

Fastweb and Telecom Italia sign a strategic partnership to build a national FTTH network

Milan, 26th July 2016 - Fastweb and Telecom Italia have entered into a strategic partnership to build a FTTH network (Fiber to the Home) that will deliver connection speed at 1 gigabit per second. The infrastructure construction and fiber lay down will be realized through a joint venture co-owned by the two companies respectively at 20% and 80%. The ambition is to connect 3.0 million units in 29 major cities already covered in FTTC (Fiber to the Cabinet) over the next four years until 2020 for a total investment of 1.2 billion euro.

The joint venture will carry out civil works and fiber lay down in the secondary network (from street cabinets to customers premises) on behalf of the two companies, allowing them to share excavation costs, establish unparalleled quality standards and offer increasingly performing services: a choice that ensures flexibility, speed, control and performance.

Both operators will provide ultra-broadband access services on a wholesale basis, significantly increasing the level of competition in the market.

The joint venture will be financed by debt and equity. The direct exposure of Fastweb will be limited to about 55 million over the next four years, self-financed with own cash flow. Fastweb's Capex guidance is unchanged.

Thanks to this agreement, the number of residential and business premises covered by Fastweb FTTH network will increase from current 2.0 million to 5.0 million by 2020 (20% of the Italian population). The new fiber connections up to the customer premises will be built leveraging the fiber investment already implemented by Fastweb to deploy street cabinets, thus avoiding any duplications.

Fastweb's plan to extend ultra broadband coverage to 50% of the population by 2020 is confirmed. However, the mix will change: FTTC footprint will increase from 5.5 million at the end of 2016 to 8.0 million (instead of the originally planned 11.0 million), while FTTH coverage will rise from 2.0 million to 5.0 (instead of remaining stable).

Alberto Calcagno, Fastweb CEO, says "Thanks to this agreement Fastweb further confirms its commitment to develop its infrastructure in the country through an industrial project in which we are protagonists. Our position of leadership in the ultra broadband market will be enhanced, thanks to the quality and speed of the new network we will provide to our customers."

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