

50,000 new broadband customers in the first six months: 1,693,800 as of 30 June 2010
80,000 new active SIM cards, bringing the total to 290,000 at the end of the first-half

FASTWEB: first-half revenues at 934.7 million euro (+2% YoY)

EBITDA at 270.3 million euro (+2% YoY)

Net profit equal to 6.8 million euro

- 50,000 new *broadband* subscribers in the first half 2010 bring the customer base up to 1,693,800, +3% from 1,644,000 at the end of 2009
- 38% increase of mobile customers: the number of active SIM cards as of 30 June 2010 was of 290,000 with respect to 210,000 at the end of 2009
- First-half consolidated revenues of 934.7 million euro, +2% with respect to the first half 2009. Revenues at 472.4 million euro in the second quarter
- Consolidated EBITDA at 270.3 million euro in the first half, +2% YoY and EBITDA margin at 28.9%. Second quarter EBITDA equal to 143.6 million euro, with a 30.4% EBITDA margin
- Consolidated EBIT of 55.8 million euro in the first half. Second quarter EBIT at 32.8 million euro
- Consolidated net profit of 6.8 million euro in the first six months 2010 and 2.9 million euro in the second quarter
- Capex of 205.6 million euro in the first half. Capex-to-sales ratio down to 22% from 24% in the same period 2009
- Negative net cash flow of 30.6 million euro in the first half, due to buy back of tax credits previously sold to financial institutions
- Net debt of 1,471.7 million euro as of 30 June 2010

Milan, 29th July 2010 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB) today approved the first half year financial report at of 30 June 2010.



In the light of the second quarter results, full year guidance – although challenging – is confirmed.

Net additions totalled 50,000 in the first half, raising the total number of broadband subscribers to 1,693,800 as of 30 June 2010, a 3% increase compared to the end of 2009. The split between residential and business clients was unchanged (80% and 20% respectively).

Mobile net adds in the first six months were 80,000 mainly targeted to FASTWEB's subscriber base. The number of active SIM cards as of 30 June 2010 was equal to 290,000, +38% with respect to 210,000 as of 31 December 2009 (Consumer and SME).

Commenting on the results, Acting Chief Executive Officer **Carsten Schloter** said: "Analyzing carefully the set of figures reported today, we can see that the growth dynamics of recurring revenues and margin are intact, despite the difficulties the Company encountered during the first half".

First half consolidated **revenues** amounted to 934.7 million euro, a 2% increase compared to 918.8 million euro last year.

Second quarter consolidated revenues were 472.4 million euro, almost unchanged compared to 474.5 million euro in the equivalent period 2009, which included a non-recurrent component of 20 million euro related to a network infrastructure project for a Corporate client. Excluding such item, second quarter 2010 revenues would increase 4% year on year. Overall, business clients (Corporate, SME and Wholesale) contributed 62% to the quarterly revenues, while consumer revenues were 38% of the total.

The **Consumer Business Unit** reported revenues of 176.4 million euro in the quarter (including 10.2 million euro from mobile services), a 3% year on year increase. Broadband ARPU was stable, with a decrease of less than 1.5% compared to the figure recorded at the end of 2009.

Revenues of the **SME Business Unit** were 103.9 million euro (6.3 million euro generated by mobile services), a decrease of 1% compared to the second quarter 2009. The Business Unit performance was affected by the persisting weakness of the economic cycle that is impacting, in particular, small and medium enterprises causing a business mortality rate which was still high during the April-June period.

The **Executive Business Unit** (which no longer includes wholesale activities as of the second quarter 2010 – see below) reported revenues of 121.6 million euro in the quarter, compared to 134.8 million euro in the equivalent period 2009. This comparison, however, includes the above mentioned 20 million euro non-recurring item that was booked in the second quarter last year. Excluding this component, revenues would register a 6% year on year increase.



FASTWEB market share in the Corporate segment (private enterprises and public administrations) exceeded 17% at the end of the June. The Company further strengthened its position thanks to the positive trend in the value of negotiations (the value of which registered a 12% year on year increase as of 30 June 2010). The Company also recorded a 66% bid success rate in the first half (compared with 61% during the equivalent period 2009) and further improved its Customer Satisfaction Index which reached 93%.

Revenues of **FASTWEB Wholesale** S.r.l. - the newly set up company that as of 28th June 2010 took over the wholesale unit previously owned and managed by FASTWEB S.p.A. - amounted to 70.4 million euro in the second quarter 2010. The 9% year on year increase was concentrated on high margin wholesale business.

Consolidated **EBITDA** in the first half was equal to 270.3 million euro, up 2% compared to 265.0 million euro one year ago, with a 28.9% margin.

Second quarter EBITDA was of 143.6 million euro (30.4% margin), unchanged with respect to 143.5 million euro in the corresponding period 2009 (that included an amount of 19 million euro related to the above mentioned one off component).

First half consolidated **EBIT** was equal to 55.8 million euro, compared to 70.8 million euro one year ago. Depreciation and write offs totalled 214.5 million euro, compared to 194.1 million euro during the same period 2009.

First half **consolidated net profit** was positive for 6.8 million euro, compared with 17.9 million euro in the corresponding period 2009.

