

Net free cash flow of 19 million euro in the first six months

FASTWEB: first-half revenues at 919 million euro (+13% YoY)

EBITDA at 265 million euro (+8% YoY)

Net profit equal to 18 million euro

- Significant customer growth in the first half 2009: 93,000 net adds to 1,575,300, +6% from 1,482,500 at the end of 2008
- Consolidated revenues of 918.8 million euro, +13% with respect to the first half 2008. Revenues at 474.5 million euro (+12%) in the second quarter
- EBITDA at 265 million euro in the first half, +8% year on year (first half 2008 figure based on industrial performance – See note 1) and EBITDA margin at 29%. Second quarter EBITDA equal to 143.5 million euro, +8% year on year (second quarter 2008 figure based on industrial performance – See note 1) with a 30% EBITDA margin
- EBIT at 70.8 million euro in the first half year, up 54% compared to the first half 2008. Second quarter EBIT at 43.2 million euro, up 26% from 34.2 million euro in the second quarter 2008
- Consolidated net profit of 17.9 million euro in the first six months 2009 and 15.6 million euro in the second quarter
- Capex of 216.5 million euro in the first half. Capex-to-sales ratio down to 24% from 28% in the first half 2008
- Net positive cash flow of 18.5 million euro in the first half
- Net debt of 1,438.6 million euro as at 30 June 2009
- The Company confirms full-year guidance

Milan, 6 August 2009 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications services provider, approved the half year financial report as at 30 June 2009.

Net additions amounted to 93,000 in the first half, a 6% increase in the customer base compared to the end of 2008. The figure indicates the Company's ability to grow faster than the Italian market, which grew by an estimated 5% in the first six months of the year.



Customers of the mobile services, which are mainly targeted at FASTWEB's subscriber base, evolved in line with Company expectations. The number of active SIM cards was approximately 120,000 (Consumer and SME) as at 30 June. FASTWEB's differentiating factor, with respect to the other mobile virtual network operators (MVNO), is the quality of its service, the variety of the offer portfolio and its pricing. Coherently with such positioning, the customer base at the end of the first half was characterized by a large percentage of post-paid subscriptions, by the mix between residential and business customers and by a significant penetration of data services.

First half consolidated **revenues** amounted to 918.8 million euro, a 13% increase compared to last year.

Second quarter revenues were 474.5 million euro, a 12% increase compared to 424.5 million euro in the equivalent period 2008. Revenues in the April-June quarter also posted a significant sequential growth of over 6%.

The SME and Executive Business Units made a significant contribution to the revenue increase in the second quarter, with year on year growth rates of 10% and 22% respectively. Revenues of the Consumer Business Unit increased 2%. In the light of such growth rates, the Consumer Business Unit accounted for 36% of total revenues in the quarter, while the SME and the Executive Business Units accounted for 22% and 42% respectively.

First half 2009 **EBITDA** was equal to 265 million euro (29% of consolidated revenues), posting an 8% increase from 245 million euro¹ reported in the corresponding period 2008, despite the negative impact of the increase in the unbundling² fees introduced on 1 January 2009.

Second quarter EBITDA was 143.5 million euro, with an EBITDA margin of 30.2%. The sequential EBITDA increase was also strong (+18%), thus confirming the positive business trend in the second quarter 2009.

First half revenues and EBITDA were in line with the Company's expectations and with the targets announced to the market. Both results were fully aligned with prior year trends and seasonal performance. Specifically, revenues represented 51% of the full year target, while EBITDA represented 47% of the target.

¹ First half 2008 EBITDA is reported on an industrial basis excluding the effect of the positive extraordinary item of 30 million euro, booked in second quarter 2008 as partial compensation in the context of the settlement of some legal and regulatory disputes between FASTWEB and Telecom Italia.

² In March 2009 AGCOM ruled a ULL rate increase of €085/month, from €7.63/month to €8.48/month. The increase was effective as of 1 January 2009.



FASTWEB reported a consolidated **EBIT** of 70.8 million euro in the first half, compared with 46.1 million euro in the corresponding period 2008 (excluding the effect of the positive extraordinary item booked in the second quarter 2008 – See Note 1). Amortization, depreciation and write-downs in the first half totaled 194.2 million euro, a slight decrease from 198.7 million euro in the corresponding period 2008. EBIT was 43.2 million euro in the second quarter, a 26% increase versus the 34.2 million euro reported in the second quarter 2008 (excluding the effect of the extraordinary item).

First half consolidated **net profit** was 17.9 million euro, compared to a loss of 14.9 million last year (excluding the effect of the item). In the second quarter 2009 consolidated net profit was 15.6 million euro, compared with break-even in the second quarter 2008 (excluding the effect of the extraordinary item).

Capex amounted to 216.5 million euro in the January-June period, down 4% compared with the previous year. Out of the total investments, 59% were customer-driven capex.

The positive revenue trend and the current level of investment generated an improvement in the capex/sales ratio that was equal to 24% in the first half, compared with 28% in the corresponding period 2008, confirming that the FASTWEB business model is progressively directed towards structural cash generation.

