FASTWEB: revenues at 1,880.1 million euro (+1.5% YoY)
EBITDA at 502.6 million euro (+4.5% YoY)
Margin at 26.7%

Customer base increased by 4.9% to 1,724,000 at the end of 2010
80,000 new broadband customers at year end

- 1,724,000 customers as of 31 December 2010, + 4.9% compared to 1,644,000 at the end of 2009
- The number of mobile customers at the end of the year was of 368,000 up 75% compared to 2009
- Revenues at 1,880.1 million euro, +1.5% compared to 1,852.5 million in 2009
- EBITDA at 502.6 million euro, +4.5% compared to 481.2 million in 2009 (after the extraordinary provision of 70 million euro booked in 2009 accounts in relation to the VAT investigation)
- EBITDA margin increased to 26.7% compared to 26.0% in 2009
- Positive EBIT at 62.3 million euro
- Net losses of 72.4 million euro
- Capex/sales ratio at 22.7%, down from 23.4% in the previous year
- Net financial debt at 1,602.1 million euro as of 31 December 2010

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Milan, 17th February 2011 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB) approved the draft financial statements as of 31 December 2010.

During the year, FASTWEB registered an overall growth in terms of revenues and customers. In particular, the value business (Medium/Executive/Wholesale) reported strong results, while the performance of the volume business (Consumer and Microbusinesses) was weak.

Thanks to 80,000 **net adds**, the customer base grew from 1,644,000 subscribers as of 31 December 2009, to 1,724,000 at the end of 2010 (+4.9%). The split between residential and business customers was unchanged (80% and 20% respectively).

Net adds of mobile customers during the year were 158,000, mainly targeted at FASTWEB's customer base. The number of active sim cards as of 31 December 2010 was 368,000, +75% with respect to 210,000 last year (Consumer and SME).

In 2010 **consolidated revenues** amounted to 1,880.1 million euro, a 1.5% increase compared to 1,852.5 million euro in 2009. Taking into account a number of discontinuities compared to 2009, including the new revenue accounting rules which had a negative impact of 35 million euro, the Company reported a growth of 3.7% compared to 2009.

The ***Executive Business Unit*** (which no longer includes wholesale activities as of the second quarter 2010) reported revenues of 528.0 million euro, compared to 485.9 million euro in 2009, an increase of 8.7%. At the end of the year the market share was 19%, confirming FASTWEB position as the main alternative to the incumbent in the corporate and Public Administration markets. The Business Unit was able to leverage both its customer base and its innovative offer portfolio (over 20% of the order intake was generated by the Unified Communication services).

During the last quarter of 2010 FASTWEB signed important agreements in all the Executive market segments. In particular, in the finance sector it is worth mentioning the contracts signed with Unicredit Global Information Services and with Intesa San Paolo; in the Industry and Services segment, the contracts with SKY Italia and ENEL (for the provision of the backbone connecting ENEL 16 main sites).

In the Public Administration sector, FASTWEB was awarded, among others, contracts by SCR Piemonte, by the Municipality of Rome and Lot n. 2 of the Consip tender for the provision of telephone switches. Moreover, it is worth mentioning the contracts signed with EQUENS, Zurich, IW Bank, Regione Campania, the Municipality of Naples, S.E.A, TXT E-Solutions and Mondadori Retail.

The **FASTWEB** ***Wholesale*** business, that was transferred to the newly established company FASTWEB Wholesale S.r.l. as of 28 June 2010, reported revenues of 257.9 million euro.

The ***SME Business Unit***, that reported revenues of 392.5 million euro down 3.5% compared to 2009, had a differentiated evolution across the market segments in which operates.

The Medium Business (companies with up to 250 employees) recorded a significant growth both in terms of order intake (+43%) and revenues (+13%).

In the Volume business (Microbusinesses, i.e. professionals and shops) the performance was affected both by an high level of churn that partially eroded the benefit of the acquisition of new customers and by the gradual re-positioning of the customer base through selective price adjustments which contributed to the ARPU decline.

The ***Consumer Business Unit*** recorded revenues of 701.7 million euro in 2010, basically unchanged from last year. Such performance was affected by the increased pressure in terms of higher advertising investments, aggressive re-pricing and promotions by the competitors. An increase in the level of churn during the year further impacted the Business Unit growth profile.

