



2015 full year results















2015 has been a transformational year for Euskaltel...

Organic growth recovery on the back of successful initiatives

- Tangible momentum achieved in residential segment through pricing, up-selling and cross-selling offering further tangible upside
- Stabilisation and initial recovery of the business segment
- Sustained EBITDA margin and superior cash-flow conversion ratio backed by efficient cost management and disciplined growth-driven capex
- Successful IPO of the company
- Key historic milestone for Euskaltel
- Successful market reception backed by high-profile institutional investor base
- Completion of the transformational acquisition of R Cable
- Consolidation of 85% of the independent cable business of the North of Spain
- Fully complementary and well-invested platforms
- Strong potential for best-practice sharing

- Efficient and optimised capital structure in place to support further growth
- Attractive long-term financing terms achieved with high profile financial institutions
- Strong liquidity profile with back-loaded amortising profiles
- BB- (S&P) and B1 (Moody's) ratings achieved

- Defined strategy with initiatives in place to drive the enlarged Euskaltel to the next level
- R Cable integration and synergies on track
- Initial roll-out own 4G/LTE network
- Ongoing development of new initiatives



... and we delivered accordingly to our announced strategy

Announced strategy for

Euskaltel

Drive bundling to grow ARPU and reduce churn

Bundle

Mobility

High-speed access everywhere

Customer growth

Capture latent demand for fiber in underserved areas

Efficiency

- Benefit from bestpractices sharing
- Maintain best-in-class margins
- Superior cash conversion

Key achievements in Euskaltel

Broadband

- 79% of Euskaltel customers with speeds above 50Mbps
- Launch of up to **350Mbps** product offering

TV

- Development 4K decos with HD, interactive and other high value offerings
- Launch of new functionalities (network PVR, start over, time shift)
- Already 48% of total fixed subs are TV subscribers

WiFi

WiFi Kalean: 120k
hotspots capturing 20% of
mobile traffic

Mobile

- #1 in post-paid mobile with 25% market share¹
- Launch of own 4G service in October
- 8 operating sites as of end of 2015

TV

TV everywhere (EDONON)

Network growth

More than 10k homes out of the 51k target already provisioned

Residential segment

- +3.8k Broadband RGUs and +7.2k Pay TV RGUs
- Active churn management to mitigate loss of football content

Corporate segment

- Launch of Euskaltel Pro
- Development of value-added cloud and security services
- Network deployment in industrial sites

Commercial channel

- "Online first" strategy yielding results: 26% growth in online customer care and 55% of subscribers with webusername
- Improved tele-sales efficiency (22% growth)
- Disciplined capex strategy (c.14%)

Interconnection costs

Ability to maintain costs with increasing data usage

Organisation

Specific integration plans under implementation

KPIs Dec-15 (EKT standalone)

65% of 3P/4P subscribers 3.4x RGU/sub

66.4% mobile penetration

11.5% RGU growth

48.2% EBITDA margin 70.4% Cash flow conversion

Note:

1. Source: Kantar Worldpanel







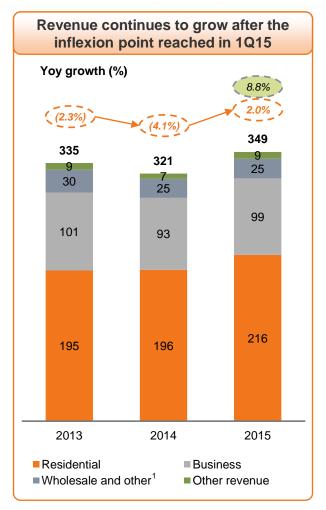
Summary of FY2015 Financial Performance

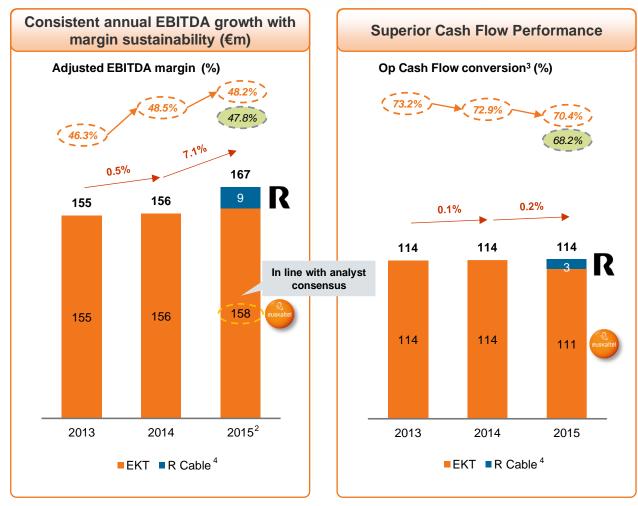
Notes to the financial information presented in this document

- √ On November 27th, 2015, Euskaltel acquired 100% of the shares in R Cable y Telecomunicaciones Galicia, S.A.
- Since that date, a new accounting group including both companies was created. Therefore, FY2015 consolidated financial information included in this document is presented following Euskaltel's accounting principles regarding consolidation requirements
- As a result, the FY2015 consolidated financials comprise Euskaltel FY2015 standalone and R Cable from 27-November-2015 to 31-December-2015. Where appropriate, the contribution of R Cable to the results of Euskaltel is highlighted separately
- For further detail on R Cable standalone operating performance, please refer to the appendices on which individual KPIs and key financial data for each of Euskaltel and R Cable are presented



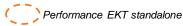
A snapshot of Euskaltel's 2015 results







Performance consolidating R Cable since 27-Nov-2015

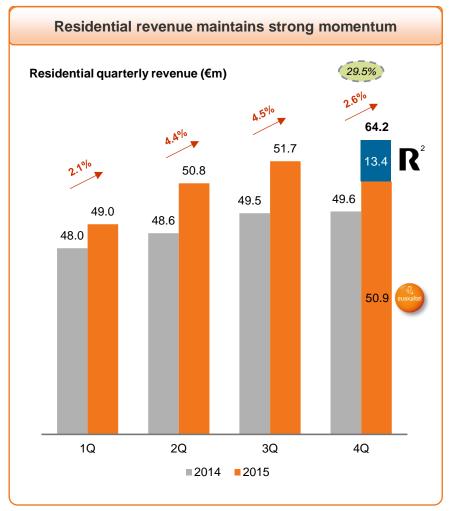


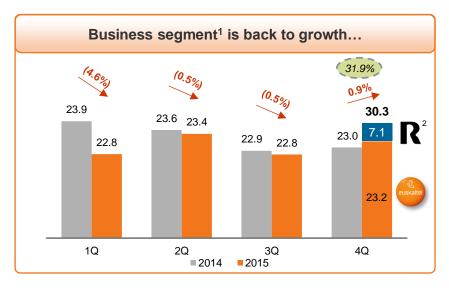
Notes:

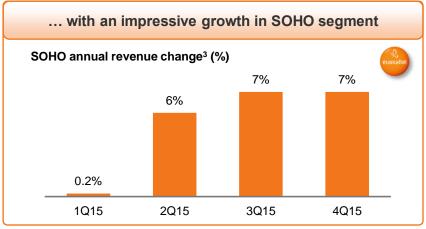
- Includes RACC, services to Telecable, other corporate revenue and TREI
- 2015 EBITDA adjusted to exclude costs related to the IPO process, debt cancellation and acquisition of R Cable (c.€15.4m)
- 3. OpCF conversion defined as (EBITDA-capex)/EBITDA
- 2015 figures include one month of R Cable (December-2015)



Solid growth in residential and attractive recovery in business segment







Note:

