

Board Approves 3rd Quarter 2003 Results and the Business Plan
**e.Biscom: In 2006 revenue forecast of over € 1,100 million,
consolidated EBITDA of over € 500 million
and over 800,000 clients**

2010 Targets anticipated to 2006 in Business Plan

Main results achieved at September 30th 2003

- In first 9 months 2003 consolidated revenues of €385.8 million, +70% v. same period 2002
- In first 9 months 2003 consolidated EBITDA of €71.9 million, + €108.8 million v. same period 2002
- 290,200 clients at September 30th 2003, more than double the 131.500 clients of same period 2002
- Sharp increase in consolidated annual residential ARPU in September, risen to €865 compared to €791 in September 2002

Milan, November 13th 2003 – The Board of Directors of e.Biscom S.p.A. (Milan, *Nuovo Mercato*: EBI), Italy's leading broadband telecommunications company, approved the Company's third quarter 2003 report and the new business plan yesterday.

“The strategic plan, approved yesterday, confirms e.Biscom's organic growth strategy and our focus on our core telecommunications business in Italy. The targets which we had initially posed for 2010 have been anticipated to 2006” said Silvio Scaglia, Chairman and CEO of e.Biscom – “A more efficient use of capital, together with the fresh financial resources derived from the sale of HanseNet, allow us, in the short term, to invest in further expansion in Italy thus reaching 10 million potential customers by 2010. We also confirm that our target is to reach net income and cash flow break even in 2005, thus providing a significant dividend payout from fiscal year 2006.”

Third quarter 2003

In the first nine months of the year e.Biscom reported consolidated revenues of €385.8 million, a 70% increase with respect to €228.8 million in the period January-September 2002. Third quarter consolidated revenues amounted to €148.4 million, up 75% (i.e. €63 million) compared to €85.5 million in the third quarter of 2002.

Sharp increase also in margins. In the first nine months of the year e.Biscom reported consolidated EBITDA of €71.9 million, compared to €-36.9 million in the same period 2002. In the third quarter e.Biscom's consolidated EBITDA stood at €35 million, up €38.3 million compared to the third quarter of 2002.

At September 30th 2003, clients amounted to 290,200, more than double compared to the 131,500 at September 30th 2002, and thus divided: 46,300 business clients - of which 1,050 were medium- and large-sized companies and 45,250 small companies and SOHOS - and 243,900 residential clients.

In the third quarter, which is generally the period with the lowest seasonal figures, FastWeb signed up 41,200 new subscribers, up 49% compared to the third quarter of 2002 and up 14% compared to the second

quarter of 2003. The new availability of all television services on DSL, the further enhancement of the “on Demand” content and the live broadcast of football matches helped to considerably increase the number of subscribers to television services: in the third quarter 2003 the take rate of the new residential clients who signed up for the TV option rose to 70% from 41% in March 2003.

In September e.Biscom’s annual residential ARPU (Average Revenue per User) rose to €865 from €791 in September 2002. This growth was partly due to an increase in the ARPU from telecommunications services (which grew from €779 in September 2002 to €807 in September 2003) and partly to the increase in the number of subscribers to our video services, which have, at the same time, increased their weight on the overall customer base and improved their ARPU from €78 in September 2002 to €272 in September 2003.

The third quarter 2003 ended with a consolidated net loss of €–54.8 million, considerably improved with respect to the loss of €–67.9 million in the third quarter of 2002.

In the first nine months of the year tangible and intangible investments was €343.7 million compared to €485.5 million in the same period of 2002.

At September 30th, e.Biscom had total sources of funds, including cash from the sale of HanseNet, of €608.8 million, composed of cash and deposits of €355.9 million and undrawn credit lines of €252.9 million.

At September 30th, the Group’s headcount (not including HanseNet and e.BisNews) was 1,430 employees, to which an external workforce of over 2500 people should be added focusing on sales, customer care, network development and client connections.

In the third quarter 2003, FastWeb contributed revenues of €118.7 million to the Group’s consolidated results, almost double the €61.7 million of the third quarter 2002, and an EBITDA of €34.5 million, more than five times the €6.2 million recorded in the third quarter of 2002.

