FASTWEB: 2006 revenues amount to 1,260 million euro, +30% vs 2005
EBITDA up 39% to 425 million euro

- Record growth in 2006 customer base: 1,062,400 broadband subscribers at year end (+49%)
- Consolidated revenue of 1,260 million euro, up 30% over 2005
- Consolidated EBITDA of 424.6 million euro, up 39% over 2005
- EBITDA margin at 34% for the full year, from 32% in 2005
- Net financial position of 1,081 million euro at 31 December 2006
- Board of Directors recommends a 3.77 euro per-share payout from reserves, for a total amount of approximately 300 million euro

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Milan, 19 February, 2007 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed line telecommunications services operator, today approved the draft financial statements for the year to 31 December 2006.

Consolidated revenues for 2006 were 1,260 million euro, an improvement in line with the company's full year growth target: +30% versus 967.8 million euro in 2005. Fourth quarter revenues totaled 362.5 million Euro, up 26% from 287.5 million euro in the fourth quarter 2005.

2006 recorded also a positive trend in margins which were in line with projections. The gradual increase in **consolidated EBITDA** allowed FASTWEB to report an EBITDA of 424.6 million euro compared to 305.3 million in 2005, up 39% on a year on year basis. EBITDA margin significant was 34%, a significant increase compared with 32% in 2005.

FASTWEB reported a consolidated EBITDA of 128.1 million euro in the fourth quarter 2006, with a margin in excess of 35%.

"2006 was a turning year for the company. We set very aggressive targets in terms of revenues, EBITDA and cash flow, which have all been met - commented **Stefano Parisi**, FASTWEB's Chief Executive Officer - "Revenues and margins in 2007 will continue to grow at the same pace of last year and the company will post a positive net result for the first time. We are committed to fully exploit the competitive advantage we have in terms of technology, marketing and quality of service to attract a growing share of new broadband subscribers".

EBIT was negative for 87.5 million euro in 2006, compared with an operating loss of 107.4 million euro in 2005. Such result was impacted not only by the increase in the level of depreciation related to the investments, but also by the component of the bad debt provision related to the litigation with Telecom Italia over interconnection charges, currently under examination by the Italian Communications Authority (AGCOM).

Financial charges were 80.0 million euro, compared with 48.3 million euro in 2005. The increase was largely due to a one off, non-cash amount of 30.4 million euro related to upfront fees on the credit facilities previously granted to FASTWEB. In the light of the new financing contract negotiated by the company, the maturity of the existing credit facilities has been anticipated to 2007 and, as a consequence, the related fees have been fully charged to the 2006 profit and loss account.

FASTWEB posted a **consolidated net loss** of 123.6 million euro for 2006. Excluding the one off item of 30.4 million euro posted under financial charges, the net loss would have been 93.2 million, down 25% from the loss of 124.8 million euro reported in 2005.

The Parent Company posted a net loss of 180.6 million euro for 2006.

Capital expenditure for 2006 totaled 529.4 million euro, compared with 683.5 million euro in 2005. The decrease was due both to lower network capex, as the geographical coverage was completed in the first part of the year, and to higher efficiency in customer-driven capex. In particular, the favorable trend in equipment prices, combined with FASTWEB’s increased volumes, produced a reduction in unitary costs.

Net financial position was 1,081.3 million euro at the end of 2006, compared with 469.1 million euro at the end of 2005. **Net cash flows** showed a significant improvement, with the full-year net outflow down to 298.9 million euro, compared with 388.3 million euro in 2005. In the fourth quarter FASTWEB reported its first positive **cash flow** since inception, an indication that the company is now set to generate positive cash flows on a stable basis. This represents a key achievement, even more so in the light of FASTWEB's growth rate which is among the highest in the industry.

Net debt at the end of 2006 included the one off, non-cash amount of 30.4 million euro related to upfront fees on the existing credit facilities, as illustrated above.

The completion of network coverage and FASTWEB’s new commercial offer were key factors in the impressive growth of its **customer base**, that amounted to 1,062,400 business and residential subscribers at the end of 2006. The company captured a growing portion of new Italian broadband users, thus increasing its market share and confirming its position of co-leader together with Telecom Italia in covered areas.

With 105,000 new subscribers, the fourth quarter of 2006 posted FASTWEB's best client acquisition performance ever.

The breakdown between **residential and business clients** was stable (85% and 15% respectively), confirming the balanced contribution to growth of both segments, which accounted for 40% and 60% respectively of total revenues. Wholesale revenues and revenues from IRU accounted for 17% and 5% respectively of total revenues in 2006.

FASTWEB residential Average Revenue Per User (**ARPU**) was 797 euro on an annualized basis in December 2006, in line with the results in the previous quarters. ARPU from telecommunications services was 748 euro on an annualized basis, while the average annual spend of video clients was 296 euro.

