



## **BT ITALIA AND VODAFONE ITALIA AGREE TO SET UP FIRST FIXED-MOBILE VIRTUAL OPERATOR**

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**Sciolla: by year end Italian companies will be able to have a one-stop choice and receive a single bill for all their telecommunications services.**

Rome, 17 April 2007 - Vodafone Italia and BT Italia have reached an agreement to launch Italy's first virtual mobile operator to be created by a mobile and a fixed-line operator. Thanks to this long-term partnership, **BT Italia**, which has its own fixed-line network, will become the **first mobile operator to focus exclusively on business customers.**

Vodafone will make its infrastructure network available, providing a wide range of wholesale mobile services - from voice to text messaging, from roaming to data transmission – that BT will use as the basis for its integrated fixed-mobile customer offering.

In its new capacity as a mobile operator, BT Italia will have sole responsibility for its customer relations, dedicated numbering and its own mobile code. In addition, it will use its own brand, commercial network and customer care services. BT Italia will be fully independent in selecting the products and services it intends to offer.

Thanks to its commitment to rapidly open up the wholesale market for mobile network access and the action taken by the Antitrust Authority, Vodafone has brought forward the entry of virtual mobile operators into the Italian market, scheduled for 2011 at the time the 3G frequency auction was held. The opening of the sector was also hastened by the Communications Authority's investigation of the access market.

"We are proud to be able to announce the first ever agreement in Italy between a mobile and a fixed-line operator with the aim of setting up a virtual mobile operator," **commented Pietro Guindani, CEO of Vodafone Italia.** "The agreement is confirmation of just how competitive the telecommunications market has become and how operators are continually on the lookout for new solutions and products that can provide a better response to their customers' needs. The deal is proof that Vodafone has done more than anyone else to open up mobile telecommunications to virtual operators, placing our country on a par with Europe's most advanced markets."



“Our partnership with Vodafone,” commented **Corrado Sciolla, CEO of BT Italia**, “will allow us, by the end of the year, to offer Italian companies a range of convergent fixed-mobile solutions and provide a one-stop choice for all their communications needs. The companies who choose BT will be able to keep a close eye on all their corporate communications costs, as they will receive just one bill from a single entity. Our goal is to account for **10% of business mobile revenue** within the next five years,” concluded Sciolla.

*Vodafone Italia is part of the Vodafone Group, the world's largest mobile community, with equity interests in 25 countries and Partner Networks in a further 36. Vodafone Italia was Italy's first ever private mobile operator. At December 2006 Vodafone Italia had over 26 million customers, marking an increase of 10.6% on December 2005, with more than 5.6 million Vodafone live! users. The Company employs approximately 10,000 staff, operating 8 Call Centres around Italy and more than 2,000 retail outlets. The financial statements for the year ended in March 2006 reported revenue of €8,324 million. Vodafone Italia has international roaming agreements with 472 operators in 235 countries. Its GSM-GPRS network covers over 97% of the country, reaching 99.4% of the population. In June 2006 Vodafone Italia launched its new Super UMTS Broadband service, offering mobile broadband, and became the first operator to achieve coverage equivalent to UMTS, at 70% of the population. In 2004 Vodafone Italia launched its UMTS network. At January 2007 UMTS coverage extends to 75% of the population. At December 2006 the number of UMTS handsets and connect cards in circulation amounted to 4.4 million. Vodafone Italia leads the way among the Group's European companies in terms of the number of UMTS devices in use.*

**BT Italia S.p.A.**, a wholly owned subsidiary of BT (British Telecommunications), is Italy's leading provider of dedicated communications services and solutions for business and public sector entities. The company has taken over the activities of Albacom S.p.A. and from 1 March 2006 those of Atlanet S.p.A, a former associate of FIAT supplying telecommunications services at national level. BT Italia S.p.A. also manages the Italian operations of BT Radianz and BT Infonet.

*BT Italia has turnover of approximately €900 million and over 250,000 business customers. In addition to its Milan, Rome and Turin offices, BT is present in other major Italian cities, employing around 1,400 people. BT Italia owns its own 12,000-kilometre long fibre optic network, which is linked to BT's European IP network.*