In the second half of 2010 and at the beginning of 2011 FASTWEB launched a series of initiatives to enhance the performance of the volume business segments, among which the following are worth mentioning:

- the agreement with Sky that was signed last January (further details in the "Post balance sheet events" paragraph). This partnership enables to combine SKY satellite TV offer and FASTWEB broadband internet and landline voice services, with the goal to increase the market penetration of both Companies and to stabilize their respective customer bases;
- investments were made to improve the performance of FASTWEB inbound channels through a more widespread presence in the market and an increased brand visibility. In particular, the Company opened four mono brand stores in Rome, Milan (2) and Bari during the second half of 2010, followed by Naples in January 2011 and ten more to be opened later this year. Furthermore, *ad hoc* projects were launched to improve the performance of the dealer network through dedicated investments to increase FASTWEB brand visibility;
- thirdly, the responsibility of the Microbusiness segment was transferred to the Consumer Business Unit in order to exploit the potential synergies in terms of communication, marketing and distribution.

In the light of these measures, FASTWEB targets a significant improvement of its share of broadband net additions in 2011 compared to 8% recorded in 2010.

The three initiatives described above are part of FASTWEB industrial plan that targets a substantial improvement of the Company cash performance in the period 2011-2013. The plan will be outlined today during Swisscom Investor and Analysts Presentation that will take place at 14:30 in the SIX Swiss Exchange (ConventionPoint) in Zurich.

Consolidated **EBITDA** in 2010 was 502.6 million euro (with an EBITDA margin of 26.7%), up 4.5% compared to 481.2 million euro reported in 2009 (after the extraordinary provision of 70 million euro booked in 2009 accounts in relation to the VAT investigation).

Consolidated EBIT was positive at 62.3 million euro In 2010. Depreciation and amortization charges amounted to 440.3 million euro.

The net **financial result** was negative for 57.6 million euro, compared to 64.8 million of charges in 2009. The Company continued to benefit from the favorable credit terms stipulated with the Parent Company Swisscom compared to the current market trend.

In 2010 the Company posted **consolidated net losses** of 72.4 million euro, compared with a loss of 34.4 million euro the previous year.

Net investments totaled 426.9 million euro, and were mainly driven by new customer connections.

The increase in revenues and the current level of investment resulted in a positive trend in the capex-to-sales ratio which was 22.7% in 2010, down from 23.4% in 2009.

Net debt at the end of 2010 was 1,602.1 million euro, compared to 1,443.1 million at the end of 2009.

2010 **net cash flow** was negative for 157.8 million euro compared to a positive result of 39.3 million euro in 2009. The 2010 figure was affected by the repurchase of tax credits for an overall amount of 98 million euro (cash flow impact limited to 35 million euro) and by the payment of 46 million euro to the Revenue Office, as partial settlement of the ongoing litigations.

Post Balance Sheet Events

Business agreement with SKY

At the end of January 2011, SKY Italia and FASTWEB signed a commercial agreement for the combination of SKY satellite TV offer with FASTWEB broadband Internet and landline voice services. The agreement has a strategic and commercial value, because it enables both Companies to offer high-quality services at a competitive price. In addition, the possibility of leveraging on two technologically advanced infrastructures will enable both companies to seize the opportunities offered by broadband and to develop services based on the interaction between television and Internet.

PTO

Following the voluntary public tender offer to acquire FASTWEB S.p.A. shares which took place between 11 October and 12 November 2010, Swisscom announced on 14 February that, as part of the procedure for compliance with the mandatory acquisition of the remaining FASTWEB ordinary shares, it has exceeded the 95% share ownership threshold during the sell-out period. The sell-out period started on 14 February 2011 and will end on 14 March 2011. The offer price is EUR 18.00 per share. Following the sell-out period, Swisscom will buy out the remaining FASTWEB shares in the market with the subsequent delisting of the company.

Further information may be found in the Supplemental Document, which has been made available to the public, as required by the regulations in force.

The Supplemental Document and the application form with which any FASTWEB shareholder may tender their shares can also be downloaded from the internet at www.swisscom.com/fastweb-offer.

