

Positive net cash flow of 40.6 million euro

FASTWEB revenues at 389.3 million euro (+12% YoY)

EBITDA at 112.5 million euro (+15% YoY)

EBIT at 11.8 million euro

EBITDA margin increases to 29% from 28% in the first quarter 2007

- Significant subscriber growth in the first quarter: 75,000 net adds to 1,387,600, +21% from 1,150,400 at the end of March 2007
- Estimated 20% market share of new broadband clients, in line with FASTWEB best performance in 2006 and 2007
- First quarter 2008 recorded the highest ever revenue and EBITDA level
- Consolidated revenues at 389.3 million euro in the first three months of 2008, +12% YoY
- Consolidated EBITDA at 112.5 million euro, +15% YoY
- EBITDA margin increased to 29% from 28% in the first quarter 2007
- EBIT equal to 11.8 million euro, versus negative EBIT of 3.1 million euro in the first quarter 2007
- Capex equal to 101 million euro in the first quarter, capex to sales ratio decreased from 39% one year ago to 26% at the end of March 2008
- Positive net cash flow of 41 million euro in January-March, partly reflecting the positive cash impact of the partial invoicing of the amounts due to FASTWEB in relation to termination rates
- Net debt decreased to 1,227 million euro as at 31 March 2008

Milan, 7 May 2008 – The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications services provider, approved results for the first three months to 31 March 2008.



The **customer base** growth was equal to 75,000 subscribers in the first quarter 2008, representing approximately a 20% share of total new Italian broadband clients, in line with the Company's best quarterly results in 2006 and 2007. FASTWEB customer base grew by 21% compared to one year ago, a trend that indicates the Company's ability to grow faster than the Italian broadband market which expanded by an estimated 16% in the same period.

FASTWEB continued to report improvements in key operational indicators, including the adoption of flat-rate tariff plans (85% of clients had subscribed to at least one flat-rate tariff plan at the end of March 2008, compared with 83% at the end of 2007 and 75% in 2006) and gross acquisition of new FASTWEBTV clients which rose by 77% in the first quarter compared with the same period one year ago.

The total number of clients as at 31 March 2008 was 1,387,600 compared with 1,150,400 as at 31 March 2007. The split between residential and business clients was substantially unchanged (81% and 19% respectively).

FASTWEB residential **ARPU** (Average Revenue Per Unit) was 704 euro on an annualized basis in March 2008, compared with 722 euro recorded in December. The decrease, equal to approximately 2%, was in line with the Company's expectations.

First-quarter consolidated **revenues** totaled 389.3 million euro, an increase of 12% from the *proforma* figure of 347 million euro in the year-earlier period. First-quarter revenues increased also sequentially versus the fourth quarter 2007 (+1%), a significant result given that seasonal trends have a positive impact on the last quarter of the year.

FASTWEB new organisation came into force on 1 January 2008 with three new business units - Consumer (families and micro-businesses), SME (small and medium size enterprises), Executive (corporations and government agencies) - each responsible for the management of the entire industrial cycle from client acquisition and activation to customer care. The contribution of the three business units to the first-quarter revenues was 51%, 15% and 34% respectively.

Residential clients accounted for 42% of aggregate first-quarter revenues, compared with 58% for business clients.

Consolidated **EBITDA** in the first three months amounted to 112.5 million euro, a 15% increase with respect to the *proforma* figure of 98 million euro in the year-earlier period. This produced an improvement in the EBITDA margin from 28.2% in the first quarter 2007 to 28.9%.

EBITDA also grew with respect to the fourth quarter 2007 (+7%) confirming FASTWEB's strong business performance in the first three months of the year.



First quarter revenues and EBITDA were in line with Company's expectations and with the targets announced to the market. In particular, first quarter revenues represented 24% and EBITDA 21% of full year targets respectively, a trend fully in line with prior-year performances and seasonality.

The Company reported consolidated **EBIT** of 11.8 million euro in the first three months of 2008, compared with negative EBIT of 3.1 million euro in the year-earlier period. Depreciation, amortization and write-downs totaled 100.6 million euro.

FASTWEB posted a consolidated **net loss** of 11 million euro, compared with a loss of 20.7 million euro in the year-earlier period, an improvement of 47%.

Capex amounted to 101 million euro in the first quarter, two thirds of which related to new customers connection, an indication of the progressive growth of the customer base.

Thanks to the revenue increase and to the current level of capex, the capex to sales ratio was down to 26% in the first quarter from 39% one year ago, confirming that FASTWEB's business model is gradually moving towards structural cash generation.

Net cash flow was equal to 40.6 million euro in the first quarter, compared with 4.3 million euro one year ago. Following AGCom decision on termination rates taken in December 2007, first quarter cash generation reflected the positive effect (approximately 40 million euro) of the partial invoicing of the amount due to FASTWEB. Net of this effect, cash flow generation in the first quarter would be at break even.

Net debt was equal to 1,226.7 million euro at the end of March 2008, down from 1,265.4 million euro at 31 December 2007.

