July 28, 2005

Q2 2005 Results

CONTINUOUS IMPROVEMENT FROM REVENUE GROWTH
THIRD CONSECUTIVE QUARTER OF FREE CASH FLOW

EXPANSION PLAN ANNOUNCED ON JULY 22
€120 MILLION FINANCING OF EXPANSION PLAN CLOSED ON JULY 27

Financial Highlights :

- **+20% Growth of total revenue in Q2'05 vs. Q2'04**
- **+50% Growth of Adjusted EBITDA in Q2'05 vs. Q2'04**
- **Adjusted EBITDA margin rose to 17% of revenue in Q2'05 compared to 14% in Q2'04**
- **Net loss reduced to €0.5 million in Q2'05 from €3.1 million in Q2'04**

In million of Euros	Q2'04	Q1'05	**Q2'05**	Growth Q2'05/Q2'04	Growth Q2'05/Q1'05
Retail Revenue	32.9	36.8	**37.6**	14.3%	2.2%
Total Revenue	39.1	44.8	**46.8**	19.7%	4.5%
Gross Margin [1]	18.0	20.2	**20.3**	12.8%	0.5%
Adjusted EBITDA [1]	5.4	7.6	**8.1**	50.0%	6.6%
Net Loss	(3.1)	(0.3)	**(0.5)**	ns	ns

Operational Highlights:

- **+22% increase of customers connected to the networks in Q2'05 vs. Q2'04**
- **+23% increase of buildings connected to the networks in Q2'05 vs. Q2'04**

ON-NET METRICS	Q2'04	Q3'04	Q4'04	Q1'05	**Q2'05**
Total buildings connected	2,571	2,705	2,886	2,957	**3,151**
Total customers connected	1,790	1,879	1,988	2,064	**2,185**
ARPU (Euros/month) [1]	6,140	5,950	6,000	5,950	**5,800**

Other events :

- **ARCEP[1] (formerly ART) decision on call termination tariffs postponed later this year**
- **Expansion plan announced on July 22 2005**
- **€120 million financing of expansion plan closed on July 27**

(1) Refer to Note 1 for definitions

Completel Europe NV, a national infrastructure-based operator providing telecom services to the French business market, announced today its results for the quarter ended June 30, 2005. Completel reported quarterly revenue of €46.8 million compared to €39.1 million in Q2'04, an increase of 20%, and a positive Adjusted EBITDA of €8.1 million compared to €5.4 million in Q2'04.

Jérôme de Vitry, President and CEO of Completel Europe N.V., commented*: "Q2'05 is another quarter of continuing positive development with continuing revenue growth, supported by successes in data, leading to a third quarter of positive free cash flow.*

I am extremely pleased to announce the launch our expansion plan which will allow us to build on our current fibre access positioning to expand our addressable market meaningfully with an unmatched powerful combination of fibre and unbundled DSL. The success of our business model and the strong development of the French broadband market, combined with a favourable competitive environment, represent a unique growth opportunity for Completel.

Increasing our regional footprint from 9 metropolitan areas to a national coverage across 80 metropolitan areas will significantly strengthen our competitive position in the corporate market and is a direct response to the increasing customer demand for integrated data and voice services and their need to serve all their sites on a national basis.

This network extension is an opportunity to capture a higher share of our customers' total telecom spend, to target the untapped potential of the SME market. We will also be able to address the entire wholesale market through our national coverage, which we will serve where it proves profitable. This strategic move is a natural evolution to serve our customers, both the corporate and the wholesale markets, with the best suite of turn-key voice and data telecommunications solutions.

We are convinced there is now a great market opportunity to grow the Company and to strengthen our position as a key telecom provider to the French corporate market. We have the possibility to become the only alternative operator with a large metropolitan fibre network and a comprehensive DSL coverage of French businesses."

Alexandre Westphalen, Chief Financial Officer, added*: "In Q2' 05, we achieved our third consecutive quarter of positive free cash flow. We ended the quarter Q2'05 with €1.7 million of free cash and with a significant cash balance of €44.9 million on our balance sheet. The continuous growth of revenue along with costs control reduced our net losses to €0.5 million in Q2'05 from €3.1 million in Q2'04.*

In anticipation of ARCEP's decision for call termination expected later this year, we continue to estimate our call termination revenue for 2005 on the basis of the tariff on which Completel and France Telecom settled their 2004 call termination dispute. However, the comments of the Conseil de la Concurrence, published on May 11, 2005, now lead us to estimate that there is a higher probability to obtain final 2005 tariffs close to, or above, our current call termination estimate than below.

