FASTWEB: 2007 revenues at 1,433 million euro (+14% YoY)
EBITDA at 480 million euro (+59% YoY)
First-ever pre-tax profit at 31 million euro versus a loss of 168 million euro in 2006

With 1,312,600 subscribers at the end of 2007 and 268,000 net additions in the year, the Company confirmed its positioning as Italy's second broadband operator

- Significant growth in client base in 2007: 1,312,600 subscribers at the end of 2007 (+26% versus 2006)
- Higher share of new adds in 2007: FASTWEB secured approximately 17% of new broadband connections on the Italian market
- Residential ARPU stable at 722 euro in December
- Consolidated revenues at 1,433 million euro, +14% YoY
- Core revenues (excluding low margin wholesale business) increased by 24%
- Consolidated EBITDA at 480 million euro (+59% YoY)
- Consolidated EBIT positive at 98 million euro from negative EBIT of 87 million euro in 2006
- First-ever pre-tax profit reported in 2007 (31 million euro) against a pre-tax loss of 168 million euro in 2006
- Net debt of 1,265 million euro at 31st December 2007
- Completed the extension of the network coverage to 50% of the Italian population
- 2008 targets: revenue growth of approximately 14%, EBITDA growth of approximately 29%, net profit and generation of positive net cashflow on a full year basis

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Milan, 28th February 2008 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications services provider, approved today the draft financial statement for the year to 31st December 2007.

Thanks to 268,000 **net addition**, FASTWEB customer base grew from 1,045,000 subscribers at the end of 2006 to 1,312,600 at the end of 2007, an increase of 26%. FASTWEB boosted its share on the Italian broadband market, which grew in the same period by approximately 19%.

FASTWEB share of net additions was equal to 17% in the year, confirming its position as number one alternative player on the broadband market.

FASTWEB’s residential **ARPU** (Average Revenue Per Unit) in December 2007 was equal to 722 euro on an annualized basis, compared with 733 euro in September, a decrease limited to approximately 1.5%.

ARPU reduction in the year was limited to 5%, thanks to upselling activities resulting in a higher adoption of flat-rate tariff plans (at the end of the year 83% of FASTWEB’s clients had subscribed to at least one of these plans, compared with 75% at the end of 2006) and to the growing contribution of FASTWEB*TV* sales, which showed a 73% YoY increase in the fourth quarter (gross of cancellations) with a significant take up (57% of the total) by FASTWEB’s customer base.

2007 **consolidated revenues** amounted to 1,433 million euro, a 14% increase from 1,260 million euro in 2006.

Revenue performance reflected the Company’s decision to focus on its high margin core business and to limit the contribution from low margin wholesale voice traffic carried on FASTWEB’s network. Core revenues (residential and business) increased 24% to 1,313 million euro in 2007, from 1,063 million euro in 2006 and low margin wholesale revenues were reduced 36% to 120 million euro. Wholesale revenues accounted for 8% of total revenues in 2007, compared with 15% in 2006.

The trend in margins was also positive and in line with targets. The gradual increase in FASTWEB consolidated **EBITDA** resulted in 480 million euro in 2007, compared with 301 million euro in 2006, with an **EBITDA margin** of 33.5%. The significant YoY growth (59%) reflected not only the strong industrial performance, but also the impact of the extraordinary items and the effect of the decision taken by the Italian Communications Authority (AGCom) at the end of 2007 that granted FASTWEB one of the highest interconnection rates among European fixed line network operators.

A parameter that better reflects the Company’s industrial performance is the ***proforma*** **EBITDA** (net of the above effects of AGCom ruling and of the extraordinary items booked in the second quarter 2007) that was equal to 410 million euro, a 29% increase with respect to 2006 ***proforma*** **EBITDA** (317 million euro).

Strong progress was also achieved in the *proforma* EBITDA margin which rose from 25.3% in 2006 to 28.6% in 2007.

Excluding the low margin wholesale business, proforma EBITDA of the core business increased by 33% from 303 million euro in 2006 to 403 million euro at the end of 2007, with an EBITDA margin of over 31%. *Proforma* EBITDA of low margin wholesale activities was reduced by almost half, from 14 million euro in 2006 to 8 million euro in 2007.

2007 **consolidated EBIT** was 98.3 million euro positive compared with a negative EBIT equal to 87.5 million euro in 2006. Depreciation, amortization and write-downs totaled 382 million euro, substantially unchanged from 388.8 million euro in 2006.

Net financial charges were equal to 67.5 million euro, compared with net charges of 80 million euro in 2006. Such improvement was due in part to the financing contracts signed with the parent company Swisscom in June 2007 that resulted in better credit terms and conditions than before, in part to the deferment of the payment of Swisscom's share of reserves distributed to the shareholders in October 2007.

FASTWEB reported its first annual **pre-tax profit** in 2007, equal to 30.8 million euro, compared with a pre-tax loss of 167.7 million euro in 2006.

