FASTWEB Shareholders' Meeting 2010

Milan, April 22, 2010 – The Shareholders' Meeting of FASTWEB S.p.A. (Milan, MTAX: FWB) was held today. The meeting was chaired by Alberto Giussani.

2009 financial statements were approved

The Shareholders' Meeting examined and approved FASTWEB S.p.A.'s 2009 financial statements. In 2009 the Company reported consolidated revenues amounting to 1,853 million euro, with an 8.5% increase compared to the 1,708 million at the end of 2008. Following the extraordinary provision of a 70 million euro risk fund related to the charges made by the Judiciary Authorities in Rome on 22nd February, EBITDA was equal to 481 million euro, as against 518 million of the previous financial year, with a marginality of 26%. In 2009 there was a net consolidated loss of 34 million euro compared with a positive result of 6 million euro at the end of 2008. FASTWEB's net result was negative by 40 million euro.

Renewal of corporate appointments

The Shareholders' Meeting decided that the Board of Directors should be composed of 9 members and that each member of the new Board of Directors should remain in office for three financial years.
The Shareholders' Meeting then proceeded to appoint the Board of Directors for the three-year period 2010-2012 and established the remuneration of its members. The following candidates were elected to the position of Board Member: Carsten Schloter, Ulrich Dietiker, Daniel Ritz, Urs Schaeppi, Eros Fregonas, Stefano Parisi, Andrea Broggini, Alberto Giussani and Manilo Marocco, elected from the list presented by the shareholder Swisscom.

The Shareholders' Meeting also appointed Carsten Schloter as Chairman of the Board of Directors.

The Board Members Andrea Broggini, Alberto Giussani and Manilo Marocco declared that they have the requisites established by the Code of Conduct of FASTWEB S.p.A. and by the Financial Consolidation Act in order to qualify as independent.

Information on the curricula vitae of Board Members is available on the web site www.company.fastweb.it (section Investor Relations/AGM Center).

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INFORMATION PURSUANT TO ART.114 (5) OF LEG. DECREE NO. 58/98

In the following pages, information requested by Consob - under Art. 114(5) of Law Decree no. 58/98 - in its letter of April 20th, 2010 , will be provided.

The Company has been charged with the administrative liability in relation to the crimes of transnational conspiracy and money laundering.

Some of its managers have been charged with the following:

- Participation in transnational conspiracy;
- Unfaithful declaration through the use of invoices or other documents for non-existing operations, in relation to the income statements for the years 2003, 2005 and 2006 with reference to the operations called "phone traffic" and "Phuncard".

The following tables contain the amounts concerning the transactions that are being contested as tax crimes, compared with the overall amounts.[1]

€/mil		2003	2005	2006	2007
Operations under investigation	Invoicing of accounts receivable	182.5	70.4	122.3	11.0
	Invoicing of accounts payable	169.7	66.2	125.5	2.0
	VAT paid to suppliers	33.9	13.2	25.1	0.4
	Revenues	44.8	70.4	122.3	11.0
	Profits	12.8	4.2	5.3	0.5
Company total values	VAT paid to suppliers	155.0	210.1	245.7	266.4
	Revenues	529.1	967.8	1260.0	1433.2
	Profits	100.2	203.3	301.3	480.3
	% incidence on VAT paid to suppliers	21.9%	6.3%	10.2%	0.2%
	% incidence on revenues	8.5%	7.3%	9.7%	0.8%
	% incidence on profits	12.8%	2.1%	1.8%	0.1%

The Company asked Prof. Guglielmo Maisto for an opinion on the tax regime applicable to the transactions under investigation in the context of Proceedings no. 6429/06, in particular as concerns Fastweb's potential fiscal liabilities (also for the purposes of the Financial Statements preparation) in relation to the facts contested in the "Order of imprisonment and house arrests – Decree of Preventive Seizure" ("The Order") issued by the Judge in charge or Preliminary Investigation of the Court of Rome dated February 22nd, 2010.[2]

The opinion, issued on March 18th, 2010 was exclusively based on the Company's behaviour as reported in the Order, with the exclusion – given the limited period of time available for the preparation of the Financial Accounts - of any analysis and evaluation of the counter-evidence that the company intends to submit to rebut the Order's allegations. At any rate, Prof. Maisto has reserved to examine later on the Company's counter-evidence and to then express his final opinion on the applicable tax regime.

[1] The amounts in the table reproduce the amounts contained in the table on p. 1562 of the Order.

[2] Please consider that, in addition to the Order, the company has also provided Prof. Maisto with the request for application of interim measures submitted by the Public Prosecutor to the Judge for the Preliminary Investigation in Rome on August 14th, 2010 and with the Decree setting the hearing in private chambers issued by the Judge for the Preliminary Investigation, in Rome on February 23rd, 2010.

The conclusions of the above-mentioned opinion have been expressed on the above - particularly conservative - basis, given that they are based exclusively on the facts alleged by the Public Prosecutors' Office in this preliminary investigation stage and rely on the elements contained in the above-mentioned documents.

The overall amount that the Company has decided to set aside as a provision for risks concerning potential liabilities arising from the facts that are being contested is equal to € 70 Mln, pursuant to the international accounting principle no. 37, and without prejudice for all defences that the Company may deem to submit in the context of any possible fiscal proceedings.

