2010: FIBER FOR ITALY

FASTWEB, VODAFONE AND WIND
TO LAUNCH A PROJECT FOR ITALY

A single fiber optic network for the Nation
with the participation of all providers and public institutions

The first shared access, high-performing fiber optic network
which will be tested in Rome

Milan, 7 May 2010 – The three Chief Executive Officers of **Fastweb, Carsten Schloter**, **Vodafone, Paolo Bertoluzzo**, and **Wind, Luigi Gubitosi**, presented a project today to provide Italy with a single fiber optic network infrastructure which would restore Italy's position among the leading countries in broadband services. The providers ask the Government to trigger the process for the creation of the "fiber company" and to convene all providers and public institutions.

Bertoluzzo, Gubitosi and Schloter also launched the first shared access, high-performing fiber optic network in a test area in Rome.

The project regards the development of a single point-to-point "Fiber-to-the-Home" network delivering broadband services directly to end users, both households and companies, and enabling ever faster connections on a more reliable and better performing network than the current copper network, with the added advantage of reducing maintenance costs.

To date, the plan envisages coverage of Italy's fifteen largest cities (10 million people) within 5 years and with an investment of about 2.5 billion euro to be shared between all the providers and institutions involved in the project. In a second phase, the plan may be extended to cover cities with over 20,000 inhabitants, thus reaching about 50% of the Italian population, with a total investment of about 8.5 billion euro.

The national project is open to all public and private entities, including Telecom Italia, who wish to take part and the investment will depend on participation.

The Italian market is capable of paying back one new generation network and the financial importance of such an enterprise naturally requires the willingness to the share investment.

The network will be available to all providers, at fair and non-discriminatory conditions, whilst the sales and marketing of the services to customers provided through the fiber optic network shall be managed independently by each provider.

Fastweb, Vodafone and Wind undertake to participate financially in the capital of the future company and to migrate all their customers to the new network.

During its initial phase the project entails the immediate launch of a pilot project in the Fleming hill area in Rome and the realization of fiber-only connections from the central office to about 7,000 households by July 2010.

The test phase is open to all, and aims at proving the efficiency of a fiber access infrastructure with a state-of-the-art, efficient and "future proof" architecture which allows shared access between providers, thus encouraging a competitive environment with clear benefits for end users.

The commitment that Fastweb, Vodafone and Wind intend to make in order to realize the new fixed line network in Italy entails a series of specific conditions such as the stabilization of the present copper unbundling fees paid to Telecom Italia, the consequent inversion in the trend of price increases of the last two years, the provision of measures to facilitate the migration from customers' copper to fiber and the adoption of adequate instruments to control the replicability of the incumbent's offers.

In the light of this commitment, Fastweb, Vodafone and Wind ask the Government to trigger the process for the creation of the "fiber company" and to convene all providers and public institutions. The three providers confide in the active and driving force that the Authorities will play in making prompt and stable decisions in order to favour the efficient transition between the copper and the fiber network and to ensure the fairness of the new competition environment.

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