Calling of the Shareholders' Meeting

The Ordinary Shareholders' Meeting to approve the Financial Statements has been called on 19 and 20 April 2011 on first and second call respectively. It is expected that the meeting will be held on first call.

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.

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Reclassified Consolidated Income Statement - 2010 (Million euro)

	2010 FY	2009 FY
Consolidated Revenues from Operations	**1.880,1**	**1.852,5**
Other Income	48,7	91,4
Operating Expenses	(1.356,0)	(1.301,4)
Provisions	(70,2)	(161,4)
EBITDA	**502,6**	**481,2**
Depreciation, amortization and write-downs	(440,3)	(413,6)
EBIT	**62,3**	**67,6**
Net Financial Income / (Expenses)	(57,6)	(64,8)
Net Taxes	(77,2)	(37,2)
Consolidated Net Loss	**(72,4)**	**(34,4)**

Reclassified Consolidated Income Statement – Q4 2010 (Million euro)

	4Q 2010	3Q 2010	4Q 2009
Consolidated Revenues from Operations	**475,0**	**470,5**	**487,6**
Other Income	8,1	12,5	20,0
Operating Expenses	(358,3)	(323,3)	(340,6)
Provisions	(32,6)	(19,5)	(90,1)
EBITDA	**92,1**	**140,2**	**76,9**
Depreciation, amortization and write-downs	(114,3)	(111,5)	(120,2)
EBIT	**(22,2)**	**28,7**	**(43,4)**
Net Financial Income / (Expenses)	(18,7)	(12,6)	(14,7)
Net Taxes	(42,2)	(12,3)	(6,8)
Consolidated Net Loss	**(83,1)**	**3,9**	**(64,9)**

Consolidated Balance Sheet - 31/12/2010 (Million euro)

	31 December 2010	30 September 2010	31 December 2009
Cash and Deposits	131,8	96,4	152,6
Net trade receivable	727,7	739,1	638,2
Other current receivable	79,1	74,0	81,6
Inventories and other current assets	12,4	20,9	11,5
Total Current assets	**951,0**	**930,4**	**883,9**
Net tangible and intangible assets	2.298,7	2.288,7	2.312,2
Net financial assets	3,8	3,7	3,260
Other non current receivable	283,5	300,8	287,1
Total Fixed assets	**2.586,0**	**2.593,1**	**2.602,6**
Discontinued operations assets	**-**	**-**	**-**
Total Assets	**3.537,0**	**3.523,5**	**3.486,5**
Trade payable	640,5	621,3	625,9
Other payable	369,1	393,8	397,1
Financial debt	1.734,0	1.630,7	1.595,6
Employees' entitlements fund	17,2	18,4	18,1
Total Liabilities	**2.760,7**	**2.664,2**	**2.636,8**
Share capital & Reserves	848,8	848,6	884,1
Net income / (loss) for the period	(72,4)	10,7	(34,4)
Total Group share of shareholders' equity	**776,4**	**859,3**	**849,7**
Total Liabilities and Shareholders' Equity	**3.537,0**	**3.523,5**	**3.486,5**

Consolidated Cash Flow - 2010 (Million euro)

	2010 FY	2009 FY
Group share of Net Loss	**(72,4)**	**(34,4)**
Non cash Adjustment	471,0	514,1
Change in Minority Interest Capital	0,0	0,0
Gross Operating Fund generation	**398,5**	**479,7**
(Incr.) / Decr. accounts receivable	(125,7)	(91,4)
Incr / (Decr.) accounts payable	(3,2)	85,0
Change in working capital	**(128,9)**	**(6,4)**
(Purchase)/Disposal of assets: Tangible and Intangibles	(426,8)	(433,7)
(Purchase)/Disposal of assets: Financials	(0,6)	(0,4)
Total (purchase)/disposal of assets	**(427,4)**	**(434,1)**
Net Operating Fund generation	**(157,8)**	**39,3**
Increase/(Decrease) in Share Capital & Reserve	**(1,3)**	**1,1**
Other non Cash Adjustment	**0,0**	**(26,1)**
Net Financial Position at beginning of period	**(1.443,1)**	**(1.457,3)**
Net Financial Position at end of period	**(1.602,1)**	**(1.443,1)**
Cash and Deposits	*131,8*	*152,6*
Financial debts	*(1.734,0)*	*(1.595,6)*