

ZEGONA COMMUNICATIONS PLC (“Zegona”)

ZEGONA STRIKES INNOVATIVE TELEFONICA DEAL FOR MOBILE GROWTH

Deal boosts Telecable mobile offering with 4G and enhanced data tariffs

7 November 2016

Zegona, the LSE Main Market company established to acquire and operate businesses in the European Telecommunications, Media and Technology sector, announces that its operating business, Telecable, has entered into a new mobile access agreement with Telefonica in Spain which will replace the current arrangement with Vodafone. This new long-term agreement provides access to Telefonica's full range of mobile technologies, including 4G data services, on highly attractive terms. It will also enable Telecable to offer significantly improved mobile data services to its customers.

The agreement creates a long-term partnership between Telecable and Telefonica, and its new innovative structure ensures that Telecable will be able to offer its customers further upgrades in service as their demand for mobile data continues to grow. Telecable expects to migrate its customers to the new service during the first six months of 2017.

Increasing mobile penetration is a core component of Zegona's strategy for further improving the operational and financial performance of Telecable and this new relationship will greatly help Telecable to deliver mobile growth. The improved economics provided by the new Telefonica mobile access agreement, plus the availability of 4G services, will enable Telecable to upgrade its mobile offers for its customers while protecting mobile margins. Zegona believes that growing mobile penetration drives sustainable operational and financial returns by reducing churn, increasing ARPU and improving customer lifetime value.

Commenting on the agreement, Eamonn O'Hare, CEO and Chairman of Zegona said: "This innovative agreement, with its redesigned economics, gives Telecable access to the highest quality mobile network in Spain and enables us to offer our customers a market leading mobile service, including high speed 4G data. We are excited by the opportunity this creates for Telecable to accelerate the growth of its business while also improving its financial returns."

For further information:

Matt Ridsdale / Mike Bartlett
Tavistock
Tel: 020 7920 3150

Notes to Editors:

About Zegona

Zegona was established with the objective of acquiring businesses in the European Telecommunications, Media and Technology sector with a 'Buy-Fix-Sell' strategy to deliver attractive shareholder returns. Zegona is listed on The London Stock Exchange's Main Market and is led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson.

Zegona's first acquisition was the €640 million purchase of Telecable, the leading quad-play cable telecommunications operator in the Asturias region of Spain, completed in August 2015.