

**Fastweb announces 2016 financial results.  
Strong growth in customers, revenues and margins for the third  
year in a row. Double digit growth in Ebitda. Net profit and free  
cash flow largely positive.**

*Highlights*

- 2.4 million broadband customers at December 2016, +7% on 2015 with 154,000 net acquisitions in the year. 810,000 customers connected through proprietary ultra-broadband fibre network, +25% on 2015
- 34% share in ultra-broadband market
- Total revenues: 1,795 million euro, +3.4% on 2015
- Ebitda up 15% to 661 million euro; margin to 37%
- The net profit totaled Euro 95 million and free cash flow 98 million
- Investments in network and technology amounted to 32% of year revenues
- 1.2 million new households reached by Fastweb New Generation Network, for a 2016 year-end total of 7.5 million households
- Net Promoter Score in the residential segment in 2016 was 12% higher than the average of the competitors

*Milan, February 8 2017* - Fastweb announces 2016 yearly financial results, with a strong increase, for the third year in a row, in customers, revenues and margin. The fiscal year ends, again, with largely positive net profits and free cash flow generation. The strategy based on infrastructure investments allows Fastweb to increase the quality of its services improving, at the same time, the profitability of the company.

At December 31st, **customers** are up 7% (+154,000 on 2015) reaching a total of 2.4 million. 34% of customers are connected to Fastweb proprietary New Generation Network. With 810,000 customers connected through its FTTx network (+25% on 2015), Fastweb confirms its market position as co-leader in Italy's ultra-broadband market with 34% of market share.

**Total revenues** are 1,795 million, up 3.4% compared to 1,736 million in 2015.

**EBITDA** recorded a strong growth in 2016, reaching 661 million, up 15% compared to 576 million of previous fiscal year, (+8% net of non-recurrent income). Margin is up 4 points on 2015, reaching 37%. **Free cash flow** amounted to 98 million, up 119% on 2015. The **net profit** totalled 95 million, more than tripled on 2015 (+239%).

The commitment to expand its new generation network and towards digital transformation of the company drove total investments of 581 million in 2016, up 7.4% on 2015 and representing 32% of revenues.

In 2016 Fastweb extended its fibre infrastructure footprint to further 1.2 million families and companies, reaching a total of 7.5 million, of which 2.2 reached by FttH network (Fiber to the Home) and 5.3 million with FttCab (Fiber to the Cabinet). Furthermore, thanks to Vplus technology, Fastweb doubled the performances of its network, which now reaches download speed of 200 Mb/s on FTTCab, whereas in December Fastweb launched the first gigabit connectivity services on its FTTH network.

During the year the company announced a plan to further expand its ultra-broadband network footprint by 2020, with the target to cover a total of 13 million families and businesses (approximately 50% of population, compared to existing 30%), of which 8 million will be reached by FttCab and 5 million with FttH. The infrastructure to connect with FttH the new 3 million households will be deployed by Flash Fiber, the joint venture created by Fastweb and TIM in August 2016 with the target to roll-out fiber to the home in 29 cities. At the end of 2016 Flash Fiber has reached with fiber already 200,000 households.

The constant commitment to investments in infrastructures and to customer-centric approach allowed Fastweb to become the leading operator in “Net Promoter Score”, which measures the loyalty of the customer to the company by enquiring how likely is it that they would recommend Fastweb services to a friend or colleague. NPS in the residential segment in 2016 was 12% higher than the average of the competitors, as certified by SandsSIV.

The national coverage plan of Fastweb **WOW FI**, the mobile data offload service on a shared wi-fi, was completed in 2016, with the creation of the largest wi-fi community in Italy. The service is active in 800 Italian cities and has currently more than 1.5 million users.

As far as Fastweb **mobile services** are concerned, the customer base was up 27% in 2016. To further improve its market positioning, the company made the transition to Full Mobile Virtual Network Operator (Full MVNO) thanks to an agreement with TIM which enables a higher quality, a larger coverage and access to 4G services. In the fourth quarter, Fastweb started offering the new 4G and 4GPlus services and is proceeding to the migration of the existing customer base.

In order to offer increasingly convergent services, extending the quality of its wireline infrastructure to its wireless network as well, Fastweb announced the deployment of a 5G-ready network. Based on small cells, the new mobile network will be operational in 2020 on 20% of the national territory. To roll out its 5G network, Fastweb will leverage its existing infrastructures: fibre, over 20,000 street cabinets that will become 50,000 in 2020, and 3.5 GHz frequencies available thanks to an agreement signed in December with Tiscali.

In the **Enterprise segment**, Fastweb increased its market share to 28% (up 1 point on 2015), confirming its positioning as the second player for Tlc and ICT services in the broadband market for large companies and public administrations. Thanks to recent investments in network infrastructure, in the new generation Tier IV Data Center, as certified by New York Uptime Institute, to the development of innovative ICT solutions, Fastweb gained market shares in the Cloud and ICT Security segments. Fastweb market share in the Cloud computing services is above 10% (based on the market controlled by telcos). Several large companies acquired as customers in 2016, among which Banca Popolare di Milano, Tnt Global Express, Co.Ge.In, Sea Aeroporti di Milano.

Fastweb confirmed its role as key provider of services to the Public Administration, both at national and local level, by winning relevant public tenders for the provision of voice services, video-surveillance, management and maintenance of telephony switchboard and workstations. In order to further strengthen its presence in the business segment,



Fastweb acquired in December the Tiscali Business branch, which includes Tiscali's Top Client segment as well as the framework agreement for the connectivity services to the public administration (SPC), which will become operational subject to the positive outcome of an administrative court case regarding the SPC framework agreement.

*Per informazioni:*

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