



Omnitel reaches 2,5 millions customers and closes 1997 with the "deal of the year" award

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Omnitel Pronto Italia, Italy's first private GSM operator reaches yet another important target: 2,5 million customers on the 9th of January 1998.

By the end of 1997 Omnitel held 2,460,000 customers: this means the company gained 40,000 new customers during the first week of January, traditionally a very slow period for sales. In 1997 the number of customers has more than tripled as compared to 1996 (when Omnitel held 713,000 subscribers to its service), marking a growth of 250%.

A number of factors relating to the quality of the service offered by Omnitel help explain the company's success over the past year. Network coverage has grown considerably reaching today 83% of the Italian territory equivalent to 98% of the population. The high quality of the network has been maintained while the company's Customer Service continues to gain recognition both among customers and independent analysts: Omnitel's Customer Service was the only such service in the telecommunications industry awarded by Teleperformance.

During 1997 Omnitel introduced a number of technological innovations in the Italian market place such as the rechargeable cards which allow customers to see the amount of available credit directly on their phone's display, and Valore, the rechargeable card than can be also used abroad.

The success of the rechargeable cards has not affected growth in the number of subscriptions to traditional tariff plans. Business and corporate subscribers have more than doubled and now represent 25% of Omnitel's turnover. In the second semester of 1997 Omnitel held a 35% share of the Italian GSM market.

Omnitel's outstanding efforts have also been recognised by the financial community. Last July "Project Finance International" named Omnitel's Lit. 2,800 billion lire financing transaction "Deal of the year" in the telecommunications industry. Considering that four of the first ten projects were linked to financing deals involving cellular operators (including Orange and Bouygues), the award to Omnitel is even more valuable. The very short time that was needed to close the project and the number and the stature of the underwriters - more than 60 financial institutions of which 27 Italian - were some of the considerations that led the jury to choose Omnitel for the second time after awarding the company the prize in 1996. The project financing deal was judged by the jury to be innovative and with a very sound fiscal structure, so much so that both The European Investment Bank and The European Investment Fund have played a role in it. According to the magazine, "Omnitel has considerably reduced the start-up risks, is well established in the market place with excellent results and has brilliantly surpassed the original expectations".