Finally, I'm pleased with the successful financing of our expansion plan. This €120 million financing fully funds our business plan and gives us the proper financial flexibility to execute our Expansion Plan. This balanced equity and debt placement optimises our balance sheet and financing structure for future years. Our stock issuance close to market price is a tribute of investors' confidence in the company's ability to create shareholders' value through the implementation of this strategic expansion."

Financial Review

Revenue

Completel reported revenue of €46.8 million in Q2'05 compared to €39.1 million in Q2'04 and €44.8 million in Q1'05, an increase of 20% and 5% respectively.

Revenue Breakdown In million of Euros	**Q2'04**	**Q1'05**	**Q2'05**	**Growth Q2'05/ Q2'04**	**Growth Q2'05/ Q1'05**
Retail: Voice	24.6	25.9	26.1	6.1%	0.8%
Retail: Internet, Data & Hosting	8.3	10.9	11.5	38.6%	5.5%
Total Retail Revenue	32.9	36.8	**37.6**	14.3%	2.2%
Wholesale Revenue	6.2	8.0	**9.2**	48.4%	15.0%
Total Revenue	39.1	44.8	**46.8**	19.7%	4.5%

ON-NET METRICS	Q2'04	Q3'04	Q4'04	Q1'05	**Q2'05**
Cumulative buildings connected	2,571	2,705	2,886	2,957	**3,151**
Cumulative total customers connected	1,790	1,879	1,988	2,064	**2,185**
Cumulative on-net retail customers	1,689	1,783	1,877	1,941	**2,049**
ARPU (Euros/month) [1]	6,140	5,950	6,000	5,950	**5,800**

During the quarter, Completel continued to generate revenue growth from data and network solutions for business customers compared to Q2'04. Completel's fibre based network, direct fibre connection and product focus on the corporate market are key competitive advantages for the company and were a major factor in their decision to choose Completel. This resulted in continued strong revenue growth of data retail during the quarter. Data retail revenue growth in Q2'05 increased 39% over Q2'04, and 6% over Q1'05. In Q2'05 data retail revenue represented 31% of total retail revenue, compared to 25% in Q2'04.

As previously announced, price erosion on the installed customer base continued to hamper voice retail revenue growth during Q2'05. Completel anticipates this trend to continue throughout 2005, as price pressure incurred in 2004 will continue to erode revenues from the installed customer base. However, going forward, the Company anticipates reduced price pressure for new contracts.

As for Q1'05, Q2'05 voice retail revenue was impacted by the management's estimate for call termination revenue until the ARCEP rules call termination later in the year. Management estimates that the range of outcomes could be from increasing revenue and operating results for Q2'05 by up to €1.4 million and decreasing revenue and operating results by €1.4 million. As in the past, the reported result for the quarter may be later adjusted retrospectively upwards or downwards. Call termination estimate is discussed in greater details on page 5 of this press release.

Wholesale revenue growth accelerated in Q2'05. Wholesale revenue increased to €9.2 million in Q2'05, from €8.0 million in Q1'05 and €6.2 million in Q2'04. Wholesale revenue growth in Q2'05 was 48% over Q2' 04, and

15% over Q1'05. During the quarter, the Company successfully continued to develop switched services to new customers and provisioned incremental data links to the end-customers of other operators.

Gross Margin [(1)]

For the second quarter of 2005, Gross Margin before network depreciation increased to €20.3 million, compared to €18.0 million in Q2'04 and to €20.2 million in Q1'05. Gross margin in Q2'05 was 43.4% vs. respectively 46.1% and 45.1% and in Q2'04 and Q1'05. This quarter, during May, gross margin was impacted by a temporary sub-optimization of traffic interconnection, leading the Company to interconnect traffic at higher rates.

S,G&A

For the second quarter of 2005, Selling, General and Administrative expenses before depreciation (S,G&A) amounted €12.3 million compared to respectively €12.7 million and €12.7 million in Q204 and Q1'05. SG&A in Q2'05 represented 26% of revenue, against 32% of revenue in Q2'04.