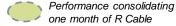
. Includes SOHO, SME s and Large Accounts

2. 2015 figures include one month of R Cable (December-2015)

3. EKT standalone figures

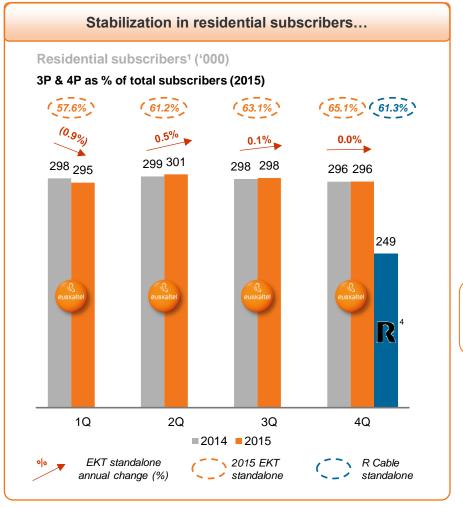


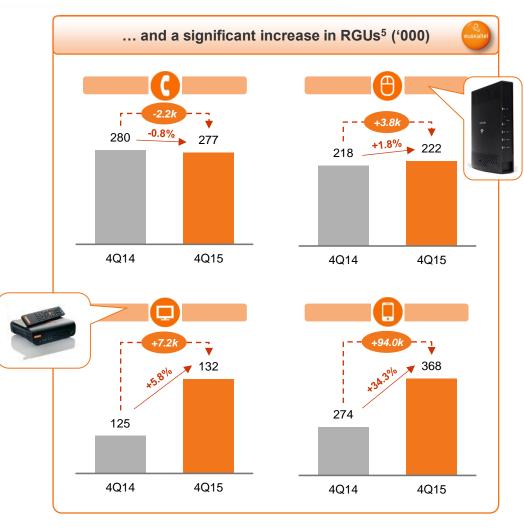
EKT standalone annual change (%)





Continued momentum in the residential segment... (1/2)



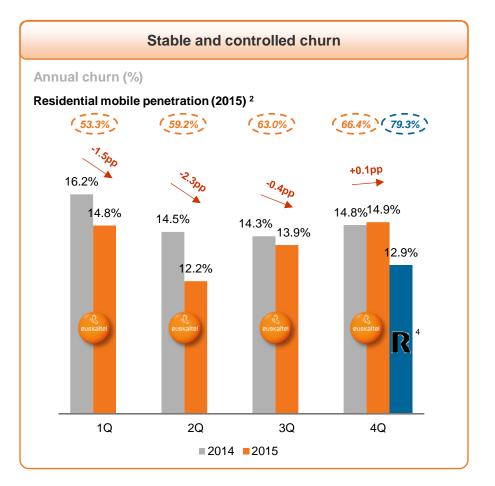


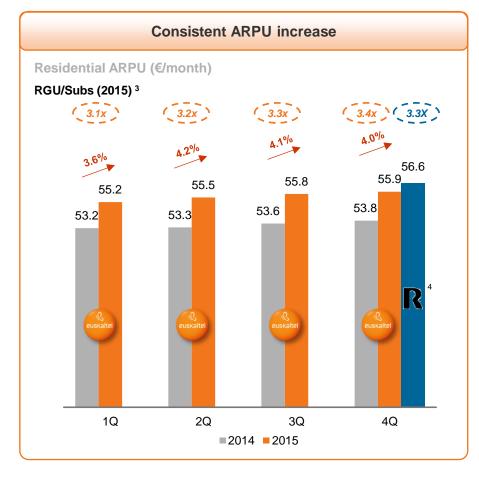
Notes:

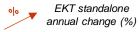
- 1. Includes mobile-only subscribers
- 2. Residential subscribers with mobile (excluding mobile-only subscribers) as percentage of total fixed subscribers
- 3. Total RGUs (incl. mobile-only) / total subs (incl. mobile-only)
- 4. R Cable data as of Dec-15
- 5. EKT standalone RGUs (does not include R Cable)



Positive momentum in the residential segment... (2/2)









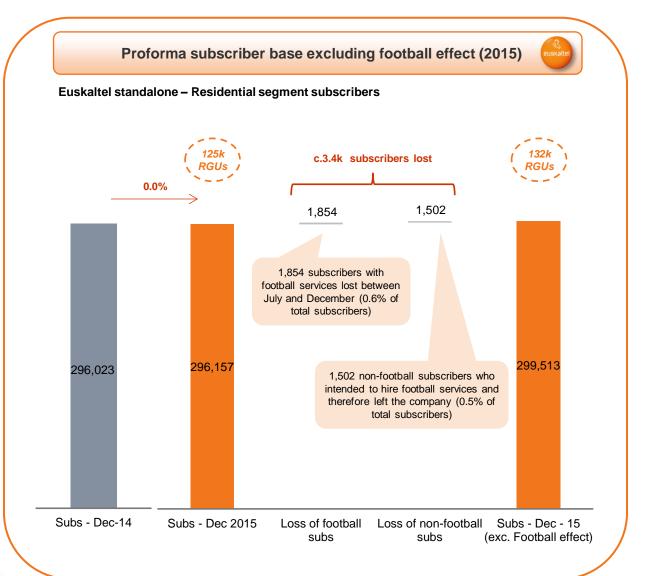


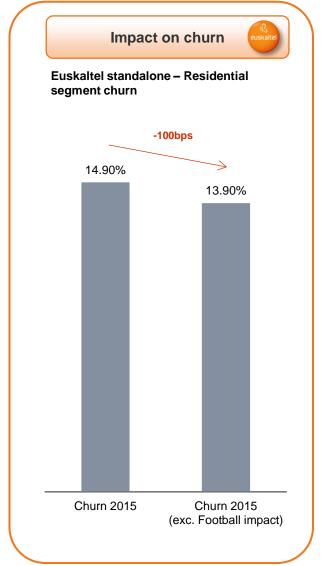
Notes:

- Includes mobile-only subscribers
- 2. Residential subscribers with mobile (excluding mobile-only subscribers) as percentage of total fixed subscribers
- 3. Total RGUs (incl. mobile-only) / total subs (incl. mobile-only)
- R Cable data as of Dec-15



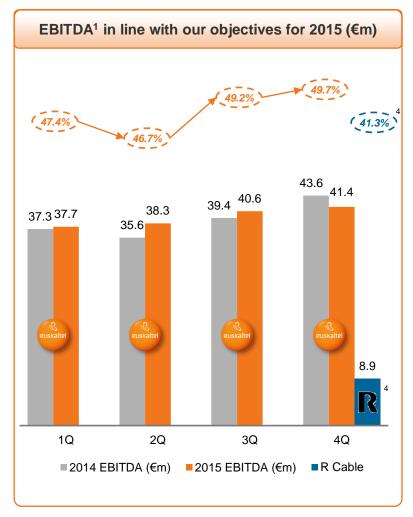
Limited impact of decision not to acquire football content

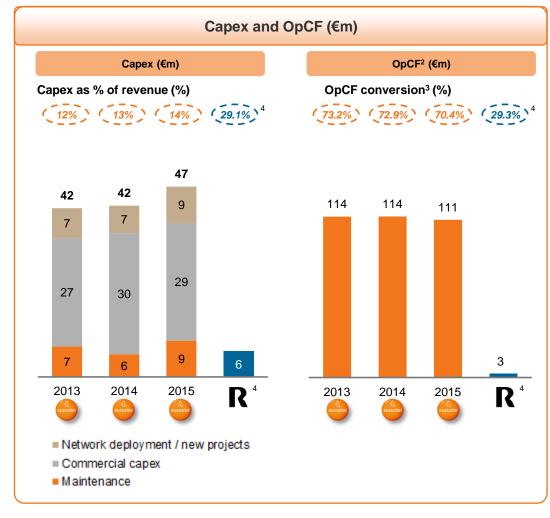






Efficient operations driving superior cash flow conversion





Note:

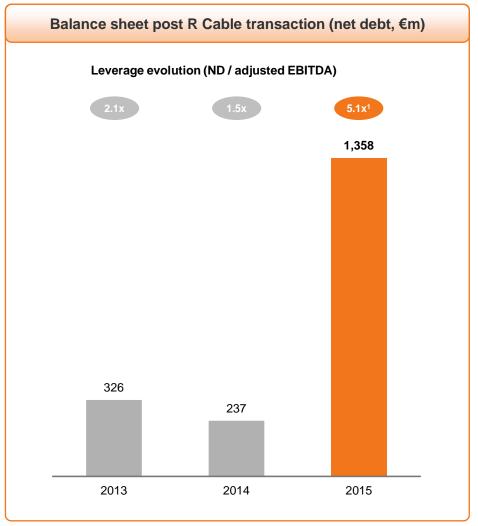
- 2015 EBITDA adjusted to exclude costs related to the IPO process, debt cancellation and acquisition of R Cable (c.€15.4m)
- OpCF defined as EBITDA capex
- 3. OpCF conversion defined as (EBITDA capex) / EBITDA
- 4. R Cable data refers to one month (December 2015)

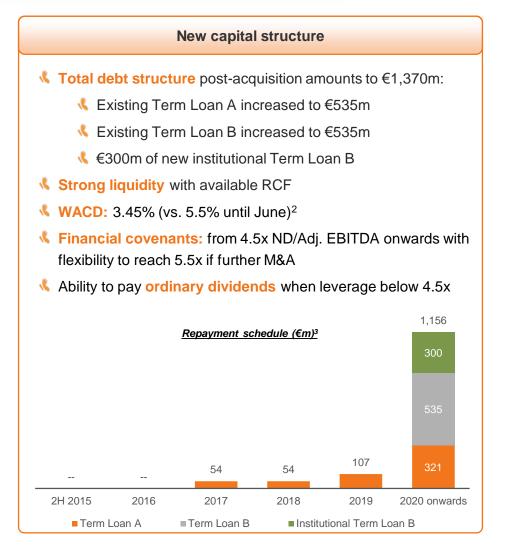






Balance sheet: long-term financing structure in place with strong liquidity profile





Notes:

- 1. 2015 leverage based on adjusted 2015 annual EBITDA of Euskaltel (€158.1m) and R Cable (€108.6m) excluding potential synergies
- 2. WACD calculated assuming proforma ND/EBITDA adjusted for synergies (<5.0x)
- Excludes c.€10m debt related to R Cable







Update on the integration plan and strategy

The starting point: 85% of the independent cable of the north side of Spain



Key consolidated metrics (2015)

- Addressable market(population in millions)c.5.0
- Revenue (€m): c.570
- Adj. EBITDA (€m): c.265
- Operating cash flow (€m): c.165

Efficiency Bundle Mobility Customer growth 70% 32% 65,1% 79.3% 26% 49% 48% 66.4% 61,3% R R R R R **EBITDA** Cash-flow Residential mobile penetration Residential penetration 3P & 4P as % of total Margin conversion subscribers (2015) (2015)2015 2015

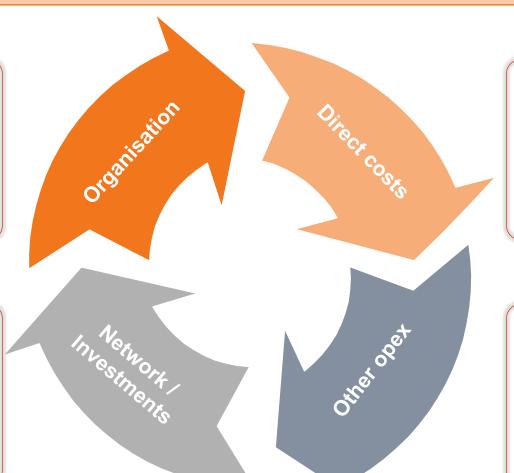


Update on the integration plan

€300m NPV of synergies on track with 22 integration projects already under-way

- Cultural integration plans ongoing
- Appointment of Group CIO, CTO and Innovation Director
- Integration of CRM platforms to optimise processes

- Expected launch of 4G Network in Galicia by mid 2016
- Network integration and O&M optimisation program on-track



- Mobile host initial agreement already signed
- Renegotiation started with other key suppliers (content, technology)

- Commercial bestpractices sharing
- SAC optimisation
- Mobile and handset policy unification
- Customer care best practices sharing



Our mid term objectives are reconfirmed by the results of our strategy

Bundle Mobility Customer growth Efficiency Neliver synergies according to plan No Drive bundling to Capture latent demand Benefit from best-High-speed access grow ARPU and for fiber in underserved practices sharing everywhere reduce churn areas Maintain best-in-class margins and superior cash conversion Increase Adjusted \$ >€60 ARPU **EBITDA** margin up 30-35% residential to 50% ~75% 3P/4P penetration rate Converge on capex penetration **Medium-term** ~75% mobile / revenue ratios of targets penetration both companies (14-Market share gain in Active churn 15%) all products and management Neliver 100% of segments (c.12%) synergies by end of 2017

Shareholder distribution expected to start in FY2017 out of net income for FY2016

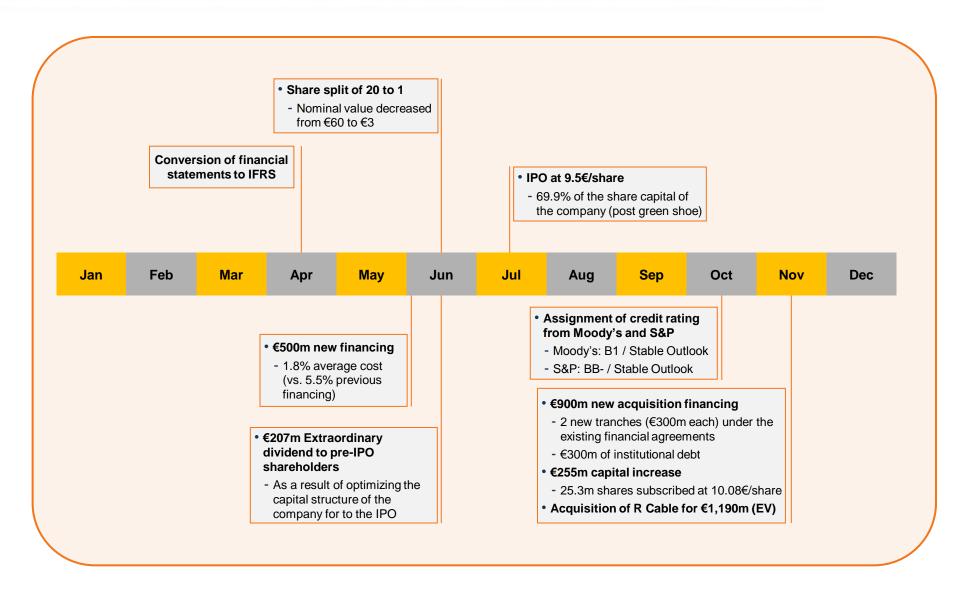






Closing remarks

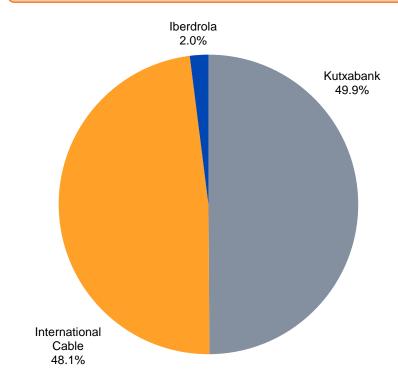
Key transformational milestones happened during the year