In the third quarter, HanseNet made a contribution to e.Biscom’s consolidated results of €25.5 million in revenues and of €4.3 million in EBITDA. As of October 1st, HanseNet is no longer consolidated by e.Biscom.

Business Plan

Four years after its foundation, e.Biscom considers its start up period to be fully concluded. In this period the company has progressively achieved and surpassed all the targets initially announced, thus demonstrating the validity and success of its business model in terms of technological and financial sustainability.

Consolidated revenues from 2000 to date

€/m.	2000	2001	2002	2003
Results	42.5	157.8	319.9	510 ¹
Initial targets	13-26	77-134	217-294	362-465

Today e.Biscom's business model represents the future of the telecommunications industry. Indeed, it is with the deployment of IP technology (Internet Protocol) for the unified transmission of voice, data, video and Internet, that e.Biscom has demonstrated its expertise in rolling out a brand new telecommunications infrastructure capable of supplying practically limitless bandwidth to both business and residential clients. The demand for these services is particularly evident in a city like Milan where market penetration has been so fast that, after three years from the launch, the market share is around 20%.

The success of the commercial offering, the generation of higher than expected ARPUs and the effectiveness of the DSL technology deployed –permitting the rollout of highly breakthrough services not only to the clients connected in optical fibre– have allowed a more efficient use of capital.

The strategic plan approved yesterday by the Board of Directors, confirms the Company's organic growth strategy, with particular focus on the core telecommunications business in Italy, and anticipates the previous targets by four years, to 2006, in terms of revenues, clients and EBITDA.

A part of the resources derived from the sale of the German subsidiary HanseNet will be used, during the two year period 2004-2005, in order to allow further geographical expansion in areas of North Eastern and Southern Italy. At the same time, commercial penetration in the cities already reached will proceed with total investments of approximately €650 million.

Thanks to its future expansion in North Eastern Italy, FastWeb gladly adhered to the request of the local authorities in Venice to create a network of local theatres in which to “beam” the performances during the inaugural week celebrating the reopening of La Fenice, from December 14th to 21st. The Ateneo Veneto, in the city center, and the Cinema Corso in Mestre – will be connected to La Fenice thus offering the opportunity to watch five of the seven concerts organized for the opening live.

The further development of activities in the cities already reached, and the expansion into areas of North Eastern and Southern Italy, will increase e.Biscom's growth rate and turnover and foreseeably entail an average annual increase of 30% in revenues in the period from 2003-2006. Thus, expected revenues in 2006

¹ Expected consolidated final year 2003 results.

will be €1,100 million, while the impact of the residential segment on turnover should pass from 35% to 50%.

As far as profitability is concerned, in 2006 EBITDA should grow to over €500 million, equal to 45% of revenues. Client numbers, at the end of 2006, should grow to over 800,000 in a potential market of 6 million households passed (a quarter of the Italian population).

The strategic plan also confirms the target – already announced in 2000 – of reaching net income and cash flow break even in 2005. This will allow the self-financing of further geographic expansion in Italy with the target, in 2010, of reaching 10 million household passed (i.e. 45% of the Italian population), over 1.5 million clients, revenues of over €2 billion and an EBITDA of over €1 billion (equal to 50% of turnover). Long term investments should account for approximately 10% of sales.

Furthermore, the generation of significant cash flow will provide shareholders with a significant dividend payout from fiscal year 2006.

Consolidated targets 2004-2005-2006

	2004	2005	2006
Revenues (€ / m)	>700	>900	>1,100
EBITDA (€/m)	>210	>350	>500
Net income (€/m)	>(80)	>0	>100
Clients	>480,000	>620,000	>800,000

Consolidated Income Statement (Euro Millions)

