598,200 clients as at 30 June 2005 (+ 180,700 compared to 417,500 in June 2004)

FASTWEB: Revenues increase 25% in the 1st half 2005 to 421.9 million Euro

-- Geographic coverage of 1/3 of Italian population --

- FASTWEB now the second wireline operator in Italy with geographic coverage of 5.9 million households at the end of June and 7.2 million at the end of August
- FASTWEB: consolidated revenues rise at 421.9 million Euro, +25% compared to 1st half 2004
- Consolidated EBITDA at 128 million Euro representing over 30% of revenues, +29% compared to 1st half 2004
- Net result of the second quarter, equal to Euro –43 million excluding the commissions for the right issue, improves both QoQ and YoY
- 102,200 new clients added in the first half (56,200 in the second quarter) for a total of 598,200 as of 30 June 2005 (+43% compared to 30 June 2004)
- Net financial debt at 181 million Euro compared to 820 million Euro at the end of 2004 following the 800 million Euro share capital increase
- 2,476 employees at the end of June compared to 2,108 at the end of 2004
- BoD reinstated to six members with the appointment of Mario Rossetti

****

Milan, 31 August 2005 – The Board of Directors of FASTWEB S.p.A. (Milan, Nuovo Mercato: FWB), the leading Italian broadband telecommunications company, met today and approved the half year report as at 30 June 2005.

Less than six months since the approval of the new business plan, the first half 2005 results show how its implementation is proceeding in line with expectations for both network expansion and new urban areas coverage and for revenues growth, profitability and commercial penetration.

In the light of the wide geographic coverage (7.2 million households reached at the end of August, equal to 1/3 of the population, and approximately 8 million now planned for the year end), of the number of direct clients, of revenues and EBITDA level, FASTWEB can today be considered the second wireline operator in Italy.

Consolidated revenues amounted to 421.9 million Euro in the first six months of the year, marking an increase of 25% compared to 336.7 million Euro in the same period 2004. In line with the growth profile projected by the plan, the growth in revenues was particularly evident in the second quarter, with a 27% increase compared to the same period 2004 and 17% compared to the first quarter 2005. The IRU (Indefeasible Rights of Use) contribution to revenues stood at 3%, compared to 7% in the first half 2004.

Confirming the high profitability of the business model adopted by FASTWEB, the growth in revenues had a positive impact on **margins**, despite the expected increase in operating costs related to the network expansion, the commissions paid for the acquisition of new clients, the increased investment in advertising and the growth in personnel. The Group reported an EBITDA of 128.0 million Euro in the January-June period, an increase of 29% compared to 99.5 million Euro in the same period 2004. EBITDA represented 30.3% of consolidated revenues in the first half of 2005, slightly above the corresponding result of the first half 2004 (29.6%).

"The results achieved in the first half," said **Stefano Parisi**, Chief Executive Officer of FASTWEB, "reinforce my confidence in the growth prospects of the company. In particular, the speed and efficiency in managing the complex expansion process that we are undergoing confirm the organisational and technological strength of this company".

FASTWEB recorded a **consolidated net loss** of 127.7 million Euro in the first half 2005 compared to a loss of 83.1 million Euro in the same period 2004. This figure includes the bank fees related to the share capital increase, amounting to 36.6 million Euro.

Capital expenditure in the January-June 2005 period amounted to 261.8 million Euro. Of this, 250.8 million Euro were represented by operating investments mainly related to the extension of the network and the connection of new clients, compared to 214.9 million Euro of operating investments in the first half of 2004.

Available funds stood at 841.5 million Euro as of 30 June 2005 and were composed by cash and cash equivalents (353.9 million Euro) and undrawn credit lines (487.6 million Euro). These funds are totally coherent with the Group's requirements for the implementation of the business plan.

Net financial debt was 181.0 million Euro as at 30 June compared to 75.7 million Euro as at 31 March 2005 and 820.2 million Euro at the end of 2004, following the 800 million Euro share capital increase.

