

NEWS RELEASE

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Microsoft and Facebook to build an innovative new subsea cable across the Atlantic Ocean

MENLO PARK, Calif. and REDMOND, Wash., May 26, 2016 /PRNewswire/ -- Today, Microsoft (NASDAQ "MSFT" @microsoft) and Facebook (NASDAQ:FB) announced an agreement to build a new, state-of-the-art subsea cable across the Atlantic. The new "MAREA" cable will help meet the growing customer demand for high speed, reliable connections for cloud and online services for Microsoft, Facebook and their customers. The parties have cleared conditions to go Contract-In-Force (CIF) with their plans, and construction of the cable will commence in August 2016 with completion expected in October 2017.

Microsoft and Facebook are collaborating on this system to accelerate the development of the next-generation of Internet infrastructure and support the explosion of data consumption and rapid growth of their respective cloud and online services. MAREA will be the highest-capacity subsea cable to ever cross the Atlantic – eight fiber pairs and an initial estimated design capacity of 160Tbps. The new 6,600 km submarine cable system, to be operated and managed by Telxius, Telefónica's new telecommunications infrastructure company, will also be the first to connect the United States to southern Europe, from the data hub of Northern Virginia to Bilbao, Spain and then to network hubs in Europe, Africa, the Middle East and Asia. This route is south of other transatlantic cable systems, thereby helping ensure more resilient and reliable connections for customers in the United States, Europe, and beyond.

Microsoft and Facebook designed MAREA to be interoperable with a variety of networking equipment. This new "open" design brings significant benefits for customers: lower costs and easier equipment upgrades which leads to faster growth in bandwidth rates since the system can evolve at the pace of optical technology innovation.

Microsoft and Facebook are working with Telxius to build upon Telefónica's longstanding experience in subsea cables on this innovative new system. Telxius will serve as the operator of the system and sell capacity as part of their wholesale infrastructure business.

• "As the world is increasingly moving toward a future based on cloud computing, Microsoft continues to invest in our cloud infrastructure to meet current and future growing global demand for our more than 200 cloud services, including Bing, Office 365, Skype, Xbox Live and the Microsoft Azure platform," said Christian Belady,

General Manager, Datacenter Strategy, Planning & Development, Microsoft Corp. "The MAREA transatlantic cable we're building with Facebook and Telxius will provide new, low-latency connectivity that will help meet the increasing demand for higher-speed capacity across the Atlantic. By building the cable along this new southern route, we will also increase the resiliency of our global network, helping ensure even greater reliability for our customers."

- "Facebook wants to make it possible for people to have deep connections and shared experiences with the people who matter to them most anywhere in the world, and at any time," said Najam Ahmad, Vice President of Network Engineering at Facebook. "We're always evaluating new technologies and systems in order to provide the best connectivity possible. By creating a vendor-agnostic design with Microsoft and Telxius, we can choose the hardware and software that best serves the system and ultimately increase the pace of innovation. We want to do more of these projects in this manner allowing us to move fast with more collaboration. We think this is how most subsea cable systems will be built in the future."
- "Working with Facebook and Microsoft in this project will reinforce Telxius' position as a worldwide leading infra company not only expanding on-net capabilities to Spain and the USA but also allowing us to capture market opportunities in Western Europe and new emerging routes in Northern Africa and other regions," said Rafael Arranz, Chief Operating Officer of Telxius Cable.

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