

# ***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*
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- *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*
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- *Q&A*
- All*



## *Unique assets and expertise*

## *Excellent market & competitive positioning*

**Leading alternative network operator across residential and business market segments**

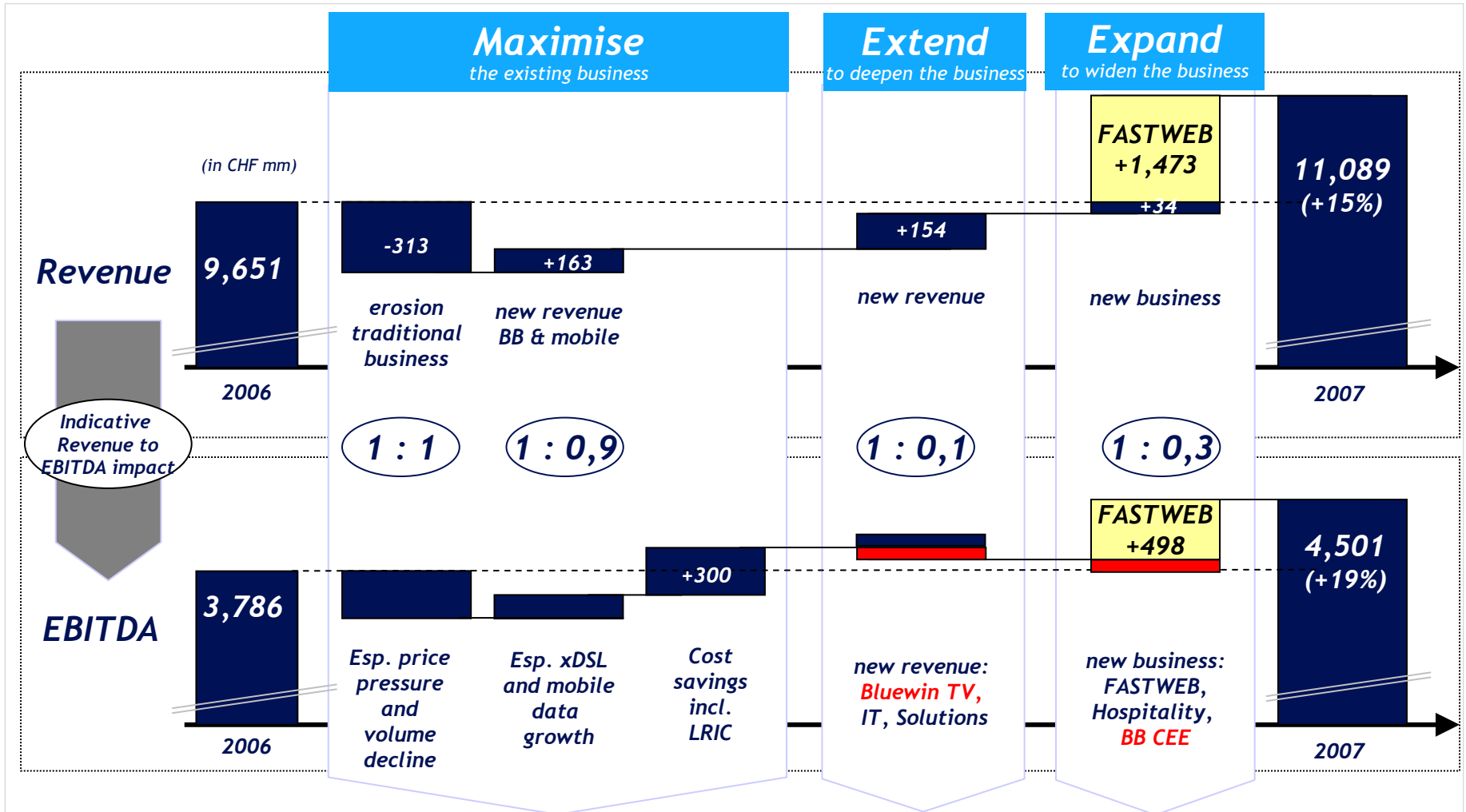
- ✓ **World first fully IP-based network serving both companies and families**
- ✓ **Proprietary NGN network covering 50% of the market**
- ✓ **Pioneer in broadband and triple-play services with IPTV since 2001**
- ✓ **Ready to launch mobile services**

- ✓ **Above-average growth with a 20% market share of BB net adds**
- ✓ **Almost 60% of total revenues generated from business customers**
- ✓ **Only alternative to TI for large Italian corporations and first European alternative player to become #1 supplier to the PA**