Events after the end of the quarter

The Shareholders' Meeting held on 23 March 2007 approved an extraordinary distribution of reserves equal to 299,475,000 euro (3.77 euro per share). The distribution took place in October 2007, except for the amount of 246,040,000 euro due to the parent Company Swisscom Italia that would be paid in 2008.

FASTWEB Board of Directors held on 6 May 2008 approved the transaction according to which the amount due will be converted by Swisscom Italia into a loan to FASTWEB. The loan will expire in 2012 and will bear an interest rate equal to Euribor plus a spread calculated on the ratio of net total financial indebtedness to consolidated EBITDA, that represent improved conditions compared to those negotiated by FASTWEB in the past with third parties.



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.

For more information

Maria Laura Sisti

Press Office

Tel + 39 02 45454370

Fax +39 02 45452366

marialaura.sisti@fastweb.it

Paolo Lesbo

Analysts & Investors

Tel. +39 02 45454308

Fax +39 02 45452333

paolo.lesbo@fastweb.it



Consolidated Income Statement - First Quarter 2008 (millions of euro)

	1Q 2008	4Q 2007		1Q 2007	
			% change		% change
Consolidated Revenues from Operations	389.3	365.0	6.6%	353.9	10.0%
Other Income	16.0	60.5		13.4	
Operating Expenses	(278.9)	(298.1)		(246.3)	
Provisions	(13.9)	35.4		(34.8)	
EBITDA	112.5	162.9	(30.9%)	86.1	30.6%
<i>EBITDA Margin (%)</i>	<i>28.9%</i>	<i>44.6%</i>		<i>24.3%</i>	
Depreciation, amortization and write-downs	(100.7)	(102.2)		(89.2)	
EBIT	11.8	60.7	80.5%	(3.1)	
<i>EBIT Margin (%)</i>	<i>3.0%</i>	<i>16.6%</i>		<i>(0.9%)</i>	
Net Financial Income / (Expenses)	(18.0)	(18.2)		(17.4)	
Net Taxes	(4.8)	(134.2)		(0.3)	
Consolidated Net Loss	(11.0)	(91.7)	88.0%	(20.7)	47.0%
	<i>(2.8%)</i>	<i>(25.1%)</i>		<i>(5.9%)</i>	



Consolidated Balance Sheet - 31/3/2008 (millions of euro)

	31 March 2008	31 December 2007	31 March 2007
Cash and Deposits	123.6	70.0	71.2
Net trade receivable*	633.2	566.0	466.8
Other current receivable	219.5	199.6	214.4
Inventories* and other current assets	4.7	4.8	2.8
Total Current assets	981.0	840.4	755.1
 Net tangible assets (PP&E)	 1,860.2	 1,853.6	 1,754.5
Net intangible assets	421.6	427.5	414.0
Net financial assets	3.2	3.0	3.2
Other non current receivable	252.5	254.17	397.9
Total Fixed assets	2,537.4	2,538.3	2,569.5
 Discontinued operations assets	 0.0	 0.0	 0.0
Total Assets	3,518.4	3,378.8	3,324.6
 Trade payable	 716.9	 584.7	 551.7
Other payable*	541.3	536.0	591.7
Employees' entitlements fund	17.4	17.9	23.1
Financial debt	1,350.4	1,335.4	1,147.3
Total Liabilities	2,626.0	2,474.0	2,313.9
 Share capital & Reserves	 903.4	 1,029.5	 1,031.5
Net income / (loss) for the period	(11.0)	(124.7)	(20.7)
Total Group share of shareholders' equity	892.4	904.8	1,010.8
 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	3,518.4	3,378.8	3,324.6

* March 2007 figures have been restated for comparison



Consolidated Cash Flow - First Quarter 2008 (millions of euro)

	1Q 2008	4Q 2007	1Q 2007
Group share of Net Loss	(11.0)	(91.7)	(20.7)
Non cash Adjustment	106.4	200.2	96.5
Change in Minority Interest Capital	0.00	0.0	0.0
Gross Operating Fund generation	95.4	108.5	75.8
(Incr.) / Decr. accounts receivable	(87.0)	(57.4)	(10.2)
Incr / (Decr.) accounts payable	133.6	23.0	74.0
Change in working capital	46.6	(34.4)	63.8
(Purchase)/Disposal of assets: Tangibles	(86.1)	(145.2)	(116.8)
(Purchase)/Disposal of assets: Intangibles	(15.2)	(29.7)	(18.5)
(Purchase)/Disposal of assets: Financials	(0.1)	(0.3)	(0.0)
Total (purchase)/disposal of assets	(101.5)	(175.2)	(135.3)
Net Operating Fund generation	40.6	(101.1)	4.3
Increase/(Decrease) in Share Capital & Reserve	(1.9)	(53.1)	2.5
Other non Cash Adjustment	0.0	0.0	(1.6)
Net Financial Position at beginning of period	(1,265.4)	(1,111.2)	(1,081.3)
Net Financial Position at end of period	(1,226.7)	(1,265.4)	(1,076.2)
<i>Cash and Pledge accounts</i>	<i>123.6</i>	<i>70.0</i>	<i>71.2</i>
<i>Financial debts</i>	<i>(1,350.4)</i>	<i>(1,335.4)</i>	<i>(1,147.3)</i>