Cash flow breakeven in the first half 2007
FASTWEB: first half 2007 revenues at 714.4 million euros (+24% YoY)
EBITDA at 223.8 million euros (+75% YoY)
Positive net result in the second quarter

- 1,195,600 clients as at 30 June 2007, + 37% versus 874,300 as at 30 June 2006
- Consolidated revenues at 714.4 million euros, up 24% YoY
- EBITDA calculated according to criteria consistent with those adopted by Swisscom
- First half 2007 EBITDA at 223.8 million euros, up 75% YoY. Without extraordinary items organic EBITDA is 180.3 million euros, up 41% YoY
- EBITDA margin at 31% up from 22% in the first half 2006
- Positive EBIT at 38.5 million euros in the first half 2007
- Net profit of 5.8 million euros in the second quarter 2007
- Net result improves by 68% in the first half 2007
- Cash flow breakeven in the first half 2007
- Net debt stable at 1,076 million euros as at 30 June 2007

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Milan, 3 August 2007 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second largest fixed telecommunications services provider, has approved the interim report as at 30 June 2007.

The first half results are in line with the company full-year expectations: consolidated **revenues** for the first six months amounted to 714.4 million euros, rising 24% over 578.4 million euros in the year-earlier period. Second quarter revenues were 360.5 million euros, a 25% improvement over 289.4 million euros a year earlier.

As of the second quarter 2007, **EBITDA** is reported net of provisions for bad debt and risk contingencies. The new criterion is adopted exclusively in order to align FASTWEB EBITDA with that published by Swisscom. In order to allow full comparability with previously reported quarterly results, tables reconciling quarterly reclassified consolidated income statement for the full year 2006 and the first quarter 2007 are provided.

Consolidated **EBITDA** increased significantly in the first half 2007, partly as a result of extraordinary items. EBITDA amounted to 223.8 million euros with a consolidated EBITDA margin of 31.3%, up 75% from 127.6 million euros in the first half 2006 (22% EBITDA margin).

Second quarter 2007 EBITDA amounted to 137.7 million euros, marking a significant improvement in margins, from 22.7% in the equivalent period 2006 to 38.2%.

Excluding extraordinary items, which produced a positive net impact of 43.5 million euros in the second quarter of 2007, **organic EBITDA** in the first half 2007 was 180.3 million euros (25.2% of consolidated revenues), up 41% year-on-year.

Extraordinary items are detailed below:

- +60.7 million euros as damage compensation ensuing Telecom Italia's failure to comply with unbundled local loop access (ULL) obligations;
- -15.4 million euros of costs sustained in connection with the Swisscom public tender offer on FASTWEB shares;
- -1.8 million euros of other costs related to the damage compensation from Telecom Italia;

The consolidated **EBIT** in the first half 2007 was positive at 38.5 million euros, compared with negative EBIT of 59.6 million euros in the first half 2006. Depreciation and amortization amounted to 185.4 million euros in the first half of the year.

In the second quarter 2007, FASTWEB reported consolidated **net profit** of 5.8 million euros, compared with a net loss of 18.2 million euros in the same year-earlier period.

FASTWEB posted a consolidated net loss of 14.9 million euros in the first half 2007, a 68% improvement with respect to a net loss of 47 million euros in the year-earlier period.

Capital expenditure from January to June 2007 amounted to 249.2 million euros. This amount was related largely to the connection of new clients and also included investments in infrastructure for the provision of telecommunications services to the Public Administration.

The total **net debt** at the end of June 2007 was 1,076.1 million euros, unchanged with respect to the figure at the end of March and slightly lower than the 2006 year-end figure of 1,081.3 million euros. FASTWEB had a **positive cash flow** of 7.3 million euros in the first half of 2007, a significant improvement compared with the negative cash flow of 230.4 million euros in the year-earlier period, a further confirmation of the positive trend that began in the fourth quarter of 2006 when FASTWEB reported its first positive net cash flow.

