

*2009 targets achieved*

**FASTWEB: revenues at 1,853 million euro (+8.5% YoY)**  
**EBITDA at 551 million euro (+6.4% YoY) with a 30% EBITDA margin**  
**Net profit of 36 million euro**  
**39 million euro positive net cash flow**  
*Customer base increased 11% to 1,644,000 at year end*

- 1,644,000 customers as at 31 December 2009, + 11% compared to 1,482,500 at the end of 2008
- Revenues at 1,853 million euro, +8.5% compared to 1,707 million in 2008, exceeding the 5% growth target set by management for 2009
- EBITDA at 551 million euro, +6.4% versus 2008 and equal to 98% of the 2009 target
- EBITDA margin at 30%
- Positive EBIT at 138 million euro, +8.3% versus 2008
- Net profit of 36 million euro, with respect to 1 million euro in 2008
- Positive net cash flow of 39 million euro
- Capex/sales ratio at 23%, in line with 2009 target
- Net financial debt at 1,417 million euro as at 31 December 2009
- 2010 targets: revenues and EBITDA growth of approximately 5%, positive cash flow on an annual basis and investment-revenue ratio of 21%

\*\*\*\*\*

*Milan, 16<sup>th</sup> February 2010* - The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications provider, approved the draft financial statements as at 31 December 2009.

Thanks to 162,000 net adds, the customer base grew from 1,482,500 subscribers at the end of 2008 to 1,644,000 as at 31 December 2009 (+11%) allowing FASTWEB to further increase its market share in the Italian broadband access market.



As far as the **mobile services** are concerned, thanks to 180,000 net additions during the year, the number of active SIM cards was equal to 210,000 as at 31 December 2009, in line with Company expectations.

**Consolidated revenues** amounted to 1,853 million euro in 2009, an 8.5% increase compared to 1,707 million euro in 2008 and exceeding the 5% growth target set by management for 2009. The performance was positive also in the fourth quarter, with revenues of 488 million euro representing a 9.4% increase compared to the third quarter.

All the commercial Business Units contributed significantly to the revenue growth in 2009, with increases of 6% (*Consumer*), 7% (*SME*) and 12% (*Executive*). In the light of such dynamic, 38% of consolidated revenues were generated by the Consumer Business Unit, while the SME and Executive divisions contributed 22% and 40% respectively.

The ***Consumer Business Unit*** recorded revenues of 697 million euro, 21 million of which related to mobile services. Over and above the positive trend in net additions, there was a further improvement in the performance of inbound sales channels, which originated over 50% of new subscribers. Another significant trend was 2009 ARPU evolution (Average Revenue Per User), the reduction of which was more limited than in previous years (-3% in December 2009 compared to December 2008). All ARPU components - fees, usage, IPTV - were stable or slightly up compared to the prior year, partially offsetting the gradual decrease in incoming interconnection rates.

The ***SME Business Unit*** recorded revenues of 406 million euro, 12 million of which were generated by mobile services. Two years after its set up and following the fine tuning of its industrial processes and commercial positioning, SME performance was remarkable, in the light of the weakness of the economy, which impacted in particular the customers of this segment. The 7% revenue increase is even more significant considering that this Business Unit reported zero growth in 2008.

The ***Executive Business Unit*** continued to perform strongly in 2009, recording revenues of 749 million euro in 2009, a 12% increase.

Corporate activities (private companies and public administration) recorded a substantial increase of 24% compared to 2008, thus further underlining the fact that FASTWEB is the main alternative to Telecom Italia. FASTWEB market share in the Corporate segment (excluding wholesales) was over 16% at the end of 2009 and the value of the orders acquired during the year increased by 57%.

The overall performance of the Business Unit was impacted by the Company decision to focus on higher margin wholesales activities and to limit the contribution of voice traffic over FASTWEB network which generates lower margins. This resulted in a 5% decrease in wholesales revenues.



Margins were also in line with expectations. The progressive increase in **consolidated EBITDA** enabled FASTWEB to report 551 million euro, compared to 518 million euro in 2008<sup>1</sup>, with a 6.4% increase and an EBITDA margin of 30%.

