First Quarter Revenues Totalling 27.2 Million Euro

e.Biscom: Results In Line with Budget and Year-End Targets

Scaglia: "Last year's revenues to quadruple by the end of 2001"

Milan, May 9, 2001 – e.Biscom operations are steadily growing and are in line with forecasts both in Italy and Germany. Italy's largest broadband telecommunications and media services company, reported strong growth in revenues and number of clients in the first three months of 2001. For the first quarter, e.Biscom (Milan's *Nuovo Mercato:* EBI) reported group revenues totalling 27.2 million Euro, compared to 1.35 million Euro in the year-earlier period, when the company began its commercial operations.

"Our performance in the first quarter of 2001 is in line with our growth plans. The company's strong results confirm our internal profit forecasts," said e.Biscom Chief Executive Officer, **Silvio Scaglia**. "We are well on the way to meeting our year-end targets when we expect to quadruple last year's revenues -- despite current market trends -- and strengthen our operations in Italy and Europe."

During the first three months, e.Biscom continued to boost sales and expand its technological infrastructure. After eighteen months of operations, e.Biscom boasted a network totalling approximately 5,200 Km. Network development and overall operating investments totalled 74.6 million Euro. Given the expenditure levels, the group had a first-quarter consolidated loss of 30.7 million Euro and negative EBITDA of 26.6 million Euro.

The first quarter of 2001 closed with a net positive cash position of 1.1 billion Euro -- a unique achievement for a company in this sector -- giving e.Biscom a strong advantage considering current market conditions. As part of the Group's strong growth, the number of employees rose to approximately 1,100 by the end of the first quarter.

The parent company, e.Biscom S.p.A., posted first-quarter earnings of approximately 4 million Euro, compared to a year-earlier, first-quarter loss of more than 20 million Euro.

The key driver of first-quarter performance was e.Biscom's telecommunications business, and in particular, the growth of the services provided by the fibre optic network offer being developed in Italy and Germany.

FastWeb, the first Italian operator with a broadband service and Video Internet offer for business and residential customers, posted revenues of 6.5 million Euro. After Milan, its services are now being offered in Genoa and Turin. The number of clients rose from 5,300 at the end of 2000 to more than 8,400 at March 31, 2001, an increase of approximately 60%. This improvement generated strong and steady growth in monthly revenues, which nearly doubled between January and March.

The gross margin on FastWeb's telecommunications services reached nearly 80 percent.

In Germany, the first market targeted by the Group's international growth strategy, HanseNet which was acquired only in October 2000, reported sales totalling 16.7 million Euro, demonstrating significant growth in revenues -- three times those before the company was acquired. HanseNet, the main alternative operator to Deutsche Telekom in the Hamburg region, had signed up more than 15,900 customers at March 31, 2001, an increase of 35% from December 31, 2000.

Telecommunications

During the first quarter of 2001, e.Biscom achieved significant progress in the expansion of its infrastructure, preparing for an acceleration of its growth plans over the next few years. In Milan and the surrounding area, the fibre optic network was extended to approximately 1,400 Km (up 40% from December 31, 2000), paving the way for the launch of service in new areas during the second quarter. In the meantime, the average penetration rate grew to around 10 percent in the areas where the service is already available and grew to about 18 percent in the areas where the service was available since September 2000. In Genoa and Turin, the commercial offer was launched, and rapid progress was made in Rome and Naples.

In Hamburg, where work continued on converting the 1,800 Km of acquired network to the IP used by e.Biscom, the first quarter saw the launch of the first integrated voice, data and Internet service, "Komplett", based on the FastWeb model implemented in Italy.

In the eighteen months since it began operations, e.Biscom has set up a service network in Italy and Germany of over approximately 5,200 Km, of which more than 3,000 Km provide urban access.

Residential services

With regard to content for residential customers, the e.Biscom Group signed a series of agreements through its e.BisMedia subsidiary, strengthening its position as a multimedia provider of information and entertainment content. During the first quarter, the ilNuovo.it multimedia newspaper established itself as one of the first on-line editorial sites, with approximately one million pageviews per day. In February, AP.Biscom, the new press agency directed by Lucia Annunziata, began operations, broadcasting the Italian edition of the worldwide Associated Press service together with original news content.

e.BisMedia also reached an important agreement with Universal Studios, one of Hollywood's top majors, for the distribution of a rich selection of material from the US producer's film library, for the first time on an on-demand basis. e.BisMedia also signed a similar agreement with Discovery Networks Europe for on-demand delivery of Discovery Channel documentaries.

