

Euskaltel signs agreement to use Virgin brand for National Expansion

- **Virgin brand key component of plan to expand into 85% of the Spanish market where the company is not present today**
- **Virgin is well known in Spain and used by more than 15 million telecoms customers worldwide**
- **Combination of Euskaltel's existing operating capabilities and Virgin's powerful brand will drive the creation of a leading national operator**

Bilbao, February 12th, 2020. Euskaltel today announced it has signed a trademark licence agreement with Virgin Group to use the Virgin brand in Spain to drive its National Expansion strategy.

The signing of this agreement represents a major milestone for Euskaltel. With improved wholesale access agreements already signed in December 2019, Euskaltel now has all the key elements required for its National Expansion strategy. Virgin will take Euskaltel into the 85% of the Spanish market where it is not present today. This will enable customers in these regions to benefit from great value, high quality quad-play services, leveraging Euskaltel's existing advanced capabilities. Using the Virgin brand will accelerate growth in this untapped market for Euskaltel.

Virgin is one of the world's most recognised and respected brands and has over 75% consumer awareness¹ in Spain. It has a hard-earned reputation for delivering extraordinary customer experience and innovation, and a focus on changing business for good. Conceived in 1970 by Sir Richard Branson, the Virgin Group has gone on to grow successful businesses in telecoms, travel, transportation, financial services, leisure, entertainment and health. Currently, there are more than 60 Virgin businesses in 35 countries and Virgin has over 15 million telecoms customers worldwide. Key countries include the United Kingdom, the United States, France, Australia and various Spanish-speaking countries such as Mexico, Colombia and Chile.

The Virgin brand will coexist alongside Euskaltel's three established brands; Euskaltel, Telecable and R, which will continue to provide market-leading services in each of their respective regions. Euskaltel believes the combination of its strong existing regional brands with Virgin used on a national basis will bring excellent opportunities for growth.

On signing the agreement, José Miguel García, Chief Executive Officer of Euskaltel, said: *“The Virgin brand will be a major asset for Euskaltel as we expand our business into the rest of Spain. Virgin represents the great customer service, value and reliability that are central to our National Expansion strategy. We are convinced that Virgin is the right brand to drive growth and value in our business as we expand into the 85% of the Spanish market where we are not yet present.”*

Virgin Group CEO Josh Bayliss comments: *“The Euskaltel Group is a market leader in Spain, known for its excellent service and innovation in the telecoms sector. These are qualities on which we pride ourselves at Virgin, making us confident Euskaltel is the perfect partner with whom to launch Virgin telecoms services in Spain.”*

[1 Source: Research Now Ltd market research]

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