**The Italian market scenario**  
**NGA coverage in Italy & Europe**

In 2015 **NGA coverage** (speeds over 30Mbps) in Italy reached 43%, while in Europe the average has been 70.9%.

<table>
<thead>
<tr>
<th>Country</th>
<th>NGA Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>100,0%</td>
</tr>
<tr>
<td>Belgium</td>
<td>98,9%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>98,3%</td>
</tr>
<tr>
<td>EU 28</td>
<td>70,9%</td>
</tr>
<tr>
<td>France</td>
<td>44,8%</td>
</tr>
<tr>
<td>Italy</td>
<td>43,0%</td>
</tr>
<tr>
<td>Greece</td>
<td>36,3%</td>
</tr>
</tbody>
</table>

Source: Digital Agenda Scoreboard 2016
**The Italian market scenario**  
Broadband fiber speed in Italy and Europe

- In Italy only 5% of total broadband connections exceed 30Mbps, while in Europe (EU 28) this percentage reached 30% in 2015.
- Moreover in Italy most of the connections are between 2 and 10 Mbps (73%), while in EU 28, 68% of the total connections exceed 10Mbps.

**Italian market scenario**  
Data traffic preview worldwide

- According to Cisco, we will be facing a new industrial revolution who will bring a huge amount of IP Traffic (HD, UHD)
- In 2020 data traffic will exceed 194 thousand petabytes per month.
- 130 thousand petabyte per month will refer to Fixed Network, with a growth rate of 21%.
Italian market scenario
“BUL – Banda Ultralarga Italian Strategy”

In 2015 the Italian government defined The Italian National Strategy for ultrabroadband ("Strategia nazionale per la banda Ultralarga") in line with the European Digital Agenda targets, expected by 2020:

- Cover at least 30 Mbps for 100% of the population;
- Cover at least 100 Mbps for 85% of the population.

For How long the 100 mbps will be enough?

---

Italian market scenario
The white and black areas of the ultra-broadband Strategy

The whole Italian territory has been divided into 4 clusters on the basis of potential market:

- Cluster A&B: matching about 60% of total Italian population, corresponding to main cities where operators will invest directly with private funds;
- Cluster C&D: matching about 40% of total population, corresponding to suburban and rural areas where operators will invest with public funding

<table>
<thead>
<tr>
<th></th>
<th>A: BIG CITIES</th>
<th>B: CITIES</th>
<th>C: SUBURBAN</th>
<th>D: RURAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>POPULATION</td>
<td>9.4 MIL</td>
<td>28.2 MIL</td>
<td>15.7 MIL</td>
<td>9.4 MIL</td>
</tr>
<tr>
<td>MUNICIPALITY (#)</td>
<td>15</td>
<td>1.120</td>
<td>2.650</td>
<td>4.300</td>
</tr>
</tbody>
</table>
Open Fiber
Mission and Business Model

Open Fiber was formed in December 2015 to ensure the coverage in Italy of Fiber Optic Infrastructures enabling broadband services.

MISSION

to Develop a telecommunication infrastructure throughout the Country as accelerating factor in achieving the objectives of the European Digital Agenda and BUL Strategy

BUSINESS MODEL

Wholesale Only Operator: operates in the wholesale markets ensuring fair conditions and non-discriminatory access to all operators

NETWORK MODEL

Next Generation Networks Fiber to the home (FTTH), future proof that guarantee speeds beyond 1 Gbps

Open Fiber
Main figures and facts

FTTH
The technology of the future: Fiber to the home

271
Municipalities to be covered

5-6 years
Time to cover Italy with the Fiber

Up to 1 Gbps
Speed transmission

32 Operators
Already contractualized

9,5 Mln
Houses/Building to be covered

3,7Mld
Investment amount to cover Italy

4 Mln
km of fiber to be in Italy
**Open Fiber**

**Masterplan cluster A&B**

- **2016**: Perugia + Milano, Bologna e Torino (Metroweb)
- **2017**: +53 cities
- **2018**: +200 cities
- **2022**: 271 cities

<table>
<thead>
<tr>
<th>Homes &amp; Building</th>
<th>2017</th>
<th>2018</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Mln</td>
<td>2.5 Mln</td>
<td>9.5 Mln</td>
<td></td>
</tr>
</tbody>
</table>

**Open Fiber**

**Network Architecture FTTH**

- POP (Point of Presence) to PFP (Further Point of Presence) via GPON 1:64
- PFP to PFS (Final Point of Service)
- PFS to UI (User Interface) via P2P (Point-to-Point) connection
Open Fiber contribution for Italy
The Digital Agenda

The fiber optic coverage is a necessary condition to ramp up Italy’s digital economy. The Italian government itself is pursuing many initiatives to quickly bring digital all transactions affecting the citizens and create the need to be on the network and use its services:

• «the digital identity»
• «the electronic invoicing»
• «the public administration payments»
• «the digital national register»

Thank You