Adjusted EBITDA [(1)]

For the second quarter of 2005, adjusted Earnings Before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA) increased to €8.1 million, compared to respectively €5.4 million and €7.6 million in Q2'04 and Q1'05. For the second quarter of 2005, the margin for adjusted EBITDA improved to 17% of revenue from 14% in Q2'04.

Operating Losses

Operating losses in Q2'05 were reduced to €0.7 million, from €3.2 million in Q2'04, as a result of increased revenue, improved gross margin and control of S,G&A. Operating losses in Q2'05 increased to €0.7 million from €0.4 in Q1'05, as a result of amortization and depreciation representing €8.5 million in Q2'05 against €8.1 million in Q1'05.

Net Result

Net loss for the second quarter of 2005 was €0.5 million against respectively €3.1 million and €0.3 million in Q2'04 and Q1'05.

Capital Expenditures

Capital expenditures (Capex) for the second quarter of 2005 amounted to €6.5 million compared to respectively €7.4 million and €6.0 million in Q2'04 and Q1'05. This quarter, the Company continued to concentrate most of its capex on customer installations and on the continued transition of its network towards VoIP.

Cash

As of June 30, 2005, Completel had €44.9 million in cash and cash equivalents, compared to €43.2 million at the end of March 31 2005. The Company increased cash on it balance sheet because of the positive free cash flow of €1.7 million from operations in Q2'05.

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(1) Refer to Note 1 for definitions

Other events

Expansion Plan and related financing

The Company announced its expansion plan on July 22, 2005, and successfully closed, on July 27, 2005 a €120 million financing to fully fund its expansion plan.
Detailed information on this strategic plan and financing is available on the company's web site www.completel.com.

Implementation of the expansion plan is already underway. The Company signed an unbundling agreement with France Telecom. Contracts with vendors are being finalized. First orders were issued this week after closing of the financing. Hiring of key technical staff has already started. Actual network deployment will begin by the end of the third quarter.

ARCEP [1] decision on call termination tariffs postponed to September 2005

As disclosed in Q1'05, the Company anticipated the ARCEP to complete the analysis of call termination as a "relevant market" in July 2005. As of July 28, the ARCEP has not completed yet its analysis.

Consequently, Completel remains subject to a period of "tariff regulatory uncertainty" until and when the ARCEP finalizes its analysis. Only revenues and operating income derived from call termination for this period of time will be subject to this tariff uncertainty.

In Q1 & Q2' 05, Completel invoiced France Telecom €1.54 cents per minute for call termination, which is a tariff that the Company considers as "non excessive". France Telecom claims that the appropriate tariff should be €0.7 cents per minute. France Telecom has finally paid the Company's Q1'05 invoices at €1.54 cents per minute, on a provisional basis, and the Company anticipates that its Q2'05 invoices will be paid at the same level, also on a provisional basis.

In Q2'05, as for Q1'05, management continued to estimate its call termination revenue for Q2'05 at the tariff on which Completel and France Telecom settled their 2004 call termination dispute. This tariff is approximately at the mid point between the two limits of €1.54 and €0.7 cents per minute.

Until the final analysis of the ARCEP expected later in 2005, the Company will continue to estimate, to the best of its ability, its call termination revenue for the year 2005. As has been the case in the past, these estimates may be later adjusted upwards or downwards retrospectively. Management estimates that outcomes could range from increasing or decreasing revenue and operating result for Q1'05 and Q2'05 by up to €1.4 million per quarter until the final ARCEP tariff decision.

However, further to the Conseil de la Concurrence comments published on May 11, 2005, management now estimates that the probability to end up with a final call termination tariff for 2005 below the company's current estimate for revenue recognition is lower than the probability to end up with a tariff close to or above its current estimate.

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[1] Refer to Note 1 for definitions

Guidance

Management anticipates for 2005 a continuation of the revenue and margin trends experienced in past quarters. Revenue growth is unlikely to accelerate beyond its current pace until deployment of the expansion plan allows the company to address its expanded market coverage, starting in the first half of 2006.

However, as expected, the implementation of the expansion plan will increase network costs, SG&A expenses, and capital expenditures starting Q3'05 and will lower gross margin and operating result in the short term until the revenue increases, forecast to begin in 2006, start to materialize.