With regard to the FASTWEB – SKY agreement, that will enable FASTWEB to offer the entire content portfolio of the satellite platform and to SKY to promote FASTWEB's services, implementation is proceeding on schedule. Consequently, the agreement will become operational as from March 2007, as originally planned.

The commercial agreement with Vodafone has not yet started to produce a significant contribution, due to regulatory issues related to Vodafone's request of number portability from fixed to mobile services.

The expansion of the client base was accompanied by an up-sizing of FASTWEB's organizational structure, with an increase in the number of employees involved in sales, activations and customer care activities. Significant resources were invested for the implementation of the Public Administration contracts, with the creation of dedicated teams to handle order management, service delivery, quality assurance and billing. As a result, the workforce increased from 2,994 at the end of 2005 to 3,364 employees at 31 December 2006.

With regard to the investigation started by the Public Attorney of Rome concerning a number of providers of premium services and Internet premium contents, which utilised the services of Italian telecom operators, among which FASTWEB, the Board of Directors has reviewed the opinions issued by reputable independent accountancy and fiscal advisors, who have conducted very comprehensive analysis on the nature and on all legal, accounting and contractual aspects of the transactions under scrutiny. Following such opinions, FASTWEB confirms the lawfulness of its behaviour and, while fully trusting the authorities, is confident that investigations will promptly come to an end. The company confirms that the EBITDA attributable to such transactions accounted to approximately 1% of consolidated EBITDA over the last few years and that such activities are no longer carried out by the company.

New financing contract

FASTWEB is in the closing stages for a new long-term credit facility amounting to 1.6 billion euro. The new facility will be based on more favorable terms compared to previous facilities, thus reflecting the higher maturity and solidity achieved by the company.

Distribution of reserves

The Board of Directors has proposed to the Shareholders' Meeting called on 22/23 March to approve a special payout from the share premium reserve of 3.77 euro per share, for a total amount of approximately 300 million euro.

The Board of Directors has also proposed that the ex-dividend date will be on 22 October, with payment date on 25 October.

The distribution of share premium reserve does not constitute taxable income for the beneficiary, since it must be set against the fiscally recognised cost of the shares.

Board of Directors

Among FASTWEB's non-executive directors, Mario Greco, Manilo Marocco and Gianfelice Rocca qualify as independent directors pursuant to the Code of Conduct for listed companies. The Board of Directors verifies on a regular basis that the non-executive directors continue to qualify as independent. During the last verification, Valerio Zingarelli - who qualified as independent at the time of his appointment – qualifies now as a non-executive director, due to a subsequent assignment by the Board of Directors as a consultant on technical matters.

Outlook

FASTWEB will continue to focus on activities aimed at sustaining growth in 2007. Such activites will be supported by ongoing innovations in its product and service portfolio and maintenance of its high quality standards.

These activities will contribute to the expansion of FASTWEB's customer base, to the increase of its market share and to further revenue and EBITDA growth.

For full year 2007, FASTWEB targets revenue and EBITDA growth in the region of 30% and 40% respectively, a positive net results and free cash flow generation on a full year basis.

The management's projections for 2007 are based on the information currently available. They reflect market parameters and other economic fundamentals and could therefore materially diverge from the actual results.

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Consolidated Income Statement 2006 (€ Mln)

	Full Year 2006	Full Year 2005	% change
Consolidated Revenues from Operations	**1,260.0**	**967.8**	*30.2%*
Other Income	54.2	34.4	
Operating Expenses	(889.6)	(696.9)	
EBITDA	**424.6**	**305.3**	*39.1%*
EBITDA Margin (%)	*33.7%*	*31.5%*	
Depreciation, amortization and write-downs	(512.1)	(412.7)	
EBIT	**(87.5)**	**(107.4)**	*(18.5%)*
EBIT Margin (%)	*(6.9%)*	*(11.1%)*	
Net Financial Income / (Expenses)	(80.0)	(48.3)	
Net Taxes	44.0	30.9	
Consolidated Net Loss	**(123.6)**	**(124.8)**	*(1.0%)*
	(9.8%)	*(12.9%)*	

Consolidated Income Statement – Fourth Quarter 2006 (€ Mln)

	4Q 2006	3Q 2006	% change	4Q 2005	% change
Consolidated Revenues from Operations	**362.5**	**319.1**	*13.6%*	**287.5**	*26.1%*
Other Income	21.4	11.9		13.9	
Operating Expenses	(255.8)	(217.9)		(204.2)	
EBITDA	**128.1**	**113.1**	*13.3%*	**97.2**	*(31.9%)*
EBITDA Margin (%)	*35.3%*	*35.4%*		*33.8%*	
Depreciation, amortization and write-downs	(143.0)	(126.2)		(130.9)	
EBIT	**(14.9)**	**(13.1)**	*(13.6%)*	**(33.7)**	*55.9%*
EBIT Margin (%)	*(4.1%)*	*(4.1%)*		*(11.7%)*	
Net Financial Income / (Expenses)	(48.3)	(12.4)		(8.9)	
Net Taxes	3.8	8.3		(1.5)	
Consolidated Net Loss	**(59.4)**	**(17.2)**	*(244.9%)*	**(44.1)**	*(34.6%)*
	(16.4%)	*(5.4%)*		*(15.3%)*	

