



# Company profile

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## ***1. Italtel's core business***

Italtel Group designs, develops and installs new-generation integrated multi-service networks (voice/data/video), accompanied by a full range of support services. With an added value: a systems integration capability that provides telecommunications operators (fixed and mobile), ISPs, Public Sector and Large Enterprises, with infrastructures that are reliable and open to networking and future technological developments.

The mission of the Italtel Group is to become a key partner for telecommunications operators in the creation and management of Next-Generation Networks and Services, leveraging on its technological know-how and on the constant development of cutting-edge technological solutions.

### **Positioning**

According to Yankee Group, for the **fourth year in a row** in 2007 Italtel has taken **first place in the EMEA market** for **Softswitch**, the engine of NGN networks, with a 21% market share. Italtel earned also the bronze medal in the worldwide Softswitch market and the first place in data networking for Latin America, together with its strategic partner Cisco Systems.

### **Financial highlights**

Italtel Group revenues for 2007 amounted to approximately 543.4 million euro and EBITDA amounted to 110.2 million euro.

## ***2. Customers and Markets***

Italtel's reference market principally consists of national and international telecommunications operators, as well as large enterprises and public administration.

Besides holding a leading position in Italy, Italtel is also present abroad, in the UK, France, Belgium, Germany, Spain, Greece, Poland, Russia and Latin America (Argentina, Brazil, Colombia and Guatemala).

In these foreign markets, Italtel operates through branch offices, subsidiaries or with local partners.

Italtel's major customers include Telecom Italia, Fastweb, Wind, Vodafone Italy, BT Italia and many international telecom operators, such as France Telecom, Equant and NeufCegetel in France; Belgacom in Belgium; Bulldog Communication (Cable&Wireless Group) in UK; ONO, Comunitel Global (Tele2 Group), Telefónica Móviles Espana and Orange (France Telecom Group) in Spain; Telekomunikacja Polska (TPSA

- France Telecom Group) in Poland; Tellas in Greece; Telecom Argentina and Telefónica de Argentina; Telefonica Moviles in Central America; du in the United Arab Emirates.

In the last two years, Italtel Group has been offering its solutions, products and services also to large enterprises and Italian public administration bodies, among which Consorzio per il Sistema Informativo (CSI Piemonte), Banca Intesa and Poste Italiane.

### ***3. Sites, Human Resources, Development & Innovation***

Italtel's headquarters and commercial offices are located in, respectively, Castelletto di Settimo Milanese (Milan) and Rome, while its research labs are situated partially in Castelletto and in Carini, near Palermo. Italtel has approximately 2,300 employees. 45% of professionals work in the 'Development & Innovation' area of leading-edge Information & Communication Technology sectors.

### ***4. Shareholders***

Italtel Group's shareholders are: CD&R (48.77%), Telecom Italia (19.37%), Cisco Systems (18.40%), Advent International (8.65%), Brera Capital (2.16%), Cordusio società fiduciaria per azioni – which holds shares for company employees and administrators, as well as its own Italtel shares (2.65%).

### ***5. The Management***

#### **Roberto Quarta, Chairman**

After working at Worcester Controls Corp. with the responsibility of Managing Director of the British headquarters, Roberto Quarta entered the BTR Group, where, between 1980 and 1993, he held leading positions, including Chief Executive of BTR Plc.. In May 2000 he joined the Board of Directors of Equant NV, one of the world's leading companies in the IP services and network integration sector, and he is now Chairman of Rexel S.A. He is also Chairman of BBA Group Plc., where he entered in 1993 and successfully restructured the area concerning aviation services and materials technology. Furthermore, he is non-executive Director of BAE Systems Plc. In 2001 he joined Clayton, Dubilier & Rice Inc., an American private equity fund, and he is currently Chief Executive Officer and Director of Clayton, Dubilier & Rice Limited.

**Giorgio Bertolina, Chief Executive Officer**

Born in Ivrea in 1960, Giorgio Bertolina got his degree in Economics at Turin University in 1985. In the same year he started his career in Olivetti, where he stayed until 1998. During this period he held international managerial roles until his appointment as Area Manager for North/East Europe and Middle East.

At the end of the 90s, Mr Bertolina joined Marconi Group where he covered various important managerial assignments in Italy and abroad, until his appointment in 2001 as Country Manager for Italy and subsequently as chairman and chief executive officer of Marconi Communications S.p.A.

