Strong customer growth: 542,000 as at 31 March (+46,000)

FASTWEB: First quarter 2005 revenues at 194.2 million Euro (+23%)
-- EBITDA at 60.4 million Euro (+29%) --

- Network extended to 4.8 million households, approximately 22% of the population
- 542,000 customers as at 31 March 2005, +44% from 376,500 as at 31 March 2004
- EBITDA up 29% year on year, margin at 31%
- Residential ARPU equal to 910 Euro, compared to 908 Euro in March 2004
- Net debt down to 76 million Euro, compared to 820 million Euro at the end of 2004, thanks to the fully subscribed 800 million Euro right issue

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Milan, 13 May 2005 – The Board of Directors of FASTWEB S.p.A. (Milan, Nuovo Mercato: FWB), Italy's leading broadband telecommunications company, today approved the results for the first quarter to 31 March 2005, which are in line with the targets of the Company's new business plan.

FASTWEB began implementation of the plan, announced a few days after the end of 2004 financial year, during the first quarter. The plan targets organic growth with the objective of reaching approximately 45% of the Italian population by the end of 2006, four years earlier than previously expected. The network will be extended as far as Sicily and will cover a potential market of 10 million households.

As envisaged by the plan, FASTWEB services were made available in Como, Viterbo, La Spezia, Latina, Grosseto, Rieti and Forlì by the quarter end. The Group's 16,100 km network infrastructure covered 4.8 million potential clients as at 31 March 2005.

FASTWEB consolidated **revenues** amounted to 194.2 million Euro in the first quarter 2005, a 23% increase compared to the 158 million Euro reported in the same quarter of the previous year. The lower contribution from the sales of IRU on infrastructure, which accounted for approximately 2% of revenues (6% in full year 2004), explains the slight decrease in revenues from the 197.3 million Euro figure posted in the October-December 2004 period.

Despite extra operating expenses related to the coverage expansion (network deployment, opening of new cities, gradual increase of advertising expenditure), margins improved year on year. Consolidated EBITDA was equal to 60.4 million Euro and to 31% of revenues, up 29% on the 46.7 million Euro a year earlier.

FASTWEB had 542,000 **clients** at the end of the January-March period, compared with 496,000 as at 31 December 2004. Since commercial activities in the new cities were launched only at the end of the quarter, the increase of 46,000 customers - in line with the record result reported in the first quarter 2004 - was particularly significant, as largely achieved in the areas already served at the end of last year.

The split between residential and business customers was unchanged (85% and 15% respectively), while a shift was recorded in the revenue mix, primarily due to seasonal factors: 49% of revenues arose from residential customers, 51% from business ones, compared with 44% and 56% respectively in full year 2004.

Residential ARPU (Average Revenue Per User) was also positive and substantially in line with the amounts reported in 2004. The 910 Euro annualised figure of March 2005 was in line with the 908 Euro of March 2004. Such stability was due to the increase of telecommunications services ARPU (from 806 Euro in March 2004 to 828 Euro in March 2005), which offset the reduction recorded for video services (82 Euro compared with 102 Euro in March 2004), due to slower penetration of these services over total active customers.

In February 2005 FASTWEB Shareholders' Meeting approved a **right issue** to cover the financial requirement for the 2005-2006 expansion phase. The rights issue was completed successfully on 1 April with the subscription of all 23,081,751 new ordinary shares issued at a price of 34.65 Euro each, for an overall amount of 799,782,672 Euro without requiring the intervention of the underwriting syndicate. 65% of FASTWEB's share capital, now represented by 79,471,428 ordinary shares with a par value of € 0.52, is currently held by the market.

Following the rights issue, Silvio Scaglia - FASTWEB Chairman and founder - and Carlo Micheli - Deputy Chairman - hold 25% and 10% respectively of the company's share capital.

FASTWEB also signed a new credit agreement for a long-term facility. The new financing, that replaces the previous facility, was underwritten by ABN Amro, BNP Paribas, Royal Bank of Scotland and Unicredit Banca Mobiliare and enables the Company to draw an amount up to 950 million Euro under significantly improved terms and conditions.

FASTWEB's product and services were further enhanced in the first quarter. A new ADSL service was launched at the end of March, offering a certified 6 Mbps downstream speed and 512 Kbps upstream, thus enabling the Group to maintain its leadership on the Italian broadband market in terms of quality of service.

The Company also extended its television offer through an agreement with Buena Vista International, the major that distributes Disney, Miramax and Touchstone Pictures movies.

"FASTWEB's positive first quarter results are encouraging because they confirm the soundness of our strategy based on organic growth," said CEO **Stefano Parisi**. "FASTWEB has also scored some important new successes in the business segment, with the acquisition of a number of large corporate accounts including Zurich Italia, Sigma-Tau and Impregilo, as well as in the Public Administration where the Company won contracts with the Communications Authority, the Court of State Auditors and the Regional Authorities of Lazio and Puglia. I would also like to remark the recent finalisation of the negotiations with RAS Group for the provision of a data transmission network connecting 1,390 sites and agencies".

While EBITDA was up 29%, first quarter **consolidated EBIT** was negative for 30.2 million Euro compared with a loss of 23.4 million Euro in the first quarter of 2004, mainly due to higher depreciation and amortisation charges in respect of the substantial investments required to extend coverage and activate new clients.

