

Sky and TalkTalk partner with CityFibre to Launch Ultra-Fast Broadband

Sky and TalkTalk today announce that they have joined forces with CityFibre to create a new company that will deliver ultra-fast broadband services in the City of York. The new joint venture company plans to build a state of the art, city-wide, pure fibre-to-the-premise (FTTP) network to deliver broadband speeds of 1 Gigabit (1000 Mbps) direct to tens of thousands of homes and businesses in York, offering customers better quality and value.

The new network will leverage CityFibre's existing metro fibre infrastructure in the City. Once the ultra-fast network is in place, Sky and TalkTalk will retail competing broadband services over the new infrastructure, with the first York customers expected to be connected in 2015.

The joint venture plans to work with leading global technology provider Fujitsu to deploy the pure fibre FTTP network. It will enable Sky and TalkTalk to offer customers better value for higher speeds than is currently available, increasing both choice and innovation in broadband for consumers.

The roll out will give Sky, TalkTalk and CityFibre the opportunity to fully test a new cost effective approach to building a viable pure fibre network, independent from BT Openreach's infrastructure. The parties also intend to bring ultra-fast broadband to two further cities across the UK and will announce further details about the selection of the cities in due course.

This will be the first time ever that a UK city has been connected with such high speeds on a city-wide basis. The parties will work in partnership with the local community to help ensure the network delivers the numerous benefits better broadband can provide, including helping to grow the local economy and supporting York businesses to better compete in the UK and abroad.

Further details about the new service in York, including branding and launch date, and Sky and TalkTalk's customer propositions and pricing, will be confirmed in due course.

Dido Harding, Chief Executive of TalkTalk Group, said: “TalkTalk has a long history and proven track record of disrupting new markets, and this is the next step in that journey. We are excited to be working in partnership with Sky and CityFibre to build this new network that will offer significantly higher speeds at much better value than is currently available. This marks TalkTalk taking its first steps into investing in building infrastructure as part of our mission to make British homes and businesses better off.”

Stephen van Rooyen, Managing Director of Sky’s Sales, Marketing and Brand Group, said: “Increased competition in the broadband market has brought benefits to millions of households who now enjoy better quality and value of service. Sky has led the growth of the sector since the launch of Sky Broadband, becoming the UK’s favourite provider of TV, broadband and home phone, and we see plenty of opportunity to continue to develop our offering. This trial will help us understand the potential for cutting-edge technology to help us give customers an even better quality of service and we’re looking forward to working in partnership with TalkTalk and CityFibre.”

Greg Mesch, Chief Executive of CityFibre, said: "As a business that believes in the transformative potential of pure fibre infrastructure and gigabit speeds to stimulate growth and innovation this partnership is great news for UK plc. Working with two of the largest and most forward-thinking service providers in the UK we will continue to extend our existing metro fibre infrastructure and introduce a new generation of gigabit speed services to homes and businesses.”

Cllr James Alexander, Leader of City of York council said: “This announcement makes York the digital infrastructure capital of the UK. Gaining ultra fast broadband across the city is a huge boost for our economy; providing significant new opportunities for businesses based here and better quality and value to our residents.

“I’m delighted that York has been chosen as the first city, building on work over the last two year’s to improve the city’s digital infrastructure, and that we’ll see this in place as soon as 2015”.

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Notes to editors:

Sky, TalkTalk and CityFibre will be equal shareholders in a new company, which intends to commission the build of an FTTP network in York. The company plans to sell wholesale fibre services to TalkTalk and Sky. Sky, TalkTalk and CityFibre will each have an equal 33.3% equity stake in the new company

TalkTalk also intends to sell ultrafast broadband to businesses via TalkTalk Business

The build will leverage CityFibre's existing metro fibre infrastructure in the City of York.

About Sky

Sky is the UK and Ireland's leading home entertainment and communications company. Around 40% of all homes have a direct relationship with Sky through its range of TV, broadband and home telephony services.