Consolidated Balance Sheet - 31/12/2006 (€ Mln)

	December 31 2006	September 30 2006	December 31 2005
Cash and Deposits	54.9	37.3	121.9
Net trade receivable	373.5	341.3	355.3
Other receivable	634.8	620.5	578.4
Inventories and other current assets	6.4	14.6	4.5
Total Current assets	**1,069.6**	**1,013.8**	**1,060.1**
Net tangible assets (PP&E)	1,708.3	1,647.8	1,589.8
Net intangible assets	414.1	403.0	392.0
Net financial assets	3.3	3.6	3.2
Total Fixed assets	**2,125.7**	**2,054.3**	**1,985.0**
Discontinued operations assets	**0.0**	**0.0**	**7.4**
Total Assets	**3,195.3**	**3,068.2**	**3,052.4**
Trade payable	474.0	357.8	510.5
Other payable	234.6	508.8	186.0
Employees' entitlements fund	21.4	19.7	16.3
Financial debt	1,136.2	796.5	591.0
Total Liabilities	**1,866.2**	**1,682.8**	**1,303.8**
Share capital & Reserves	1,452.8	1,449.5	1,866.4
Net income / (loss) for the period	(123.6)	(64.2)	(124.8)
Total Group share of shareholders' equity	**1,329.2**	**1,385.3**	**1,741.6**
Minority interest in share capital	0.0	0.0	0.0
Liabilities related to discontinued operations	**0.0**	**0.0**	**7.1**
Total Liabilities and Shareholders' Equity	**3,195.3**	**3,068.2**	**3,052.4**

Consolidated Cash Flow Statement – Full Year 2006 (€ Mln)

	Full Year 2006	Full Year 2005
Group share of Net Loss	**(123.6)**	**(124.8)**
Non cash Adjustment	379.8	297.6
Change in Minority Interest Capital	0.0	0.0
Gross Operating Fund generation	**256.3**	**172.7**
(Incr.) / Decr. accounts receivable	(29.2)	(92.6)
Incr / (Decr.) accounts payable	12.2	214.1
Other changes in working capital items		
Change in working capital	**(17.0)**	**121.5**
(Purchase)/Disposal of assets: Tangibles	(431.8)	(589.1)
(Purchase)/Disposal of assets: Intangibles	(97.5)	(94.4)
(Purchase)/Disposal of assets: Financials	(8.9)	1.0
Total (purchase)/disposal of assets	**(538.2)**	**(682.6)**
Net Operating Fund generation	**(298.9)**	**(388.3)**
Increase/(Decrease) in Share Capital	**(282.8)**	**782.4**
Other non Cash Adjustment	**(30.4)**	**0.0**
Net Financial Position at beginning of period	**(469.1)**	**(863.2)**
Net Financial Position at end of period	**(1,081.3)**	**(469.1)**
Cash and Pledge accounts	*54.9*	*121.9*
Short term financial debts	*(1,136.2)*	*(591.0)*

Consolidated Cash Flow Statement – Fourth Quarter 2006 (€ Mln)

	4Q 2006	3Q 2006	4Q 2005
Group share of Net Loss	**(59.4)**	**(17.2)**	**(44.1)**
Non cash Adjustment	128.1	89.3	96.5
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	**68.8**	**72.1**	**52.4**
(Incr.) / Decr. accounts receivable	(32.1)	8.9	(49.8)
Incr / (Decr.) accounts payable	140.5	(34.8)	109.1
Change in working capital	**108.4**	**(25.9)**	**59.3**
(Purchase)/Disposal of assets: Tangibles	(142.2)	(93.4)	(252.9)
(Purchase)/Disposal of assets: Intangibles	(32.3)	(23.9)	(40.1)
(Purchase)/Disposal of assets: Financials	(0.1)	(0.1)	(0.1)
Total (purchase)/disposal of assets	**(174.5)**	**(117.3)**	**(293.1)**
Net Operating Fund generation	**2.6**	**(71.1)**	**(181.3)**
Increase/(Decrease) in Share Capital & Reserve	**(294.3)**	**(1.1)**	**18.2**
Other non Cash Adjustment	**(30.4)**	**0.0**	**0.0**
Net Financial Position at beginning of period	**(759.1)**	**(686.8)**	**(305.9)**
Net Financial Position at end of period	**(1,081.3)**	**(759.1)**	**(469.1)**
Cash and Pledge accounts	*54.9*	*37.3*	*121.9*
Financial debts	*(1,136.2)*	*(796.5)*	*(591.0)*