	Quarter ended September 30, 2003	Quarter ended June 30, 2003		Quarter ended September 30, 2002	
			<i>% change</i>		<i>% change</i>
Consolidated Revenues from Operations	148,4	135,6	9,4%	85,5	73,6%
Other Income	2,2	1,6		2,1	
Operating Expenses	(115,6)	(114,1)		(91,0)	
EBITDA	35,0	23,1	51,4%	(3,3)	1147,1%
<i>EBITDA Margin (%)</i>	<i>23,6%</i>	<i>17,0%</i>		<i>(3,9%)</i>	
Depreciation, amortization and write-downs	(81,9)	(81,7)		(55,4)	
EBIT	(46,9)	(58,6)	19,8%	(58,7)	20,1%
<i>EBIT Margin (%)</i>	<i>(31,6%)</i>	<i>(43,2%)</i>		<i>(68,7%)</i>	
Net Financial Income / (Expenses)	(14,3)	12,9		(28,8)	
Extraordinary Items	6,5	(159,5)		0,0	
Consolidated Net Loss	(54,8)	(205,2)	73,3%	(87,5)	37,4%
	<i>(36,9%)</i>	<i>(151,3%)</i>		<i>(102,3%)</i>	
Minority interests	0,0	(3,7)		19,6	
Group share of Net Loss	(54,8)	(208,8)	73,8%	(67,9)	19,3%

Consolidated Balance Sheet (Euro Millions)

	Sep 30, 2003	June 30, 2003	Sep 30, 2002
Cash and Deposits	355,9	240,0	567,9
Net trade receivable	176,5	171,4	116,1
Other receivable	424,5	476,2	348,6
Inventories and other current assets	6,2	6,1	6,1
Total Current assets	963,1	893,7	1.038,7
Net tangible assets (PP&E)	1.001,3	1.087,6	915,4
Net intangible assets	402,5	492,7	421,0
Net financial assets	9,9	16,2	30,0
Total Fixed assets	1.413,7	1.596,5	1.366,4
Total Assets	2.376,8	2.490,2	2.405,0
Trade payable	327,1	346,1	379,2
Other payable	111,8	124,8	63,6
Employees' entitlements fund	8,4	8,0	6,0
Short-term Financial debt	13,9	155,3	26,7
Long-term Financial debt	953,2	823,5	593,4
Total Liabilities	1.414,4	1.457,7	1.068,9
Share capital & Reserves	1.721,0	1.721,0	1.691,7
Retained earnings / (losses) brought forward	(434,9)	(434,9)	(239,7)
Net income / (loss) for the period	(323,7)	(269,0)	(182,0)
Total Group share of shareholders' equity	962,4	1.017,1	1.270,0
Minority interest in share capital	0,1	15,5	119,1
Minority interest in net income / (loss) for the period	(0,2)	(0,1)	(53,0)
Total Liabilities and Shareholders' Equity	2.376,8	2.490,2	2.405,0

Consolidated Cash Flow (Euro Millions)

	Quarter ended September 30, 2003	Quarter ended June 30, 2003	Quarter ended September 30, 2002
Group share of Net Loss	(54,8)	(208,8)	(67,9)
Amortization	77,3	65,9	54,4
Other non-cash adjustments	(54,7)	173,9	1,3
Minority Interest Net Result	0,1	3,7	(19,6)
Change in Minority Interest Capital	(15,5)	(58,2)	
Gross Operating Fund generation	(47,6)	(23,5)	(31,8)
(Incr.) / Decr. accounts receivable	46,5	(2,2)	(45,7)
Incr / (Decr.) accounts payable	(18,8)	8,5	0,4
Change in working capital	27,7	6,3	(45,3)
(Purchase)/Disposal of assets: Tangibles	38,7	(86,1)	(134,1)
(Purchase)/Disposal of assets: Intangibles	74,6	(265,3)	(24,8)
(Purchase)/Disposal of assets: Financials	34,2	(0,0)	0,0
Total (purchase)/disposal of assets	147,5	(351,4)	(158,9)
Net Operating Fund generation (*)	127,6	(368,6)	(235,9)
Increase/(Decrease) in Share Capital	0,0	29,4	0,0
Net Financial Position at beginning of period	(738,8)	(399,6)	183,8
Net Financial Position at end of period	(611,2)	(738,8)	(52,1)
<i>Cash and Pledge accounts</i>	<i>355,9</i>	<i>240,0</i>	<i>567,9</i>
<i>Bank overdraft</i>	<i>(12,1)</i>	<i>(10,8)</i>	
<i>Short term financial debts</i>	<i>(1,7)</i>	<i>(144,6)</i>	<i>(26,7)</i>
<i>Long term financial debts</i>	<i>(953,2)</i>	<i>(823,5)</i>	<i>(593,4)</i>

(*) The third quarter operating free cash flow is positively affected by the sale of HanseNet and e.BisNews for a total of approximately €235 million.