874,300 clients at 30 June 2006 (+ 46% compared with 598,200 in June 2005)

FASTWEB: 1st half 2006 revenues at 578.4 million Euro (+37%)
EBITDA +44% YoY at 183.3 million Euro

2nd quarter EBITDA margin 32.2%

- 874,300 clients at 30 June 2006, +46% from 598,200 at the end of June 2005
- Consolidated revenues of 578.4 million Euro, +37% YoY
- Consolidated EBITDA of 183.3 million Euro, + 44% YoY
- EBITDA Margin at 32%, up almost 2 percentage points compared with 1st half 2005
- Consolidated net loss of 47 million Euro, against a loss of 62.4 million Euro in the corresponding year-earlier period
- Net debt of 686.8 million Euro at 30 June 2006
- Stronger presence in the large account segment, with the acquisition of new important top clients
- Portfolio of residential services further enhanced

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Milan, 13 September 2006 - The Board of Directors of FASTWEB S.p.A. (Milan, MTAX: FWB), Italy's second-largest fixed telecommunications services provider, today approved the report for the half-year to 30 June 2006.

The 2006 half year results were fully in line with the company's projections for full year 2006: consolidated **revenues** in the first six months amounted to 578.4 million Euro, a YoY increase of 37% over 421.8 million Euro. Second-quarter revenues totaled 289.4 million Euro, an improvement of 27% from 227.6 million Euro in the second quarter of 2005.

Consolidated **EBITDA** in the first half was 183.3 million Euro (31.7% of revenues), rising 44% from 127.2 million Euro in the first half 2005. Second quarter EBITDA was 93.2 million Euro, reflecting a YoY improvement of approximately 39% and significant progress in the EBITDA margin that increased from 29.5% to 32.2%.

First half consolidated **EBIT** was negative for 59.6 million Euro, which compares with negative EBIT of 52.6 million Euro in the first half of 2005. Such result is impacted by increase in depreciation and amortization due to investments in geographical expansion, while provisions were in line with the levels recorded in previous quarters.

FASTWEB posted a consolidated **net loss** of 47 million Euro for the half year, compared with a loss of 62.4 million Euro in the year-earlier first half.

Capital expenditure in the period January-June 2006 totaled 246.4 million Euro, mainly related to the completion of the geographical expansion and to the connection of new clients, compared with 249.1 million Euro invested in the first half of 2005. Future investments will be mainly related to the connection of new customers and will benefit from the reduction of unitary costs, with a pay-back time below one year.

Net debt at 30 June 2006 was 686.8 million Euro, compared with 582.5 million Euro at 31 March 2006 and 469.1 million Euro at the end of 2005.

The overall number of **clients** at 30 June 2006 was 874,300, with more than 160,000 new subscribers in the first half, an increase of approximately 57% on the 102,200 clients acquired in the first half 2005. New clients in the April-June quarter were 80,600, confirming the excellent new-subscriber trend of the first quarter. FASTWEB therefore continues to be co-leader with Telecom Italia in the covered areas in terms of clients acquisition.

The breakdown between residential and business clients remained broadly unchanged (84% and 16% respectively), while the two segments accounted for 42% and 58% respectively of total first-half revenues.

New important top accounts acquired in the first part of the year confirm the excellent growth opportunities that the business segment continues to offer. Among the most important new clients there are Capitalia, Credit Suisse, Royal & Sunalliance and BPU Banca in the financial services, Poste Italiane, Ikea and Auchan in other industries. These acquisitions are in addition to the success achieved in the Public Administration sector, where FASTWEB is now the main supplier of data and fixed voice services, and to the major contract signed in August with Italian number 1 bank Unicredit, who chose FASTWEB as the technological partner for a broadband connectivity project for the banking group's nationwide branch network.

FASTWEB residential ARPU (Average Revenue Per Unit) in June 2006 was 793 Euro on an annualized basis. ARPU on telecommunication services was 743 Euro on an annualized basis, while the average annual spend by video clients was 281 Euro.

At 30 June 2006 the Group had 3,132 employees, compared with 3,036 at 31 March 2006.

Evolution of the residential offer

The completion of the network rollout enables to fully exploit the efficiency of FASTWEB's infrastructure. Thanks also to the gradual reduction in unitary capex and to the growing interest in broadband services among Italian households, FASTWEB is now able to target new residential market segments, maintaining the profitability and the returns of the existing offers.

Continuing on the path already defined in May with the introduction of the new dual-play services, starting from 1 September 2006, FASTWEB has organized its residential offer into two service families, both consistent with its profitability parameters (contribution margin of approximately 70% and pay-back-time of less than one year).

FASTWEB*FULL* is the new family of triple-play services targeting the premium market segment, for which the main requirements are performance and completeness of the offer. FASTWEB*FULL* is the top-end offer, with a new pricing structure that makes the most valuable tariff plans even more attractive and competitive for customers. The offer features high service levels (installation by an engineer in the user's home, a wide and flexible range of commercial options), as well as the possibility to access the video services that have been further enhanced. New users are offered the new FASTWEB's set-top-box, the first integrated decoder in Italy capable to receive Digital Terrestrial programming together with all other content already available on FASTWEB TV (analog terrestrial channels, thematic channels, SKY satellite premium channels, video-on-demand).

