

1,440,700 clients as at 30 September 2008 (+14% versus 1,263,000 at the end of 2007)

**FASTWEB: revenues at 1,241 million euro in the first nine months 2008
(+18% YoY)**

EBITDA at 402 million euro in the first nine months (+32% YoY)

EBITDA margin rises to 32% in the nine months from 29% one year ago

- 1,440,700 clients as at 30 September 2008, +14% from 1,263,000 at the end of 2007
- Estimated 21% market share of new broadband clients in the third quarter, a further improvement with respect to the 2007 performance
- Consolidated revenues at 1,241 million euro in first nine months, +18% versus the same period 2007
- Strong progress in the third quarter revenues to 426.8 million euro, +23% versus the same period 2007
- Consolidated EBITDA in the first nine months to 402 million euro, +32% versus the same period 2007
- Third-quarter EBITDA at 127 million euro, +26% versus the same period 2007
- EBITDA margin at 32% in the nine months versus 29% one year ago
- EBIT at 103.9 million euro in the nine months, from 37.6 million euro in the same period 2007
- Positive net cashflow of 76.2 million euro in the first nine months of the year compared with a negative cashflow of 27.1 million euro one year ago
- Consolidated net profit of 12.8 million euro in first nine months, against a net loss of 33 million euro one year ago
- Competitive positioning strengthened with the launch of the new mobile service for residential and SME customers and the launch of the *Ultrabroadband* fiber optic service for connection at 100 Mbps

Milan, 5 November 2008 - The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications services provider, approved the results for the nine months to 30 September 2008.



FASTWEB reported 178,000 new **subscribers** in the first nine months, a 14% increase of the customer base compared to the end of 2007. This results indicates the Company ability to grow more than the Italian broadband market, which expanded by an estimated 8% in the same period.

With 43,000 net adds in the third quarter, FASTWEB market share of new broadband clients is estimated at 21%, thus confirming the trend recorded in the last two quarters when the Company consistently exceeded the 20% threshold, a much higher share than in previous years. The client mix between residential and business was substantially unchanged (81% and 19% respectively).

Consolidated revenues amounted to 1,240.8 million euro in the first nine months 2008, rising 18% from 1,048 million euro one year ago (proforma figure).

Such increase was strong also in the third quarter, with revenues up 23% to 426.8 million euro from 347 million euro in the same quarter 2007 and with the following revenue mix: 45% Consumer, 13% Small and Medium Enterprises and 42% Executive (large accounts and public administration agencies).

Consolidated **EBITDA** in the nine months was 401.7 million euro, a 32% increase compared to 305 million euro in the same period 2007 (proforma figure). This result produced a further improvement in the EBITDA margin to 32% from 29% in the first nine months 2007.

Third quarter EBITDA was equal to 127.3 million euro, compared with 101 million euro in the same period 2007, marking a 26% increase.

Revenues and EBITDA in the first nine months were in line with Company expectations and with full year guidance. In particular, FASTWEB achieved 76% of its full year revenue target and 70% of its EBITDA target, in line with the expected trend and seasonality.

Consolidated **EBIT** was positive for 103.9 million euro in the first nine months 2008, compared with 37.6 million euro in the equivalent period 2007. Depreciation and amortization charges for the nine months amounted to 297.8 million euro.

FASTWEB posted a consolidated **net profit** of 12.8 million euro, compared with a loss of 33 million euro in the first nine months 2007.

Capital expenditure for the nine months decreased by 11% to 326.9 million euro. More than half of the capex was related to new customer activations.

Revenues growth and the current level of capex resulted in an improved capex to sales ratio which was 26% in the nine months, compared to 35% in the same period 2007, an indication that FASTWEB business model is gradually moving towards structural cash generation.



Net debt was 1,434.4 million euro at the end of September 2008, from 1,460.9 million euro at the end of June.

FASTWEB generated a positive **net cash flow** of 76.2 million euro in the first nine months, compared with a loss of 27.1 million euro in same period 2007. The cash flow was positively impacted by the effect of AGCOM ruling on termination fees (for an amount of approximately 40 million euro) and of the extraordinary item booked in connection with the settlement of a series of legal and regulatory disputes between FASTWEB and Telecom Italia (30 million euro). Net of these provisions the Company cash flow would still be positive.

Commercial launch of new services for residential and SME customers

The Company launched a mobile offer for residential customers in September, with the objective of creating a fully convergent fixed-mobile service portfolio. FASTWEB customers now have two new offers - the *Ovunque* (everywhere) convergent option and the *Mobile* voice and internet option - in addition to the traditional triple play services (voice, Internet and IPTV).

In particular, the innovative *ParlaOvunque* flat-rate offer provides unlimited fixed-to-fixed national calls and a FASTWEB mobile number with free calls to and from the home number. Moreover, subscribing to the *FamigliaOvunque* option, the mobile service can be extended to four other SIM cards to create a truly innovative family network. The *NavigaOvunque* offer comprises unlimited 24 hour internet browsing at speeds of up to 10 Mbps for customers reached by the FASTWEB FTTH and up to 20 Mbps through FASTWEB Adsl. Such offer also provides an internet key with 500 Mb of internet traffic included for mobile access.

The marketing of these new services, supported by an effective advertising campaign that contributed to developing a significant market awareness, was mainly directed to FASTWEB customer base, with a very high redemption rate in line with Company expectations.

