

Fastweb announces H1 2016 results: revenue, margin and customer base growth

In the first six months, the Broadband provider generated revenues of Euro 881 million (+2% on H1 2015) and organic EBITDA growth of 8% to Euro 280 million. The customer base expanded 5% on H1 2015.

Milan, 18th August 2016 – In the first half of 2016, Fastweb further consolidated its position on the Italian broadband market, thanks to its innovative offers and the quality, speed and stability of services. The revenue growth and further improvement of the main earnings indicators highlight the success of Fastweb's industrial plan, which focuses on creating the largest alternative ultra-broadband network in Italy. The major infrastructural investment has been rewarded by the market and the customer base who in increasing numbers are turning to Fastweb as a provider of value added services.

By 30th June 2016, Fastweb **revenues** totalled Euro 881 million, +2% on Euro 862 million in the previous year, thanks to continual product innovation and the highly attractive ultra-broadband service (up to 200 megabits per second) provided across Italy.

EBITDA (Earnings before interest, depreciation and amortisation) hit Euro 335 million, from Euro 260 million in H1 2015. Excluding extraordinary items, EBITDA was Euro 280 million (+8%). The organic EBITDA margin was 32% (30% in H1 2015), indicating the continual development of earnings. The free cash flow rose to Euro 67 million.

The commitment to the construction of the ultra-broadband network brought investments to Euro 286 million, Euro 7 million more than 1H 2015 (2.5%) and equal to 32% of company revenues, an unprecedented figure in the European telecommunications sector. This highlights Fastweb's key role in delivering innovation and digitalisation to Italy.

At June 30, 2016, the Fastweb **customer base** had reached 2,257,000, +5% (+100,000 customers) on a year previously.

By June 30 the Fastweb **ultra-broadband network** had reached 7 million property units across 90 cities with Fiber to the Cabinet and Fiber to the Home technology. Of these, 24 were connected during the second quarter with eVdsl technology providing speeds of up to 200 megabits per second, rolled out under the network development plan presented in April 2016 which envisages both the extension of Fastweb's ultra-broadband network to 50% of the Italian population by 2020 (13 million households and businesses), and the speeds upgraded up to 200 megabits per second.

Fastweb was confirmed as the **ultra-broadband market co-leader** with a share of 37% and 710,000 active customers at June 30, 2016 and a penetration of these services of over 30% of its customer base.

Among the main events in the second quarter it should be highlighted the renewal and extension of the **partnership with Sky** for a further 5 years in May for the joint

broadband and pay TV package. The new agreement, in addition to extending the original agreement until 2021, broadens its scope extending the number of Sky and Fastweb jointly proposed services.

In June, Fastweb extended the **WOW Fi service** to 200 municipalities in Central-Southern Italy, an exclusive innovative Wi-Fi service for Fastweb customers making Fastweb ultra-broadband access possible also on-the-go. The service, today used by approx. 2 million customers, will be available in 800 municipalities within a year.

Finally, in the second quarter Fastweb was awarded, as part of a temporary consortium with Leonardo-Finmeccanica and IBM, **the tender for the provision of Digital Security and Public Sector Security services**. The total value of the contract is Euro 600 million over five years.

Subsequent events

On July 26, 2016, Fastweb and Tim announced a strategic partnership for the construction of the national FTTH (Fiber to the Home) network, capable of guaranteeing speeds of up to 1 Gigabyte per second. The network construction and laying of fiber will be carried out by a joint venture formed by the two companies, respectively for 20% and 80%, in order to connect 3 million properties to the fiber optic network in the 29 largest Italian cities by 2020, with total investment earmarked of Euro 1.2 billion.

At the beginning of August, Swisscom Italia S.r.l. has signed the agreements for the sale of its 10.6% stake in Metroweb S.p.A. to the main shareholder Metroweb Italia S.p.A. The operation is valued at Euro 80 million, in line with the current valuation as per the offer presented by ENEL for the full acquisition of Metroweb Italia S.p.A. The operation, whose closing is subject to Antitrust Authority approval, will be executed in the autumn.

For further information:

FASTWEB Press Office

Maria Laura Sisti

Tel + 39 347 4282170

Marialaura.sisti@fastweb.it