

Vanco Flies the FLAG in 5 Year Partnership Deal

Vanco and FLAG announce Channel Partner Agreement

18th September, 2007, LONDON

Vanco, the pioneering global Virtual Network Operator (VNO), today announces it has signed a five-year channel partner agreement with FLAG Telecom, a wholly owned subsidiary of Reliance Communications, to sell Vanco's VNO services.

This contract follows a number of contracts with Asset Based Carriers (ABCs) signed over the last two years as Vanco follows its stated channel strategy.

The contract with Vanco enables FLAG Telecom to access the largest amount of global network infrastructure available from a single source. FLAG Telecom will be using Vanco's global VNO services to provide network reach outside the scope of its existing infrastructure. Vanco's VNO solutions and services are constructed at a detailed level to enable them to become part of FLAG Telecom's standard solution portfolio.

In order to maintain Vanco's reputation for independence, it is not obliged to select FLAG Telecom for the underlying network for any of its VNO solutions.

Allen Timpany, Chief Executive of Vanco, said, "Vanco is fast becoming the definitive partner for Asset Based Carriers who are looking to extend their physical networks and offer their customers global solutions. For companies like FLAG Telecom, Vanco provides both a quick, easy solution to their customers' multinational network requirements, and an important channel through which they can offer their network assets in an independent, innovative way."

Punit Garg, Chief Executive of FLAG, said, "Vanco provides significant enhancement to our already extensive cable network, fulfilling the reach that our customers are looking for. This agreement provides FLAG and its customers access to a further 81 countries allowing us to extend our network to over 100 countries across the globe."

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, optimised 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, Continental, 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 recognised 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.

For further information, please contact:

Edward Courtney

Account Executive, Pleon UK
Tel: +44 (0) 207 479 5616
Email: Edward.Courtenay@pleon.com

About FLAG Telecom

FLAG Telecom: Worlds largest private undersea cable system spanning 65000 route kms, has an established customer base of more than 200 leading operators, including all of the top ten international carriers. FLAG owns and manages an extensive next generation optical fibre network spanning four continents, connecting 37 key business markets in Asia, Europe, the Middle East and the USA. FLAG also owns and operates a low-latency, global MPLS-based IP network, which connects most of the world's principal international Internet exchanges. FLAG offers a focused range of global products, including global bandwidth, IP, Internet, Ethernet and Co-location services. Website: www.flagtelecom.com

Forward-looking Statements

Statements contained in this Press Release that are not historical facts may be 'forward-looking' statements as the term is defined in the Private Securities Litigation Reform Act of 1995. To identify these forward-looking statements look for words like 'believes', 'expects', 'may', 'will', 'should', 'seeks', 'intends', 'plans', 'projects', 'estimates', or 'anticipates' and similar words and phrases. These, and all forward-looking statements, are based on current expectations and necessarily are subject to risks and uncertainties that could cause actual results to differ materially from those currently anticipated. More detailed information about these risks is contained in our Quarterly Report on the Form 10-Q for the period ended September 30, 2003 filed with the Securities and Exchange Commission. We caution readers not to rely on forward-looking statements, and we disclaim any intent or obligation to update these forward-looking statements.