Shareholding structure evolution

December 2014 (Pre-IPO)

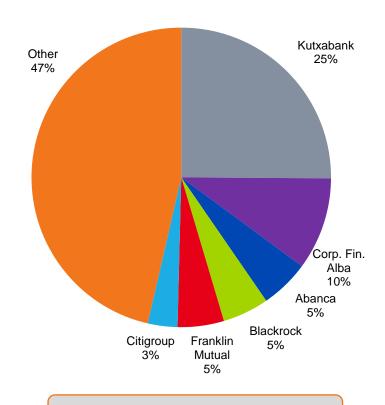


Private Company

Source: CNMV as of 24-February-2016 **Note:**

1. Based on voting rights as of 24-February-2016

Current shareholding structure¹ (Post-IPO)

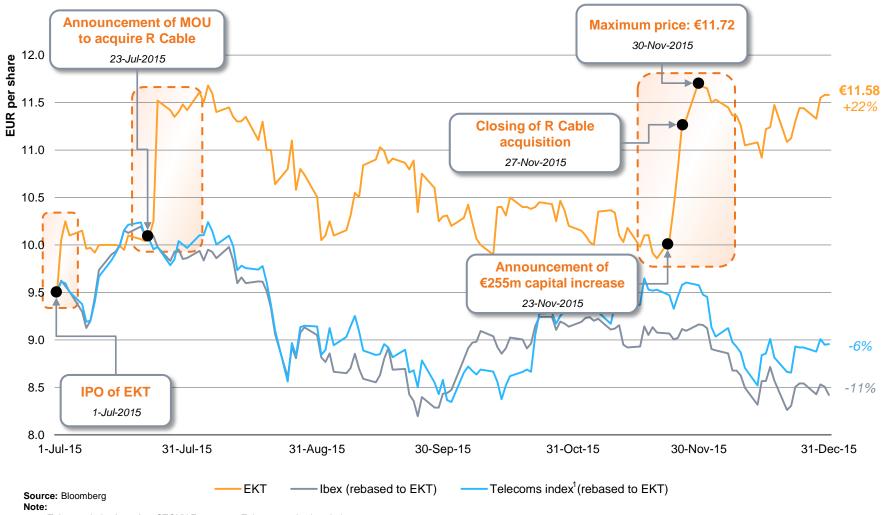


Listed company – Market Cap: c.€1.5bn



Positive market reception of the IPO and R Cable acquisition

In FY15, since the IPO date, EKT has significantly outperformed the Spanish index Ibex-35 (+22% vs. -11%) with a very positive reception of the acquisition of R Cable

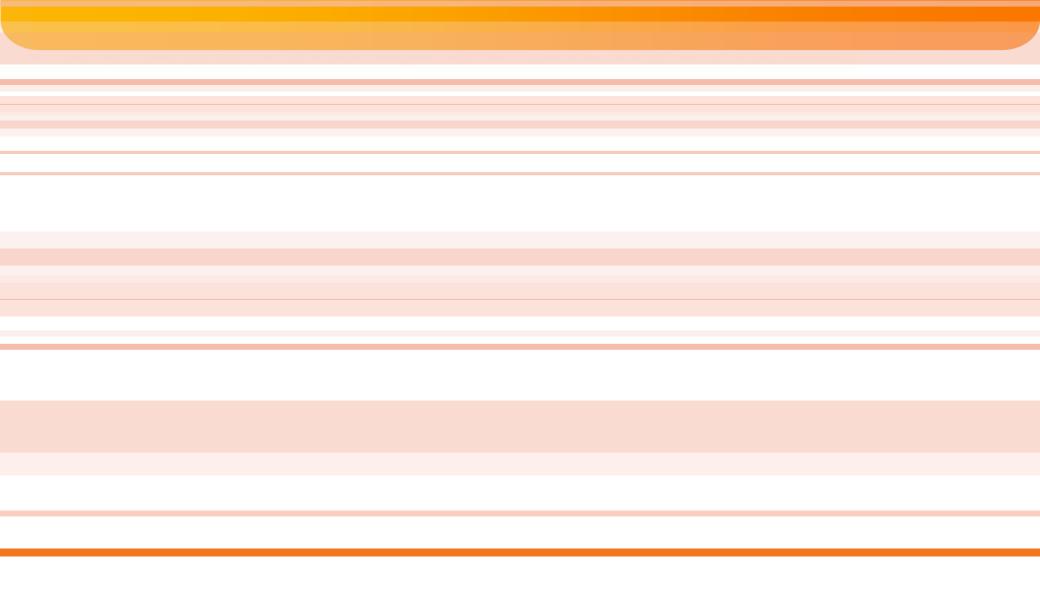




1. Telecoms index based on STOXX Europe 600 Telecommunications index

"Thank you for your support. Our journey has just started"







Appendix I - Euskaltel FY2015 consolidated results and KPIs

Euskaltel FY 2015 consolidated results

Key financials for the fiscal years ended December 31st, 2015 and 2014

				<u>2015 Adj</u>	usted vs
<u>€m</u>	<u>2015</u>	2015 Ajusted (**)	<u>2014</u>	<u>2014</u>	<u>%2014</u>
Total Revenue	349.4	349.4	321.2	28.2	8.8%
Residential	215.7	215.7	195.7	20.0	10.2%
Business	99.3	99.3	93.4	5.9	6.3%
Wholesale & Other	25.4	25.4	25.2	0.2	0.8%
Other (*)	8.9	8.9	6.9	2.0	29.5%
EBITDA	151.6	167.0	155.9	11.1	7.1%
Ebitda Margin (%)	43.4%	47.8%	48.5%	-0.7 pp	
OpFCF	98.4	113.8	113.6	0.3	0.2%
Conversion rate (%)	64.9%	68.2%	72.9%	-4.7 pp	
Net income	7.2	49.6	(**) 42.4	7.2	16.9%
Net Financial Debt	1,358.3		236.9	1,121.3	

^(*) Profit neutral operations



^(**) Excluded costs related to the IPO process, debt cancellation and the acquisition of R Cable.