Management guidance for 2005 is based on the same call termination tariff estimate it used to assess call termination revenue in Q1 and Q2'05. Management estimate for call termination revenue could change and may be later adjusted upwards or downwards retrospectively.

In million €	FY 2005 before impact of expansion plan	Impact of Expansion Plan	FY 2005
Retail Revenue	€148.5 - € 150.5		€148.5 - € 150.5
Wholesale Revenue	€34.5 - €36.5		€34.5 - €36.5
Adjusted EBITDA	€31 - €33	€(4) - €(6)	€25 - €27
CAPEX	€24 - €26	€40 - €50	€64 – €76

This guidance is based on management's current views and assumptions and involves known and unknown risks and uncertainties, such as call termination tariffs, that could cause actual results, performance or events to differ materially from those anticipated.

Conference Call

Further discussion of the above will be provided on the Company's quarterly call to be held on July 28, 2005 at 16:00 CET. Details of the call are available on the Company's web site www.completel.com.

Note 1:

Adjusted EBITDA: Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization. Excludes (in addition to interest, taxes, depreciation and amortization) non-cash compensation charges and foreign exchange loss and other expenses, including restructuring, impairment, retirement, and other charges, as well as other non-recurring operating expenses. Adjusted EBITDA is not derived pursuant to generally accepted accounting principles and therefore should not be considered as an alternative to operating income (loss), as an alternative to cash flows from operating activities, or as a measure of liquidity. Furthermore, the Company is not aware of any uniform standards for determining Adjusted EBITDA. Presentations of Adjusted EBITDA may not be calculated consistently by different companies in the same or similar businesses. As a result, the Company's reported Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. Management believes this non-gaap financial measure provides useful information.

ARCEP: Autorité de Régulation des Communications Electroniques et des Postes. Formerly ART.

ARPU: Average Monthly Revenue per User for retail customers connected with fiber.

Free Cash Flow: Net increase/decrease in cash and cash equivalents.

Gross Margin: Gross Margin before depreciation of network is defined as revenue less fixed and variable network costs.

Reconciliation of Adjusted EBITDA to Net Loss:

In million of Euros	Q2'04	Q1'05	Q2'05
Adjusted EBITDA	**5.4**	**7.6**	**8.1**
Non-cash compensation charges	0.1	0.1	0.1
Network depreciation expense	7.3	7.1	7.5
Depreciation expense allocated to S,G&A	1.0	0.9	1.0
Other operating (income) / loss	0.2	(0.1)	0.2
Operating income / (loss)	**(3.2)**	**(0.4)**	**(0.7)**
Financial Income (Loss)	0.1	0.1	0.2
Net Income (Loss)	**(3.1)**	**(0.3)**	**(0.5)**

Management considers that Adjusted EBITDA is more an operating measure than a liquidity measure of its financial performance. As a result, management reconciles Adjusted EBITDA to its Net Loss.

Information contained in this press release is based on the current expectations and assumptions of the management of Completel only. Completel does not undertake to publicly update or revise these statements, whether as a result of new information, future events or otherwise. Any such forecasts or forward-looking statements are subject to risks and uncertainties including, but not limited to: (a) decline in demand for Completel's telecommunications services; (b) pricing pressures from Completel's direct competitors as well as from providers of alternative services; (c) failures, shutdowns or service disturbances with respect to Completel's networks; (d) Completel's inability to develop and maintain efficient operations support; (e) regulatory developments adverse to Completel and (f) technological changes affecting Completel's market and service offering. For a more detailed discussion of such risks affecting the Company, please refer to Completel's "Document de Référence" *filed with the French Autorité des Marchés Financiers, Completel's Annual Reports, and Completel's Registration documents filed with the Dutch Autoriteit Financiële Markten. All documents are available on www.completel.fr and www.completel.com, or can be obtained free of charge from the Company.*

Completel Europe NV (ParisBourse: CPT).

Completel is a leading national infrastructure-based operator serving medium and large businesses in France. Completel is a member of the following index of Euronext : CAC Small 90, CAC Mid & Small 190, SBF250, IT CAC and the Next Economy segment.