First half **net cash flow** was positive for 18.5 million euro compared with 51.2 million euro reported in the corresponding period 2008, although the first half 2008 figure included a positive figure equal to 40 million euro related to the partial collection of amounts due for termination rates.

Net debt amounted to 1,438.6 million euro at the end of June 2009, slightly down compared to 1,450 million euro reported at the end of March 2009.

Cooperation agreement with Mediaset

FASTWEB and Mediaset signed an agreement in July for the distribution and marketing of the Mediaset Premium digital terrestrial offer (linear channels and Pay-per-View) on FASTWEB's IPTV platform.

Starting from 22 August, Mediaset Premium content will be available on FASTWEBTV, that will further enhance its positioning as a comprehensive and integrated IPTV platform.

Two Mediaset Premium packages will be available on FASTWEBTV (the “*Premium Bouquet*” offering entertainment content and the “*Premium Calcio*” that will include European and Italian soccer events), at the same retail price charged by Mediaset.



The 2009 guidance provided by the company management is based on the information currently available. It reflects market parameters and other economic fundamentals, and could therefore differ to a material extent from the 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 more information

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Consolidated Income Statement - Second Quarter 2009 (millions of euro)

	2Q 2009	1Q 2009		2Q 2008	
			% change		% change
Consolidated Revenues from Operations	474.5	444.3	6.8%	424.5	11.8%
Other Income	37.7	17.5		60.3	
Operating Expenses	(331.3)	(326.3)		(304.6)	
Provisions	(37.3)	(14.1)		(17.9)	
EBITDA	143.5	121.5	18.1%	162.3	(11.6%)
<i>EBITDA Margin (%)</i>	30.2%	27.3%		38.2%	
Depreciation, amortization and write-downs	(100.2)	(93.9)		(98.1)	
EBIT	43.2	27.6	(56.8%)	64.2	32.7%
<i>EBIT Margin (%)</i>	9.1%	6.2%		15.1%	
Net Financial Income / (Expenses)	(15.4)	(18.9)		(21.6)	
Net Taxes	(12.2)	(6.4)		(16.5)	
Consolidated Net Result	15.6	2.3	(581.4%)	26.1	40.2%
	3.3%	0.5%		6.2%	



Consolidated Balance Sheet - 30/6/2009 (millions of euro)

	30 June 2009	31 march 2009	30 June 2008
Cash and Deposits	133.3	121.5	118.3
Net trade receivable*	656.7	609.4	678.8
Other current receivable*	135.7	132.1	141.3
Inventories and other current assets	5.0	6.1	5.5
Total Current assets	930.652	869.0	943.9
 Net tangible assets (PP&E)	 1,867.5	 1,817.4	 1,878.3
Net intangible assets	466.8	482.2	431.7
Net financial assets	3.0	2.9	3.3
Other non current receivable	217.4	224.9	246.7
Total Fixed assets	2,554.616	2,527.5	2,560.0
 Discontinued operations assets	 0.0	 0.0	 0.0
Total Assets	3,485.268	3,396.5	3,503.9
 Trade payable*	 666.1	 600.6	 683.1
Other payable*	314.6	306.5	316.1
Employees' entitlements fund	17.4	17.5	18.6
Financial debt	1,571.8	1,571.5	1,579.2
Total Liabilities	2,569.9	2,496.1	2,597.1
 Share capital & Reserves	 897.5	 898.1	 891.7
Net income / (loss) for the period	17.9	2.3	15.2
Total Group share of shareholders' equity	915.4	900.4	906.8
 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	3,485.3	3,396.5	3,503.9



Consolidated Cash Flow - Second Quarter 2009 (millions of euro)

	2Q 2009	1Q 2009	2Q 2008
Group share of Net Loss	15.6	2.3	26.1
Non cash Adjustment	112.6	98.7	94.4
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	128.2	101.0	120.5
(Incr.) / Decr. accounts receivable	(50.2)	(31.8)	(28.3)
Incr / (Decr.) accounts payable	68.0	19.9	43.8
Change in working capital	17.8	(11.9)	15.6
(Purchase)/Disposal of assets: Tangibles	(100.9)	(59.0)	(93.4)
(Purchase)/Disposal of assets: Intangibles	(32.7)	(23.9)	(31.9)
(Purchase)/Disposal of assets: Financials	(0.1)	(0.0)	(0.1)
Total (purchase)/disposal of assets	(133.7)	(82.9)	(125.4)
Net Operating Fund generation	12.3	6.2	10.6
Increase/(Decrease) in Share Capital & Reserve	(0.9)	1.1	(244.8)
Other non Cash Adjustment	0.0	0.0	0.0
Net Financial Position at beginning of period	(1,450.0)	(1,457.3)	(1,226.7)
Net Financial Position at end of period	(1,438.6)	(1,450.0)	(1,460.9)
<i>Cash and Pledge accounts</i>	<i>133.3</i>	<i>121.5</i>	<i>118.3</i>
<i>Financial debts</i>	<i>(1,571.8)</i>	<i>(1,571.5)</i>	<i>(1,579.2)</i>