

FASTWEB, +10% broadband customers in 2013

FASTWEB ended the year with 175,000 new broadband customers and strengthened its position in the Italian market. Profitability improved, EBITDA grew by 1% to 505 million Euro. The operator invested 35% of its revenues in the extension of the fibre optic network to 20% of the Italian population.

Main results

- Customers grew by 10%, +175,000 net adds, thus reaching a total of 1,942,000
- Revenues at 1,597 million Euro (-1% net of revenues from hubbing)
- Ebitda increased 1% to 505 million Euro with an increase in EBITDA margin to 31%
- Total investment was equal to 35% of annual revenues
- Fibre optic network results: 60% of the street cabinets to be installed according to the 2013-2014 plan have already been set up; 1.6 million new homes and businesses have been passed; there has been a strong increase in sales in the areas just reached by the fibre network with 45,000 active customers.

Milan, 6th February 2014 - FASTWEB announces its 2013 annual results. The telecommunications provider closed 2013 with a **10% increase in its broadband customers** (175,000 net ads during the period) reaching a total of 1,942,000 subscribers, thus confirming its leadership in the acquisition of new broadband customers.

Revenues amounted to 1,597 million Euro (-1% versus the previous year) and net of low-margin hubbing revenues which the Company has planned to gradually reduce.

Ebitda reached 505 million Euro, with a 1% increase with respect to the previous year. The Ebitda margin increased by 1.4 %, reaching 31%.

This commercial success was obtained also thanks to FASTWEB's continuous investment on its fibre optic network. Indeed, the Company launched a 2013-2014 plan worth 400 million Euro in order to extend its fibre network to 20% of the Italian population.

Investment on the fibre optic network determined an increase in **Capex** (capital expenditure). Capex amounted to 565.4 million Euro during the period and investment on infrastructure and technology was equal to **35%** of revenues. As of December 2013, 60% of the street cabinets estimated in the 2013-2014 plan had already been installed. During the year, work on the fibre network of 12 Italian cities was completed (Como, Varese, Monza, Verona, Brescia, Reggio Emilia, Padova, Pisa, Livorno, Ancona, Pescara, Bari). The new ultra-broadband services were also offered in the cities in which the fibre network is still being rolled out but where the street cabinets are already in place (Turin, Palermo, Genoa, Bergamo, Bologna and Rome).

At the end of December 2013, 1.6 million homes and businesses were passed by FASTWEB's new fibre network, over and above the two million homes and businesses already reached in the cities of Milan, Bologna, Genoa, Rome, Naples, Turin and Bari where, since 2010, the Company has offered its customers connection speeds of up to 100 megabit per second.

In the areas in which the new fibre optic services are already available, demand has increased remarkably. In the March-December period, sales in these new areas grew by 76%, with respect to 18% in the areas covered by Adsl.

Approximately **45,000** customers are active on the new technology. According to data audited by the Politecnico of Milan, more than 80% of customers migrated to fiber can reach download speed of at least 70 megabit per second and an upload speed of more than 20 megabit per second (more than 20 times Adsl speed).

In the *Corporate* business segment, FASTWEB strengthened its co-leadership position reaching a 23% market share. This results from a 28% market share in core tlc services (data and voice) and from a 15% market share in the growing market of VAS/ICT. Moreover, the *Corporate Business Unit* achieved its goal for the sales of new value-added ICT services (Cloud Computing, Security and Housing/Co-location, Managed services, Unified Communication). These services complement the portfolio of other services which FASTWEB already offers to large companies and Public Administration, thus satisfying the increasing complexity of their requirements.

"Thanks to the fibre optic expansion plan, and to the commitment of our shareholder Swisscom, FASTWEB confirms that it is a true protagonist of Italian digital development", said Alberto Calcagno, CEO of FASTWEB. "The recent report commissioned by the Italian Government and written by Mr. Caio, acknowledges the value of our choice of technology and the progress accomplished in Italy thanks to FASTWEB's rollout of digital infrastructure. Italian families and businesses are responding as we hoped to our investment efforts, requesting an increasing number of ultra-broadband connections".

FASTWEB, with 1.94 million customers, is one of the main telecommunications providers in Italy. The Company has invested in a new-generation fibre optic network spanning 35,000 kilometres. FASTWEB reaches approximately 50% of the Italian population with its own network, of which 10% with Fibre-to-the-Home technology, ie fibre connection directly to the customer's home (2 million households passed), thus offering broadband services at speeds of up to 100 megabit per second. FASTWEB is committed to the extension of its ultra-broadband network in order to cover approximately 5.5 million households (or 20% of the Italian population) by 2014 at speeds of up to 100 megabit per second. FASTWEB offers advanced and competitive services to both residential customers and businesses (Public Administration, large companies, small and medium enterprises, professionals, sohos, universities and research institutes). The Company will invest 2 billion euro in innovation and infrastructure over the next four years. Since 2007 Fastweb has been part of the Swisscom Group.

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