



PRESS RELEASE

NGN NETWORK: NEW COMPANY TO DELIVER FIBRE TO 60% OF TRENTINO HOUSEHOLDS

Trentino NGN shareholders include the Autonomous Province, Telecom Italia, McLink and La Finanziaria Trentina. 150,000 properties to be connected. €165 million investment foreseen over ten years

Trento, 18 May 2012

Trentino NGN, the company that will deliver fibre optic to the province of Trento, is fully operational. The Shareholders' Meeting of the company today approved the entry, alongside the Autonomous Province of Trento, of Telecom Italia, MC Link and La Finanziaria Trentina.

The aim is to connect over 150,000 homes, around 60% of the province's entire housing stock. Local authorities, hospitals, universities, research bodies and firms will also receive high speed links.

Trentino NGN's investment in the project is estimated at €165 million over the next 10 years.

During this first phase of activity, Trentino NGN will be controlled by the Autonomous Province of Trento with a majority 52.2% stake, following a cash injection of €50 million.

Telecom Italia, meanwhile, will hold a 41.1% share of the capital via the conferment of the rights to use available capacity on its existing passive infrastructure throughout the region for 20 years, valued at €39.4 million.

MC Link and La Finanziaria Trentina have contributed €1.5 million (for a 1.6% stake) and €5 million (a 5.2% stake) respectively.

Subsequently, once certain service penetration levels have been reached, in three years' time, Telecom Italia will hand over its copper network, thereby acquiring majority control of the company. This will facilitate the migration of the copper to fibre. Telecom Italia has also negotiated an option to acquire the Province's stake in the company, to be exercised after six years.

The shareholders appointed Sergio Bettotti Chairman of the company and Elio Salvadori CEO. The other board members will be Paolo Simonetti, Fulvio Rigotti, Anna Dalpiaz, Pompeo Viganò, Alessandro Talotta, Nicola Barone and Carlo Filangeri.

Today's agreement, which opens the operational phase of fibre in Trentino, follows talks between the parties on 16 December and a memorandum of understanding signed by the Autonomous Province of Trento and Telecom Italia on February 8 after lengthy consultations with all TLC operators in a spirit of transparency and non-discrimination.

Meanwhile, following a specific open tender, the two are already working on a joint project to bridge the digital divide and deliver ADSL at speeds of up to 20 megabits/second to the whole province by spring 2013.



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