Deutsche Bank 9th Italian Conference

Carsten Schloter - Chairman FASTWEB
Stefano Parisi - CEO FASTWEB

Milan, 29 May 2008
• FASTWEB in a nutshell
• FASTWEB fits well into Swisscom strategy…
• … being close to breakeven and showing continued growth

Carsten Schloter

• FASTWEB 2008 – A more focused organisation
• FASTWEB FY 2008 guidance
• 1Q contribution to FY guidance - A solid start
• FASTWEB MVNO service launch in 2H

Stefano Parisi

• Q&A

All
FASTWEB in a Nutshell

<table>
<thead>
<tr>
<th>Unique assets and expertise</th>
<th>Excellent market &amp; competitive positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ World first fully IP-based network serving both companies and families</td>
<td>✓ Above-average growth with a 20% market share of BB net adds</td>
</tr>
<tr>
<td>✓ Proprietary NGN network covering 50% of the market</td>
<td>✓ Almost 60% of total revenues generated from business customers</td>
</tr>
<tr>
<td>✓ Pioneer in broadband and triple-play services with IPTV since 2001</td>
<td>✓ Only alternative to TI for large Italian corporations and first European alternative player to become #1 supplier to the PA</td>
</tr>
<tr>
<td>✓ Ready to launch mobile services</td>
<td></td>
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</table>

FASTWEB’s unique market positioning
FASTWEB Fits Perfectly Into Swisscom’s Strategy

**Maximise the existing business**
- 1 : 1
- 2006 Revenue: 9,651 (in CHF mm)
- Indicative Revenue to EBITDA impact: -313
- Erosion of traditional business
- New revenue: BB & mobile

**Extend to deepen the business**
- 1 : 0.9
- 2006 Revenue: 9,651 (in CHF mm)
- Indicative Revenue to EBITDA impact: +154
- New revenue: FASTWEB, Hospitality, BB CEE

**Expand to widen the business**
- 1 : 0.3
- 2007 Revenue: 11,089 (in CHF mm)
- Indicative Revenue to EBITDA impact: +34
- New business: FASTWEB, Hospitality, BB CEE

**FASTWEB representing Swisscom’s key growth asset**

**Revenue**
- 2007 Revenue: 11,089 (in CHF mm)
- Indicative Revenue to EBITDA impact: +1,473
- Cost savings incl. LRIC: +34

**EBITDA**
- 2006 EBITDA: 3,786 (in CHF mm)
- Indicative Revenue to EBITDA impact: +300
- New revenue: Bluewin TV, IT, Solutions

Esp. price pressure and volume decline in service business
Esp. xDSL and mobile data growth
Cost savings incl. LRIC

(+15%)

(+19%)
FASTWEB Fulfills Swisscom’s Main Investment Criteria

**Invest in assets that are close to FCF breakeven**

**FASTWEB EBITDA, Capex and Free Cash Flow**

- **FCF (EBITDA - Capex)** in €mm

**where growth of customer demand remains strong**

**Recurring business FASTWEB with end-users**

(i.e. excluding proceeds from Wholesale)

- **dynamics of recurring revenues intact**

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurring revenues</th>
<th>Wholesale revenues</th>
<th>Trend-line recurring revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>2007</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>2008E</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
</tbody>
</table>
2008 - A More Focused Organisation

2 BUs to manage 3 market segments

3 dedicated BUs to manage 3 market segments
### FASTWEB FY 2008 Guidance

#### 2007 Actual YoY Change 2008 Guidance**

<table>
<thead>
<tr>
<th></th>
<th>€ Mln</th>
<th>YoY Change</th>
<th>€ Mln</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>1,433</td>
<td>+14%</td>
<td>~ 1,640</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>410*</td>
<td>+29%</td>
<td>~ 530</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>-125</td>
<td>↑</td>
<td>&gt;0</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>541</td>
<td>-21%</td>
<td>425</td>
</tr>
<tr>
<td><strong>Capex-to-Sales</strong></td>
<td>38%</td>
<td>↓</td>
<td>26%</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>-128</td>
<td>↑</td>
<td>&gt;0</td>
</tr>
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#### 2007 Actual YoY Change 2008 Target

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<th></th>
<th>€ Mln</th>
<th>YoY Change</th>
<th>2008 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer Revenues</strong></td>
<td>727</td>
<td>+13%</td>
<td>~ 820</td>
</tr>
<tr>
<td><strong>SME Revenues</strong></td>
<td>230</td>
<td>+7%</td>
<td>~ 245</td>
</tr>
<tr>
<td><strong>Executive Revenues</strong></td>
<td>476</td>
<td>+21%</td>
<td>~ 575</td>
</tr>
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2008 - Another year of solid industrial growth

* 2007 pro forma EBITDA
** Includes MVNO impact (non material revenues and EBITDA impact, approx. 20 Mln capex)
FASTWEB 1Q 2008 Highlights - A Solid Start

1 Customer base growth

Strong net adds growth in line with best performances in 2006 and 2007 - 1Q net adds market share at 20% by quantity and 26% by value

2 Strong contribution from Executive market

Market share is growing in line with expectations to over 10%

3 Revenues up 12% YoY*

Sequential revenue growth in 1Q despite high seasonality of 4Q

4 EBITDA up 15%*

Strong EBITDA growth YoY (+15%) and sequential (+7%) with margin progression to 29% of revenues

5 FCF generation

€41 Mln FCF generation (at break even excluding termination rates cash impact) + Good Capex control

* Revenues and EBITDA YoY comparison are based on 2007 pro forma figures
1Q Contribution to FY Results/Guidance

Revenues
1Q % weight on FY

<table>
<thead>
<tr>
<th>1Q05</th>
<th>1Q06</th>
<th>1Q07</th>
<th>1Q08</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>23%</td>
<td>24%</td>
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EBITDA
1Q % weight on FY

<table>
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<th>1Q05</th>
<th>1Q06</th>
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<th>1Q08</th>
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<tr>
<td>22%</td>
<td>20%</td>
<td>24%</td>
<td>21%</td>
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1Q 2008 revenues and EBITDA contributed to FY guidance in line with expectations and with similar seasonality trend as in prior years

FY guidance fully confirmed
FASTWEB MVNO Service Launch - 2H 2008

FASTWEB Mobile Strategy

From triple to quadruple player targeting the high end market segment

Operational Milestones

1 Commercial Offer
Pre-Paid and Post-Paid offers + No pay-as-you-go Voice and Data services

2 Integrated Operations
No need for a dedicated BU + Integrated customer management for fixed and mobile services Strict Opex control Leveraging on existing NGN infrastructure

3 Sales Channel
Sales channel for mobile services based on existing FASTWEB sales network Dealer network to become the key distribution channel as per industry practice Telesales + Websales + agents used as complementary channels
Q&A
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