Capex amounted to 205.6 million euro in the first half, compared to 216.5 million euro last year. Approximately 62% of investments concerned new customer connections.

The increase in revenues and the current levels of investments resulted in a positive **capex-to-sales** trend which was equal to 22% in the first half, compared with 24% in the corresponding period 2009.

Cash flow during the January-June period 2010 was negative for 30.6 million euro following the buy back of tax credits previously sold to financial institutions. Excluding the above, cash flow generation during the first half would be at break even.

Net debt amounted to 1,471.7 million euro at the end of June.



Significant events

Fiber for Italy

The Chief Executive Officers of FASTWEB, Vodafone and Wind on 7th May presented a joint project to provide Italy with a single fiber access network which would put Italy's position among the most advanced countries in broadband services. The three providers asked the Government to start a process - which is currently ongoing - for the set up of an *ad hoc* company with the mission to build the next generation access infrastructure with the contribution of all potentially interested Telco providers and public institutions. The three companies also launched a pilot project in the Fleming District in Rome to experiment the proposed fiber-based technological solution.

ULL fees

The proposal for further increases in the unbundling fee (effective, if approved, as of May 2010, January 2011 and January 2012) is still under scrutiny by AGCom. These increases would follow the one approved last year which had a 10 million euro negative impact on FASTWEB 2009 EBITDA.

AGCom final decision is expected by the end of the year.

The 2010 guidance is provided by the Company 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.

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Reclassified Consolidated Income Statement Second Quarter 2010 (Million euro)

	2Q 2010	1Q 2010		2Q 2009	
			% change		% change
Consolidated Revenues from Operations	472,4	462,3	2,2%	474,5	(0,4%)
Other Income	14,4	13,7		37,7	
Operating Expenses	(339,0)	(335,4)		(331,3)	
Provisions	(4,1)	(14,0)		(37,3)	
EBITDA	143,6	126,7	13,4%	143,5	0,1%
<i>EBITDA Margin (%)</i>	30,4%	27,4%		30,2%	
Depreciation, amortization and write-downs	(110,9)	(103,7)		(100,3)	
EBIT	32,8	23,0	42,6%	43,2	(24,2%)
<i>EBIT Margin (%)</i>	6,9%	5,0%		9,1%	
Net Financial Income / (Expenses)	(11,9)	(14,4)		(15,4)	
Net Taxes	(18,0)	(4,7)		(12,2)	
Consolidated Net Result	2,9	3,9	(25,5%)	15,6	(81,5%)
	0,6%	0,8%		3,3%	



Consolidated Balance Sheet - 30/06/2010 (Million euro)

	30 June 2010	31 March 2010	30 June 2009 *
Cash and Deposits	131,1	160,3	133,3
Net trade receivable	705,2	677,1	656,7
Other current receivable	94,4	89,9	135,7
Inventories and other current assets	18,4	14,2	5,0
Total Current assets	949,1	941,6	930,7
Net tangible and intangible assets	2.303,3	2.307,9	2.313,8
Net financial assets	3,6	3,4	3,4
Other non current receivable	306,7	284,5	223,5
Total Fixed assets	2.613,5	2.595,8	2.540,6
Total Assets	3.562,6	3.537,3	3.471,3
Trade payable	694,7	693,0	666,1
Other payable	389,8	398,6	314,6
Financial debt	1.602,7	1.573,8	1.571,8
Employees' entitlements fund	17,4	17,6	17,4
Total Liabilities	2.704,6	2.683,1	2.569,9
Share capital & Reserves	851,2	850,4	883,5
Net income / (loss) for the period	6,8	3,9	17,9
Total Group share of shareholders' equity	858,0	854,2	901,4
Total Liabilities and Shareholders' Equity	3.562,6	3.537,3	3.471,3

* Figures have been restated for comparison proposal



Consolidated Cash Flow - Second Quarter 2010 (Million euro)

	2Q 2010	1Q 2010	2Q 2009
Group share of Net Loss	2,9	3,9	15,6
Non cash Adjustment	129,9	109,1	112,6
Change in Minority Interest Capital	0,0	0,0	0,0
Gross Operating Fund generation	132,8	113,0	128,2
(Incr.) / Decr. accounts receivable	(74,0)	(49,4)	(50,2)
Incr / (Decr.) accounts payable	14,5	38,5	68,0
Change in working capital	(59,6)	(10,8)	17,8
(Purchase)/Disposal of assets: Tangible and Intangibles	(106,3)	(99,4)	(133,6)
(Purchase)/Disposal of assets: Financials	(0,2)	(0,2)	(0,1)
Total (purchase)/disposal of assets	(106,5)	(99,5)	(133,7)
Net Operating Fund generation	(33,3)	2,6	12,3
Increase/(Decrease) in Share Capital & Reserve	(24,9)	0,9	(0,9)
Other non Cash Adjustment	0,0	0,0	0,0
Net Financial Position at beginning of period	(1.413,4)	(1.417,0)	(1.450,0)
Net Financial Position at end of period	(1.471,7)	(1.413,4)	(1.438,6)
<i>Cash and Deposits</i>	<i>131,1</i>	<i>160,3</i>	<i>133,3</i>
<i>Financial debts</i>	<i>(1.602,7)</i>	<i>(1.573,8)</i>	<i>(1.571,8)</i>