From 2005 until the company's acquisition by Ericsson, he was a member of the Executive Committee of Marconi Corporation.

In 2007 he joined Enterprise Digital Architects as Chief Executive Officer, managing the creation of EDA Enterprise.

## **6. Milestones**

### **1921 – the '70s**

The Italtel Group was established in Italy in 1921, in the sector of telephony equipment and components. During the first sixty years of its business, the company gains substantial know-how in the design and implementation of traditional telecommunications networks to support voice traffic. Throughout the years, Italtel develops a strong commercial collaboration with the public national telecom operator (today Telecom Italia), for which it designs, develops and installs systems ranging from the first electro-mechanical switching systems to semi-electronic ones.

### **The '80s**

At the beginning of the '80s, the Group starts the implementation of the national network on TDM technology (Linea UT), along with data network design and installation activities for the public national telecom operator.

During the second half of the '80s, Italtel launches technical collaborations with leading international telecom companies such as Siemens, Lucent, Alcatel and Plessey. In 1986 the Group enters the Argentinean market providing Telecom Argentina, one of the public national telecommunications operators with the Linea UT switching exchanges to expand its telephone network.

### **The '90s**

In the early '90s, Italtel continues its expansion in foreign markets. The company collaborates with foreign companies working in the former Soviet Union, the People's Republic of China, Hungary, Austria, Switzerland and other foreign European markets. Around the end of the '90s, Italtel enters the Spanish market, developing the switching network for the alternative operator AUNA (now part of the ONO group).

In 1995, Stet (today Telecom Italia) starts a joint venture with Siemens AG Group, in order to control Italtel, to an equal extent, through Telsi Ltd. In March 1995, Stet (today Telecom Italia) and Siemens AG sell all of their respective shares in Italtel SIT and Siemens Telecommunications to Telsi Ltd.

In January 1996, Italtel SIT merges with Siemens Telecommunications and in March changes its corporate name to Italtel S.p.a. This marks the beginning of an European entity able to play a significant role in the global telecommunications market.

### **From 1999: the repositioning**

Starting from 1999, the Group undertakes a repositioning, focusing its activities on the sector of next generation networks and services, based on IP technology, enabling the management of voice, data and images on the Internet.

Toward this end, Italtel in 1999 sells to Siemens its Information and Communications Network S.p.A. the company division which specialised in mobile networks for telecommunications. At the same time the Siemens Group sells 50% of Telsi Ltd to Telecom Italia; which leaves the Telecom Group indirectly holding the entirety of Italtel's shares after the above-mentioned sale of the "mobile network" activities to Siemens. This operation, along with the ceding in 1999 of Italtel Sistemi and Italtel Tecnoelettronica, leads to a reduction of the number of workers employed by the Italtel Group from approximately 15,000 to about 5,100.

In June 2000, Telecom Italia sells a stake of 80.1% of the share capital of Italtel (100% owned through Telsi Ltd.) to a group of investors: CDRD Investment (Luxembourg) III S.a.r.l., Cisco Systems, 18 investment funds with general partner Advent International Corporation and Brera Italtel LLC.

On 11 December 2001, Italtel Acquisition incorporates Italtel and takes on the present name, Italtel S.p.A.

Between May 2001 and December 2003, in the context of a company-wide reorganisation and rationalisation plan, the Italtel Group effectuates a series of divestitures of several corporate branches (multimedia terminals, energy systems and production) and acquisitions, outsourcing other non-core businesses and establishing new foreign offices and subsidiaries.

In November 2003, Italtel acquires the "Security Operation Center" division, strengthening its own product offering in the areas of professional services and managed network security.

In May 2004, Italtel acquires the entire share capital of ONE-ANS SpA, a company specialised in the development and supply of system integration services for the control and management of integrated networks or complex infrastructures.

From 2000 and 2005 the Group creates a series of foreign subsidiaries, including companies in France, Germany, Greece, Brazil, the UK and Belgium, with the aim of enhancing the positioning of its own products, solutions and services abroad. In 2006 it opened a branch in the United Arab Emirates.

In February 2006, Italtel Holding changes its corporate name into Italtel Group S.p.A..

During 2006 and 2007, Italtel strengthened its partnership with Cisco Systems and announced new alliances with IT players, such as BEA Systems.

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For further information:

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