FASTWEB posted a **consolidated net loss** of 48.1 million Euro in the first quarter 2005, compared with a loss of 37.6 million Euro in the same quarter of the previous year.

Capital expenditure was equal to 100 million Euro, in line with the 99.5 million Euro in the first quarter 2004.

Available funds stood at 919 million Euro as at 31 March 2005. These were composed of cash and equivalents of 459 million Euro and undrawn credit lines of 460 million Euro.

The proceeds raised by the rights issue set the **net financial position** to -76 million Euro as at 31 March, compared with -820 million Euro at the end of 2004.

The Group had 2,262 employees at the end of the first quarter, an increase of 154 heads on the 2,108 employees at 31 December 2004.

FASTWEB is reporting first quarter 2005 results in accordance with Italian Accounting Principles. The Company will adopt the international accounting standards 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 implementing.

2005 full-year business outlook

The Group's business activities in the next three quarters will be guided by the targets set in the Business Plan. Accordingly, FASTWEB will expand its network infrastructure to reach new areas for service delivery, will strengthen commercial penetration in already covered areas, will enhance its technological and commercial leadership by developing new products and services to address the market's rapidly changing requirements.

New national and local advertising campaigns will be launched to promote FASTWEB's services and increase brand awareness.

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Consolidated Income Statement (in Euro Milions) at 31/03/2005

	1Q 2005	4Q 2004	% change	1Q 2004	% change
Revenues from Operations	**194,2**	**197,3**	*(1,6%)*	**157,7**	*23,2%*
Other Income	6,9	2,1		1,1	
Operating Expenses	(140,8)	(137,2)		(112,0)	
EBITDA	**60,4**	**62,1**	*(2,8%)*	**46,7**	*(29,4%)*
EBITDA Margin (%)	*31,1%*	*31,5%*			
Depreciation, amortization and write-downs	(90,6)	(106,7)		(70,1)	
EBIT	**(30,2)**	**(44,6)**	*32,3%*	**(23,4)**	*(28,9%)*
EBIT Margin (%)	*(15,5%)*	*(22,6%)*			
Net Financial Income / (Expenses)	(17,9)	(19,1)		(14,1)	
Extraordinary Items	0,0	5,3		0,0	
Net Taxes	0,0	59,4		0,0	
Net Loss	**(48,1)**	**1,0**	*nm*	**(37,6)**	*(28,2%)*
	(24,8%)	*0,5%*		*(23,8%)*	

Consolidated Balance Sheet (in Euro Milions) at 31/03/2005

	March 31 2005	December 31 2004	March 31 2004
Cash and Deposits	459,5	106,3	224,6
Net trade receivable	282,2	266,7	225,8
Other receivable	462,3	474,5	487,7
Inventories and other current assets	10,0	12,8	9,4
Total Current assets	**1.214,0**	**860,3**	**947,6**
Net tangible assets (PP&E)	1.239,7	1.218,4	1.105,4
Net intangible assets	384,8	380,8	389,3
Net financial assets	4,5	6,1	9,1
Total Fixed assets	**1.629,0**	**1.605,4**	**1.503,8**
Total Assets	**2.843,0**	**2.465,7**	**2.451,4**
Trade payable	333,9	324,8	320,9
Other payable	137,0	131,4	109,6
Employees' entitlements fund	13,4	12,3	9,7
Financial debt	535,1	926,5	855,0
Total Liabilities	**1.019,5**	**1.395,1**	**1.295,3**
Share capital & Reserves	1.871,6	1.194,6	1.193,2
Net income / (loss) for the period	(48,1)	(124,0)	(37,6)
Total Group share of shareholders' equity	**1.823,5**	**1.070,6**	**1.155,6**
Minority interest in share capital			0,4
Total Liabilities and Shareholders' Equity	**2.843,0**	**2.465,7**	**2.451,4**

Consolidated Cash Flow Statement (in Euro Milions) at 31/03/2005

	1Q 2005	4Q 2004	1Q 2004
Group share of Net Loss	**(48,1)**	**1,0**	**(37,6)**
Non cash Adjustment	76,9	30,1	62,5
Change in Minority Interest Capital	0,0	(0,4)	0,4
Gross Operating Fund generation	**28,8**	**30,7**	**25,4**
(Incr.) / Decr. accounts receivable	(0,5)	23,4	(40,8)
Incr / (Decr.) accounts payable	14,6	23,7	22,3
Change in working capital	**14,1**	**47,1**	**(18,6)**
(Purchase)/Disposal of assets: Tangibles	(73,4)	(59,1)	(80,6)
(Purchase)/Disposal of assets: Intangibles	(27,1)	(25,6)	(18,9)
(Purchase)/Disposal of assets: Financials	1,2	(0,1)	0,0
Total (purchase)/disposal of assets	**(99,3)**	**(84,7)**	**(99,5)**
Net Operating Fund generation	**(56,4)**	**(6,9)**	**(92,7)**
Increase/(Decrease) in Share Capital	**801,0**	**1,1**	**0,0**
Net Financial Position at beginning of period	**(820,3)**	**(814,4)**	**(537,7)**
Net Financial Position at end of period	**(75,7)**	**(820,2)**	**(630,4)**
Cash and Pledge accounts	*459,5*	*106,3*	*224,6*
Financial debts	*(535,1)*	*(926,5)*	*(855,0)*
	(75,7)	**(820,2)**	**(630,4)**