

Teleunit to put the IT in Italy

by: Chris Bourke

Sleepy towns all over Italy are getting super-speed web access that puts broadband to shame, thanks to **Teleunit** (TLU:AIM). This innovative telco is now on the verge of landing a 20-year contract to supply **Wireless Local Loop (WLL)** internet to the key region of Tuscany.

WLL is ideal for small to medium-sized enterprises (SMEs) outside major Italian cities. Many of these areas miss out on high-speed web access as the necessary fibre cables are not in place. But thanks to market deregulation, those users can now enjoy high-speed access without any cables at all.

Teleunit is the only WLL operator in central Italy and likely to remain so for some time. As for former state monopoly Telecom Italia, the regulator says it cannot compete in the WLL market until 2008. Well before that occurs, however, Teleunit plans to be serving the five key Italian provinces, where a combined total of 800,000 SMEs are waiting to log on.

For more than a year Teleunit has been offering WLL in the Umbria region and has tripled its

customers there to more than 150 businesses. Tuscany, which is estimated to have around 220,000 SMEs, is next in line and ready to go. After months of rather annoying bureaucratic delays, it should not be long before Teleunit is given a WLL licence for the region.

'An announcement will be made any day now,' finance director Fulvio Cociani told *Shares*. 'We are feeling 99.9% positive that Tuscany will be in operation very soon.'

'Teleunit acquiring the Tuscany licence is a significant event,' says telecoms analyst Roger Tejwani at Daniel Stewart. 'The infrastructure is already there and customers are signed up - everything is in place. We are just waiting for them to push the button.'

Teleunit reports full-year results in April. Daniel Stewart is forecasting turnover of £64 million for 2004 and expects this to more than double by 2006. The shares are trading at 20p.

■ Shares says: Teleunit is profitable, cash generative and trades at a discount to its peers - a rare find in the telecoms sector, let alone AIM.