***FASTWEB's unique market positioning***



# FASTWEB Fits Perfectly Into Swisscom's Strategy



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



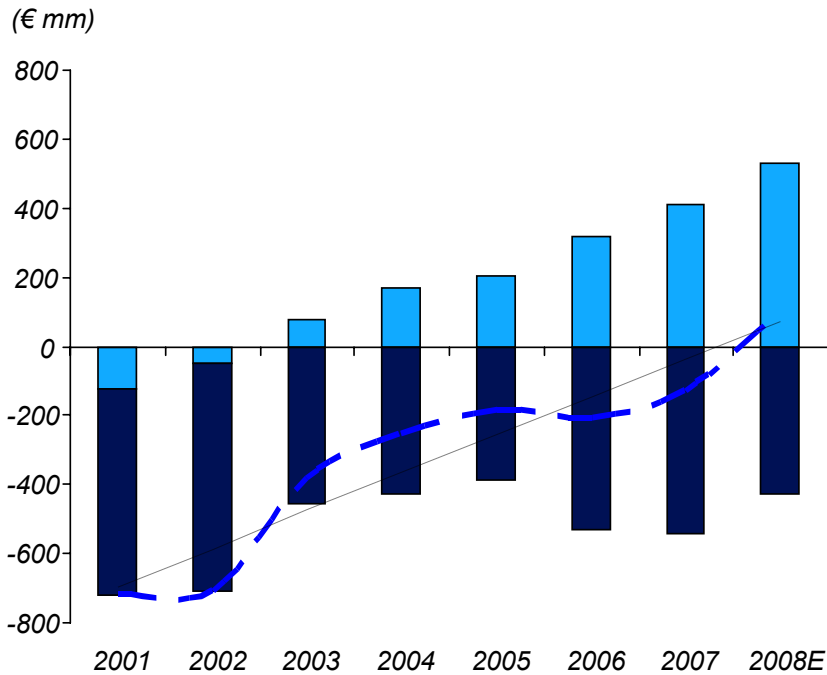
# FASTWEB Fulfills Swisscom's Main Investment Criteria

Invest in assets that are close to FCF breakeven

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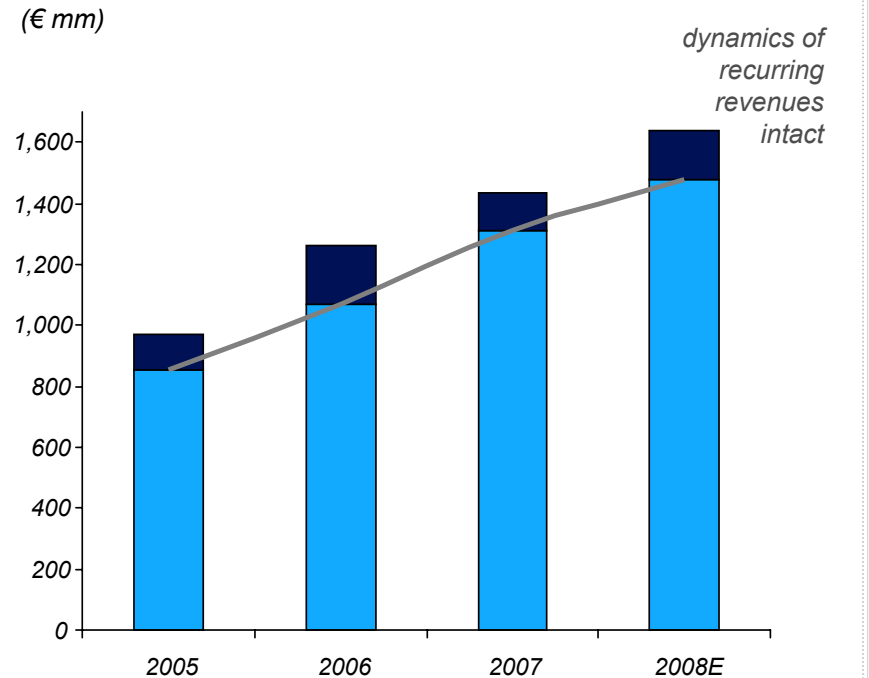
where growth of customer demand remains strong

