

**Fastweb and Tiscali announce a strategic agreement: Fastweb purchases Tiscali Business branch and leases Tiscali 3.5 Ghz spectrum. Tiscali gains access to Fastweb fiber to connect Tiscali LTE network and its wireline customers.**

The agreement provides for:

- ✓ Fastweb's purchase of Tiscali Business branch, which includes the customers of the Top Client segment and the framework agreement for the connectivity services (SPC) to the Public Administration for EUR 45 million (EUR 25 million cash and EUR 20 million in services provided by Fastweb on its network).
- ✓ The 20 million euro in services will be used toward Tiscali's access to Fastweb fiber optics network. This will provide the connectivity for Tiscali's network infrastructure, in particular the Fixed Wireless ultra-broadband LTE network and connectivity for consumer, SOHO and SME customers on Fastweb access network.
- ✓ Fastweb's lease of Tiscali's 3.5 GHz spectrum in the major cities for the development of mobile data services, for a rental fee of EUR 12.5 million for the first five years.

The agreement has an important strategic value as it allows Tiscali to focus on providing fixed wireless connectivity to the consumer, Soho and SME markets in extended digital divide areas on its access network and through fiber optics access network in other areas, whereas Fastweb will strengthen its position in the market for large customers and acquire the capability to deploy a convergent network.

Milan, December 5, 2016 – Today, as part of a strategic agreement, Fastweb and Tiscali signed two contracts which strengthen their businesses plans and provide each company access to key resources of the other company.

The first contract is the agreement by Fastweb to purchase Tiscali's business branch, which includes customers of the Top client segment as well as the framework contract for the connectivity services (SPC) to the Public Administration.

The value of this agreement is EUR 45 million, of which EUR 25 million in cash and EUR 20 million in services provided by Fastweb, which will allow Tiscali to connect its Fixed Wireless ultra-broadband LTE network and also offer fiber services to Tiscali's consumer, Soho and SME customers through Fastweb fiber access network.

The second contract is the agreement by Fastweb to lease TISCALI's 3.5 GHz spectrum to deploy an innovative convergent network in the major Italian cities for an yearly leasing fee of 2,5 million Euros for the first five years.

The agreement will allow both companies to focus on their areas of excellence.

Fastweb will leverage its long experience in providing services to the Public Administration and large enterprises to strengthen its presence in the business segment and continue to bring significant benefits to its customers.

Tiscali will be able to concentrate on providing Ultra Broadband services to the Consumer, Soho and SME customers, becoming an increasingly important player in major areas of the country, particularly in those of "extended digital divide."

The agreement is subject to approval by the competent Italian authorities and the positive outcome of an administrative court case regarding the SPC framework agreement.

Alberto Calcagno, CEO of Fastweb, commented: "The agreement with Tiscali has a strategic value because it allows our company to gain leadership in the development of innovative solutions and services in the fixed-mobile convergent market. With the availability of frequencies in the 3.5 GHz band, Fastweb will be able to start deploying a proprietary mobile network and provide services in major cities, leveraging on the investments made to roll-out FTTx infrastructure. Moreover, thanks to this agreement, Fastweb will further consolidate its position as a supplier of excellence for the industry of Large Enterprise and Public Administration. Our success in this area is based on investment in our fiber infrastructure and in the data centers and in a robust know-how in the provision of Cloud-based and security services. Fastweb is now able to offer the best ultra-broadband connectivity, and the most advanced ICT services to business customers and Public Administrations, enabling Italy to achieve the European Digital Agenda goals. The agreement with Tiscali, finally, allows Fastweb to strengthen its presence in the region of Sardinia, where a new office will soon be opened and where we aim to grow primarily in the enterprise sector. "

Riccardo Ruggiero CEO of Tiscali, remarked: "We are very pleased to have concluded these deals that have a total value of approximately EUR 58 million, furthermore establishing an industrial partnership with an innovative player such as Fastweb, with whom we have identified several areas of industrial cooperation. This agreement represents, a significant cash injection that will strengthens the financial position of Tiscali Group. This agreement gives greater strength to the strategic plan of the new Tiscali, in addition to recent developments, such as debt refinancing, the agreement with Huawei for the construction of the access network LTE Wireless Fiber To The Home, and those with other operators for fiber wholesale services. Today's agreement with Fastweb is a next important step in achieving our industrial plan, which calls for the development of 1,500 latest generation ultra-broadband LTE TDD base stations in the coming years, including 700 in 2017, the migration of customers to broadband "wired" fiber access networks and strengthens our focus on the consumer, Soho and SME customers. A market in which we are increasingly able to provide high access speed bandwidth services, with particular focus on the areas of extended digital divide.", with quality features and significantly ameliorative margins than at the present time ".

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