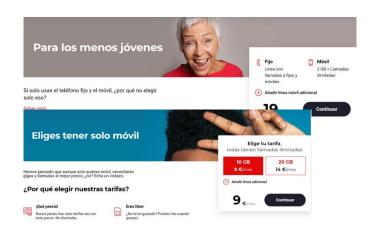
Virgin telco has not forgotten about the senior customers who may not have internet at home and pay a high price for landline and mobile services. They often have to limit the number of calls they make as they pay a connection charge for each call.

For this group, Virgin telco offers a landline for €12/month, including all calls to landlines and mobiles. There is also a mobile service with unlimited calls and 2GB data for "whatsapping" for just €7/month. This combination offers peace of mind for the older generation, as well as significant savings on their monthly bills.

And for those who for whatever reason have decided to use only their mobile, Virgin telco launches the most competitive rate: unlimited calls and 10GB of data for just €9/month, without having to combine with any other product.

For more detailed information on products and pricing and to see a demo of how easy it is to sign-up online, click here.





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