



## Italtel Appoints New CEO

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Italian VOIP gear and services vendor [Italtel SpA](#) has appointed a new CEO as it plans to ramp up its international expansion. (See [Italtel Names CEO](#).)

Giorgio Bertolina has taken over from Mauro Righetti, who left Italtel at the end of July after running the company for nearly four years. Righetti joined as general manager in October 2003 and became CEO in May 2004. (See [Italtel Names General Manager](#).)

The vendor, which sells VOIP equipment (IMS-ready softswitch, application server, presence server) and a range of professional services (systems integration, managed services, NGN planning) to service providers and large enterprises, says Bertolina is "a manager with a strong experience in the ICT sector at international level," having been CEO of Marconi's Italian business until the equipment vendor was acquired by [Ericsson AB](#) (Nasdaq: [ERIC](#) - [message board](#)). (See [Ericsson Buys Bulk of Marconi](#).)

Now, says an Italtel spokeswoman, the new CEO is charged with "further expanding Italtel's presence in the Italian and international markets, and consolidating its leadership in the NGN and softswitch markets."

But couldn't the incumbent CEO have done that?

An Italtel spokeswoman says Righetti left the company "in agreement with the shareholders, having completed the mandate for which he was brought into the company," which was the repositioning of the company in the Italian and international markets. "This phase has come to an end and now a new growth phase is beginning, with a new industrial plan," adds the spokeswoman in an email to *Light Reading*.

Italtel says the company has evolved during the past three years from "a company strongly focused on a relatively small number of key clients, to a company with a diversified customer base both in Italy and abroad."

Its main customer is, not surprisingly, Italian incumbent and Italtel shareholder [Telecom Italia SpA](#) (NYSE: [TI](#) - [message board](#)), while alternative triple-play operator [FastWeb SpA](#) is also a client. (See [Italtel Announces Triple-Play Contract](#) and [FastWeb Upgrades With Italtel, Cisco](#).)

Its customer base, though focused on the EMEA and Latin American regions, is much broader than that, and did grow under Righetti, doubling from 20 to 40 service providers since 2004. The company has also retained its status as a leading supplier of VOIP systems and services in the EMEA region during the past few years. (See [Italtel Touts Lead](#), [Italtel Wins New Deals](#), [Du Awards Italtel, Cisco](#), and [Teledata, Italtel Win Deal](#).)

Italtel, though, also experienced some setbacks during the past few years.

First, its IPO plans looked to be on again in 2006 when the company officially announced its intention to float its stock on the Italian exchange, and even received regulatory clearance to do so. (See [Italtel Confirms IPO Plan](#) and [Italtel Cleared for IPO](#).)

But the company never made it onto the Milan exchange, and there are no current plans to try again. "At the moment there are no specific plans to revive the IPO plan," says the company's spokeswoman, who adds that the company's shareholders are now focused on generating growth.

The main shareholders are [Clayton Dubilier & Rice Inc.](#), which holds a near 49 percent stake, Telecom Italia, with a 19.4 percent holding, and Italtel's main business partner, [Cisco Systems Inc.](#) (Nasdaq: [CSCO](#) - [message board](#)), which owns an 18.4 percent stake. (See [Italtel, Cisco Strengthen Ties](#) and [Cisco, Italtel Host Services](#).)

The company has also struggled to boost its revenues. While it reported revenues of €546.1 million (\$742 million) and a net income of €14.1 million (\$19.2 million) in 2006, those revenues were flat compared with 2005 and significantly down on the firm's 2003 turnover of €591.8 million (\$804 million). (See [Italtel Shows a Good Mix in '06](#), [Italtel Reports 2005](#), and [Italtel Reports 2003 Results](#).)

Italtel also failed to find a partner to help it break into the U.S. market, despite its relationship with Cisco. Having announced its intention to team up with a North American company in May 2005, Italtel had shelved that expansion plan by early 2006. (See [Italtel: We Need US Partner.](#))

Bertolina, then, faces a significant challenge. With the likes of [Alcatel-Lucent](#) (NYSE: [ALU](#) - [message board](#)), [Ericsson AB](#) (Nasdaq: [ERIC](#) - [message board](#)), [Huawei Technologies Co. Ltd.](#), [Nokia Siemens Networks](#), [Thomson](#) (NYSE: [TMS](#) - [message board](#); Euronext Paris: 18453)'s Cirpack business, [Sonus Networks Inc.](#) (Nasdaq: [SONS](#) - [message board](#)), and [Veraz Networks Inc.](#) (Nasdaq: [VRAZ](#) - [message board](#)) competing for the same business, Italtel's chairman Roberto Quarta has stated the company needs to "both consolidate the current positive trend and take on demanding development plans in Italy and internationally."

— Ray Le Maistre, International News Editor, *Light Reading*

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