The number of **net additions** acquired in the April-June period was 62,500. The slowdown compared with the previous quarters was due partly to a slow down in the Italian broadband market, partly to FASTWEB compliance to the Bersani Decree that has introduced a reduction from 60 to 30 days for the notice period required to cancel a telecommunication contract and partly to the company's decision to require new customers to use standing-order payments.

The ruling that Telecom Italia should compensate FASTWEB 60.7 million euros for its failure to comply with the requirement to provide unbundled local loop access was enforced during the second quarter 2007. It was thus possible for FASTWEB to update its customer base excluding 17,400 potential clients that it was unable to activate due to Telecom Italia's non-compliance to regulation.

The total number of clients as at 30 June 2007, including new subscribers acquired during the quarter and those cancelled from the client base, was 1,195,600, compared with 1,150,400 as at 31 March 2007.

The residential vs business customer mix was substantially unchanged (82% and 18% respectively), while the two segments accounted respectively for 42% and 58% of first half total revenues. A portion of the revenues in the business segment came from wholesales operations and from IRU sales, which accounted respectively for 13% and 4% of total revenues.

FASTWEB residential Average Revenue per Unit (**ARPU**) in June 2007 was 747 euros on an annualized basis, compared with 762 euros in March. The decrease, which is in line with expectations, was mainly due to the low seasonality of June compared to March. The performance was also due to a lower contribution from video services as a result of the commercial agreement with SKY, which came into effect in March, and to the impact of a reduction in pricing and to new marketing strategies implemented during the first half of 2007.

FASTWEB began acquiring orders from the Italian **Public Administration** under the terms of the CNIPA and CONSIP conventions during the first half 2007. CNIPA order portfolio (data services) is in line with expectations, while CONSIP portfolio (voice services) reflects the delay incurred in the early months of the year owing to uncertainty over legal issues. Moreover, as a result of the efficiency measures introduced by FASTWEB and by the Public Administration during the migration process, the number of active lines is presently lower than the initial estimate. However, the effect of such reduction is partly offset by the higher than expected volume of data services supplied under the CONSIP convention.

FASTWEB is actively evaluating a further **network expansion plan** to increase its coverage from 45% to 50% of the Italian market.

The Group had 3,474 **employees** as at 30 June 2007, compared with 3,434 as at 31 March 2007.

New financing contracts

As a result of Swisscom Italia S.r.l. acquisition of the controlling stake of FASTWEB, two new five-year financing agreements were signed on 27 June 2007 between FASTWEB and its parent company. The new agreements provide a further improvement of the terms and conditions with respect to previous financing. In particular:

- a facility is equal to 1,063 million euros to be used to reimburse capital, interest and commissions on the previous loan signed on 20 March 2007 by FASTWEB and a pool of Italian and International banks;
- a revolving facility is for an amount up to 280 million euros to cover the FASTWEB future operating requirements.

The new borrowings do not involve any commissions or guarantees.

The drawings under the facility arranged on 20 March 2007 were repaid in full by FASTWEB with no penalties on 29 June 2007.

Payout from reserves

The Shareholders' Meeting convened on 23 March 2007 approved a 3.77 euros per share pay-out from reserves, for a total amount of approximately 300 million euros. Payment will take place in October, with ex-dividend date on 22 October and payment date on 25 October 2007.

The distribution of share premium reserve does not constitute taxable income for the beneficiary, as it is set against the fiscally recognised cost of the shares.

