

FASTWEB presents Chili

The new television on-demand. No decoder, no subscription.

A TV that can be watched anytime, anywhere

Milan, 5th May 2011 – FASTWEB presents Chili TV, a new television on-demand, which allows you to watch movies, cartoons, and documentaries anytime and anywhere. Chili may be watched using any device connected to the Internet, such as Smart TVs, PCs, tablets, smartphones, Blu-Ray readers, and home theatre systems. No decoder, no subscription, and no obligation in the choice of the telephone provider: the only condition is having a broadband connection of at least 1 Mbps in order to watch the TV of the future.

Chili's programming is very rich thanks to agreements with the main international studios and the main Italian producers, such as Warner, Paramount, MovieMax, Fandango, Lucky Red, Bim, and Mondhome. There are hundreds of movies on Chili, both blockbusters and archive content which is difficult to find in the video stores. Movies can be rented for a 48 hour period or they can be bought and watched at any time on any device. In addition more than 600 free videos are available subdivided in the following areas: Junior, Entertainment, Lifestyle, Woman, and Wellness.

Chili also offers some original productions, born from the collaboration with Magnolia and with famous Tv characters as Mara Maionchi and Marco Berry, and which were expressly created in order to respond to the new models which involve cross-pollination between the social networks, the Web and the TV.

In order to access the service, just register at the free website www.chili-tv.it. Videos can be watched using various devices connected to the Internet, such as Smart TVs (at present Lg and Samsung), PCs, Blu-Ray readers, home theatre systems and, from June, tablets and smartphones which use Android as an operating system.

Chili can be watched with any bandwidth connection greater than 1 Mbps and, thanks to an active streaming management system, it is able to ensure the maximum quality for every bandwidth. Each video is zipped in multiple formats from 700 kbps up to 8.3 Mbps. Customers can choose to watch the videos with standard definition, HD or HD+. The chosen format is optimized by the system and adapts to the Internet connection quality.

Chili is not a simple Over The Top TV, but a TV 3.0. FASTWEB's ten-year experience in the IPTV sector ensures a high quality package of content which is tailor-made for the Italian public, the maximum quality in the digitalization and reproduction of the videos using techniques for active streaming management and the utmost care of the customer thanks to a dedicated online customer care.

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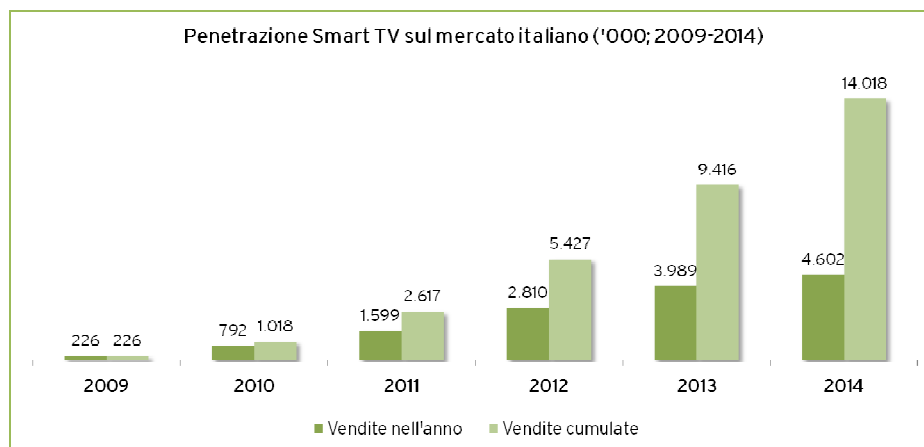
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The reference market

Video entertainment is rapidly evolving: the request for content on-demand, typical of the Web, the expansion of social media and the growing offer of devices connected to the Internet - which allow you to watch the TV at home and on the move - have all influenced the new era of television on-demand.

It is an evolution which is perceivable in advanced markets such as the USA and France which are influenced by web-based enabling technology (Smart TV, tablets, smartphones, etc.) and by the added value generated by the digitalization of content and broadcast via IP.

According to estimations of the Italian Association of IPTV Providers, the usage of Internet connected televisions in Italy will grow enormously in the next years: by the end of 2011 smart TVs will be present in 2.6 million households; in 2012 sales of 2.8 million units are expected with an installed base of 5.4 million, which will increase to 14 million in 2014 with annual sales equal to 4.5 million.

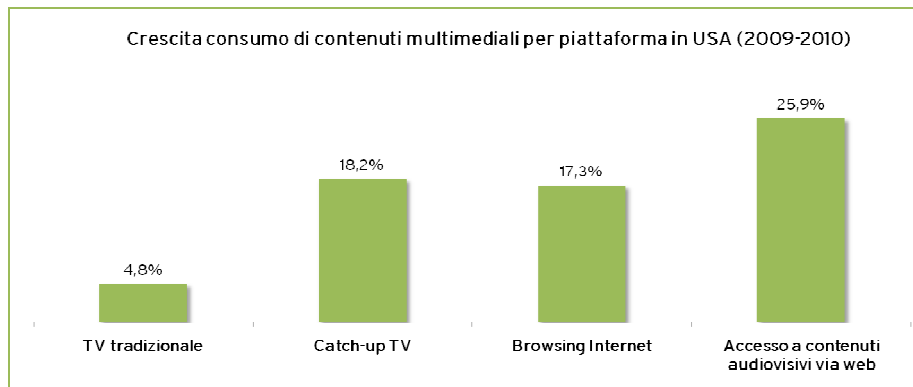


Source: IPTV Association

The amount of the devices on which Chili can be watched is also continuously expanding: today there are 15 million smartphones in Italy, and it is expected that at the end of this year there will be one million tablets, while Blu-Ray readers will be 500 thousand. Plus the PCs present in Italy which are about 14 million. It is also estimated that there are over ten million broadband lines which exceed 1 Mbps.

At the same time the demand for legal content which can be obtained over the Internet is increasing: in the United States the number of movie titles legally downloaded has grown from 9 million in 2007 to 40 million in 2010 and it is estimated they will reach 70 million in 2012. In Europe, the United Kingdom has registered a similar trend going from 2 million in 2007 to 6 million in 2010 (source: Oncubed on Screen Digest data).

Data on the increasing use of the internet for the consumption of rich media is confirmed by the statistics reported by Google Analytics according to which almost 60% of internet users access the web in order to watch films and video content. These data so far have not influenced the consumption of traditional television (indeed, the decrease in traditional TV is marginal considering the remarkable increase in the vision of video content via IP). It is thus foreseen that this trend will further grow.



Source: IPTV Association

As can be seen in the graph, the increase in IP-based content is more than double that of traditional television consumption. In the USA, for example, traditional TV content vision increased by 6% between 2009 and 2010, whereas catch-up TV grew by 20% in the same period and the vision of on-demand video content via IP grew by 26%.