Sky is the UK's biggest investor in television content, investing more than £2.5 billion a year in channels such as Sky 1, Sky Atlantic, Sky Living, Sky Arts, Sky Sports, Sky Movies and Sky News. Around two-thirds of Sky's content spend is invested in the UK and Sky is the fastest-growing source of investment in original British programmes. More than 30 million people watch Sky content each week.

Alongside its commitment to offering customers a greater choice of high-quality content, Sky is a leading innovator. Customers enjoy total control and flexibility over their favourite TV through Sky+, watch TV on the move through Sky Go, and enjoy the best quality TV experience at home through High Definition and 3D.

Sky distributes its content broadly over several platforms, including satellite, cable, IPTV, mobile and WiFi. NOW TV, Sky's second consumer brand, builds on the company's leadership in internet TV. Sky is also the UK's fastest-growing home communications company and favourite 'triple-play' provider of TV, broadband and home phone.

Sky believes in making a wider contribution to the communities in which it operates by taking positive action on the environment, supporting grassroots sports and increasing access to, and participation in, the arts. Sky employs 24,000 people, has annual revenues of £7.2 billion and is estimated to support a £5.9 billion contribution to UK GDP. Sky is listed on the London Stock Exchange (BSY).

About TalkTalk

- TalkTalk is the UK's leading value-for-money provider of fixed line broadband, voice telephony, TV and mobile services to consumers and business users
- Under the TalkTalk, AOL Broadband and TalkTalk Business brands, TalkTalk serves 4 million customers across the UK
- TalkTalk is one of seven partners in YouView (www.youview.com), the internet-connected TV service, along with the BBC, ITV, BT, Channel 4, Arqiva and Five. YouView launched to UK homes in 2012. Visit www.talktalk.co.uk
- TalkTalk operates a fully unbundled network, which extends to over 3,000 exchanges and covers more than 96% of the UK population
- TalkTalk was the first ISP to provide HomeSafe™, our unique and groundbreaking whole home security and safety service, free of charge, exclusively to our customers. HomeSafe™ protects every device in the home using a TalkTalk broadband connection and since launch has been activated by more than 1.2 million customers
- TalkTalk was awarded Best Home TV Provider 2013/2014 in the Personal Finance Awards, the Best Value Home Broadband Award in the uSwitch Broadband Awards 2013, the Broadband Innovation Award in the uSwitch Broadband Awards 2012, and the Internet Service Providers' Association 2012 Award for Internet Safety and Security
- TalkTalk was voted as Britain's best value provider for broadband, phone and TV packages in

Which? Magazine's Satisfaction Survey 2013, and TalkTalk Plus TV was named Best Broadband & TV Package at the Recombu Awards 2013

- Customers can use TalkTalk's website, www.talktalk.co.uk to manage their account, use their webmail, resolve any problems and access a range of information and entertainment content

About CityFibre

CityFibre enables gigabit connectivity through owning, building and operating fibre optic network infrastructure. It is the largest independent provider of fibre infrastructure to mid-sized cities and major towns, providing gigabit capable infrastructure for enterprise and public sector organisations, service providers, mobile network operators and businesses.

The Company owns and operates 29,000 fibre kilometres of local access networks serving 465 customer locations in 56 towns and cities in the UK, including York, Sheffield, Newcastle, Dundee, Bath, Derby and Doncaster.

The Company is currently constructing a new 90 route kilometre local access fibre network in Peterborough, connecting over 100 council sites and schools under a 20-year contract with Serco, the ICT provider to the City Council.

CityFibre has been selected as preferred bidder to acquire the Coventry Metro Area Network (MAN), which currently connects over 300 council sites and schools in the City of Coventry. Subject to contract, the acquisition will nearly double the network footprint of the Group.

CityFibre is based in London, United Kingdom, and its shares trade on the AIM Market of the London Stock Exchange (AIM: CFHL).