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EBITDA - Reconciliation old vs new definition
Full-year 2006 and First Quarter 2007 (Millions of euro)

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007
EBITDA OLD DEFINITION	**90.1**	**93.2**	**113.1**	**128.1**	**424.6**	**121.0**
Risk Provision	(5.7)	(2.2)	(3.2)	(10.4)	(21.6)	(3.5)
Bad Debt Provision	(22.5)	(25.3)	(23.8)	(30.2)	(101.8)	(31.4)
EBITDA NEW DEFINITION	**61.9**	**65.7**	**86.1**	**87.5**	**301.2**	**86.1**

Note *- Accrual for bad debt provision includes a significant component booked against revenues from incoming voice traffic (reverse interconnection). Such component is extraordinary and will no longer be charged following AGCOM ratification of termination rates*

Reclassified Consolidated Income Statement
Full Year 2006 and First Quarter 2007 (Millions of euro)

OLD DEFINITION	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007
Consolidated Revenues from Operations	**289.0**	**289.4**	**319.1**	**362.5**	**1,260.0**	**353.9**
Other Income	11.2	9.8	11.9	21.4	54.2	13.4
Operating Expenses	(210.0)	(206.0)	(217.9)	(255.8)	(889.6)	(246.3)
EBITDA	**90.1**	**93.2**	**113.1**	**128.1**	**424.6**	**121.0**
EBITDA Margin (%)	*31.2%*	*32.2%*	*35.4%*	*35.3%*	*33.7%*	*34.2%*
Depreciation, amortization and write-downs	(119.0)	(123.9)	(126.2)	(143.0)	(512.1)	(124.0)
EBIT	**(28.9)**	**(30.7)**	**(13.1)**	**(14.9)**	**(87.5)**	**(3.1)**
EBIT Margin (%)	*(10.0%)*	*(10.6%)*	*(4.1%)*	*(4.1%)*	*(6.9%)*	*(0.9%)*
Net Financial Income / (Expenses)	(8.5)	(10.8)	(12.4)	(48.3)	(80.0)	(17.4)
Net Taxes	8.6	23.3	8.3	3.8	44.0	(0.3)
Consolidated Net Loss	**(28.8)**	**(18.2)**	**(17.2)**	**(59.4)**	**(123.6)**	**(20.7)**

NEW DEFINITION	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007
Consolidated Revenues from Operations	**289.0**	**289.4**	**319.1**	**362.5**	**1,260.0**	**353.9**
Other Income	11.2	9.8	11.9	21.4	54.2	13.4
Operating Expenses	(210.0)	(206.0)	(217.9)	(255.8)	(889.6)	(246.3)
Provisions	(28.2)	(27.5)	(27.0)	(40.6)	(123.4)	(34.8)
EBITDA	**61.9**	**65.7**	**86.1**	**87.5**	**301.2**	**86.1**
EBITDA Margin (%)	*21.4%*	*22.7%*	*27.0%*	*24.1%*	*23.9%*	*24.3%*
Depreciation, amortization and write-downs	(90.8)	(96.4)	(99.3)	(102.4)	(388.8)	(89.2)
EBIT	**(28.9)**	**(30.7)**	**(13.1)**	**(14.9)**	**(87.5)**	**(3.1)**
EBIT Margin (%)	*(10.0%)*	*(10.6%)*	*(4.1%)*	*(4.1%)*	*(6.9%)*	*(0.9%)*
Net Financial Income / (Expenses)	(8.5)	(10.8)	(12.4)	(48.3)	(80.0)	(17.4)
Net Taxes	8.6	23.3	8.3	3.8	44.0	(0.3)
Consolidated Net Loss	**(28.8)**	**(18.2)**	**(17.2)**	**(59.4)**	**(123.6)**	**(20.7)**
	(10.0%)	*(6.3%)*	*(5.4%)*	*(16.4%)*	*(9.8%)*	*(5.9%)*

Consolidated Income Statement - Second Quarter 2007 (Millions of euro)

