

33,800 broadband net adds in the quarter: 1,677,800 customers as of 31 March 2010

FASTWEB: first quarter revenues at 462.3 million euro (+4% YoY)

EBITDA at 126.7 million euro (+4% YoY)

Net profit at 3.9 million (+70%)

VAT investigation has no impact on first quarter operational performance

- Significant broadband subscriber growth also in the first quarter 2010: 33,800 new subscribers bring the customer base up to 1,677,800
- FASTWEB estimated market share of new broadband connections at about 13% in the quarter
- 40,000 new active SIM cards in the quarter, bringing the total to 250,000
- Consolidated revenues of 462.3 million euro in the first three months 2010, +4% YoY and in line with the targets announced to the market
- Consolidated EBITDA at 126.7 million euro, +4% YoY and in line with the targets announced to the market
- EBIT at 23,0 million euro
- Consolidated net profit of 3.9 million euro, plus 70% with respect to first quarter 2009
- Capex of 99.4 million euro in the quarter
- Cash flow of 2.6 million in the first quarter 2010
- Net debt down to 1,413.4 million euro as of 31 March 2010

Milan, 29th April 2010 - The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB) today approved the financial results of the first quarter to 31 March 2010.

First quarter operational parameters are in line with the Company's expectations and with the targets announced to the market, thus showing that the ongoing investigation carried out by the judiciary authorities in Rome has not significantly impacted FASTWEB's performance.

In particular, first quarter revenues and EBITDA represented respectively 24% and 22% of the year-end target. Both figures are also in line with seasonal trends of previous years and with targets announced to the market.



Carsten Schlöter, CEO of Swisscom and ad interim CEO of FASTWEB, declared “We are satisfied to see that there has been no structural deterioration of the Company’s operating dynamics in the first quarter, although a final assessment will be possible only in a few months. Indeed, I believe that the Italian market has great potential for FASTWEB. For example, the percentage of successful negotiations in the Corporate segment was of 71% during the quarter. For this reason we are ready to meet the challenges and to reap the new opportunities of the Italian market”.

Net additions totaled 33,800 in the first quarter, raising the total number of broadband subscribers to 1,677,800 as at 31 March 2010, from 1,542,300 on 31 March 2009.

The year-on-year increase in subscriber numbers was 9%, a trend that confirms the Company’s ability to grow steadily. FASTWEB’s market share of new broadband customers is estimated to be approximately 13% in the quarter, in line with 2009 performance. The split between residential and business clients was unchanged (80% and 20%, respectively).

Net adds of mobile customers during the quarter were 40,000, mainly targeted to FASTWEB’s subscriber base. The number of active SIM cards as of 31 March 2010 was approximately 250,000, +19% with respect to 210,000 as at 31 December 2009 (Consumer and SME).

Consolidated first quarter **revenues** totaled 462.3 million euro, up 4% over last year figure of 444.3 million euro. All three Business Units made a significant contribution to the growth of total revenues in the quarter. In particular, the Executive Business Unit registered 7% YoY growth in revenues, while the SME and Consumer Business Units registered 3% and 2% growth respectively. Business clients contributed 61% to total revenues, while consumer revenues contributed 39%.

In the light of the weak economic cycle that may reduce the credit worthiness of customers, during the first quarter FASTWEB decided to perform an assessment of the collection process of its new business (mobile and ICT hardware) in order to improve the cash performance. This revision has led to the introduction of a new approach in revenue recognition (in case the Company suspends the mobile service due to dunning, fraud or anomalous traffic by a customer, the revenues accrued during the period of suspension will be booked only if and when the residual amounts are collected, thus reducing the need to provide for bad debt). The Company decided not to book 6.7 million euro in the first quarter 2010 that will only be recognised if and when they are cashed in. Without this impact, the top line would have been equal to 469 million euro with a 5.5% growth. The estimated 2010 overall revenue impact could be of approximately 24 million euro (in case such amounts are not cashed in). Although 2010 guidance was set before the introduction of the new rules, the 5% revenue growth target is maintained.



The **Consumer Business Unit** recorded 179.2 million euro in revenues in the quarter, including 9.6 million euro from mobile telephone services. In addition to the positive trend in new subscriber acquisitions, the evolution in broadband ARPU (average revenues per user) was also positive. The main components - subscription, consumption, TV - were all stable, partially compensating the gradual decrease in incoming interconnection fees.

