



INFORMATION NOTE REACHED THE AGREEMENT ON ITALTEL DEBT RESTRUCTURING

Milan, December 14, 2012 – Italtel has signed the Debt Restructuring Agreement which includes a series of measures for the financial and industrial reconstitution of the company and for the business support of its foreign subsidiaries. The agreement reached with the pool of lending banks and shareholders involved: the injection of € 51 million of new finance (approximately € 40 million of back up lines), and a €153m recapitalization (through the issue of participating financial instruments) arising from the conversion by Unicredit, BPM, GE Capital, Banco Popolare and UBI of approximately € 98.5 million of bank debt, the conversion by Cisco of € 50 million of trade receivables and the provision of interim finance by Telecom Italia for an amount of € 4.5 million. This allows Italtel to achieve an adequate and solid financial and capital structure, sustainable in the long term.

The agreement also includes a favorable renegotiation of the terms of the remaining debt (approximately € 155 million) restructured with a maturity in 2019 and backup credit lines to guarantee the payment of non-consenting creditors and the cash-in of soft loans related to Research and Innovation. After the implementation of the provisions set forth in the Restructuring Agreement, which is conditioned to the approval of the Court of Milan, Italtel will have a equity of about € 110 million.

From an industrial standpoint, Italtel will rely on increased support from its strategic partner Cisco. Cisco redefined and improved the commercial terms for the supply of its products and Telecom Italia signed an agreement to buy goods and services from Italtel for at least € 120 million per year over the period 2013-2016.

The agreement was made possible as a result of a reorganization plan that was the subject of a memorandum signed by the company with the Government and the main trade unions.

"The agreement - said the Chief Executive Officer of Italtel Stefano Pileri - allows us to exit from a situation of prolonged uncertainty and to focus on implementing the Business Plan, with particular attention to cost reduction, with the aim of achieving positive net income in 2015. On behalf of the whole company management, I express my gratitude to our shareholders and creditors for the tangible sign of confidence that the Agreement represents".