

## Fastweb announces financial results for fiscal year 2017: another positive year with customers and margins growing for the 18<sup>th</sup> consecutive quarter. Exceptional growth of the mobile segment with customers increasing by 58%

- *The wireline customer base at december 31st increased by 4% year over year. Overall revenue of Fastweb increased 8% to 1.944 million Euro. Organic EBITDA grows to 664 million Euro, +10% on previous year.*
- *Excellent performances of the executive Business Unit, with the orderbook growing 31% on previous year.*
- *A year of exceptional growth for 4G mobile service, with customers increasing 58% on previous year.*

*Milan, February 7<sup>th</sup> 2018* - A very positive year for Fastweb's financial performance with customers and margins growing for the 18<sup>th</sup> consecutive quarter. The strategy based on innovation and fair offers based on transparency and simplicity, without hidden costs for end-users, is being rewarded by the market, both in fixed and mobile segments.

By December 31st 2017, Fastweb wireline customer base reached 2.451.000, marking a 4% growth (+96.000 new customers) year over year.

Revenues year-to-date totaled 1.944 million Euro, up 8% compared to 1.795 million Euro of previous year. The market keeps rewarding the quality of Fastweb connectivity services and the differentiation strategy based on transparency through the commercial launch of offers including all ancillary services (such as calls to the voicemail service or the lease of the router) and "fixed" prices that do not change at the end of the promotional period.

EBITDA reached 759 million Euro compared to 661 million Euro of 2016. Excluding extraordinary items, organic EBITDA amounts to 664 million Euro, up 10% on previous year. A satisfactory growth also for EBITDA margin on company's revenue which reached 39% compared to 37% in 2016, confirming the continuous improvement of earnings.

Excluding extraordinary cash outs for financial investments (acquisition of Tiscali branch and participation in FlashFiber), FCF reached 133 million Euro, up 36% on previous year (98 million).

Fastweb's continuous engagement in the expansion of ultra-broadband coverage - reaching now 13 million households in 1000 cities, of which 8 million through its proprietary FTTC and FTTH network - and in 5G trials launched in 2017 in several cities pushed CAPEX in the year to 622 million Euro, 41 million more than 2016 (+7%) and equal to 32% of company's revenues, an unparalleled figure in the European telecoms sector. Fastweb confirms thus its key role in delivering innovation and digitalisation in Italy, both through wireline and new generation wireless networks, with the goal of leveraging existing infrastructures to rapidly deploy a national 5G network and position itself as the leading convergent operator in the country.

Also, in order to offer increasingly ubiquitous high-performance connectivity service and further accelerate the deployment of 5G, Fastweb started deploying in major Italian cities a dense network of outdoor Wi-Fi access points that will integrate Fastweb WoW-Fi coverage already made available through Fastweb customers' home modems - making outdoor/indoor Internet browsing an increasingly seamless experience. Such a

deployment represents also a stepping stone towards the roll-out of 5G network as the wi-fi equipment will be easily upgraded with the deployment of 5G small cells.

Fastweb consolidates its leadership position in terms of penetration of ultra-broadband connectivity services. By December 31st, 1.034.000 wireline customers opted for an ultra-broadband offer (+28% compared to the 810.000 customers active in december 2016). Approximately 45% of Fastweb wireline customers - a unique figure in Europe - switched to an ultra-broadband service with download speed up to 1 Gb/s, indicating a growth in the demand for high-performance connectivity and Fastweb commitment in promoting the digital transformation of Italian families and companies.

2017 was an excellent year for the mobile segment as well. At December 31st Fastweb has 1.065.000 mobile customers, up 58% on the 676.000 customers in the previous year. Overall customer growth is extremely satisfying (+389.000 compared to +67.000 in 2016). Fastweb confirms its focus on fixed-mobile convergence - increasing to 23% the percentage of customers adopting both fixed and mobile services (+5pp in 12 months) - as well as on transparency, thanks to the launch of the "Niente Come Prima" portfolio of mobile offers. The choice to opt for a very clear approach, waiving all hidden costs usually charged for ancillary services such as calls to voicemail or calls to check outstanding credit, is proving to be a robust differentiator able to strengthen the long-term relationship with customers based on trust, clarity and fairness.

The Enterprise Business Unit performed extremely well over the year. 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 31% growth of the BU order book compared to 2016. Fastweb market share in the Enterprise Business market is now almost 30% in terms of revenues, thanks to the continuous growth throughout the years.

For further info:

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