The new decoder also supports High Definition (HD) content transmission that will be available to FASTWEB's customers within few months.

In addition to the premium segment, FASTWEB now also addresses potential clients that, while demanding a high quality broadband service, have lower telecom needs. For this segment, FASTWEB provides the ***EASY*** offer, a family of self-installing dual-play products (Internet and/or voice) focused on ease of use and optimized performance.

The completion of direct coverage, the expansion into new geographical areas through wholesale coverage in order to serve Public Administration sites, the consequent optimization of interconnection with Telecom Italia's network and the introduction of the *EASY* offer with a service profile that can be replicated also in the areas not directly covered, provide FASTWEB with the opportunity to sell its residential services on 80% of the Italian market without any significant additional investments.

By leveraging on nationwide advertising campaigns and by optimising its inbound sales channels, FASTWEB is able to address new groups of users with its dual-play offer, in particular high-spending clients in areas not directly served by its infrastructure, therefore avoiding any cannibalization risk.

Residential services provided on a wholesale basis will also have a pay-back-time of less than one year.

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Consolidated Income Statement for the second quarter 2006 (Million Euro)

	2Q 2006	1Q 2006	change	2Q 2005	change
Consolidated Revenues from Operations	**289.4**	**289.0**	*0.2%*	**227.6**	*27.1%*
Other Income	9.8	11.2		7.3	
Operating Expenses	(206.0)	(210.0)		(167.8)	
EBITDA	**93.2**	**90.1**	*3.5%*	**67.2**	*38.8%*
EBITDA Margin (%)	*32.2%*	*31.2%*		*29.5%*	
Depreciation, amortization and write-downs	(123.9)	(119.0)		(97.0)	
EBIT	**(30.7)**	**(28.9)**	*(6.2%)*	**(29.8)**	*(3.0%)*
EBIT Margin (%)	*(10.6%)*	*(10.0%)*		*(13.1%)*	
Net Financial Income / (Expenses)	(10.8)	(8.5)		(11.8)	
Net Taxes	23.3	8.6		11.1	
Consolidated Net Loss	**(18.2)**	**(28.8)**	*36.8%*	**(30.5)**	*40.3%*
	(6.3%)	*(10.0%)*		*(13.4%)*	

Consolidated Balance Sheet as at 30/06/2006 (Million Euro)

	June 30 2006	March 31 2006	June 30 2005
Cash and Deposits	78.2	109.3	349.8
Net trade receivable	357.9	370.1	307.9
Other receivable	608.6	596.0	522.1
Inventories and other current assets	9.1	5.4	8.1
Total Current assets	**1,053.8**	**1,080.8**	**1,187.9**
Net tangible assets (PP&E)	1,633.8	1,595.7	1,351.3
Net intangible assets	398.5	391.2	366.2
Net financial assets	3.7	2.8	4.0
Total Fixed assets	**2,036.0**	**1,989.7**	**1,721.5**
Discontinued Operattions Assets	**0.0**	**0.0**	**0.0**
Total Assets	**3,089.8**	**3,070.5**	**2,909.5**
Trade payable	412.6	455.2	398.5
Other payable	490.9	188.2	143.8
Employees' entitlements fund	18.0	17.1	14.5
Financial debt	765.0	691.8	568.0
Total Liabilities	**1,686.5**	**1,352.3**	**1,124.9**
Share capital & Reserves	1,450.3	1,747.0	1,846.9
Net income / (loss) for the period	(47.0)	(28.8)	(62.3)
Total Group share of shareholders' equity	**1,403.3**	**1,718.2**	**1,784.6**
Minority interest in share capital	0.0	0.0	0.0
Liabilities related to discontinued operations	**0.0**	**0.0**	**0.0**
Total Liabilities and Shareholders' Equity	**3,089.8**	**3,070.5**	**2,909.5**

Consolidated Cash Flow for the second quarter 2006 (Million Euro)

	2Q 2006	1Q 2006	2Q 2005
Group share of Net Loss	**(18.2)**	**(28.8)**	**(30.5)**
Non cash Adjustment	75.0	87.4	68.2
Change in Minority Interest Capital	0.0	0.0	0.0
Gross Operating Fund generation	**56.8**	**58.6**	**37.7**
(Incr.) / Decr. accounts receivable	19.3	(25.2)	(17.9)
Incr / (Decr.) accounts payable	(44.3)	(49.2)	68.0
Change in working capital	**(25.0)**	**(74.5)**	**50.1**
(Purchase)/Disposal of assets: Tangibles	(125.6)	(79.8)	(141.8)
(Purchase)/Disposal of assets: Intangibles	(16.1)	(16.1)	(16.1)
(Purchase)/Disposal of assets: Financials	(1.1)	(7.6)	(1.4)
Total (purchase)/disposal of assets	**(142.9)**	**(103.5)**	**(159.4)**
Net Operating Fund generation	**(111.1)**	**(119.3)**	**(71.5)**
Increase/(Decrease) in Share Capital & Reserve	**6.8**	**5.9**	**(39.5)**
Net Financial Position at beginning of period	**(582.5)**	**(469.1)**	**(107.2)**
Net Financial Position at end of period	**(686.8)**	**(582.5)**	**(218.3)**
Cash and Pledge accounts	*78.2*	*109.3*	*349.8*
Financial debts	*(765.0)*	*(691.8)*	*(568.0)*