The Company recorded a **consolidated operating profit** (EBIT) of 138 million euro in 2009, +8.3% versus 2008. Depreciation, amortization and write-downs totaled 414 million euro.

The **net financial result** was negative for 65 million euro, compared to 86 million of charges in 2008. The Company continued to benefit from the favorable credit terms provided by the parent company Swisscom compared to current market situation.

2009 **consolidated net profit** was 36 million euro, with respect to 1 million euro in 2008. FASTWEB S.p.A. net profit was equal to 30 million euro and will be carried forward.

**Net investments**, totaling 434 million euro, were mainly driven by new customer connections, with a significant amount related to the activation of Corporate customers.

The positive revenue trend combined with the stability of Capex produced an improvement in the capex/sales ratio which was equal to 23% in 2009 from 26% in 2008, in line with the target.

**Net financial debt** stood at 1,417 million euro at the end of 2009, compared to 1,457 million at the end of 2008.

The **positive net cash flow** for the year was 39 million euro.

## Events occurring after year-end

### *2010 targets*

The Company operating targets for 2010 are: revenue and EBITDA growth of approximately 5%, positive free cashflow on a full year basis and capex/sales ratio of 21%.

These forecasts are provided by the Company management and are based on currently available information, reflecting market parameters and other economic fundamentals. The forecasts may, however, differ from the final results.

---

<sup>1</sup> The 2008 figure is net of a 30 million euro extraordinary item recorded in the second quarter



### *Calling of the Shareholders' Meeting*

The Board of Directors resolved to call the Ordinary Shareholders' Meeting at 12:00 pm on 24<sup>th</sup> March 2010 at the Hotel Enterprise in Corso Sempione 91, Milan on first call and, if required, at the same time and place on 25<sup>th</sup> March 2010 on second call, (it is expected that the meeting will be held on first call), with the following agenda:

#### Ordinary session

- Approval of the financial statements as at 31 December 2009 pursuant to article 2364, paragraph 1, point 1 of the Italian Civil Code;
- Appointment of the Board of Directors, following an assessment of the number of members and relative remuneration. Appointment of the Chairman of the Board;
- Proposed update of the fee paid to the audit company.

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

#### ***For further information***

##### **Press Office**

Maria Laura Sisti

Tel + 39 02 45454370

[marialaura.sisti@fastweb.it](mailto:marialaura.sisti@fastweb.it)

Marina Gillespie

Tel +39 02 45452465

[marina.gillespie@fastweb.it](mailto:marina.gillespie@fastweb.it)

##### **Analysts and Investors**

Paolo Lesbo

Tel. +39 02 45454308

Fax +39 02 45452333

[paolo.lesbo@fastweb.it](mailto:paolo.lesbo@fastweb.it)



## Reclassified Consolidated Income Statement - 2009 (Million euro)

	2009 FY	2008 FY*
<b>Consolidated Revenues from Operations</b>	<b>1,852.5</b>	<b>1,706.7</b>
Other Income	91.426	124.363
Operating Expenses	(1,301.4)	(1,191.0)
Provisions	(91.378)	(92.318)
<b>EBITDA</b>	<b>551.2</b>	<b>547.8</b>
<i>EBITDA Margin (%)</i>	<i>29.8%</i>	<i>32.1%</i>
Depreciation, amortization and write-downs	(413.6)	(420.7)
<b>EBIT</b>	<b>137.6</b>	<b>127.0</b>
<i>EBIT Margin (%)</i>	<i>7.4%</i>	<i>7.4%</i>
Net Financial Income / (Expenses)	(64.8)	(86.3)
Extraordinary Items		
Net Taxes	(37.2)	(39.6)
<b>Consolidated Net Result</b>	<b>35.6</b>	<b>1.1</b>
	<i>1.9%</i>	<i>0.1%</i>



