EBITDA equal to 31.3% of revenues in the July-September period

FASTWEB: revenues at 258.5 million Euro(+39%) in the third quarter 2005

71 new metropolitan areas covered and 3.5 million homes passed in 9 months

- FASTWEB is Italy's second wireline telecom operator with a network covering 7.5 million homes at the end of September
- Significant efficiencies in network rollout compared to initial projections: higher coverage with the same level of capex
- Acceleration of revenue growth: 258.5 million Euro in the third quarter compared with 185.6 million Euro in the corresponding period 2004 (+39%)
- EBITDA up 44% from the third quarter 2004 to 80.9 million Euro, standing at 31.3% of revenues
- 644,000 clients as at 30 September 2005, up 41% from 457,000 at the end of September 2004
- Access to FASTWEB's services extended to 17 new cities, including Catania, Messina, Vicenza, Treviso and Salerno in the third quarter 2005
- Approved new incentive plan for top management linked to shareholder remuneration
- Alberto Calcagno appointed Chief Financial Officer

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Milan, 11 November 2005 - The Board of Directors of FASTWEB (Milan, MTAX: FWB), Italy's second largest fixed-network telecommunications operator, approved today the results for the third quarter 2005. The figures for the third quarter and the corresponding 2004 and 2005 comparatives are reported in compliance with the International Financial Reporting Standards (IFRS).

FASTWEB continued the **network rollout** during the third quarter, ahead of its 2005 full-year coverage target. The company's telecommunications infrastructure reached approximately 7.5 million homes as at 30 September, a level that corresponds to more than one third of the Italian population, thus anticipating the initial plan that targeted a coverage of 7 million by the year end. Among the main cities reached during the third quarter are Catania, Messina, Vicenza, Treviso and Salerno.

The network rollout activity is proceeding more efficiently in terms of both timing and capex (amounted overall to 390.5 million Euro in the nine month to 30 September). Such efficiency will enable the company to reach by year-end a significantly higher coverage than originally planned, within the initial capex budget for 2005.

Thus, FASTWEB's potential market increased by 3.5 million homes, 71 new metropolitan areas have been covered and 148,000 new customers have been added in the 9 month to 30 September.

FASTWEB reported **consolidated revenues** of 680.3 million Euro in the first nine months 2005, a 30% increase compared to the corresponding period 2004 (522.2 million Euro).

Consolidated revenues in the third quarter 2005 climbed 39% to 258.5 million Euro, from 185.6 million Euro in the corresponding period 2004.

Year-on-year revenue growth sharply accelerated in the July-September period, compared to the first and second quarters 2005 that recorded year-on-year growth of 23% and 28% respectively.

The comparison with the 2005 April-June period shows a 14% revenue increase (30.9 million Euro).

Both business (56% of total revenues) and residential clients (44%) contributed significantly to the revenues of the nine months to 30 September, an indication of FASTWEB's commercial success in both market segments. Among new key corporate clients acquired during the third quarter are BNL, Helvetia Assicurazioni, Banca ICCREA, as well as the Turin Municipal Authority and the Naples Provincial Authority in the Public Administration segment. Overall, more than 1,000 corporate client sites were connected from July to September, taking the total number of sites to approximately 9,800.

IRU sales (Indefeasible Rights of Use on telecommunications infrastructures) accounted for 5% of consolidated revenues, compared with 7% in the first nine months 2004.

EBITDA growth also accelerated in the third quarter, reaching 80.9 million Euro from 56.2 million Euro in the corresponding period 2004 (+44%). Third quarter EBITDA margin, equal to 31.3% of revenues, was almost 2 percentage points up on the second quarter, despite the operating costs related to higher than planned network.

EBITDA was up 37% at 208.1 million Euro in the first nine months, from 151.6 million Euro for the corresponding period 2004.

The positive margin trend was confirmed by the improvement of consolidated **EBIT,** which decreased to negative 21.1 million Euro in the third quarter 2005 from negative 29.8 million Euro in the second quarter, and of consolidated **net loss,** which decreased from 30.5 million Euro in the second quarter to 18.4 million Euro in the third.

Capex amounted to 390.5 million Euro in the first nine months, mainly related to the network rollout and new client activations, compared to 346.6 million Euro in the third quarter 2004, which included non-operating investments of approximately 47 million Euro.

Net financial debt - 305.9 million Euro as at 30 September 2005 from 218.3 million Euro as at 30 June - remains at a very conservative level. It will provide the company with significant financial flexibility in order to meet its industrial targets.

FASTWEB had 644,000 **clients** at 30 September 2005, up 46,000 from 598,000 as at 30 June 2005. This is the company's best result to date in terms of customer acquisition in the July-September period, traditionally affected by the low seasonality of the summer months. The customer base was up 41% year-on-year (457,000 as at 30 September 2004).

The business-residential client mix was stable at 15% (96,000) and 85% (548,000) respectively at the end of September.

Residential **ARPU** (Average Revenues Per User) was equal to 887 Euro on an annualised basis in September 2005, compared to 900 Euro in June 2005. FASTWEB's ARPU, still the highest in the industry, continues to be above the level assumed in the business plan. Video services contributed to overall ARPU for an annualised amount of 70 Euro in September compared to 69 Euro in June, thus stabilising the decreasing trend recorded in prior quarters.

While no other operator has yet launched **IPTV** services (Internet Protocol Television) on the Italian market, FASTWEB continues to enhance its own TV platform. Since the beginning of the year, the company has been extending its on-demand content offer through new agreements with international film studios (Miramax, Touchstone, Disney) and the introduction of additional thematic channels for fiction, music, children and reality shows. The company also introduced a pay section of premium interactive games and launched the first *edu-tainment* service through an agreement with Disney's Magic English to distribute interactive English-language video-tutorial. FASTWEB will soon be launching other new services and functionalities to further enhance its TV platform.