The company booked **tax charges** totaling 155.5 million euro, including 113 million euro of extraordinary charges with no cash impact. In particular, it booked 61.8 million euro of charges resulting from the redetermination of the deferred tax assets based on the new tax rate introduced with the 2008 Budget Law (IRES reduced to 27.5% from 33% and IRAP to 3.9% from 4.25%) and 51.2 million euro due to the partial write off of the tax assets that is currently no longer deemed recoverable. Due to these charges, FASTWEB posted a **consolidated net loss** of 124.7 million euro in 2007.

The net loss of FASTWEB S.p.A. in 2007 was 112.8 million euro.

Net capital expenditure for the year totaled 541 million euro, largely related to customer driven capex, a portion of which were invested to deliver voice and data services to the Public Administration within the Consip and Cnipa conventions.

FASTWEB completed the extension of its network coverage to 11.4 million potential clients (equivalent to 50% of the Italian population) in the second half of the year. It also built 1,000 km long-distance proprietary infrastructure in Southern Italy in areas where it previously leased capacity from other telecommunication providers. FASTWEB also began the development of IT platforms for the mobile services it will launch in 2008.

Net debt was 1,265 million euro at the end of 2007, from 1,081 million euro at the end of 2006. Net cash flow showed a significant improvement, with the full year net outflow down to 128.2 million euro, compared with 298.9 million euro in 2006. Cashflow in 2007 did not yet benefit from the positive effect of the AGCom decision on termination rates. This decision, taken in December 2007, will generate an additional cash inflow of approximately 60 million euro in 2008.

Outlook

As a result of the agreement signed in December 2007 with 3 Italia, the Mobile Media Company of the Hutchison Whampoa Group and leading player of the Italian UMTS market, FASTWEB will begin offering mobile telephone services (voice, data, Internet) to its residential and business clients in 2008.

FASTWEB will operate on the mobile market with its own offer of converging services: mobile high-speed Internet access, e-mail, unified voice mail and other services will be available. FASTWEB will formulate its business strategy and pricing structure and develop all value added services on a fully independent basis.

Moreover, FASTWEB will continue to focus on broadband market penetration thanks to the constant innovation of products and services and to the further enhancement of its high quality standards.

These activities will enable FASTWEB to grow its customer base, to expand its market share and to support revenues and EBITDA growth.

The Company operating targets for 2008 are: revenue growth of approximately 14%, EBITDA growth of approximately 29%, positive net result and generation of positive net cash on a full year basis.

2008 targets are based on currently available information and reflect market indicators and other economic fundamentals and may therefore differ materially from actual future results.

Call of the Shareholders’ Meeting

The Board of Directors resolved to call the Ordinary and Extraordinary Shareholders’ meeting on 1st April 2008 at 9.30 am at the Hotel Enterprise in Corso Sempione 91, Milan on first call and in the same venue at the same time on 2nd April 2008 on second call to discuss the following agenda.

Ordinary part:

- Approval of the financial statements as of and for the year ended 31 December 2007 pursuant to point 1, article 2364 of the Italian Civil Code;
- Assignment of the engagement for the audit of the separate and consolidated financial statements and review of the half year report;
- Appointment of the Board of Statutory Auditors, its Chairman and determination of the related fees.

Extraordinary part

- Proposal to change the by-laws: change to article 9 (Chairmanship), related resolutions.

The manager in charge of preparing the Company's 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.

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Consolidated Income Statement 2007 (€ Mln)

	Full Year 2007	Full Year 2006
Consolidated Revenues from Operations	**1,433.2**	**1,260.0**
Other Income	158.2	54.2
Operating Expenses	(1,047.0)	(889.6)
Provisions	(64.2)	(123.3)
EBITDA	**480.3**	**301.3**
EBITDA (%)	*33.5%*	*23.9%*
Depreciation, amortization and write-downs	(382.0)	(388.8)
EBIT	**98.3**	**(87.5)**
EBIT Margin (%)	*6.9%*	*(6.9%)*
Net Financial Income / (Expenses)	(67.5)	(80.0)
Net Taxes	(155.5)	44.0
Consolidated Net Loss	**(124.7)**	**(123.6)**
	(8.7%)	*(9.8%)*

Consolidated Income Statement – Fourth Quarter 2007 (€ Mln)

	Fourth Quarter 2007	Third Quarter 2007	Fourth Quarter 2006
Consolidated Revenues from Operations	**365.0**	**353.8**	**362.5**
Other Income	60.5	10.2	21.4
Operating Expenses	(298.1)	(240.0)	(255.8)
Provisions	35.4	(30.5)	(40.6)
EBITDA	**162.9**	**93.6**	**87.5**
EBITDA Margin (%)	*44.6%*	*26.4%*	*24.1%*
Depreciation, amortization and write-downs	(102.2)	(94.4)	(102.4)
EBIT	**60.7**	**(0.9)**	**(14.9)**
EBIT Margin (%)	*16.6%*	*(0.2%)*	*(4.1%)*
Net Financial Income / (Expenses)	(18.2)	(16.9)	(48.3)
Net Taxes	(134.2)	(0.3)	3.8
Consolidated Net Loss	**(91.7)**	**(18.1)**	**(59.4)**
	(25.1%)	*(5.1%)*	*(16.4%)*