Euskaltel consolidated - KPIs (i/ii)

Residential												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Homes passed	#	863,461	866,716	869,900	867,532	868,217	868,908	869,900	872,053	873,254	876,937	1,699,073
Household coverage	%	84%	84%	85%	84%	85%	85%	85%	85%	85%	85%	65%
Residential subs	#	305,761	298,495	296,023	298,178	299,375	297,713	296,023	295,360	300,751	298,419	545,502
o/w fixed services	#	287,457	284,105	279,212	283,507	283,812	281,362	279,212	278,051	282,890	279,353	471,664
as % of homes passed	%	33.3%	32.8%	32.1%	32.7%	32.7%	32.4%	32.1%	31.9%	32.4%	31.9%	27.8%
o/w mobile only subs	#	18,304	14,390	16,811	14,671	15,563	16,351	16,811	17,309	17,861	19,066	73,838
o/w 1P (%)	%	26.5%	23.1%	17.8%	22.4%	17.8%	17.9%	17.8%	17.6%	17.3%	17.5%	21.9%
o/w 2P (%)	%	41.2%	35.8%	26.9%	34.2%	29.6%	28.3%	26.9%	24.8%	21.5%	19.3%	14.8%
o/w 3P (%)	%	26.4%	31.8%	35.0%	32.6%	33.9%	34.6%	35.0%	35.5%	36.6%	36.6%	29.6%
o/w 4P (%)	%	6.0%	9.4%	20.3%	10.8%	18.7%	19.2%	20.3%	22.1%	24.6%	26.5%	33.7%
Total RGUs	#	719,033	769,036	896,077	784,713	870,852	884,226	896,077	918,120	968,023	982,290	1,809,720
RGUs / sub	#	2.4	2.6	3.0	2.6	2.9	3.0	3.0	3.1	3.2	3.3	3.3
Residential churn fixed customers	%	17.2%	14.8%	14.8%	16.2%	14.5%	14.3%	14.8%	14.8%	12.2%	13.9%	14.8%
Global ARPU fixed customers	€/month	54.3	53.3	53.8	53.2	53.3	53.6	53.8	55.2	55.5	55.8	56.0
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Fixed Voice RGU's	#	287,042	284,311	279,691	283,709	284,163	281,707	279,691	278,516	283,341	279,792	467,181
as% fixed customers	%	99.9%	100.1%	100.2%	100.1%	100.1%	100.1%	100.2%	100.2%	100.2%	100.2%	99.0%
BB RGU's	#	209,092	215,520	217,726	217,313	219,480	218,532	217,726	218,391	224,361	222,288	389,456
as% fixed customers	%	72.7%	75.9%	78.0%	76.7%	77.3%	77.7%	78.0%	78.5%	79.3%	79.6%	82.6%
TV RGU's	#	50,177	56,992	124,754	61,390	129,876	126,774	124,754	124,729	127,660	127,802	250,191
as% fixed customers	%	17.5%	20.1%	44.7%	21.7%	45.8%	45.1%	44.7%	44.9%	45.1%	45.7%	53.0%
Postpaid lines	#	172,722	212,213	273,906	222,301	237,333	257,213	273,906	296,484	332,661	352,408	702,892
Postpaid customers	#	104,801	126,016	153,939	132,538	139,833	146,826	153,939	165,411	185,203	194,926	412,247
as% fixed customers (only mobile excluded)	%	30.1%	39.3%	49.1%	41.6%	43.8%	46.4%	49.1%	53.3%	59.2%	63.0%	71.7%
Mobile lines / customer	#	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.7
SOHO												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Subs	#	45,637	46,317	47,038	46,474	46,993	46,907	47,038	47,136	47,932	47,775	88,163
o/w 1P (%)	%	37.8%	35.0%	32.7%	34.7%	33.7%	33.4%	32.7%	32.1%	30.3%	29.7%	28.5%
o/w 2P (%)	%	31.0%	29.9%	26.1%	29.1%	26.7%	26.9%	26.1%	23.9%	21.9%	20.4%	27.0%
o/w 3P (%)	%	27.2%	30.0%	31.1%	30.6%	29.6%	29.9%	31.1%	32.9%	35.2%	36.9%	33.9%
o/w 4P (%)	%	3.9%	5.1%	10.2%	5.6%	10.0%	9.9%	10.2%	11.1%	12.6%	13.0%	10.6%
Total RGUs	#	125,772	133,079	143,472	134,317	140,675	140,807	143,472	147,585	155,881	158,589	278,314
RGUs / sub	#	2.8	2.9	3.1	2.9	3.0	3.0	3.1	3.1	3.3	3.3	3.2
Global ARPU Fixed customers	€/month	72.0	68.2	65.0	66.3	65.7	65.2	65.0	64.4	65.1	65.4	65.3
SMEs and Large Accounts												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Customers	#	5,291	5,251	5,094	5,198	5,162	5,134	5,094	5,041	5,072	5,053	11,518



Euskaltel consolidated - KPIs (ii/ii)

Selected financial data				
	Unit	2012	2013	2014
Total revenues	€m	342.8	334.9	321.2
Y-o-y change	%		-2.3%	-4.1%
o/w residential	€m	201.3	195.4	195.7
Y-o-y change	%		-2.9%	0.2%
o/w Business	€m	102.8	101.2	93.4
Y-o-y change	%		-1.6%	-7.7%
o/w Wholesale and Other	€m	28.9	29.7	25.2
Y-o-y change	%		2.8%	-15.1%
o/w Other Profit Neutral Revenues	€m	9.8	8.6	6.9
Y-o-y change	%		-12.3%	-19.9%
Adjusted EBITDA	€m	134.7	155.1	155.9
Y-o-y change	%		15.2%	0.5%
Margin	%	39.3%	46.3%	48.5%
Capital expenditures	€m	-119.2	-41.5	-42.2
Y-o-y change	%		-65.2%	1.7%
% total revenues	%	-34.8%	-12.4%	-13.1%
Operational Free Cash Flow	€m	15.5	113.6	113.6
Y-o-y change	%		632.9%	0.0%
% EBITDA	%	11.5%	73.2%	72.9%

			Quarter				
1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
79.6	79.9	79.5	82.2	79.6	82.1	82.7	105.0
				0.0%	2.7%	4.0%	27.7%
48.0	48.6	49.5	49.6	49.0	50.8	51.7	64.2
				2.1%	4.4%	4.5%	29.5%
23.9	23.6	22.9	23.0	22.8	23.4	22.8	30.3
				-4.8%	-0.5%	-0.5%	31.9%
6.1	5.7	5.5	7.9	5.6	5.6	6.2	8.1
				-8.2%	-2.9%	12.5%	2.3%
1.6	2.0	1.6	1.7	2.2	2.3	2.0	2.3
				41.8%	18.0%	24.5%	36.3%
37.3	35.6	39.4	43.6	37.7	38.3	40.6	50.3
				1.2%	7.6%	3.2%	15.3%
46.8%	44.6%	49.5%	53.0%	47.4%	46.7%	49.2%	47.9%
-7.8	-10.3	-7.8	-16.4	-9.1	-9.2	-10.3	-24.6
				17.0%	-10.4%	32.0%	50.0%
-9.7%	-12.9%	-9.8%	-19.9%	-11.4%	-11.2%	-12.4%	-23.4%
29.5	25.3	31.6	27.2	28.6	29.1	30.4	25.7
				-3.0%	14.9%	-3.8%	-5.5%
79.2%	71.1%	80.2%	62.4%	75.9%	76.0%	74.7%	51.2%

5	2014	2015
0	321.2	349.4
ó		8.8%
2	195.7	215.7
ó		10.2%
3	93.4	99.3
ó		6.3%
1	25.2	25.4
ó		0.8%
3	6.9	8.9
ó		29.5%
3	155.9	167.0
ó		7.1%
ó	48.5%	47.8%
6	-42.2	-53.1
ó		25.9%
ó	-13.1%	-15.2%
7	113.6	113.8
ó		0.2%
ó	72.9%	68.2%







Appendix II – Euskaltel standalone results and KPIs

Euskaltel standalone – KPIs (i/ii)

