

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO US PERSONS OR IN OR INTO THE UNITED STATES, OR INTO OR FROM CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR AUSTRALIA.

For release 7 a.m. on 22 June 2016

Zegona Communications plc

Zegona Terminates Yoigo Negotiations

Following our announcement earlier this week and the subsequent news that MASMOVIL has signed an agreement to acquire 100% of the shares of Xfera Móviles S.A. ('Yoigo'), the Zegona Board confirms that it has terminated all discussions on the Yoigo transaction with immediate effect.

The Yoigo transaction was complex. As communicated earlier this week, any Yoigo transaction required the agreement of all four shareholders individually and in aggregate. Zegona conducted significant due diligence, had 100% underwritten financing and reached agreement with TeliaSonera within the original exclusivity period. TeliaSonera also provided assurances that it would take all reasonable actions to gain agreement from Yoigo's minority shareholders and extended the exclusivity period several times to facilitate this objective. However, negotiations with Yoigo's minority shareholders¹ were protracted and ultimately inconclusive.

Zegona has a disciplined approach to valuation. It is our understanding that MASMOVIL has agreed an equity value at least 35% higher² than Zegona's offer. Zegona's valuation was based on significant synergies with Telecable, but also reflected several challenges within the Yoigo business. While we had developed robust solutions for each of these challenges, ultimately we were only prepared to acquire Yoigo at the right price given our disciplined valuation approach and focus on shareholder returns.

Zegona disengaging to focus on other opportunities. Although the MASMOVIL transaction is still dependent upon its ability to secure significant debt and equity financing, the Zegona Board considers that it is in the best interest of shareholders that we disengage to focus on other opportunities. As we look across the broader European TMT landscape, we see many attractive targets for additional acquisitions and we will evaluate those transactions which satisfy our disciplined financial criteria. In addition, our existing Telecable business continues to deliver strong financial performance and is well positioned for further industry consolidation in Spain.

A Q1 2016 Telecable trading update will be released later today.

Zegona's shares will be re-admitted to trading as soon as reasonably possible.

¹ Yoigo shareholders:

- TeliaSonera: 76.56%
- ACS: 17%. Publicly listed Spanish construction and infrastructure services business
- FCC: 3.44%. Publicly listed Spanish construction and infrastructure services business. Controlled by Inversora Carso, Carlos Slim's Mexican holding company
- Abengoa: 3%. Publicly listed Spanish property business

² Up to 58% higher depending on final value of €96m earn-out

For further information, please contact:

Tavistock (Public Relations adviser)

Tel: +44 (0)20 7920 3150

Matt Ridsdale - matt.ridsdale@tavistock.co.uk

Lulu Bridges - lulu.bridges@tavistock.co.uk

Mike Bartlett - mike.bartlett@tavistock.co.uk

This announcement, and the information contained therein, is not for viewing, release, distribution or publication, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa, Japan, or any other jurisdiction where applicable laws prohibit its release, distribution or publication, and will not be made available to any national, resident or citizen of the United States, Canada, Australia, the Republic of South Africa, or Japan. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this document comes must inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the federal securities law of the United States and the laws of other jurisdictions.

Forward-looking Statements

Certain statements in this Announcement are forward-looking statements which are based on Zegona's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, Zegona undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this Announcement is subject to change without notice and Zegona does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.