The methodology adopted to determine the above provision is defined by IAS no. 37 as the "statistic methodology estimating the expected amount", and provides for an evaluation of the probabilities associated to all possible results.

The percentages of probabilities associated to the various scenarios are based on conservative criteria, i.e. they do not consider the defence that the Company reserves to elaborate in any relevant proceedings.

Therefore, for the purpose of calculating the amount of the risk provision to be set aside, the Company has taken - as a reference point - the conclusions of the above opinion from Prof. Maisto.

This opinion – based on the contents of the Order from the Judge for the Preliminary Inquiry - contains a separate evaluation for each of the transactions that are being investigated, namely:

- the "phuncards" transaction: the opinion deems "probable" that potential liabilities may arise in relation to the VAT generated through said transactions (overall amount of VAT: 33.9 €million);
- the "interconnection services" transaction: the opinion deems "possible" that potential liabilities may arise in relating to the VAT generated through said transactions (overall amount of VAT: 38.7 €million).

The methodology adopted for the purpose of calculating the amount of potential liabilities is based on the average potential liabilities, weighted with respect to relevant probabilities that the following scenarios arise:

1) Impossibility to deduct VAT in relation to the "phuncards" transaction (BASE CASE):

The opinion qualifies as "probable" the risk of the impossibility to deduct TVA in possible fiscal proceedings relating to VAT generated in 2003, through the transactions concerning the cards.

On the basis of this evaluation, this scenario has been granted a probability rate of 60%.

The amount of VAT being investigated is equal to 33.9 €Mln. In such a case, the applicable fines could rise to (in case of full application) 125%, although it may be possible to adhere to a composition, thereby paying only 1/3 of the amount.

The result of the application of the above described methodology to this scenario is therefore equal to 37.3€ Mln.

The remaining probability of 40% is equally divided between the two remaining scenarios, respectively "best" and "worst".

2) Impossibility to deduct VAT in relation to the "prepaid cards" and to the "interconnection services" transactions (WORST CASE):

The opinion qualifies as "possible" the risk of impossibility to deduct TVA in any fiscal proceedings relating to the VAT generated in 2005, 2006 and 2007, through the transactions concerning the interconnection business.

On the basis of these evaluations, this scenario has been granted a probability percentage rate equal to 20%.

The amount of VAT being investigated is equal to 38.7 €Mln. In such case, the applicable fines could rise to (in case of full application) 125%, although it may be possible to adhere to a composition, thereby paying only 1/3 of the amount.

The result of the application of the above described methodology to this scenario is therefore equal to 26.6€ mln.

3) Possibility to deduct the whole amount of VAT (BEST CASE):

This scenario has been granted a residual probability percentage rate equal to 20%.

The application of the weighted average methodology with respect to the probability of the above described 3 scenarios leads to an evaluation of the relevant risk equal to 63.9€Mln, obtained by adding the amounts of: (i) 37.3 €Mln (average base case), (ii) 26.6€Mln (average worst case), (iii) zero (average best case).

As provided for by the accounting principles, these potential liabilities have been evaluated based on their actual value, equal to 57.8€Mln, given that the potential cashflow generated will not appear before 36 months.

This amount should be increased by any legal costs that the Company is bearing, and evaluated to be equal to 12.2 €Mln.

In relation to the facts that have been contested to the Company in the context of the Order of 23.2.2010, it would not be possible to identify any other risks, besides those of a fiscal nature.

Concerning the effects of a sentence, Leg. Decree no. 231/2001 also provides - in addition to any administrative sanctions (the amount of which would be limited) or interdictory sanctions - , the confiscation of the illegal profits. Based on the evaluations expressed by its legal consultants, the Company deems the risk of application of this measure to be remote.

As already reported in the 2009 Consolidated Balance Sheets, on March 31st 2010, the Tax Police has notified its "Minutes of Findings" ("Processo Verbale di Constatazione") to the Company, challenging the transactions under investigation for the years 2005, 2006 and 2007, both for the purposes of indirect taxation (VAT challenged for undue deduction of 38.6 million euro) and for the purposes of direct taxation (illegal deduction of costs relating to non-existing transactions). In relation to these allegations, the Company has set aside a provision of 70 million euro, as mentioned above.

The said minutes also contain charges relating to previous controls ended on March 2010 and quoted under note 17 to the Consolidated Balance Sheets. These charges relate to transactions with countries having privileged tax regimes and also challenge the possibility to deduct costs for losses concerning credits, for which the Company has decided not to modify the amount of the 1 million provision already made, based on the availability of previous fiscal losses for the purposes of the IRES, as well as the tax experts' opinions relating to the accuracy of accounting relating to the transactions put in place.

Up to date, the Tax Agency has not yet issued any charges against the Company in relation to the transactions that are being investigated and, as a consequence, it has not been possible to start any procedures for the resolution of the relevant tax liabilities, if any.

The Company is in the process of evaluating the opportunity to submit a defence brief under Article 12 of Law 212/2000 (the so-called "Taxpayer rights' act"), for the purposes of providing its remarks in relation to the facts being contested in the above Minutes notified on March 31st, 2010. In fact, given that the Company does not agree with the conclusions reached by the verifying agents, it does not intend to adhere – as provided for by the relevant rules (i.e. Article 5-bis of Legislative Decree no. 218/1997) to the Minutes.