The **SME Business Unit** reported 104.4 million euro in revenues, including 6.7 million euro generated by mobile telephone services. The division's performance was significant considering the economic crisis which mainly impacted small and medium enterprises in Italy.

The performance of the **Executive Business Unit** was again outstanding, recording 178.7 million euro in revenues in the quarter. Wholesale revenues (62.4 million euro) decreased by 1% with respect to the first quarter 2009 due to the Company's focus on higher margin business. Whereas Corporate sales (private enterprises and public administration) grew 13% year on year recording 116.3 million euro in revenues.

Several new corporate contracts were signed during the quarter. In particular, in the finance sector, the contract with Allianz Group was renewed and integrated with managed services; the contract with HDI Assicurazioni was renewed with the inclusion of Unified Communications services. The voice and data contract with Credito Valtellinese was extended to cover the branches of the Cassa di Risparmio di Fano. In the retail distribution sector, the contract with Coin was extended to cover the recently acquired Upim branches and Coin's international premises in India, China and Turkey. Lastly, in the public administration sector, FASTWEB won an important contract with Regione Lombardia for the supply and management of integrated voice and data services and multimedia rooms in the new headquarters in Milan.

Consolidated **EBITDA** for the first quarter was 126.7 million euro, up 4% compared to the 2009 figure of 121.5 million euro. Margins were stable year on year at 27.4%.

First quarter EBITDA would have been of 133.4 million euro with a growth just short of 10% without the 6.7 million euro impact of the new rules for revenue recognition. The estimated overall impact on 2010 EBITDA could be of approximately 20 million euro. The 5% EBITDA growth target for the full year is maintained.

In the first quarter 2010 the company recorded an **EBIT** of 23,0 million euro, as compared to 27,6 million euro last year. Depreciation and write off in the quarter totaled 103.7 million euro, compared to 93.9 million euro in the first quarter 2009.

Consolidated **net profit** was equal to 3.9 million euro, up 70% with respect to 2.3 million recorded in the same period 2009.

Investments in the quarter totaled 99.4 million euro, compared to 82.9 million euro in the first quarter 2009. Approximately 60% of investment was relative to new subscriber connections.



The increase in revenues and the current levels of investment resulted in a positive trend in the ratio between investments and revenues which decreased to 21% in the quarter, in line with expectations, with respect to 23% in the year-earlier period.

The Company's **cash flow** in the quarter was positive by 2.6 million euro, compared to 6.2 million euro in the first quarter 2009.

Net debt at the end of March was 1,413.4 million euro, slightly down with respect to 1,417.0 million euro on 31 December 2009.

Events occurring after the end of the period

Agcom recently proposed further increases in the unbundling fee which, in case of approval at the end of the imminent public consultation and the subsequent observations by the European Commission, will come into effect in May 2010, January 2011 and January 2012.

These increases would follow the one approved last year - which had a 10 million euro negative impact on FASTWEB's 2009 EBITDA that the Company partially offset by passing the increase onto its customer base - and would further erode the profitability of ULL customers.

The increase taking effect in May would have a negative impact on 2010 FASTWEB's EBITDA of 1.7 million euros (not incorporated in the guidance).

Considering the increase introduced in 2009 and those proposed, the negative cumulated EBITDA impact would be equal to 70 million euro in the period 2009-2012.

The idea itself of further ULL increases appears quite contradictory, at a time when the public debate in Italy is entirely focused on the role that Telecom Italia will inevitably have to play if the country wants to roll out an NGN access infrastructure. Increasing the return on the existing copper network is a measure going exactly in the opposite direction, as it represents an incentive to continue to use copper instead of investing in fiber access.



2009 full year guidance is provided by FASTWEB management on the basis of the information currently available. It reflects market parameters and other economic fundamentals and could therefore substantially diverge from actual year-end results.