	2Q 2007	1Q 2007		2Q 2006	
Consolidated Revenues from Operations	**360,5**	**353,9**	*1,9%*	**289,4**	*24,6%*
Other Income	74,1	13,4		9,8	
Operating Expenses	(262,6)	(246,3)		(206,0)	
Provisions	(34,3)	(34,8)		(27,5)	
EBITDA	**137,7**	**86,1**	*59,9%*	**65,7**	*109,6%*
EBITDA Margin (%)	*38,2%*	*24,3%*		*22,7%*	
Depreciation, amortization and write-downs	(96,2)	(89,2)		(96,4)	
EBIT	**41,5**	**(3,1)**	*1445,0%*	**(30,7)**	*235,5%*
EBIT Margin (%)	*11,5%*	*(0,9%)*		*(10,6%)*	
Net Financial Income / (Expenses)	(15,0)	(17,4)		(10,8)	
Net Taxes	(20,7)	(0,3)		23,3	
Consolidated Net Result	**5,8**	**(20,7)**	*128,0%*	**(18,2)**	*132,0%*
	1,6%	*(5,9%)*		*(6,3%)*	

Consolidated Balance Sheet - 30/06/2007 (Millions of euro)

	June 30 2007	March 31 2007	June 30 2006
Cash and Deposits	95.2	71.2	78.2
Net trade receivable	468.8	408.2	357.9
Other current receivable	232.1	214.4	228.0
Inventories and other current assets	6.3	6.0	9.1
Total Current assets	**802.4**	**699.7**	**673.2**
Net tangible assets (PP&E)	1,769.1	1,754.5	1,633.8
Net intangible assets	417.2	414.0	398.5
Net financial assets	3.1	3.2	3.7
Other non current receivable	386.9	397.9	380.6
Total Fixed assets	**2,576.2**	**2,569.5**	**2,416.6**
Discontinued operations assets	**0.0**	**0.0**	**0.0**
Total Assets	**3,378.6**	**3,269.2**	**3,089.8**
Trade payable	564.9	551.7	412.6
Other payable	605.4	536.2	490.9
Employees' entitlements fund	22.4	23.1	18.0
Financial debt	1,171.3	1,147.3	765.0
Total Liabilities	**2,364.0**	**2,258.4**	**1,686.5**
Share capital & Reserves	1,029.5	1,031.5	1,450.3
Net income / (loss) for the period	(14.9)	(20.7)	(47.0)
Total Group share of shareholders' equity	**1,014.6**	**1,010.8**	**1,403.3**
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	**3,378.6**	**3,269.2**	**3,089.8**

Consolidated Cash Flow Statement - Second Quarter 2007 (Millions of euro)

	Quarter ended June 30, 2007	Quarter ended March 31, 2007	Quarter ended June 30, 2006
Group share of Net Loss	**5,8**	**(20,7)**	**(18,2)**
Non cash Adjustment	119,2	96,5	75,0
Change in Minority Interest Capital	0,0	0,0	0,0
Gross Operating Fund generation	**125,1**	**75,8**	**56,8**
(Incr.) / Decr. accounts receivable	(18,8)	(10,2)	19,3
Incr / (Decr.) accounts payable	10,8	74,0	(44,3)
Change in working capital	**(8,1)**	**63,8**	**(25,0)**
(Purchase)/Disposal of assets: Tangibles	(88,7)	(116,8)	(116,5)
(Purchase)/Disposal of assets: Intangibles	(25,2)	(18,5)	(25,3)
(Purchase)/Disposal of assets: Financials	(0,1)	(0,0)	(1,1)
Total (purchase)/disposal of assets	**(114,0)**	**(135,3)**	**(142,9)**
Net Operating Fund generation	**3,0**	**4,3**	**(111,1)**
Increase/(Decrease) in Share Capital & Reserve	**(3,0)**	**2,5**	**6,8**
Other non Cash Adjustment	**0,0**	**(1,6)**	**0,0**
Net Financial Position at beginning of period	**(1.076,2)**	**(1.081,3)**	**(582,5)**
Net Financial Position at end of period	**(1.076,1)**	**(1.076,2)**	**(686,8)**
Cash and Pledge accounts	*95,2*	*71,2*	*78,2*
Financial debts	*(1.171,3)*	*(1.147,3)*	*(765,0)*