

Vanco Unlocks Low-Cost Potential of Wide Area Ethernet*Ethernet Engaged knits patchy, regional networks into coherent global offering*

London, August, 8th 2006 – Vanco, the pioneering Virtual Network Operator, today announces a new offering within its Data Service portfolio - Ethernet Engaged. This allows dispersed Multinationals to exploit the cost savings of using Ethernet - almost ubiquitous within Enterprise campuses - to connect together large offices or data centres across Europe. Ethernet Engaged utilises services, domestically, regionally and internationally from a range of providers, to build a customized solution for its clients.

Ciaran Roche, lead technical consultant, Vanco, says, "Wide Area Ethernet is, for many Enterprises, the Holy Grail of connectivity: with a single technology, you can connect to any service in any location, eliminating both duplicate skill sets and dependence on expensive leased lines. But take-up of this new technology, as with many before it, has been hampered by the Achilles Heel of Asset-Based Carriers (ABCs) - their inability to map their network footprints to meet the complex needs of multinational customers. For the first time, Vanco's Ethernet Engaged links this patchwork of services into a single fabric, making the cost-savings and efficiencies of Wide Area Ethernet available to customers today - wherever they are located."

As ABCs abandon plans for global expansion and focus on core markets, customers must make a 'least-worst' decision. Some will choose the comprehensive in-country connectivity of national carriers and knit these together themselves into a global solution: however, the challenges of doing so - and the resources required - are compounded by the lack of consistent wide area Ethernet products. Others will select the global ABC with the best match to their own geographic locations, accepting that some important locations will be outwith the reach of that provider.

Roche continues, "The independence provided by the VNO model gives Vanco tremendous insight into the way that the ABCs have implemented their Ethernet services. This enables us to take a different approach, linking the Ethernet networks of the ABCs at key integration points around the world. So we can offer Enterprises a network that fits their needs - not the other way around. The next phase of Ethernet Engaged will allow us to deploy end to end layer 2 networks. This is already being tested in Vanco's labs."

Wide Area Ethernet is primarily viewed as a faster, lower-cost alternative to expensive leased lines, enabling LAN-speed connectivity across great distances. Vanco believes that Ethernet Engaged will primarily be used to connect large offices or data centres, where the amount of traffic carried over the link makes it unsuitable for technologies such as MPLS, as the port charges can be extremely high at these larger sites. Ethernet Engaged complements the other offerings such as in Vanco's Data Services portfolio - MPLS Matrix, IP Secure and DIA - to provide the most comprehensive range of Enterprise connectivity solutions.

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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