In addition, the Group made record-breaking progress in multimedia interactive games, where GameOn.it was one of the top two visited Internet sites for games. On the site, there is a multiplayer arena developed by GIB and GameOn.

Business services

The e.Biscom Group's business content services are delivered through the B2Biscom subsidiary. In this area, the market is growing more slowly than forecasts a year ago indicated, hinting that only the most financially-fit companies will survive. That is to say, the survivors will be those which have enhanced their offers with complementary services such as providing technological consulting for small, medium and large enterprises.

In this context, B2Biscom -- which met first quarter revenue targets according to internal budget forecasts -- could see slower-than-anticipated growth in the coming months, given that the market itself is slowing down. This, however, is not expected to have an impact on e.Biscom's ability to reach its consolidated year-end targets.

A key event for B2Biscom in the first quarter was the launch of the eBixtrade.it portal for small and medium businesses; at the heart of eBixtrade.it is the marketplace of general-spending items developed on the Ariba® platform, which today has a catalogue of 10,000 items. e.Bixtrade.it also provides access to ASP software, online services and news distributed in cooperation with e.BisMedia. A promotional campaign for e.Bixtrade.it will be launched in the next few weeks. Another important event in B2Biscom was the launch of the B2Lab division, a technological business investing unit that purchases stakes in vertical marketplaces with a view of accelerating their growth.

e.Biscom

e.Biscom (www.ebiscom.it) is one of the leading developers of broadband telecommunications networks, advanced Internet services and online media. The company was formed in September 1999 by a partnership of Italian managers with successful careers in developing high-potential telecommunications initiatives and outstanding expertise in start-ups, in and outside Italy. Leveraging its unique competencies in the management of integrated IP networks and the development and marketing of broadband and Internet Video services, e.Biscom has established itself as a key player at the forefront of the broadband revolution in Italy and Europe. e.Biscom has been listed on Milan's Nuovo Mercato since 30 March 2000 (with an IPO that raised proceeds totalling 1.6 billion euro).

For more information

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e.Biscom Group - Quarterly Report at 31 March 2001

e.Biscom Group - Reclassified consolidated income statement at 31 March 2001

	1° Quarter 2001 €/000 (a)	1° Quarter 2000 €/000 (b)
Operating revenues	27,221	1,355
Other income	3,342	1,618
Total Income	**30,563**	**2,973**
Operating expenses	(57,211)	(5,729)
EBITDA	**(26,648)**	**(2,756)**
Amortisation, depreciation and writedowns	(15,466)	(681)
Provision for employees' leaving entitlement (*)	(761)	(101)
EBIT	**(42,875)**	**(3,538)**
Net financial income and expenses	2,647	(419)
Net extraordinary income and charges		(19,770)
Consolidated net income (loss) for the period	**(40,228)**	**(23,727)**
Minority share of (income) loss for the period	9,499	1,080
Group share of net income (loss) for the period	**(30,729)**	**(22,646)**

(*) = in the Quarterly Report at 31 March 2000 this item was included in operating expenses

Note: The first quarter 2001 cannot be compared to the first quarter 2000 as commercial operations began only in March 2000.

e.Biscom Group - Quarterly Report at 31 March 2001

e.Biscom Group - Reclassified consolidated balance sheet as at 31 March 2001

	31 March 2001 €/000 (b)	31 December 2000 €/000 (c)
Assets		
Fixed assets	601,972	550,431
Current assets	1,294,902	1,310,853
of which liquid funds and short term financial assets	*1,182,794*	*1,219,957*
Prepayments and accrued income	1,554	3,500
Total assets	**1,898,427**	**1,864,784**
Liabilities		
Capital and reserves	1,587,647	1,690,223
Loss for the period	(30,729)	(102,585)
Minority share of capital and reserves	54,256	49,394
Minority share of income (loss)	(9,499)	(13,583)
Total shareholders' equity	**1,601,675**	**1,623,450**
Other provisions	785	1,014
Employees' leaving entitlement reserve	1,993	1,300
Payables	290,473	235,966
due within 12 months	*231,159*	*215,228*
due after 12 months	*59,314*	20,738
Accruals and deferred income	3,502	3,054
Total liabilities	**296,753**	**241,335**
Total liabilities and shareholders' equity	**1,898,427**	**1,864,784**
Liquid funds and short term financial assets	1,182,794	1,219,957
Short term loans and overdrafts	(83,176)	(65,012)
Net financial position	**1,099,617**	**1,154,945**