FASTWEB also launched a new portfolio of services dedicated to small and medium enterprises in October. Such portfolio, which was completely redesigned in order to include **convergent services** and **ICT products**, enables the Company to address two new segments, thus fully exploiting the value of the SME market. The new portfolio includes Ultra Broadband connections at 100 Mbps in the areas reached by FASTWEB FTTH access network, a service which offers unparalleled performance and reliability on the market, confirming FASTWEB technological leadership in broadband.

The new mobile offer dedicated to SME consists of 4 tariff plans for voice and 3 tariff plans for data connections in order to suit all individual user needs. The integrated offer also includes a portfolio of innovative mobile handsets, push-email and the possibility to set up a company-wide network that enables to make free calls to all company fixed and mobile numbers.



These new offers represent an essential element to support FASTWEB future growth also in the SME market, allowing the Company to maximize the value of its customer base, to reduce churn, to increase ARPU and the acquisition rate of new customers.

The manager in charge of preparing the Company financial reports (Mario Rossi) 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 more information

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Reclassified Consolidated Income Statement 3Q 2008 (in millions of euro)

	3Q 2008	2Q 2008		3Q 2007	
Consolidated Revenues from Operations	426.8	424.7	<i>% change</i> 0.5%	353.8	<i>% change</i> 20.6%
Other Income	14.6	60.3		10.2	
Operating Expenses	(295.3)	(305.1)		(240.0)	
Provisions	(18.9)	(17.9)		(30.5)	
EBITDA	127.3	161.9	<i>% change</i> (21.4%)	93.6	<i>% change</i> 36.0%
<i>EBITDA Margin (%)</i>	<i>29.8%</i>	<i>38.1%</i>		<i>26.4%</i>	
Depreciation, amortization and write-downs	(99.1)	(98.0)		(94.4)	
EBIT	28.1	63.9	<i>% change</i> 56.0%	(0.9)	<i>% change</i> 3388.4%
<i>EBIT Margin (%)</i>	<i>6.6%</i>	<i>15.1%</i>		<i>(0.2%)</i>	
Net Financial Income / (Expenses)	(24.7)	(21.6)		(16.9)	
Net Taxes	(5.6)	(16.4)		(0.3)	
Consolidated Net Loss	(2.1)	25.9	<i>% change</i> 108.3%	(18.1)	<i>% change</i> 88.1%
	<i>(0.5%)</i>	<i>6.1%</i>		<i>(5.1%)</i>	



Consolidated Balance Sheet - 09/30/2008 (in millions of euro)

	30 September 2008	30 June 2008	30 September 2007
Cash and Deposits	162.4	118.3	60.9
Net trade receivable*	602.6	683.8	496.0
Other current receivable	138.5	142.0	214.5
Inventories* and other current assets	6.0	5.5	2.5
Total Current assets	909.4	949.7	773.9
Net tangible assets (PP&E)	1,875.8	1,877.0	1,788.3
Net intangible assets	434.5	431.7	420.1
Net financial assets	3.2	3.3	2.9
Other non current receivable	234.8	240.4	387.0
Total Fixed assets	2,548.3	2,552.4	2,598.3
Discontinued operations assets	0.0	0.0	0.0
Total Assets	3,457.7	3,502.1	3,372.2
Trade payable	638.2	685.1	578.8
Other payable*	284.5	299.9	604.5
Employees' entitlements fund	20.1	18.6	20.9
Financial debt	1,596.8	1,579.2	1,172.0
Long-term Financial debt			
Other liabilities			
Total Liabilities	2,539.6	2,582.8	2,376.2
Share capital & Reserves	905.4	904.3	1,029.0
Net income / (loss) for the period	12.8	14.9	(33.0)
Total Group share of shareholders' equity	918.2	919.2	996.0
Minority interest in share capital	0.0	0.0	0.0
Liabilities related to discontinued operations	0.0	0.0	0.0
Total Liabilities and Shareholders' Equity	3,457.7	3,502.1	3,372.2



Consolidated Cash Flow – 3Q 2008 (in millions of euro)

	3Q 2008	2Q 2008	3Q 2007
Group share of Net Loss	(2.1)	25.9	(18.1)
Non cash Adjustment	106.1	94.2	94.2
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	103.9	120.1	76.1
(Incr.) / Decr. accounts receivable	84.3	26.0	(10.2)
Incr / (Decr.) accounts payable	(62.7)	(10.4)	16.5
Change in working capital	21.7	15.6	6.3
(Purchase)/Disposal of assets: Tangibles	(75.2)	(93.1)	(93.1)
(Purchase)/Disposal of assets: Intangibles	(25.4)	(31.9)	(23.5)
(Purchase)/Disposal of assets: Financials	0.0	(0.1)	(0.2)
Total (purchase)/disposal of assets	(100.6)	(125.1)	(116.7)
Net Operating Fund generation	25.0	10.6	(34.4)
Increase/(Decrease) in Share Capital & Reserve	1.6	(244.8)	(0.7)
Other non Cash Adjustment		0.0	0.0
Net Financial Position at beginning of period	(1,460.9)	(1,226.7)	(1,076.1)
Net Financial Position at end of period	(1,434.4)	(1,460.9)	(1,111.2)
<i>Cash and Pledge accounts</i>	<i>162.4</i>	<i>118.3</i>	<i>60.9</i>
<i>Financial debts</i>	<i>(1,596.8)</i>	<i>(1,579.2)</i>	<i>(1,172.0)</i>