

## PRESS RELEASE

### TELECOM ITALIA AND FASTWEB SIGN COOPERATION AGREEMENT ON DEVELOPMENT OF NGN NETWORKS

#### **Fibre to the cabinet (FTTCab) and next generation technology to speed infrastructure and ultrabroadband delivery to customers**

*Milan, 14 September 2012*

Telecom Italia and Fastweb, Italy's two leading telecommunications infrastructured operators, have signed a Memorandum of Understanding for cooperation on the development of their next generation FTTCab networks.

Telecom Italia and Fastweb have each launched their own development plan for a national next generation network and the agreement will enable them to identify and exploit opportunities in areas of common interest to optimize costs and investments, by sharing existing passive infrastructure and coordinating their realization efforts to speed the roll-out of fibre optic.

The Memorandum allows the two companies to share costs and investments in infrastructure construction.

The agreement rests on a common conviction that network platforms based on FTTCab technology and next generation electronics are the answer in Italy, as in nearly all other European countries, to the rapid diffusion of ultrabroadband services nationwide in line with the European Digital Agenda goals.

The accord also rests on the outcome of trials with NGN networks based on FTTCab architecture in the city of Pisa, which helped to identify the most cost efficient approaches and jointly explore the performances of the state-of-the-art VDSL technologies.

The two operators will retain total freedom and autonomy in the development of their own network platforms, technology decisions and commercial offerings. The Memorandum will be implemented in full compliance with industry and antitrust regulations and will be open to all operators who wish to coinvest in FTTCab infrastructure and platforms.

"With this agreement Italy's two leading TLC infrastructured operators confirm their readiness to invest in next generation networks to bring ultrabroadband access to the biggest number of Italians as quickly as possible," stated Telecom Italia COO, Marco Patuano. "The partnership with Fastweb on FTTCab further confirms the validity of the company's technological and architectural decisions, also as regards respect for our competitors and relations with other operators. Telecom Italia intends to reach 100 cities with ultrabroadband by 2014."

Fastweb General Manager Alberto Calcagno, stated: "Fastweb has just announced a nationwide plan for ultrabroadband. This agreement with Telecom Italia is the essential counterpart and extremely important because it at last allows private investment in the realization of multiple ultrabroadband networks to take off in Italy. Italians will not only get very high speed Internet, but they will also be given a choice. Coordination on spending and works will minimize nuisance to the general public and will speed the arrival of ultrabroadband in Italian homes, an indispensable resource enabling the country to gain competitiveness and achieve the goals of the digital agenda. This is the first agreement of its kind and could represent an interesting model for coinvestment for other European countries.

**Fibre to the cabinet (FTTCab)** is a latest generation network architecture that involves running fibre optic cables to a street-level cabinet normally around 500 meters from the homes, which then connect to the cabinet via copper wiring.

The advantages are quicker infrastructure roll-out, reduced disturbance for the general public and lower costs than other technological solutions. It is currently being adopted by the majority of European TLC operators in Germany, France, the UK and Switzerland.

**VDSL2** is a latest generation technology which exploits an FTTCab network to provide connection speeds ranging from 30 to 60-80 Mbit/s, and allows for further technological enhancements to deliver over 100 Mbit/s. Such connections enable customers to enjoy TV and Internet services to view HD films and use computers, smartphones and tablets simultaneously.

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