The total number of **clients** was 598,200 as of 30 June 2005, 180,700 up compared to 417,500 at the end of June 2004 (+43%). This increase shows the positive trend in commercial penetration both in the areas already covered at the end of 2004 and in those reached during the first half. In particular, the net increase from April to June 2005 was 56,200: the highest quarterly increase in the client base ever recorder.

The breakdown between **residential and business clients** remained unchanged (respectively 85% and 15%), while the contribution of the two segments to the first half revenues was respectively 47% and 53%, confirming that also the business segment continues to show significant growth opportunities. In this regard, several important clients were acquired during the first half, including RAS, Zurigo Assicurazioni, Fondiaria Sai, Gruppo l'Espresso, SNAI, as well as contracts signed with local public administrations (the Regions of Lazio, Lombardy, Puglia, Piedmont).

FASTWEB's annualised residential **ARPU** (Average Revenue Per User) was equal to 900 Euro in June 2005, roughly in line with the figure recorded in March. ARPU generated by telecommunication services confirmed its positive trend (rising from 828 Euro in March to 831 Euro in June 2005), while video services reported a smaller contribution (69 Euro compared to 82 Euro in March 2005), although an improvement is expected in the second half of 2005 following an enrichment of the commercial offer undergone in June.

FASTWEB, to date still the only company offering triple play services in the Italian market, further enhanced its competitive positioning in the first half. In particular, the connection speed for ADSL clients was increased from 4 to 6 Mbit/s offered with certified continuity of supply. In addition, TV content was enriched to include movies from Buena Vista International, music, fiction and a selection of video games that can be played on TV. On top of such activities, an extensive advertising campaign on all major national and local media supported the launch of commercial offering in the new areas.

FASTWEB covered 54 new metropolitan areas in the first six months of the year, extending its **network** to 17,000 kilometres, of which 9,900 are metropolitan network and 7,100 national backbone. The potential clients addressed were 5.9 million as at 30 June 2005, over 27% of the population, compared to 4.8 million at the end of March 2005.

This development was supported by a significant expansion of the internal and external resources dedicated to client management (sales force, activations and customer care). These operational areas will continue to be carefully monitored in consideration of the progressive increase in the client base. The growth process led, among other things, to an increase in Group personnel that rose from 2,108 **employees** at the end of 2004 to 2,476 as of June 2005.

FASTWEB’s BoD has been reinstated with the appointment of Mario Rossetti, one of the founder partners of the company and Group’s CFO since September 1999. His curriculum vitae is available on the corporate web site. Mario Rossetti’s appointment is the result of a high standing career as confirmed by the excellent financial results achieved in these years. In the following months Mario Rossetti, while continuing to collaborate with the company in his new role, will gradually leave his operating duties.

Introduction of blackout period

A few days after the end of each quarter, FASTWEB releases some preliminary operating and financial results related to the quarter just ended. In consideration of the increasing relevance of such disclosure, the Board of Directors decided to introduce a blackout period in the ordinary financial communication activities starting from the 20th day of the last month of each quarter until the release of the preliminary results.

The blackout period will be introduced as from the third quarter 2005.

IAS

With regard to the transition project toward the adoption of International Accounting Standards (IAS/IFRS) initiated by FASTWEB during 2004, the company reported the first half results on the basis of Italian Accounting Principles. It is confirmed that the final introduction of International Accounting Standards will be applied starting from the Third Quarter 2005 Report, as allowed by the law and consistently with the stage of the IAS/IFRS conversion project the Company is currently undergoing.

For further information:

Giovanna Guzzetti – Paola Maini
Media Relations
T: +39 02 4545 2360 - 2465
F: +39 02 4545 2366
giovanna.guzzetti@fastweb.it
paola.maini@fastweb.it

Paolo Lesbo
Analysts and Investors
T: +39 02 4545 4308
F: +39 02 4545 2333
paolo.lesbo@fastweb.it

