



**Announcement** | Lisbon | 21 July 2014

## **MEO expands its fibre network through a sharing agreement with Vodafone**

MEO, through PT Portugal, SGPS, S.A., entered into an agreement to deploy, swap of capacity and share its Fibre Network with Vodafone Portugal.

This agreement includes sharing of dark fibre in circa 900 thousand homes, in which each party shares approximately 450 thousand homes. The sharing model is materialised with the acquisition of Indefeasible Rights of Use (IRU), through a 25 years contract.

The sharing model allows MEO to reach additional 450 thousand homes with fibre to the home technology (FTTH), thus increasing the potential penetration of its products and services across various market segments, namely consumer and enterprise.

Given the swap of capacity and sharing model adopted, both entities will maintain total autonomy and flexibility designing their retail offers, including the provision of RF (analogue) TV signal, guaranteeing the complete confidentiality of customer information.

Therefore, this agreement enables a higher dynamism in the retail market through an enhanced ability to distribute broadband and TV offers with high speeds and quality, thus benefiting all citizens and companies.

This agreement strengthens MEO's position as the Operator, in Portugal, with a truly integrated and convergent offer, reaching an increasing number of Portuguese. MEO will continue to focus on a convergence strategy for the consumer segment, through M<sub>4</sub>O offer, and PT Empresas will continue to focus on a cloud strategy, anchored on its extensive network of data centres, for the enterprise segment and businesses. This offer is only possible given the strong strategic investments that have been made in recent years in new technologies and in the modernisation of IT systems, namely in: (1) its FTTH network, which now will reach 2.1 million homes passed; (2) its 4G LTE network, which offers speeds up to 150 Mbps and covers 93% of the Portuguese population; (3) strengthening of its data centres, namely through the investment in the data centre in Covilhã, and (4) the implementation of a CRM (customer relationship management) system at the consumer segment, allowing the treatment of a convergent customer as a single customer, with a single bill and a single customer care service.

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Share capital Euro 3,450,000,000  
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