### FASTWEB EBITDA, Capex and Free Cash Flow



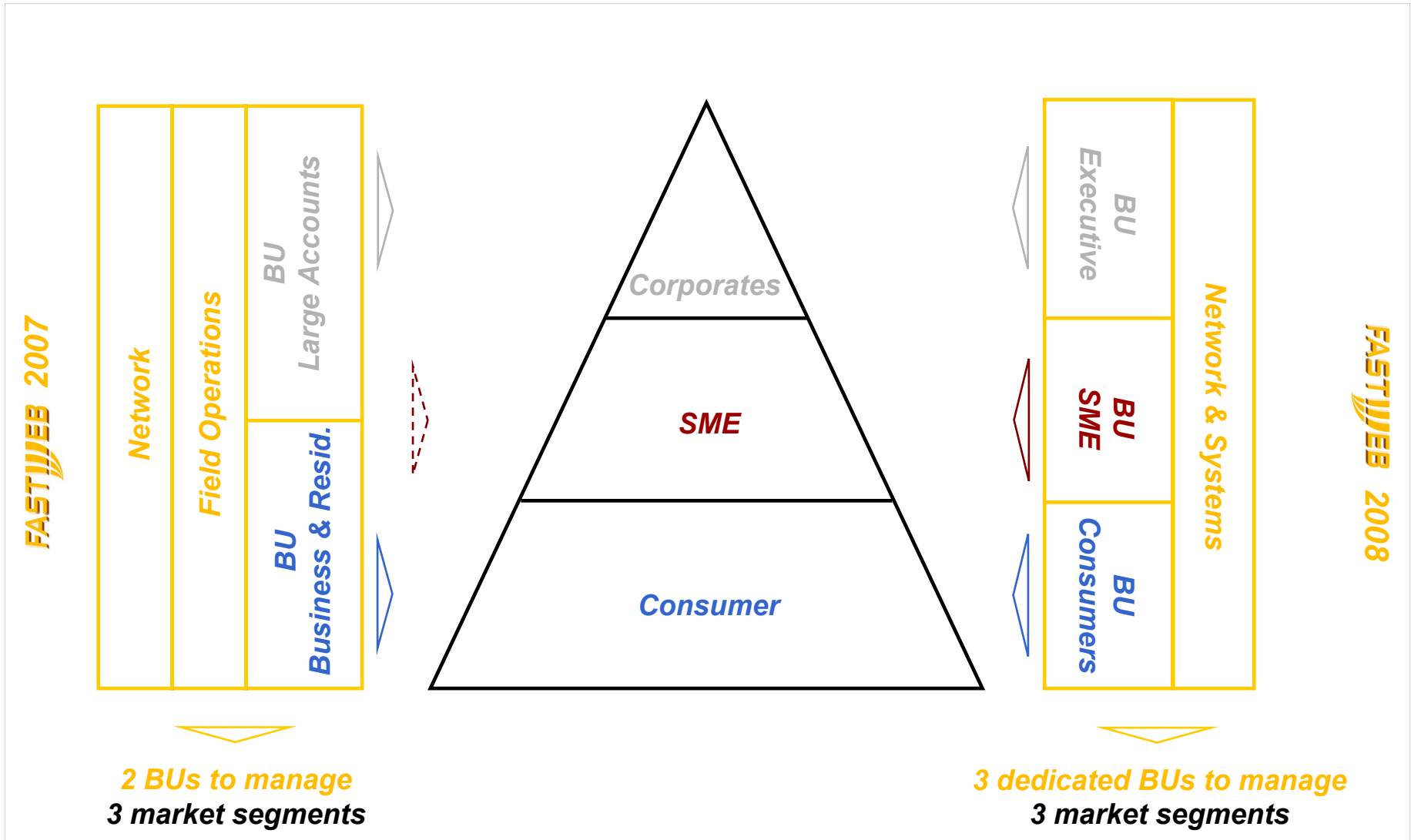
FASTWEB EBITDA (after reverse IC Decision)  
FASTWEB Capex  
FCF (EBITDA - Capex) in €mm