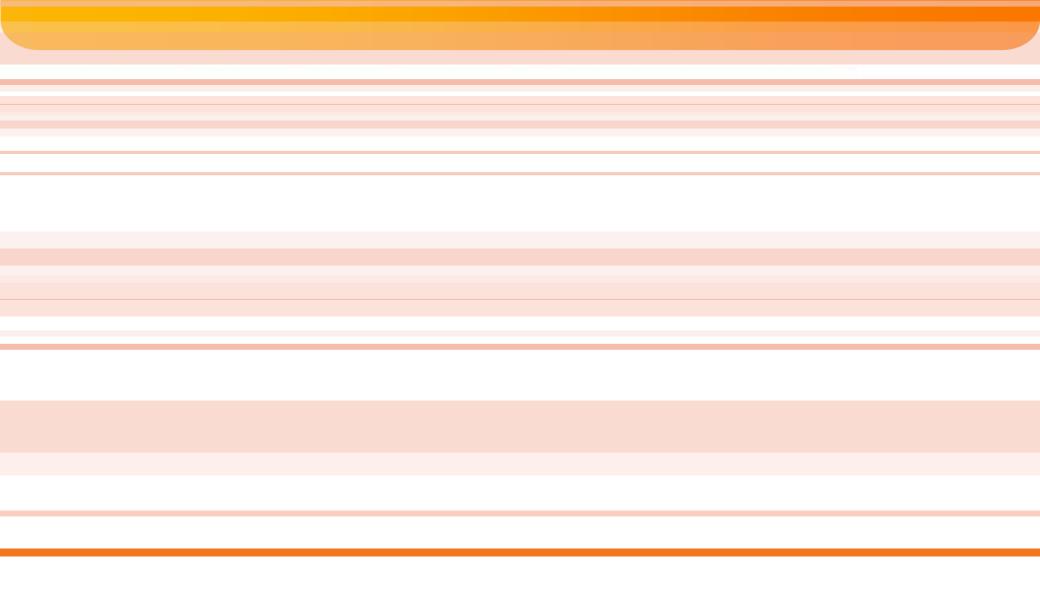
Residential												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Homes passed	#	863,461	866,716	869,900	867,532	868,217	868,908	869,900	872,053	873,254	876,937	879,219
Household coverage	%	84%	84%	85%	84%	85%	85%	85%	85%	85%	85%	86%
Residential subs	#	305,761	298,495	296,023	298,178	299,375	297,713	296,023	295,360	300,751	298,419	296,157
o/w fixed services	#	287,457	284,105	279,212	283,507	283,812	281,362	279,212	278,051	282,890	279,353	276,959
as % of homes passed	%	33.3%	32.8%	32.1%	32.7%	32.7%	32.4%	32.1%	31.9%	32.4%	31.9%	31.5%
o/w mobile only subs	#	18,304	14,390	16,811	14,671	15,563	16,351	16,811	17,309	17,861	19,066	19,198
o/w 1P (%)	%	26.5%	23.1%	17.8%	22.4%	17.8%	17.9%	17.8%	17.6%	17.3%	17.5%	17.3%
o/w 2P (%)	%	41.2%	35.8%	26.9%	34.2%	29.6%	28.3%	26.9%	24.8%	21.5%	19.3%	17.6%
o/w 3P (%)	%	26.4%	31.8%	35.0%	32.6%	33.9%	34.6%	35.0%	35.5%	36.6%	36.6%	35.4%
o/w 4P (%)	%	6.0%	9.4%	20.3%	10.8%	18.7%	19.2%	20.3%	22.1%	24.6%	26.5%	29.6%
Total RGUs	#	719,033	769,036	896,077	784,713	870,852	884,226	896,077	918,120	968,023	982,290	998,871
RGUs / sub	#	2.4	2.6	3.0	2.6	2.9	3.0	3.0	3.1	3.2	3.3	3.4
Residential churn fixed customers	%	17.2%	14.8%	14.8%	16.2%	14.5%	14.3%	14.8%	14.8%	12.2%	13.9%	14.9%
Global ARPU fixed customers	€/month	54.3	53.3	53.8	53.2	53.3	53.6	53.8	55.2	55.5	55.8	55.9
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Fixed Voice RGU's	#	287,042	284,311	279,691	283,709	284,163	281,707	279,691	278,516	283,341	279,792	277,449
as% fixed customers	%	99.9%	100.1%	100.2%	100.1%	100.1%	100.1%	100.2%	100.2%	100.2%	100.2%	100.2%
BB RGU's	#	209,092	215,520	217,726	217,313	219,480	218,532	217,726	218,391	224,361	222,288	221,573
as% fixed customers	%	72.7%	75.9%	78.0%	76.7%	77.3%	77.7%	78.0%	78.5%	79.3%	79.6%	80.0%
TV RGU's	#	50,177	56,992	124,754	61,390	129,876	126,774	124,754	124,729	127,660	127,802	131,963
as% fixed customers	%	17.5%	20.1%	44.7%	21.7%	45.8%	45.1%	44.7%	44.9%	45.1%	45.7%	47.6%
Postpaid lines	#	172,722	212,213	273,906	222,301	237,333	257,213	273,906	296,484	332,661	352,408	367,886
Postpaid customers	#	104,801	126,016	153,939	132,538	139,833	146,826	153,939	165,411	185,203	194,926	203,114
as% fixed customers (only mobile excluded)	%	30.1%	39.3%	49.1%	41.6%	43.8%	46.4%	49.1%	53.3%	59.2%	63.0%	66.4%
Mobile lines / customer	#	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.8
soho												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Subs	#	45,637	46,317	47,038	46,474	46,993	46,907	47,038	47,136	47,932	47,775	47,684
o/w 1P (%)	%	37.8%	35.0%	32.7%	34.7%	33.7%	33.4%	32.7%	32.1%	30.3%	29.7%	29.1%
o/w 2P (%)	%	31.0%	29.9%	26.1%	29.1%	26.7%	26.9%	26.1%	23.9%	21.9%	20.4%	18.2%
o/w 3P (%)	%	27.2%	30.0%	31.1%	30.6%	29.6%	29.9%	31.1%	32.9%	35.2%	36.9%	38.4%
o/w 4P (%)	%	3.9%	5.1%	10.2%	5.6%	10.0%	9.9%	10.2%	11.1%	12.6%	13.0%	14.2%
Total RGUs	#	125,772	133,079	143,472	134,317	140,675	140,807	143,472	147,585	155,881	158,589	162,844
RGUs / sub	#	2.8	2.9	3.1	2.9	3.0	3.0	3.1	3.1	3.3	3.3	3.4
Global ARPU Fixed customers	€/month	72.0	68.2	65.0	66.3	65.7	65.2	65.0	64.4	65.1	65.4	65.7
SMEs and Large Accounts												
KPI	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Customers	#	5,291	5,251	5,094	5,198	5,162	5,134	5,094	5,041	5,072	5,053	5,002



Euskaltel standalone – KPIs (ii/ii)

