

FASTWEB, growth in customers, revenues and margins during first nine months

Revenues increased by 1.4% to 1.230 billion euro with Ebitda growing by 10% to 370 million euro. Customers grew to two million, with 22% already connected through ultrafast 100 Mbps broadband network. Launched a further ultrabroadband network extension plan to cover up to 30% of the Italian population in 100 cities.

Milan, 6th November 2014 - FASTWEB announces the financial results of the first nine months of 2014. During the period from January to September 2014, the **revenues** of the telecommunications provider reached 1.230 billion euro, a 1.4% increase with respect to 1.213 billion euro of one year before. Net of low margin interconnection revenues, which the Company is gradually reducing, growth was equal to 2.5%, increasing from 1.179 billion euro to 1.209 billion euro.

Earnings before interest, tax, depreciation, and amortization (**Ebitda**) during the first nine months of the year reached 370 million euro, a 10% increase compared with 336 million euro registered in the year-earlier period, due to improved industrial performance and to the positive effect of non-recurring regulatory items. Adjusted for the latter, Ebitda increased by 13 million, or 3.9%.

During the first nine months, **capex** were 406 million euro, a 3.3% increase with respect to the previous year due higher levels of investment in network and IT infrastructure and wholesale business. During the first nine months of 2014, FASTWEB invested 33% of its revenues.

As far as the **third quarter** was concerned, revenues increased by 5% year-on-year, from 403 million to 424 million euro. Ebitda during the July-September quarter increased 6%, from 126 million to 134 million euro.

At the end of the period, the Company had over two million **customers** (2.02 million), with 105,000 net adds compared to the same period of the previous year (+5.5%), despite a highly competitive market.

The performance of the enterprise and public administration segment was also strong. In this segment FASTWEB is the second most important provider of voice and data connectivity in Italy with a 28% market share. FASTWEB is strengthening its position also in the VAS and security market. The Enterprise segment produced a 4% year on year increase.

By the end of September, approximately 22% of FASTWEB's customer base (450.000) was connected to the fibre optic network, a technology that allows speeds of up to 100 megabit per second. This makes FASTWEB the leader on the Italian ultrabroadband market.

Following the success of the Fiber to the Cabinet plan announced in September 2012 and nearing completion with the coverage of 3.5 million potential users in 20 cities (on top of 2.0 million covered in FTTH), FASTWEB announced a new network expansion plan, that will extend fiber reach to 80 further cities over the next two years. FASTWEB's fiber



infrastructure will thus reach an overall 7.5 million of households and business sites by the end of 2016, enabling 30% of the Italian population to access ultrabroadband connections up to 100 mbps.

Moreover, during the month of October, FASTWEB began a fibre-to-the-cabinet test in Milan with G.Fast, a technology that allows connection speeds of up to one gigabit per second (1000 Mbps), and with an average customer speed of between 250 and 400 Mbps. "The 100 Mbps speed which we offer on our network, represents the real ultrabroadband experience, however, these speeds will be significantly improved in the near future", said Alberto Calcagno, CEO of FASTWEB. "Technological evolution, and the innovative services which it will allow, are a further example of the importance of infrastructural competition between telecommunications providers. Competition enhances quality, service differentiation and innovation".

FASTWEB

Thanks to its 2 million customers, FASTWEB is one of the main telecommunications providers in Italy. The Company offers a wide range of integrated internet and voice services, both fixed and mobile, to families and small businesses. FASTWEB offers advanced telecommunications and ICT services, such as housing, cloud computing, security and unified communications to the business segment, public administration, large enterprises, SMEs, professionals, universities and research centres. Since its foundation in 1999, the Company has focused on innovation and network development in order to offer maximum service quality to its broadband customers. FASTWEB has developed a 36,000 km fibre optic network in Italy and reaches approximately 50% of the Italian population with its network. At present, FASTWEB passes about 4.9 million homes and businesses with its ultrabroadband network at speeds of up to 100 megabit per second with fibre-to-the-home or fibre-to-the-cabinet technology. FASTWEB has announced a new network expansion plan which will be completed at the end of 2016 and which will cover about 7.5 million homes and businesses or 30% of Italian population. Since September 2007, FASTWEB has been part of the Swisscom Group. www.company.fastweb.it

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