Consolidated Balance Sheet - 31/12/2007 (€ Mln)

	31 December 2007	30 September 2007	31 December 2006
Cash and Deposits	70.0	60.9	54.9
Net trade receivable	566.0	497.2	373.5
Other current receivable	199.6	214.5	237.8
Inventories and other current assets	4.8	5.7	6.4
Total Current assets	**840.4**	**778.3**	**672.6**
Net tangible assets (PP&E)	1,853.6	1,788.3	1,708.3
Net intangible assets	427.5	420.1	414.1
Net financial assets	3.0	2.9	3.3
Other non current receivable	254.2	387.0	397.0
Total Fixed assets	**2,538.3**	**2,598.3**	**2,522.8**
Discontinued operations assets	**0.0**	**0.0**	**0.0**
Total Assets	**3,378.8**	**3,376.6**	**3,195.3**
Trade payable	584.7	578.8	474.0
Other payable	536.0	608.9	234.6
Employees' entitlements fund	17.9	20.9	21.4
Financial debt	1,335.4	1,172.0	1,136.2
Total Liabilities	**2,474.0**	**2,380.6**	**1,866.2**
Share capital & Reserves	1,029.5	1,029.0	1,452.8
Net income / (loss) for the period	(124.7)	(33.0)	(123.6)
Total Group share of shareholders' equity	**904.8**	**996.0**	**1,329.2**
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	**3,378.8**	**3,376.6**	**3,195.3**

Consolidated Cash Flow Statement – Full Year 2007 (€ Mln)

	Full Year 2007	Full Year 2006
Group share of Net Loss	**(124.7)**	**(123.6)**
Non cash Adjustment	510.2	379.8
Change in Minority Interest Capital	0.0	0.0
Gross Operating Fund generation	**385.5**	**256.3**
(Incr.) / Decr. accounts receivable	(96.7)	(29.2)
Incr / (Decr.) accounts payable	124.3	12.2
Other changes in working capital items		
Change in working capital	**27.6**	**(17.0)**
(Purchase)/Disposal of assets: Tangibles	(443.8)	(431.8)
(Purchase)/Disposal of assets: Intangibles	(96.9)	(97.5)
(Purchase)/Disposal of assets: Financials	(0.6)	(8.9)
Total (purchase)/disposal of assets	**(541.3)**	**(538.2)**
Net Operating Fund generation	**(128.2)**	**(298.9)**
Increase/(Decrease) in Share Capital	**(54.3)**	**(282.8)**
Other non Cash Adjustment	**(1.6)**	**(30.4)**
Net Financial Position at beginning of period	**(1,081.3)**	**(469.1)**
Net Financial Position at end of period	**(1,265.4)**	**(1,081.3)**
Cash and Pledge accounts	*70.0*	*54.9*
Short term financial debts	*(1,335.4)*	*(1,136.2)*

Consolidated Cash Flow Statement – Fourth Quarter 2007 (€ Mln)

	Fourth Quarter 2007	Third Quarter 2007	Fourth Quarter 2006
Group share of Net Loss	**(91.7)**	**(18.1)**	**(59.4)**
Non cash Adjustment	200.2	94.2	128.1
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	**108.5**	**76.1**	**68.8**
(Incr.) / Decr. accounts receivable	(57.4)	(10.2)	(32.1)
Incr / (Decr.) accounts payable	23.0	16.5	140.5
Change in working capital	**(34.4)**	**6.3**	**108.4**
(Purchase)/Disposal of assets: Tangibles	(145.2)	(93.1)	(142.2)
(Purchase)/Disposal of assets: Intangibles	(29.7)	(23.5)	(32.3)
(Purchase)/Disposal of assets: Financials	(0.3)	(0.2)	(0.1)
Total (purchase)/disposal of assets	**(175.2)**	**(116.7)**	**(174.5)**
Net Operating Fund generation	**(101.1)**	**(34.4)**	**2.6**
Increase/(Decrease) in Share Capital & Reserve	**(53.1)**	**(0.7)**	**(294.3)**
Other non Cash Adjustment	**0.0**	**0.0**	**(30.4)**
Net Financial Position at beginning of period	**(1,111.2)**	**(1,076.1)**	**(759.1)**
Net Financial Position at end of period	**(1,265.4)**	**(1,111.2)**	**(1,081.3)**
Cash and Pledge accounts	*70.0*	*60.9*	*54.9*
Financial debts	*(1,335.4)*	*(1,172.0)*	*(1,136.2)*