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Press Release

Creation of the IELO-LIAZO Group by combining the companies IELO France, IELO Switzerland and LIAZO

IELO France, IELO Switzerland and LIAZO companies are now completing their merger process to create the IELO-LIAZO group, forming a key player in the Telecom industry.

IELO-LIAZO discloses today its identity.

« I am delighted to share the motivation behind the realization of this merger project. Our positioning creates value and brings a breath of fresh air to the Telecom Market. We have decided to give ourselves the means to grow and meet our ambitions by joining together our teams and resources »

Arthur Fernandez, Managing Director

« IELO-LIAZO is based on the strong belief that innovation requires neutral access to infrastructures. We enable our partners to focus on development and innovation. »

Julien Ducros, Head of Strategy and Business Development

The shareholders of the group are the four initial founders of the three merged companies and the key direction members. The newly combined group is financially independent and profitable.

This new business is a long term endeavour which is built on two very solid businesses.

The combination of the strengths of each company will allow IELO-LIAZO to significantly invest in projects such as the deployment of optical fiber networks in France and internationally, and in the development of its Points of Presence.

The group will enforce a policy based on quality and partner satisfaction.

The fully owned network accounts for 600+ km of optical fiber cables in France and 60 Points of Presence in 20 cities across 6 countries.

The group is currently over 30 employees and is expecting a revenue of 7M€ in 2016. We are forecasting to exceed a revenue of 10M€ in 2017, and 25M€ in 2019, with a net profitability of over 4%.

Arthur FERNANDEZ, Julien DUCROS, Frédéric MOTTE et Bertrand YVAIN

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Some details...

A fusion, what for ?

This project is first and foremost human. Shareholders and employees of IELO and LIAZO share the same values and visions.

The expertise and business areas of both companies are perfectly complementary :

- A common business and skills share : Our Telecom infrastructure (MPLS routing) brings us together but each entity has been successful in developing specific skills :
 - o On the LIAZO side, operator oriented products, such as Data Collect, boosted by the creation of its own fiber optic network that is extending every day.
 - o On the IELO side a high quality interconnection policy IP network and the management of colocation spaces in DataCenters.

From a financial perspective, this project makes great sense :

- The stable and sustainable IELO business will allow the new structure to benefit from a good investment and debt capacity.
- The deployment of competitive optical fiber networks that LIAZO began many years ago creates strong assets, adds value to the group, keeps the group in a growing market and most importantly ensures control of the whole infrastructure chain provided to our customers and partners. However the fast growth of this network requires important investment capacity.

And because the timing is perfect :

- The companies IELO and LIAZO have equivalent valorisation, which preserves the balance between all the former shareholders and thus preserves the momentum inside the new group.
- The number of employees and the financial standing of both entities enable us to enter into this transformation together with all the required resources to leverage strong, dynamic growth and guarantee a highly motivated organisation.
- The market is ready to welcome the new IELO-LIAZO Group. Our positioning resulting from our experience and our expertise will lead to valuable loyalty from our customers and partners. We will extend this mode of operation into partnerships based on a complementary way of working.

Great ! So how is it going to actually happen ?

The organisation of the group has already been put in place and several departments have been identified.

We recruited candidates compliant with two main requirements : Technical skills and the right culture fit for our organisation.

The Information System, in-house designed, is already in production and manages all the customers and services of the merged companies.

The Group's Financial Direction has also been in place for many months, the financial processes and the standardisation of the financial systems are already completed.

An important part of the process was to decide on the network and equipment configuration.

With regards to IP services, the AS 29075 was selected and the technical staff decided to keep a homogeneous network based on CISCO. The legacy equipment is being replaced in order to ensure a consistent network which is easy to manage.

Today, and the recent network maintenances were on purpose, the networks are 95% merged, taking advantage of this new design. The work will be completed by the end of November.

And what is this new group up to ?

The in house optical fiber network deployment is one of the major axis of development of the group.

The quality of our network and its control allow us to offer flexible, affordable and very qualitative range of products : Lit fiber services, Dark Fiber or passive Wavelengths. We are bound to be independent, efficient and competitive when it is about infrastructure.

The LIAZO third parties collect services will also be enriched, enhanced and developed. The products based on our owned fiber network are now available on the eligibility tool on top of the usual third party operators.

The housing activity will benefit from the increased volume due to the merging of both companies. The group is already operating an important housing capacity throughout the major DataCenters; we intend to open new spaces and invest in more important areas in order to comply with our customer requirements.

IP Transit, one of the leading products of IELO, will remain focused on quality and will be improved with new direct interconnects, new POPs (in French tier two cities and in Europe), new capacities and with wider coverage. Without compromise, as usual.

We will stay close to our clients and our partners, at the center of our infrastructure strategy. Our Sales, Technical and Finance teams are dedicated, together with the management team fulfilling this target.

The assets of IELO and LIAZO, precious for the shareholders, are driven by proximity, high levels of technology, product attractiveness and especially fair positioning.

Building the group will leverage these assets with reaching a critical size in order to bring solidity, durability and increased financial and material means to the new organisation.

Arthur FERNANDEZ & Julien DUCROS

About IELO France and IELO Switzerland :

IELO has specialized in providing network infrastructure, IP Transit, MPLS Transport and Housing in Europe since 2002, and in Switzerland since 2013.

About LIAZO :

LIAZO has specialized in transport infrastructures and third party data collect services for partners, and in providing housing facilities to ease implantation for operators in France and in Europe. LIAZO has deployed its own optical fiber network and has more than 600 buildings connected.