

FASTWEB announces the extension of its Ultra Broadband network

Following the success of the FTTS plan announced in September 2012 and nearing completion, FASTWEB will extend its Ultra Broadband network to over 100 cities by the end of 2016, thus further contributing to the achievement of the 2020 European Digital Agenda objectives

Milan, 26th September 2014 - FASTWEB, Italy's leading alternative infrastructure-based operator with an access network delivering speeds of 100 Mbps, will extend its Next Generation Network (NGN) in 2015 and 2016. Thanks to this initiative, the Company will further strengthen its leading position in the Italian market and will contribute to significantly expand the NGN infrastructure of the Country.

In particular, FASTWEB will expand its Ultra Broadband capabilities to cover a total of 27% of the population or 7.5 million households and businesses in over 100 cities by the end of 2016. By that time, some 5.5 million households and businesses will have access to the Fiber to the Street (FTTS) network, in addition to some 2.0 million reached by the Fiber to the Home (FTTH) footprint. FASTWEB's infrastructure, already the largest European fixed line NGN built and operated by an OLO, will give a further boost to infrastructure-based competition in the Italian market for the benefit of end customers in terms of innovation, differentiation and quality of service.

The extension is motivated by the success of the FTTS plan currently being executed and nearing completion:

- Strong appreciation by the market for FASTWEB Ultra Broadband services, with more than 150k active customers already on the FTTS infrastructure. Considering also some 300k subscribers connected through FTTH, FASTWEB has 80% of overall Italian Ultra Broadband customers;
- Installation of over 13,000 new street cabinets covering 3.5 million potential customers to be achieved by the end of 2014 fully in line with the timing initially envisaged. In combination with the existing FTTH network, this allows FASTWEB to offer Ultra Broadband services to 20% of the market;
- Average download speed of more than 70 Mbps (90% of customers connect at a speed higher than 50 Mbps), confirming that VDSL technology is capable to provide genuine ultra-fast connections that are in line with the best international standards;
- Efficiency in the investments incurred so far to deploy FTTS infrastructure, also thanks to the co-operation agreement signed in 2012 between FASTWEB and Telecom Italia on NGN roll out.

Thanks to the re-allocation of funds from existing infrastructure to a larger FTTS footprint, the extension will not change FASTWEB expected Capex trend. Therefore, total investments in 2015 will be around 500 million euro or 10% below what is spent in 2014. The target of free cash flow generation in 2015 is confirmed.

Such investment shows how FASTWEB is committed to contribute to the development of the Country, for which incentives to further invest in NGN are key. Both Regulations (for example through the trend of SLU fee reduction already set for 2013) and Politics

(with measures such those included in the Decree 'Sblocca Italia' and the availability of EU structural funds) can play a constructive role.

Alberto Calcagno - FASTWEB CEO - said: "With this announcement, FASTWEB enhances its leadership among Italian fixed line operators. Despite the prolonged weakness of the economic cycle, it also confirms the Company commitment to enrich the NGN infrastructure of the Country, thus contributing to the achievement of the 2020 European Digital Agenda objectives".

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