

Fastweb announces Q1 2018 results: 19th consecutive quarter of growth for broadband customer base and margins. Mobile customers up 55% on previous year.

For the first three months of the year Fastweb reports 2,483 million wireline customers - up 3% on 1Q 2017. Revenues grow to Euro 492 million (+9% on Q1 2017 on a comparable basis), EBITDA to Euro 144 million (+5% on Q1 2017 on a comparable basis) and investments to Euro 159 million (+6% on Q1 2017 on a comparable basis), equal to 32% of revenues. The extraordinary growth of mobile keeps going on: 1.185.000 customers at March 31st, up 55% on previous year.

Milan, May 2, 2018 - In the first quarter of 2018, Fastweb consolidated its position in the Italian broadband market, with a steady growth in customers, revenues and margins.

Wireline broadband customers continued to increase as Fastweb added 83 thousand new customers YoY, thus bringing the customer base to 2,483 million (+3% on previous year). Considering the new IFRS 15 standard, revenues in the quarter totaled Euro 492 million, up +9% on Q1 2017 on a comparable basis. The market keeps rewarding Fastweb strategy based on continuous innovation and a commercial proposition based on clear and transparent offers. After the elimination of all "hidden costs" in mobile telephony Fastweb keeps pursuing its differentiation strategy through the commercial launch of offers changing dramatically the rules of the wireline market: on March 26th it launched the "All Inclusive" bill - a monthly price for broadband including all ancillary components usually charged on top, such as the activation fee or the ultra-broadband fee - and waived any minimum contract term in wireline, as previously done for wireless contracts.

EBITDA (earning before interest depreciation and amortisation) at March 31, 2018 totaled Euro 144 million, up 5% on the previous year on a comparable basis. It's the 19th consecutive quarter of growth for EBITDA and for customers.

The expansion of the ultra-broadband network advances and Fastweb UBB services are now available in 15 million households, of which 8 with a proprietary network. Specifically, the number of households connected by a FTTH network (fiber to the home) totaled 3.2 million, also thanks to the contribution of Flash Fiber - the joint venture created with TIM in July 2016 for the roll-out of FTTH in 29 cities - which had passed 1.200.000 households at the end of March.

Fastweb engagement in the roll-out of ultra-broadband coverage, in the deployment of an extensive Wi-Fi networks - which will be a stepping stone for the roll-out of 5G - and in 5G trials under way in Bari, Matera and Rome pushed CAPEX in the quarter to Euro 159 million - 32% of its revenues and up 6% on 2017 on a comparable basis. It's an unparalleled figure in the Italian and European telecommunications landscape, as stated by the annual research of Mediobanca in the telecom sector and which confirms the steady commitment of Fastweb to the quick deployment of fiber infrastructures in the country.

The strategy based on investment in infrastructures pays off also in terms of market share: Fastweb broadband customers with FTTx connectivity between 100 Mbps and 1 Giga totaled 1.124.000, up 26% compared to the 892 thousand in the first quarter of 2017: the

percentage of Fastweb wireline consumer customers opting for an ultrabroadband connectivity service grows to 47%.

The Enterprise Business Unit performed extremely well over the quarter. Specifically, new contracts with the central and local Public Administrations as well as the provision of connectivity and value added services to new private business customers lead to a 65% growth of the BU order book compared to the same period in 2017. Fastweb market share in the Enterprise Business market is now almost 30% in terms of revenues, thanks to the continuous growth throughout the years.

Another excellent quarter for the mobile segment as well: at March 31st Fastweb has 1.185 thousand mobile customers - up 55% compared to 763 thousand customers on March 31st 2017, confirming a high acquisition rate driven by the quality of services enabled by the new 4G and 4G plus network as well as the commercial proposition based on transparency and the elimination of all hidden costs and additional components. Fastweb continues to be the operator with the stronger growth in the mobile market.

Relevant facts occurred after the closing of the quarter

On April 9th the Italian Competition Authority (AGCM) greenlighted the commitments put forward by Fastweb and TIM in relation to the roll-out of a FTTH network in 29 cities through the joint venture FlashFiber. AGCM thus closed the proceeding opened in February 2017 to assess potential competition foreclosures connected to the co-investment put in place by the two companies through FlashFiber. AGCM came to the conclusion that not only Fastweb and TIM remedies are able to overcome any competitive concern: the project will indeed encourage the development of infrastructure-based competition in the market of wireline internet access and will enable the quick deployment of new generation access on the national territory. In fact, AGCM decision creates certainty over FlashFiber investment plans with the effect of accelerating the deployment of FTTH in the 29 cities. FlashFiber plans foresee the coverage of 3 million households according to a specific timeline: 70% by 2018, 85% by 2019 and 95% by 2020.

Furthermore, FlashFiber infrastructure will be deployed so to have two parallel and completely independent networks, with the effect of improving the competitive dynamics in the market.

AGCM states thus an important principle: having two separate networks in competition with each other, at least in the most densely populated areas of the country, is not only possible - as proved by the experience of many EU countries - but also desirable so to strengthen competition and the advantages for end users.

Please note: 2018 financial data are reported following the new IFSR 15 standard. 2018 figures based on old accounting standards are instead used to compare data with the previous year.

For further information:

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