Selected financial data								Quarter						
	Unit	2012	2013	2014	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	2014	2015
Total revenues	€m	342.8	334.9	321.2	79.6	79.9	79.5	82.2	79.6	82.1	82.7	83.4	321.2	327.8
Y-o-y change	%		-2.3%	-4.1%					0.0%	2.7%	4.0%	1.4%		2.1%
o/w residential	€m	201.3	195.4	195.7	48.0	48.6	49.5	49.6	49.0	50.8	51.7	50.9	195.7	202.4
Y-o-y change	%		-2.9%	0.4%					2.1%	4.4%	4.5%	2.6%		3.4%
o/w Business	€m	102.8	101.2	93.4	23.9	23.6	22.9	23.0	22.8	23.4	22.8	23.2	93.4	92.2
Y-o-y change	%		-1.6%	-7.7%					-4.8%	-0.5%	-0.5%	0.9%		-1.3%
o/w Wholesale and Other	€m	28.9	29.7	25.2	6.1	5.7	5.5	7.9	5.6	5.6	6.2	7.0	25.2	24.3
Y-o-y change	%		2.8%	-1.7%					-8.2%	-2.9%	12.5%	-11.6%		-3.6%
o/w Other Profit Neutral Revenues	€m	9.8	8.6	6.9	1.6	2.0	1.6	1.7	2.2	2.3	2.0	2.3	6.9	8.9
Y-o-y change	%		-12.3%	-20.1%					41.8%	19.1%	24.5%	36.3%		29.5%
Adjusted EBITDA	€m	134.7	155.1	155.9	37.3	35.6	39.4	43.6	37.7	38.3	40.6	41.4	155.9	158.1
Y-o-y change	%		15.2%	0.5%					1.2%	7.6%	3.2%	-4.9%		1.5%
Margin	%	39.3%	46.3%	48.5%	46.8%	44.6%	49.5%	53.0%	47.4%	46.7%	49.2%	49.7%	48.5%	48.2%
Capital expenditures	€m	-119.2	-41.5	-42.2	-7.8	-10.3	-7.8	-16.4	-9.1	-9.2	-10.3	-18.3	-42.2	-46.9
Y-o-y change	%		-65.2%	1.7%					17.0%	-10.4%	32.0%	11.7%		11.0%
% total revenues	%	-34.8%	-12.4%	-13.1%	-9.7%	-12.9%	-9.8%	-19.9%	-11.4%	-11.2%	-12.4%	-21.9%	-13.1%	-14.3%
Operational Free Cash Flow	€m	15.5	113.6	113.6	29.5	25.3	31.6	27.2	28.6	29.1	30.4	23.2	113.6	111.3
Y-o-y change	%		632.9%	0.0%					-3.0%	14.9%	-3.8%	-14.9%		-2.1%
% EBITDA	%	11.5%	73.2%	72.9%	79.2%	71.1%	80.2%	62.4%	75.9%	76.0%	74.7%	55.9%	72.9%	70.4%







Appendix III – R Cable December-2015 (month) results and KPIs

R Cable December-2015 (month) – KPIs (i/ii)

Residential		
KPI	Unit	Dec.15 (month)
Homes passed	#	819,854
Household coverage	%	51.1%
Residential subs	#	249,345
o/w fixed services	#	194,705
as % of homes passed	%	23.7%
o/w mobile only subs	#	54,640
o/w 1P (%)	%	27.2%
o/w 2P (%)	%	11.5%
o/w 3P (%)	%	22.8%
o/w 4P (%)	%	38.5%
Total RGUs	#	810,849
RGUs / sub	#	3.3
Residential churn fixed customers	%	11.9%
Global ARPU fixed customers	€/month	57.0
-		

KPI	Unit	Dec.15 (month)
Fixed Voice RGU's	#	189,732
as% fixed customers	%	97.4%
BB RGU's	#	167,883
as% fixed customers	%	86.2%
TV RGU's	#	118,228
as% fixed customers	%	60.7%
Postpaid lines	#	335,006
Postpaid customers	#	209,133
as% fixed customers (only mobil	%	79.3%
Mobile lines / customer	#	1.6

soно		
KPI	Unit	Dec.15 (month)
Subs	#	40,479
o/w 1P (%)	%	27.8%
o/w 2P (%)	%	37.3%
o/w 3P (%)	%	28.6%
o/w 4P (%)	%	6.3%
Total RGUs	#	115,470
RGUs / sub	#	2.9
Global ARPU Fixed customers	€/month	59.9
SMEs and Large Accounts		
KPI	Unit	Dec.15 (month)
Customers	#	6,516



R Cable December-2015 (month) – KPIs (ii/ii)

Selected Dec-15 financial data		
	Unit	Dec.15 (month)
Total revenues	€m	21.6
Y-o-y change	%	
o/w residential	€m	13.4
Y-o-y change	%	
o/w Business	€m	7.1
Y-o-y change	%	
o/w Wholesale and Other	€m	1.1
Y-o-y change	%	
o/w Other Profit Neutral Revenu	€m	0.0
Y-o-y change	%	
Adjusted EBITDA	€m	8.9
Y-o-y change	%	
Margin	%	41.3%
Capital expenditures	€m	-6.3
Y-o-y change	%	
% total revenues	%	-29.1%
Operational Free Cash Flow	€m	2.6
Y-o-y change	%	
% EBITDA	%	29.3%







Appendix IV – R Cable proforma results and KPIs

R Cable proforma – KPIs (i/ii)

Residential	
KPI	Unit
Homes passed	#
Household coverage	%
Residential subs	#
o/w fixed services	#
as % of homes passed	%
o/w mobile only subs	#
o/w 1P (%)	%
o/w 2P (%)	%
o/w 3P (%)	%
o/w 4P (%)	%
Total RGUs	#
RGUs / sub	#
Residential churn fixed customers	%
Global ARPU fixed customers	€/month
Fixed Voice RGU's	#
as% fixed customers	%
BB RGU's	#
as% fixed customers	%
TV RGU's	#
as% fixed customers	%
Postpaid lines	#
Postpaid customers	#
as% fixed customers (only mobile excluded)	%
Mobile lines / customer	#

ı							
1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
799,278	802,168	803,827	807,019	809,429	812,695	816,839	819,854
49.8%	50.0%	50.1%	50.3%	50.4%	50.6%	50.9%	51.1%
240,571	239,568	239,600	241,925	243,398	246,105	248,220	249,345
191,173	190,110	190,229	192,228	192,891	194,181	194,534	194,705
23.9%	23.7%	23.7%	23.8%	23.8%	23.9%	23.8%	23.7%
49,398	49,458	49,371	49,697	50,507	51,924	53,686	54,640
26.7%	26.2%	26.5%	26.3%	26.1%	25.8%	26.9%	27.2%
19.3%	18.5%	17.6%	16.3%	14.7%	13.6%	12.4%	11.5%
28.5%	29.5%	30.1%	30.3%	28.7%	27.2%	24.8%	22.8%
25.5%	25.8%	25.8%	27.1%	30.4%	33.5%	36.0%	38.5%
707,627	714,819	719,531	738,069	759,882	784,204	796,971	810,849
2.9	3.0	3.0	3.1	3.1	3.2	3.2	3.3
12.5%	13.0%	13.9%	13.4%	10.3%	10.5%	12.8%	12.9%
57.1	56.7	56.8	56.4	55.7	55.6	56.3	56.6
190,496	189,712	188,023	189,208	189,948	192,160	190,199	189,732
99.6%	99.8%	98.8%	98.4%	98.5%	99.0%	97.8%	97.4%
160,321	159,675	160,469	163,119	164,274	165,845	166,858	167,883
83.9%	84.0%	84.4%	84.9%	85.2%	85.4%	85.8%	86.2%
91,079	89,375	86,610	88,242	96,724	105,212	111,738	118,228
47.6%	47.0%	45.5%	45.9%	50.1%	54.2%	57.4%	60.7%
265,731	276,057	284,429	297,500	308,936	320,987	328,176	335,006
170,853	176,189	181,085	188,548	195,265	202,182	205,689	209,133
63.5%	66.7%	69.2%	72.2%	75.0%	77.4%	78.1%	79.3%
1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6

SOHO	
KPI	Unit
Subs	#
o/w 1P (%)	%
o/w 2P (%)	%
o/w 3P (%)	%
o/w 4P (%)	%
Total RGUs	#
RGUs / sub	#
Global ARPU Fixed customers	€/month

