



**Fastweb press release:**

**The issue concerns presumed VAT evasion relative to the fraudulent activities of third parties who were using the network of Fastweb and of other Italian telecommunications providers**

*Milan, 23 February 2010* - As requested by Consob, Fastweb S.p.A. communicates that the judiciary authorities in Rome have issued a warrant for former employees and managers of the Company, Silvio Scaglia, ex-CEO, and Mario Rossetti, ex-member of the Board of Directors. The issue refers to events which occurred years ago (during the period 2005-2006), and which was notified at the time to those involved, and with regards to which the Company retains not to be involved and to be a damaged party due to the fraudulent behavior carried out by third parties. The issue concerns presumed VAT evasion relative to the activities of some providers of paid services who were using the network of Fastweb and of other Italian telecommunications providers.

The affair regards a VAT credit matured on said services during the mentioned period for a maximum amount of 38 million euro. An equivalent amount has been retained as preventive attachment to cover the above mentioned tax credits. The Company also wishes to underline that this figure is not significant with respect to the VAT receivables accumulated by Fastweb since its foundation. Due to the significant investment carried out by the Company, Fastweb has accrued over 800 million euro of VAT credits which have been regularly analyzed and reimbursed by the Italian tax authorities.

Furthermore, since 2007 Fastweb no longer sells International interconnection services and that, even during the period in which it was carried out, it was marginal with respect to the total turnover of the Company as it contributed 1% to total Ebitda. With respect to these events, the Company requested an external audit, which was concluded by the Company's consultants who certified the appropriateness of the Company's activities.

The events were also extensively reported in the Company's Annual Reports and in the press releases communicated to the market.

The Company also communicates that the present CEO of the Company, Stefano Parisi, and two managers are also under investigation.

Moreover, Fastweb S.p.A and Telecom Italia Sparkle S.p.A. have received a request of temporary commissioning attached which will be assessed by the judiciary authorities on Tuesday March 2<sup>nd</sup> 2010. The Company guarantees that there will be no interruption of services to its customers and that there will be no effects on its 3500 employees and the 8000 people who indirectly work for Fastweb.

*For further information:*

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