In line with the time schedule announced at the beginning of the year, the company launched **FASTWEB Light** in September. FASTWEB Light is a new certified 6 Mbit/s ADSL offer for users willing to access FASTWEB broadband Internet while keeping a Telecom Italia voice subscription

The Group had 2,870 **employees** at the end of the third quarter 2005, compared with 1,941 as at 30 September 2004 and 2,476 in June 2005.

New Incentive Plan for top management

The Board of Directors approved a new long-term incentive plan (2006 - 2011) for the Chief Executive Officer, the Executive Directors - with the exclusion of the Chairman - and other managers. The plan envisages the payment of an overall annual variable amount up to a maximum of 4% of the cash returns distributed to the shareholders, depending also on the company's financial results.

Alberto Calcagno, currently Finance Director of FASTWEB, has been appointed Chief Financial Officer.
He will replace Mario Rossetti who joined the Board of Directors on 31 August 2005.

IAS

The Quarterly Report as at 30 September 2005 has been prepared in accordance with the International Financial Reporting Standards (IFRS). Further details concerning both the International Standards and the effects of their adoption on the 2004 and first half 2005 figures, previously reported in compliance with Italian Accounting Principles, are provided in the comparative tables included in the Quarterly Report as at 30 September 2005.

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Reclassified Consolidated Income Statement – Third Quarter 2005 (€ Mln)

	3Q 2005	2Q 2005	% change	3Q 2004	% change
Consolidated Revenues from Operations	**258.5**	**227.6**	*13.6%*	**185.6**	*39.2%*
Other Income	1.2	1.2		2.7	
Operating Expenses	(178.8)	(161.6)		(132.1)	
EBITDA	**80.9**	**67.2**	*20.4%*	**56.2**	*43.9%*
EBITDA Margin (%)	*31.3%*	*29.5%*		*30.3%*	
Depreciation, amortization and write-downs	(102.0)	(97.0)		(72.8)	
EBIT	**(21.1)**	**(29.8)**	*29.0%*	**(16.6)**	*(27.4%)*
EBIT Margin (%)	*(8.2%)*	*(13.1%)*		*(8.9%)*	
Net Financial Income / (Expenses)	(8.7)	(11.8)		(16.9)	
Net Taxes	11.4	11.1		6.4	
Consolidated Net Loss	**(18.4)**	**(30.5)**	*39.6%*	**(27.1)**	*32.1%*
	(7.1%)	*(13.4%)*		*(14.6%)*	

Reclassified Consolidated Balance Sheet - 30/09/2005 (€ Mln)

	September 30 2005	June 30 2005	September 30 2004
Cash and Deposits	293.4	349.8	102.1
Net trade receivable	327.3	307.9	237.6
Other receivable	540.3	522.1	481.8
Inventories and other current assets	8.4	8.1	15.1
Total Current assets	**1,169.4**	**1,187.9**	**836.6**
Net tangible assets (PP&E)	1,409.1	1,351.3	1,250.4
Net intangible assets	369.1	366.2	382.7
Net financial assets	3.8	4.0	6.7
Total Fixed assets	**1,782.1**	**1,721.5**	**1,639.7**
Total Assets	**2,951.4**	**2,909.5**	**2,476.3**
Trade payable	413.3	398.5	314.6
Other payable	155.6	143.8	118.6
Employees' entitlements fund	15.7	14.5	10.7
Financial debt	599.3	568.0	916.5
Total Liabilities	**1,183.9**	**1,124.9**	**1,360.4**
Share capital & Reserves	1,848.2	1,846.9	1,200.5
Net income / (loss) for the period	(80.7)	(62.3)	(85.0)
Total Group share of shareholders' equity	**1,767.5**	**1,784.6**	**1,115.4**
Minority interest in share capital	0.0	0.0	0.4
Total Liabilities and Shareholders' Equity	**2,951.4**	**2,909.5**	**2,476.3**

Reclassified Consolidated Cash Flow Statement – Third Quarter 2005 (€ Mln)

	3Q 2005	2Q 2005	3Q 2004
Group share of Net Loss	**(18.4)**	**(30.5)**	**(27.1)**
Non cash Adjustment	73.2	68.2	62.2
Change in Minority Interest Capital	0.0	0.0	0.4
Gross Operating Fund generation	**54.8**	**37.7**	**35.6**
(Incr.) / Decr. accounts receivable	(25.8)	(17.9)	(23.9)
Incr / (Decr.) accounts payable	22.4	68.0	(7.5)
Change in working capital	**(3.4)**	**50.1**	**(31.5)**
(Purchase)/Disposal of assets: Tangibles	(123.9)	(138.7)	(75.1)
(Purchase)/Disposal of assets: Intangibles	(17.7)	(19.3)	(17.2)
(Purchase)/Disposal of assets: Financials	1.2	(1.4)	(0.0)
Total (purchase)/disposal of assets	**(140.4)**	**(159.4)**	**(92.3)**
Net Operating Fund generation	**(89.0)**	**(71.5)**	**(88.1)**
Increase/(Decrease) in Share Capital & Reserve	**1.3**	**(39.5)**	**0.2**
Net Financial Position at beginning of period	**(218.3)**	**(107.2)**	**(726.6)**
Net Financial Position at end of period	**(305.9)**	**(218.3)**	**(814.5)**
Cash and Pledge accounts	*293.4*	*349.8*	*102.1*
Financial debts	*(599.3)*	*(568.0)*	*(916.5)*