	ISIN Code	Bloomberg Ticker	Reuters RIC
Ordinary Share	NL0000262822	CPT FP Equity	CPT.PA

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Next events

Q2 2005 Earning Results conference Call	:	July 28, 2005 at 4pm (Paris time)
Q3 2005 Earning Results	:	November 8, 2005

COMPLETEL EUROPE N.V.
CONSOLIDATED BALANCE SHEET
(Prepared in accordance with IFRS)
(Stated in thousands of euros)

	June 30, 2005 *(unaudited)*	December 31, 2004 *(unaudited)*
ASSETS		
Non-current assets		
Property and equipment	210 072	212 446
Intangible assets	11 573	13 649
Other non-current assets	3 252	2 913
	224 897	229 008
Current assets		
Trade receivables, VAT included	28 910	26 164
Prepaid expenses and other receivables	9 498	8 874
Cash and cash equivalents	44 922	40 030
	83 330	75 068
Total assets	**308 227**	**304 076**
EQUITY AND LIABILITIES		
Shareholders' equity	238 722	239 496
Non-current liabilities		
Deferred revenues & other non-current liabilities	7 022	5 929
Obligations under finance leases	3 627	3 834
	10 649	9 763
Current liabilities		
Trade payables, VAT included	27 572	21 747
Network vendor payables, VAT included	11 556	11 897
Accrued payroll and related costs	10 557	11 420
Deferred revenues	7 398	7 531
Accrued liabilities	1 773	2 222
	58 856	54 817
Total equity and liabilities	**308 227**	**304 076**

COMPLETEL EUROPE N.V.

CONSOLIDATED INCOME STATEMENT

(Prepared in accordance with IFRS)

(Stated in thousands of euros, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	**2004**	**2005**	**2004**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Revenue	**46 756**	**39 140**	**91 527**	**77 188**
Network costs	26 451	21 118	51 055	41 529
Network depreciation	7 450	7 284	14 585	14 280
Gross margin, network depreciation included	12 855	10 738	25 887	21 379
Selling, general and administrative expenses	12 313	12 688	24 975	25 329
Other depreciation and amortisation expense	979	993	1 916	1 947
Other expenses / (income)	215	262	85	442
Operating profit / (loss)	**(652)**	**(3 205)**	**(1 089)**	**(6 339)**
Interest income	225	233	502	451
Interest expense	(66)	(84)	(132)	(167)
Profit (loss) before tax	**(493)**	**(3 056)**	**(719)**	**(6 055)**
Income tax	-	30	45	30
Net profit (loss)	**(493)**	**(3 086)**	**(764)**	**(6 085)**
Earnings per share				
Basic	(0,06)	(0,40)	(0,10)	(0,79)
Diluted	(0,06)	(0,39)	(0,10)	(0,77)

Supplemental Income statement information

Gross margin breakdown :				
Revenue	46 756	39 140	91 527	77 188
Network costs, before network depreciation	26 451	21 118	51 055	41 529
Gross margin, before depreciation of network	**20 305**	**18 022**	**40 472**	**35 659**

COMPLETEL EUROPE N.V.
CONSOLIDATED CASH FLOW STATEMENT
(Prepared in accordance with IFRS)
(Stated in thousands of euros)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	**2004**	**2005**	**2004**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Cash flows from operating activities				
Net Profit (loss)	(493)	(3 086)	(764)	(6 085)
Depreciation and amortisation expense	8 429	8 277	16 501	16 227
Cost of share-based payment	45	62	90	124
(Gain) / Loss on sale of property and equipement	190	101	59	101
Changes in working capital	25	805	1 217	2 364
Net cash generated from operating activities	**8 196**	**6 159**	**17 103**	**12 731**
Cash flows from investing activities				
Purchases of tangible and intangible assets	(6 495)	(7 435)	(12 455)	(16 874)
Proceeds from sale of property and equipment	76	133	343	141
Net cash used in investing activities	**(6 419)**	**(7 302)**	**(12 112)**	**(16 733)**
Cash flows from financing activities				
Net changes in treasury shares	(99)	-	(99)	-
Net cash (used in) / from financing activities	**(99)**	**-**	**(99)**	**-**
Net increase (decrease) in cash and cash equivalents	**1 678**	**(1 143)**	**4 892**	**(4 002)**
Cash and cash equivalents at beginning of period	43 244	42 936	40 030	45 795
Cash and cash equivalents at end of period	**44 922**	**41 793**	**44 922**	**41 793**