### Recurring business FASTWEB with end-users (i.e. excluding proceeds from Wholesale)



Recurring revenues  
Wholesale revenues  
Trend-line recurring revenues

# 2008 - A More Focused Organisation



# FASTWEB FY 2008 Guidance



	<b>2007 Actual</b>	<b>YoY Change</b>	<b>2008 Guidance**</b>																	
	<b>€ Mln</b>		<b>€ Mln</b>																	
<b>Revenues</b>	<b>1,433</b>	<b>+14%</b>	<b>~ 1,640</b>	<p>2008 BUs Revenue Target</p> <p>Consumer: 50% SME: 15% Executive: 35%</p>																
<b>EBITDA</b>	<b>410*</b>	<b>+29%</b>	<b>~ 530</b>																	
<b>Net result</b>	<b>-125</b>	<b>↑</b>	<b>&gt;0</b>																	
<b>Capex</b>	<b>541</b>	<b>-21%</b>	<b>425</b>																	
<b>Capex-to-Sales</b>	<b>38%</b>	<b>↓</b>	<b>26%</b>																	
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<p><b>2008 - Another year of solid industrial growth</b></p>																				

\* 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**

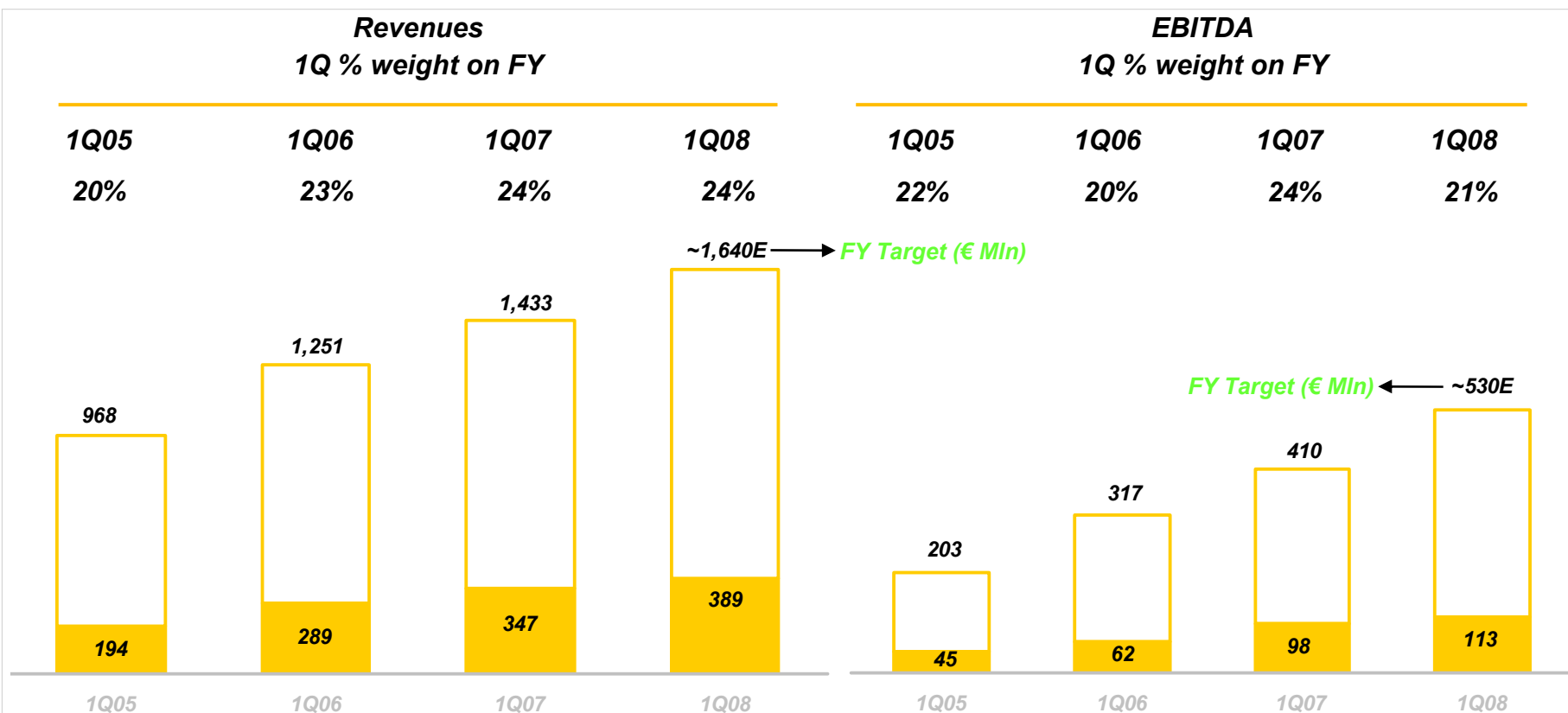
**5** *FCF generation*

**€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



**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 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

# Cautionary Statement Regarding Forward-looking Statements



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