Consolidated Income Statement (in € Million) for the second quarter 2005

	2Q 2005	1Q 2005	% change	2Q 2004	% change
Consolidated Revenues from Operations	**227.7**	**194.2**	*17.2%*	**179.0**	*27.2%*
Other Income	7.3	6.9		2.8	
Operating Expenses	(167.4)	(140.8)		(129.0)	
EBITDA	**67.6**	**60.4**	*11.9%*	**52.8**	*28.0%*
EBITDA Margin (%)	*29.7%*	*31.1%*			
Depreciation, amortization and write-downs	(101.5)	(90.6)		(81.4)	
EBIT	**(33.9)**	**(30.2)**	*(12.3%)*	**(28.5)**	*(18.9%)*
EBIT Margin (%)	*(14.9%)*	*(15.5%)*			
Net Financial Income / (Expenses)	(45.6)*	(17.9)		(17.0)	
Extraordinary Items	0.0	0.0		0.0	
Net Taxes	0.0	0.0		0.0	
Consolidated Net Loss	**(79.6)**	**(48.1)**	*(65.5%)*	**(45.5)**	*(74.9%)*
	(34.9%)	*(24.8%)*		*(25.4%)*	

* Net Financial Income / (Expenses) include bank commissions on right issue equal to €36.6 Million

Consolidated Balance Sheet (in € Million) at 30/06/2005

	June 30 2005	March 31 2005	June 30 2004
Cash and Deposits	353.9	459.5	168.2
Net trade receivable	307.9	282.2	228.3
Other receivable	455.1	462.3	454.1
Inventories and other current assets	8.1	10.0	11.8
Total Current assets	**1,125.0**	**1,214.0**	**862.5**
Net tangible assets (PP&E)	1,315.7	1,239.7	1,187.4
Net intangible assets	391.1	384.8	397.5
Net financial assets	4.0	4.5	7.5
Total Fixed assets	**1,710.8**	**1,629.0**	**1,592.3**
Total Assets	**2,835.8**	**2,843.0**	**2,454.8**
Trade payable	398.5	333.9	330.3
Other payable	143.8	137.0	109.0
Employees' entitlements fund	14.6	13.4	10.6
Financial debt	534.9	535.1	894.7
Total Liabilities	**1,091.8**	**1,019.5**	**1,344.6**
Share capital & Reserves	1,871.6	1,871.6	1,193.3
Net income / (loss) for the period	(127.7)	(48.1)	(83.0)
Total Group share of shareholders' equity	**1,744.0**	**1,823.5**	**1,110.2**
Minority interest in share capital	0.0	0.0	0.0
Total Liabilities and Shareholders' Equity	**2,835.8**	**2,843.0**	**2,454.8**

Consolidated Cash Flow Statement (in € Million) for the second quarter 2005

	2Q 2005	1Q 2005	2Q 2004
Group share of Net Loss	**(79.6)**	**(48.1)**	**(45.5)**
Non cash Adjustment	84.2	76.9	67.9
Change in Minority Interest Capital	0.0	0.0	(0.4)
Gross Operating Fund generation	**4.7***	**28.8**	**22.0**
(Incr.) / Decr. accounts receivable	(16.6)	(0.5)	28.7
Incr / (Decr.) accounts payable	68.0	14.6	11.3
Change in working capital	**51.4**	**14.1**	**40.0**
(Purchase)/Disposal of assets: Tangibles	(129.3)	(73.4)	(126.2)
(Purchase)/Disposal of assets: Intangibles	(32.0)	(27.1)	(32.1)
(Purchase)/Disposal of assets: Financials	(0.1)	1.2	0.2
Total (purchase)/disposal of assets	**(161.4)**	**(99.3)**	**(158.1)**
Net Operating Fund generation	**(105.3)**	**(56.4)**	**(96.2)**
Increase/(Decrease) in Share Capital	**0.0**	**801.0**	**0.0**
Net Financial Position at beginning of period	**(75.7)**	**(820.2)**	**(630.4)**
Net Financial Position at end of period	**(181.0)**	**(75.7)**	**(726.6)**
Cash and Pledge accounts	*353.9*	*459.5*	*168.2*
Financial debts	*(534.9)*	*(535.1)*	*(894.7)*

* Gross Operating Fund generation is negatively impacted by bank commissions on right issue equal to €36.6 Million