The manager in charge of preparing the Company's financial reports (Peter Burmeister) certifies pursuant to paragraph 2 article 154 bis of the Consolidated Law on Financial Intermediation that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

For further information please contact:

Press office

Maria Laura Sisti
Tel + 39 02 45454370
marialaura.sisti@fastweb.it
Marina Gillespie
Tel +39 02 45452465
marina.gillespie@fastweb.it

Analysts and Investors

Paolo Lesbo
Tel. +39 02 45454308
Fax +39 02 45452333
paolo.lesbo@fastweb.it



Consolidated Profit and Loss - First Quarter 2010 (Million euro)

	1Q 2010	4Q 2009		1Q 2009
			% change	% change
Consolidated Revenues from Operations	462.3	487.6	(5.2%)	444.3 4.1%
Other Income	13.7	20.0		17.5
Operating Expenses	(335.4)	(340.6)		(326.3)
Provisions	(14.0)	(90.1)		(14.1)
EBITDA	126.7	76.9	64.8%	121.5 4.3%
<i>EBITDA Margin (%)</i>	<i>27.4%</i>	<i>15.8%</i>		<i>27.3%</i>
Depreciation, amortization and write-downs	(103.7)	(120.2)		(93.9)
EBIT	23.0	(43.4)	NA	27.6 (16.6%)
<i>EBIT Margin (%)</i>	<i>5.0%</i>	<i>NA</i>		<i>6.2%</i>
Net Financial Income / (Expenses)	(14.4)	(14.7)		(18.9)
Net Taxes	(4.7)	(6.8)		(6.4)
Consolidated Net Result	3.9	(64.9)	NA	2.3 68.9%
	<i>0.8%</i>	<i>NA</i>		<i>0.5%</i>



Consolidated Balance Sheet - 31/03/2010 (Million euro)

	31 March 2010	31 December 2009	31 March 2009
Cash and Deposits	160.3	152.6	121.5
Net trade receivable*	677.1	638.2	609.4
Other current receivable*	89.9	81.6	132.1
Inventories and other current assets	14.2	11.5	6.1
Total Current assets	941.5	883.9	869.0
Net tangible and intangible assets	2,307.9	2,312.2	2,279.1
Net financial assets	3.4	3.3	2.9
Other non current receivable	284.5	287.1	231.4
Total Fixed assets	2,595.8	2,602.6	2,513.5
Discontinued operations assets	-	-	-
Total Assets	3,537.3	3,486.5	3,382.5
Trade payable*	693.0	652.1	600.6
Other payable*	398.6	397.1	306.5
Employees' entitlements fund	17.6	18.1	17.5
Financial debt	1,573.8	1,569.5	1,571.5
Total Liabilities	2,683.1	2,636.8	2,496.1
Share capital & Reserves	850.4	884.1	884.1
Net income / (loss) for the period	3.9	(34.4)	2.3
Total Group share of shareholders' equity	854.2	849.7	886.4
Minority interest in share capital	-	-	-
Liabilities related to discontinued operations	-	-	-
Total Liabilities and Shareholders' Equity	3,537.3	3,486.5	3,382.5

* Figures have been restated for comparison proposal



Consolidated Cash Flow - First Quarter 2010 (Million euro)

	1Q 2010	4Q 2009	1Q 2009
Group share of Net Profit/(Loss)	3.9	(64.9)	2.3
Non cash Adjustment	109.1	192.4	98.7
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	113.0	127.4	101.0
(Incr.) / Decr. accounts receivable	(49.4)	(10.3)	(31.8)
Incr / (Decr.) accounts payable	38.5	17.6	19.9
Change in working capital	(10.8)	7.3	(11.9)
(Purchase)/Disposal of assets: Tangible and Intangibles	(99.4)	(121.3)	(82.9)
(Purchase)/Disposal of assets: Financials	(0.2)	(0.1)	(0.0)
Total (purchase)/disposal of assets	(99.5)	(121.5)	(82.9)
Net Operating Fund generation	2.6	13.3	6.2
Increase/(Decrease) in Share Capital & Reserve	0.9	0.8	1.1
Other non Cash Adjustment	0.0	0.0	0.0
Net Financial Position at beginning of period	(1,417.0)	(1,431.0)	(1,457.3)
Net Financial Position at end of period	(1,413.4)	(1,417.0)	(1,450.0)
<i>Cash and Deposits</i>	<i>160.3</i>	<i>152.6</i>	<i>121.5</i>
<i>Financial debts</i>	<i>(1,573.8)</i>	<i>(1,569.5)</i>	<i>(1,571.5)</i>