



TELECOM ITALIA SPARKLE GROUP

PRESS RELEASE

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Telecom Italia Sparkle, through its Mediterranean operations of MedNautilus, and Cyta, announce the agreement for the creation of the first submarine ring network connecting Cyprus to Greece

The new ATHENA submarine cable subsystem will connect Cyprus and Greece through Cyta's submarine landing station in Yeroskipos and MedNautilus Backbone landing station in Athens.

Rome, June 23rd 2011

Cyta, the premier telecommunications provider in Cyprus, and Telecom Italia Sparkle, the international services arm of the Telecom Italia Group, are pleased to announce their agreement following a top management meeting in Rome, for the new ATHENA submarine cable subsystem linking Cyprus to Greece, which will come into full commercial service by the end of 2011.

The ATHENA subsystem represents a major deployment of additional submarine cable capacity in the Eastern Mediterranean leveraging both the recently upgraded MINERVA cable subsystem which connects Cyprus to Sicily, via Chania in Crete, and also the use of alternative segments of the MedNautilus submarine network, thereby maximising quality and reliability.

The ATHENA subsystem will be the first direct fully redundant ring-configured network between Cyprus and Greece consisting of two integrated segments, one between Yeroskipos and Chania, the other between Chania and Athens, and will be catering to increasing demands for international connectivity. At the same time, Cyta will be able to access additional international destinations via MedNautilus landing station in Athens.

As part of this latest agreement, the parties will further upgrade the MINERVA submarine network subsystem towards Catania in Sicily, in order to accommodate Cyta's additional requirements for *Seabone* IP transit capacity. Furthermore, the MINERVA subsystem will be extended through terrestrial connections up to Marseilles, in order to enhance Cyta's protection capacity for its private ALEXANDROS submarine cable between Cyprus-France-Egypt. As a result of this new upgrade, MINERVA will reach over 80Gb/s of active protected capacity.

«Through Cyta's extensive international telecommunications infrastructure, comprising multiple submarine cable systems connecting with neighbouring countries and other international destinations, Cyprus currently constitutes a major telecommunications hub in the Mediterranean region. The new ATHENA subsystem provides Cyta and MedNautilus with reciprocal business opportunities to access new markets, and allows for full protection of Cyta's ALEXANDROS subsystem between Cyprus-France» *says Yiannis Koulias, Cyta Director National & International Wholesale Market.*

«The agreement for the ATHENA subsystem fosters a new partnership between Cyta and Telecom Italia Sparkle that enhances the strategic role of Cyta as a major cable hub in the Eastern Mediterranean, and strengthens MedNautilus position in the region, presenting opportunities for additional successful joint projects and enabling both Cyta and MedNautilus to better serve their customers» *says Photis Savvides, Cyta's CEO.*

«With this new agreement that follows the many others we have signed and implemented in the recent past, Cyta proves once more to be one of TI Sparkle most relevant and reliable partners in the region» *says Zvika Caspy, TI Sparkle Executive Vice President Sales for Europe.*

«This new endeavour strengthens the strategic relationship with our partner Cyta even more and at the same time it enables us to consolidate our positioning as leading IP & Data service provider in the region, leveraging our proprietary fully protected state-of-the-art network system that connects major Mediterranean telecommunications markets, including Greece and Turkey, to Italy and the rest of Europe» *says Paolo Ferrari, CEO of Telecom Italia Sparkle.*

About Cyta:

Cyprus Telecommunications Authority (Cyta) is the primary telecommunications provider in Cyprus. Its product portfolio covers the whole spectrum of electronic communications ranging from fixed and mobile telephony to internet service provision and broadband applications. Cyta, through its strategic business unit Cytaglobal, is particularly active in the area of international submarine fibre optic cables, providing wholesale products and services on a global basis, and has established Cyprus as a regional telecommunication hub in the Eastern Mediterranean. Find out more about Cyta and Cytaglobal at:

www.cyta.com.cy

www.cytaglobal.com

About MedNautilus:

MedNautilus is the Mediterranean operations of the Telecom Italia Sparkle Group and is the only telecommunication submarine cable ring in the Mediterranean since 2001. The MedNautilus network provides end-to-end connectivity from the eastern part of the Mediterranean to major destinations in Europe and is the leading provider in the region.

About Telecom Italia Sparkle:

Telecom Italia Sparkle S.p.A. (TI Sparkle) is the wholly-owned Telecom Italia Group (NYSE:TI) subsidiary with the mission to develop and consolidate the Italian telco's international services business. As a global carrier, TI Sparkle offers a full range of voice, mobile data, Internet protocol (IP) and bandwidth service solutions to fixed and mobile operators, Internet service providers (ISPs), Media and Content providers and to Multinational enterprises. Find out more about Telecom Italia Sparkle and its *Seabone* IP Transit offer at: www.tisparkle.com

(Cyta Press Releases and photographs are also available at <http://www.cyta.com.cy/pr/pressreleases/index-en.htm>)

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