

Press Release

Vanco Positioned in the Leaders Quadrant for Pan-European Network Service Provider 2006 Magic Quadrant

Evaluation Based on Completeness of Vision and Ability to Execute

London, 9 October 2006 – Vanco, the pioneering global Virtual Network Operator (VNO), today announced it has been positioned by Gartner, Inc. in the leader quadrant of the 'Pan-European Network Service Provider 2006' Magic Quadrant report.

According to Gartner, "leaders" are vendors who are performing well today, have a clear vision of market direction, and are actively building competencies to sustain their leadership position in the market.

The Gartner Magic Quadrant of pan-European NSPs evaluates providers of fixed corporate network solutions spanning multiple European countries. Gartner research vice president Neil Rickard and research director Scott Morrison positioned 18 carriers and integrators that provide and manage offerings that include data, voice and converged services. Two broad criteria are used:

- Vision - networking service leadership, networking market strategy, long-term funding, and technological innovation in networking and regional 'mindshare' in Europe.
- Ability to execute - coverage (geographic and service portfolio), service quality, client interaction and presence, service pricing and financial viability.

Allen Timpany, Vanco's founder and chief executive officer, commented, "We consider Vanco's position in the latest Magic Quadrant a historic moment and a perception changing point in the industry. The VNO model pioneered by Vanco is now seen delivering superior results to most Asset Based Carriers.

"Our asset-light model, commitment to focus on customer service and delivering solutions in line with the changing requirements of multinational enterprises makes us stand apart."

About the Magic Quadrant

The Magic Quadrant is copyrighted 2 October 2006 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

About Vanco

Established in 1988, Vanco plc (FTSE: VAN) is the pioneering and leading global Virtual Network Operator. Vanco does not own telecoms assets and therefore has the freedom to source infrastructure from the most suitable Asset Based Carriers (ABCs) on a global basis. It provides enterprise clients, directly or through partners, with cost-effective, optimized and fully

managed network solutions. Carriers can also extend their off-net reach by accessing, through Vanco, other carrier networks around the world.

With solutions available in 230 countries and territories, Vanco is selected by the world's largest organizations to provide strategic network solutions. Its clients include Accor Hotels, Avis Europe, British Airways, Ford Motor Company, IBM/Lloyds TSB, Siemens, Pilkington and Virgin Retail.

Through the Vanco network solution clients get access to the greatest geographic coverage available through a single provider. Vanco offers incomparable flexibility to customize and adapt the solution in line with market changes and business priorities.

Vanco is recognized by the industry for its financial success and world class customer service delivery. A significant proportion of its investment capital goes into customer care which is reflected by the awards won, independent market research and client retention.

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