## Reclassified Consolidated Income Statement - Q4 2009 (Million euro)

	4Q 2009	3Q 2009	4Q 2008*
<b>Consolidated Revenues from Operations</b>	<b>487.6</b>	<b>446.1</b>	<b>465.8</b>
Other Income	20.0	16.2	33.5
Operating Expenses	(340.6)	(303.2)	(312.5)
Provisions	(20.1)	(19.9)	(41.668)
<b>EBITDA</b>	<b>146.9</b>	<b>139.4</b>	<b>145.1</b>
<i>EBITDA Margin (%)</i>	<i>30.1%</i>	<i>31.2%</i>	<i>31.2%</i>
Depreciation, amortization and write-downs	(120.2)	(99.2)	(122.7)
<b>EBIT</b>	<b>26.6</b>	<b>40.1</b>	<b>22.4</b>
<i>EBIT Margin (%)</i>	<i>5.5%</i>	<i>9.0%</i>	<i>4.8%</i>
Net Financial Income / (Expenses)	(14.7)	(15.7)	(22.0)
Net Taxes	(6.8)	(11.8)	(12.6)
<b>Consolidated Net Result</b>	<b>5.1</b>	<b>12.6</b>	<b>(12.2)</b>
	<i>1.0%</i>	<i>2.8%</i>	<i>(2.6%)</i>



## Consolidated Balance Sheet - 31/12/2009 (Million euro)

	31 December 2009	30 September 2009*	31 December 2008*
Cash and Deposits	152.6	140.2	116.3
Net trade receivable*	638.2	654.5	567.9
Other current receivable*	156.7	137.3	140.4
Inventories and other current assets	11.5	5.1	7.1
<b>Total Current assets</b>	<b>959.0</b>	<b>937.0</b>	<b>831.7</b>
Net tangible and intangible assets	2,312.2	2,311.1	2,290.1
Net financial assets	3.3	3.2	2.9
Other non current receivable	212.1	214.7	235.0
<b>Total Fixed assets</b>	<b>2,527.5</b>	<b>2,529.0</b>	<b>2,528.0</b>
<b>Discontinued operations assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,486.5</b>	<b>3,466.0</b>	<b>3,359.8</b>
Trade payable*	652.1	629.6	591.3
Other payable*	327.1	333.0	292.7
Employees' entitlements fund	18.1	18.2	19.0
Financial debt	1,569.5	1,571.2	1,573.6
<b>Total Liabilities</b>	<b>2,566.8</b>	<b>2,551.9</b>	<b>2,476.4</b>
Share capital & Reserves	884.1	883.5	882.2
Net income / (loss) for the period	35.6	30.5	1.1
<b>Total Group share of shareholders' equity</b>	<b>919.7</b>	<b>914.0</b>	<b>883.3</b>
Minority interest in share capital	-	-	-
<b>Liabilities related to discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,486.5</b>	<b>3,466.0</b>	<b>3,359.8</b>

\* Figures have been restated for comparison proposal



## Consolidated Cash Flow - 2009 (Million euro)

	FY 2009	FY 2008
<b>Group share of Net Loss</b>	<b>35.6</b>	<b>1.1</b>
Non cash Adjustment	444.1	421.0
Change in Minority Interest Capital	0.0	(0.0)
<b>Gross Operating Fund generation</b>	<b>479.7</b>	<b>422.1</b>
(Incr.) / Decr. accounts receivable	(91.4)	26.3
Incr / (Decr.) accounts payable	85.0	43.7
<b>Change in working capital</b>	<b>(6.4)</b>	<b>69.9</b>
(Purchase)/Disposal of assets: Tangible and Intangibles	(433.7)	(437.6)
(Purchase)/Disposal of assets: Financials	(0.4)	0.8
<b>Total (purchase)/disposal of assets</b>	<b>(434.1)</b>	<b>(436.9)</b>
<b>Net Operating Fund generation</b>	<b>39.3</b>	<b>55.1</b>
Increase/(Decrease) in Share Capital & Reserve	1.1	(247.0)
Other non Cash Adjustment	0.0	0.0
Net Financial Position at beginning of period	(1,457.3)	(1,265.4)
Net Financial Position at end of period	(1,417.0)	(1,457.3)
<i>Cash and Pledge accounts</i>	<i>152.6</i>	<i>116.3</i>
<i>Financial debts</i>	<i>(1,569.5)</i>	<i>(1,573.6)</i>