*Industrial growth and innovation are the key objectives of the company*

# FASTWEB: Investments and shareholders remuneration are compatible

*The company responds to a request for clarification by Consob*

*Milan, February 22 2007* – With reference to the request for clarification on the opportunity to distribute reserves and on the provisions in the FY 2006 financial statements that Consob sent yesterday evening and that has been published this morning in the Italian press, FASTWEB S.p.A. (Milan, MTAX: FWB) underlines the following.

As demonstrated by the 2006 results approved by the Board of Directors on 19 February, the company has delivered strong growth in terms of customer base (+ 49% over 2005), in terms of revenues (+30%) and Ebitda (+39%), thus meeting all the targets set 12 months ago. Furthermore, the company reported its first positive cash flow in the last quarter of 2006, a confirmation that FASTWEB is now set to generate positive cash flow on a stable basis, while posting record growth rate within the telecommunication sector.

2006 results confirmed the strenght of FASTWEB strategic vision. The company invested more than 3,500 million euro since 1999 in order to create a new generation network, fully independent from the incumbent and capable of supporting existing access technologies, among which FTTH and ADSL and future ones, such as WIMAX.

With regard to its financial structure, FASTWEB has a leverage of approximately 2.5x Net Debt/Ebitda which is in line with other telecom operators both domestic and international, despite the capital intensity of its business model.

In the light of the above considerations, the Board of Directors has decided to propose to the Shareholders Meeting an extraordinary reserve distribution of approximately 300 million euro, coherently to the indications given to the market with regard to shareholders remuneration during the right issue in February 2005.

It is important to stress that such distribution is fully compatible with the targets the company has set for 2007, among which is revenue growth of approximately 30%, Ebitda growth of approximately 40%, a positive net result, free cash flow generation on a full year basis and a conservative leverage that will be kept below 3x Net Debt/Ebitda.

Further, such distribution will not prevent FASTWEB to deliver innovative technological solutions, thus pursuing the best strategic opportunities that may arise on the market, as it has always done since inception.

It is also important to remind that the company has always implemented its strategic vision by meeting its long term targets and that it has always updated its industrial plan by promptly communicating its targets at the beginning of each year to the financial community, including equity analysts.

In particular, FASTWEB stock is currently covered by 22 national and international brokers, out of which 15 (70% of the total) express a positive view, 6 (25% of the total) are neutral and one expresses a negative view (5% of the total).

As far as the provisions booked in the 2006 financial statements are concerned, they amounted approximately to 123 million euro, out of which approximately 18 million related to the litigation with Telecom Italia before the deliberation by AGCOM issued on 4th of August 2006 and approximately 23 million are consistent with the new rules introduced by the above deliberation. Such provisions will be fully disclosed with the publication of the accounts.

***For Further informations***


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