

Further information on the sentences of the Milan Appeals Court on the FASTWEB- Telecom Italia dispute

Milan, May 17, 2006 – With reference to a report published today by a press agency regarding the ruling of the Milan Court of Appeal on the complaint filed by Telecom Italia alleging abuse of a dominant position by FASTWEB, FASTWEB pointed out that the ruling:

- in rejecting the application for an interim injunction made by Telecom Italia, did not find any unusual element in FASTWEB's position on the telecommunications market, noting only that every network operator, to the extent that it is the only party able to offer a termination service for telephone calls on its own network, holds a dominant position;
- did not find any indication of anticompetitiveness in the conduct of FASTWEB;
- sentenced Telecom Italia to pay all legal costs.

With regard to the application lodged by FASTWEB, also with the Milan Court of Appeal, against Telecom Italia with regard to *winback* issues, the court found that the activities designed to recover, at any cost, former users who had migrated to FASTWEB were conducted through multiple and serious anticompetitive business practices and with a planned intent to exclude the competitor. In upholding the FASTWEB petition, the ruling orders Telecom Italia **“to abstain from continuation of the anticompetitive business practices** examined in the petition, and consisting specifically of: use of information on former customers by its commercial divisions for **targeted winback activities**, above all in the form of telephone calls to former customers who have moved to FASTWEB; use of the data supplied by former customers at the time of contract termination and number portability request; incentives for its sales network in the form of higher commissions and other forms of incentives selectively linked exclusively to the re-capture of FASTWEB customers; the offer of services at special rates reserved selectively for current FASTWEB customers to persuade them to return to Telecom; and defamatory activities against FASTWEB.”

Furthermore, the court ordered Telecom Italia to pay the sum of 500 € to FASTWEB for each violation or non-compliance subsequent to the sentence.

Although the orders may be appealed, they are both immediately executive and do not require any further possible discussion of merits.

For all further details, the full text of the rulings may be viewed on the website www.company.fastweb.it

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