

20 June 2016

## **Zegona Communications plc**

# **Update on Yoigo Transaction**

Following the announcement on 1<sup>st</sup> June that our exclusivity period with TeliaSonera has expired, the Board of Zegona has now decided to provide an update to shareholders on the Yoigo transaction.

Despite Zegona reaching agreement with TeliaSonera within the original exclusivity period and having fully agreed documentation and 100% underwritten financing, discussions with Yoigo's minority shareholders<sup>1</sup> have not led to a full agreement.

In addition, the Zegona Board has been notified that there is another bidder interested in acquiring Yoigo. It is our understanding that this new bidder is willing to offer a price higher than that which Zegona considers to be fair and reasonable given the status of the business, our disciplined approach to valuation and our focus on shareholder returns. However, this higher offer is still conditional on due diligence, fully agreed documentation and the ability to secure significant financing.

Given the current uncertainty of this new bid and our expectation of greater clarity within a relatively short period, the Board considers it is in the best interest of shareholders that Zegona remains engaged in the Yoigo transaction. It is our intention to progress this transaction as we continue to evaluate the many attractive opportunities for additional acquisitions across the broader European TMT landscape.

<sup>1</sup> The Yoigo shareholder structure is complex and any transaction requires the agreement of all four shareholders individually and in aggregate. The Yoigo shareholders are:

- TeliaSonera: 76.56%
- ACS: 17%. Publicly listed Spanish construction and infrastructure services business
- FCC: 3.44%. Publicly listed Spanish construction and infrastructure services business
- Abengoa: 3%. Publicly listed Spanish property business

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