

Fastweb, revenues stable and margins increase during first quarter 2014

During the first quarter of the year the broadband provider's revenues were stable at 396 million euro YoY and Ebitda reached 108 million euro (+11%). The number of customers increased by 7%. Investments, 142 million euro, were equal to one third of revenues. Rollout of the fibre optic network proceeds according to schedule and in March the network reached 3.9 million homes and businesses

Milan, 7th May 2014 - During the first quarter of 2014 FASTWEB consolidated its position in the Italian broadband market thanks to its tailor-made commercial offers and to the quality, speed and stability of its internet connectivity.

During the first quarter of the year FASTWEB yet again confirmed its leadership in the acquisition of new broadband customers with 42,000 new subscribers during the period, thus reaching a total of 1,984,000 clients. During the one-year period, customers increased by 123,000 units (+7%), despite a scenario characterized by competitive pressure on pricing.

On 31st March 2014, FASTWEB's total revenues equalled 396 million euro, basically stable with respect to 398 million euro posted the previous year (-0.5%). Net of low margin interconnection revenues, which the Company has planned to gradually reduce, revenues increased by 1% from 386 million euro to 389 million euro.

On March 31st 2014, Ebitda (earnings before interest depreciation and amortization) had reached 108 million euro, an 11% increase with respect to 97 million euro posted a year earlier, due to a combination of increased margins and costs reductions. The Ebitda margin was 27%.

From the beginning of the year FASTWEB has invested 142 million euro, 12% more than the previous year and a figure equivalent to 36% of its revenues, in order to extend its fibre optic network to the rest of the Italian territory.. To date, **3.9 million** homes and businesses in Italy have been passed by FASTWEB's fibre optic network (using fibre-to-the-home or fibre-to-the-cabinet technology) that allows connection speeds of up to 100 megabit per second. The cities reached so far by FASTWEB's ultra broadband services are: Milano, Roma, Ancona, Bari, Bergamo, Bologna, Brescia, Busto Arsizio, Catania, Como, Genova, Legnano, Livorno, Modena, Monza, Napoli, Reggio Emilia, Padova, Palermo, Pescara, Pisa, Torino, Varese, Venezia, Verona.

The new fibre optic network extension plan is proceeding according to timetable and, so far, 70% of the cabinets scheduled for year-end have already been installed. The number of customers already activated on the new ultrafast network is 80,000. The rollout of the new fibre optic network, and the relative commercial performance of its services, are strong and in-line with forecast.

The performance of the **enterprise and public administration** segment is also satisfactory. In this segment FASTWEB is the second most important provider of internet connectivity in Italy with a 28% market share. In order to increase its range of services for large enterprises and public administration, FASTWEB has begun the construction of two new data centres, one in northern and one in central Italy. The data centre in Milan, the construction of which is almost completed, has obtained the highest certification level from the Uptime Institute: Tier IV. FASTWEB will be the first telecom operator in Italy to supply such a high performing service to its customers.

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