١	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
	41,902	41,995	41,558	41,368	41,106	41,332	40,880	40,479
	32.1%	28.6%	25.0%	26.7%	26.5%	25.4%	23.9%	27.8%
	42.6%	43.0%	40.2%	41.3%	42.0%	40.9%	40.4%	37.3%
	24.0%	27.3%	28.2%	27.3%	26.1%	27.2%	27.2%	28.6%
	1.3%	1.0%	6.6%	4.7%	5.4%	6.6%	8.5%	6.3%
	109,125	110,538	111,187	113,269	114,027	116,274	115,669	115,470
	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.9
	61.7	61.3	61.1	60.7	59.7	59.5	59.9	59.9

SMEs and Large Accounts	
KPI	Unit
Customers	#

1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
6,635	6,575	6,572	6,581	6,527	6,565	6,537	6,516



R Cable proforma – KPIs (ii/ii)

Selected quarterly financial data	
	Unit
Total revenues	€m
Y-o-y change	%
o/w residential	€m
Y-o-y change	%
o/w Business	€m
Y-o-y change	%
o/w Wholesale and Other	€m
Y-o-y change	%
o/w Other Profit Neutral Revenues	€m
Y-o-y change	%
Adjusted EBITDA	€m
Y-o-y change	%
Margin	%
Capital expenditures	€m
Y-o-y change	%
% total revenues	%
Operational Free Cash Flow	€m
Y-o-y change	%
% EBITDA	%

Quarterly data							
1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
62.6	61.3	60.7	59.7	58.9	62.4	62.0	63.1
				-5.8%	1.9%	2.1%	5.8%
40.2	39.4	39.5	38.7	38.2	38.5	40.1	39.9
				-4.9%	-2.3%	1.5%	3.1%
20.5	20.0	19.2	19.3	19.1	21.7	19.5	20.4
				-7.1%	8.9%	1.5%	5.3%
1.9	1.9	2.0	1.6	1.7	2.2	2.4	2.8
				-11.6%	14.8%	17.8%	75.3%
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29.5	27.8	26.3	26.1	25.5	27.5	28.5	27.1
				-13.5%	-0.9%	8.5%	3.5%
47.1%	45.4%	43.3%	43.8%	43.2%	44.1%	46.0%	42.9%
-9.5	-9.7	-10.6	-21.8	-11.3	-17.7	-12.0	-14.9
				18.8%	82.3%	13.7%	-31.5%
-15.1%	-15.8%	-17.4%	-36.5%	-19.1%	-28.3%	-19.4%	-23.6%
20.0	18.1	15.7	4.4	14.2	9.8	16.5	12.1
				<i>-</i> 28.8%	<i>-</i> 45.5%	4.9%	178.4%
67.9%	65.1%	59.7%	16.7%	55.8%	35.7%	57.8%	44.9%



Proforma 2014

244.2

157.8

79.1

7.4

0.0

109.7

44.9%

-21.1%

53.0%

-51.5

58.1

2015

246.4 0.9%

156.7 -0.7%

80.7 2.1%

9.0 22.0% 0.0

108.6 -1.0%

44.1%

-22.7%

-55.9 8.5%

52.7 -9.3% 48.5%

Disclaimer

This presentation (the "Presentation") has been prepared and is issued by, and is the sole responsibility of Euskaltel, S.A. ("Euskaltel" or "the Company"). For the purposes hereof, the Presentation shall mean and include the slides that follow, any prospective oral presentations of such slides by the Company, as well as any question-and-answer session that may follow that oral presentation and any materials distributed at, or in connection with, any of the above.

The information contained in the Presentation has not been independently verified and some of the information is in summary form. No representation or warranty, express or implied, is made by Euskaltel or its affiliate R Cable and Telecommunications Galicia, S.A. ("R Cable" and, together with Euskaltel, the "Euskaltel Group"), nor by their directors, officers, employees, representatives or agents as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. None of Euskaltel nor R Cable, nor their respective directors, officers, employees, representatives or agents shall have any liability whatsoever (in negligence or otherwise) for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of the Presentation or its contents or otherwise arising in connection with the Presentation, save with respect to any liability for fraud, and expressly disclaim any and all liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in connection with the accuracy or completeness of the information or for any of the opinions contained herein or for any errors, omissions or misstatements contained in the Presentation.

Euskaltel cautions that this Presentation contains forward looking statements with respect to the business, financial condition, results of operations, strategy, plans and objectives of the Euskaltel Group. The words "believe", " expect", " anticipate", "intends", " estimate", "forecast", " project", "will", "may", "should" and similar expressions identify forward-looking statements. Other forward-looking statements can be identified from the context in which they are made. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a certain number of risks, uncertainties and other important factors, including those published in our past and future filings and reports, including those with the Spanish Securities and Exchange Commission ("CNMV") and available to the public both in Euskaltel's website (www.euskaltel.com) and in the CNMV's website (www.cnmv.es), as well as other risk factors currently unknown or not foreseeable, which may be beyond Euskaltel's control, could adversely affect our business and financial performance and cause actual developments and results to differ materially from those implied in the forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

The information contained in the Presentation, including but not limited to forward-looking statements, is provided as of the date hereof and is not intended to give any assurances as to future results. No person is under any obligation to update, complete, revise or keep current the information contained in the Presentation, whether as a result of new information, future events or results or otherwise. The information contained in the Presentation may be subject to change without notice and must not be relied upon for any purpose.

This Presentation contains financial information derived from Euskaltel's <u>audited consolidated financial statements for the twelve-month period ended December 31, 2015 as well as from Euskaltel's unconsolidated audited financial statements for the twelve-month period ended December 31, 2015, 31 December, 2014, 31 December 2013 and 31 December 2012, and from R Cable's individual audited financial statements for the twelve-month period ended December 31, 2015. Financial information by business areas is presented according to internal Euskaltel's criteria as a result of which each division reflects the true nature of its business. In addition, the Presentation contains Euskaltel's unaudited quarterly financial information for 2014 and 2015 by business areas prepared according to internal Euskaltel's criteria These criteria do not follow any particular regulation and can include internal estimates and subjective valuations which could be subject to substantial change should a different methodology be applied.</u>

Market and competitive position data in the Presentation have generally been obtained from industry publications and surveys or studies conducted by third-party sources. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. Euskaltel has not independently verified such data and can provide no assurance of its accuracy or completeness. Certain statements in the Presentation regarding the market and competitive position data are based on the internal analyses of Euskaltel, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent source and there can be no assurance that the assumptions or estimates are accurate. Accordingly, no undue reliance should be placed on any of the industry, market or Euskaltel's competitive position data contained in the Presentation.

You may wish to seek independent and professional advice and conduct your own independent investigation and analysis of the information contained in this Presentation and of the business, operations, financial condition, prospects, status and affairs of Euskaltel and R Cable. Euskaltel is not nor can it be held responsible for the use, valuations, opinions, expectations or decisions which might be adopted by third parties following the publication of this Presentation.

No one should purchase or subscribe for any securities in the Company on the basis of this Presentation. This Presentation does not constitute or form part of, and should not be construed as, (i) an offer, solicitation or invitation to subscribe for, sell or issue, underwrite or otherwise acquire any securities, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to any securities; or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities.

The distribution of this Presentation in certain jurisdictions may be restricted by law. Recipients of this Presentation should inform themselves about and observe such restrictions. Euskaltel disclaims any liability for the distribution of this Presentation by any of its recipients.

By receiving or accessing to this Presentation you accept and agree to be bound by the foregoing terms, conditions and restrictions.

