

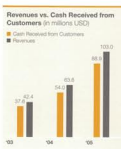
Annual Report 2005

Enabling the Search Driven Economy

Milestone Performance. Accelerating Momentum.

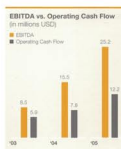
FAST uses US Generally Accepted Accounting Principles (US GAAP) as the US has developed accounting principles that specifically address the circumstances and business patterns that are unique to the software industry. These principles have been honed over the years to act as valid indicators of the health of a company. They are the toughest standards in the world, and, by employing them, FAST measures up to stringent, independent assessment.

The accompanying graphs are different, but inter-related indicators of FAST's financial performance over the past three years and of the financial health of the Company. The accompanying discussion is intended to provide the context within which to consider the numbers.



Revenues vs. Cash Received from Customers
Cash received from customers primarily relates to revenue already generated as the Company expects its customers to pay monthly upon delivery of products or services. Cash receipts should be moving in the same direction as revenue and represent a healthy percentage of revenue. Revenue grew by 62% while cash received from customers improved by 65% over the past year. Such receipts have represented at least 65% of revenue for each of the past three years.

FAST's performance is consistent with other successful and fast-growing software companies at a comparable stage of development.



EBITDA vs. Operating Cash Flow
EBITDA and operating cash flow (OCF) are key financial indicators for a particular period. Defined as "earnings" or "income from continuing operations" before "interest, taxes, depreciation and amortization", EBITDA assumes that all operating receivables earned and liabilities incurred will be settled in cash in the near future. OCF represents the realization of a combined performance of:

Past - cash received from customers on receivables and cash pay-downs of accounts payable and accrued expenses, all of which relate to prior periods.

Present - cash received from customers on sales and cash paid for normal operating activities, all of which relate to the current period.

Future - cash received from customers upfront on services yet to be provided (i.e., deferred revenue on maintenance and support services) and costs paid upfront (i.e., prepaid expenses), all of which relate to future periods.

OCF has been less than EBITDA for a number of years as current costs are being paid ahead of cash received on current sales. However, both have been positive and increasing at impressive rates. EBITDA by 62% to \$25 million and OCF up by 57% to \$32 million over the past year.



Operating Cash Flow, Operating Income, EBIT, EBITDA and Adjusted EBITDA
FAST reached significant financial milestones during the year, achieving the industry's fastest growing revenues at 62% and the leading profitability. EBITDA and Adjusted EBITDA were identical for the last three quarters of 2004 through the first two quarters of 2005, and on an annual basis they differed by only \$0.3 million due to (a) share-based compensation in the first quarter of 2004 and (b) share of losses in equity method investees in the second half of 2005.

EBITDA reached a record high \$25.2 million in 2005 compared to \$15.5 million in 2004. As a percentage of revenue, the EBITDA margin increased slightly from 24.2% to 24.4% over the past year.

The Company's profits during 2005 also yielded improvements in operating cash flow (OCF). Over the last three years, OCF has led EBITDA due to strong off-invoice expense accruals. However, OCF has generally kept pace with

operating income and EBIT, except for a number of years as current costs are being paid ahead of cash received on current sales. However, both have been positive and increasing at impressive rates. EBITDA by 62% to \$25 million and OCF up by 57% to \$32 million over the past year.



Operating Cash Flow vs. Free Cash Flow
Cash flow from operations has more than doubled over the last two years, resulting in positive OCF of \$7.8 million for 2004 and \$22.2 million for 2005. Positive free cash flow was \$2.2 million and \$3.2 million, respectively. The increase in OCF is outpacing investments the Company is making to ensure that FAST's core products continue to be the leading technology in the marketplace. Such investments are viewed as an optimized software development. The profits on the Company's current product line are robust enough to more than cover this investment in the future. The free cash flow represents an organic increase in the Company's cash balances for the last three years and this trend is expected to continue to improve for the foreseeable future.

September

September 6, 2005
FAST selected as KMWorld 2005 Top 100 in knowledge management

FAST Enterprise Search Platform (FAST ESP™) was selected by KMWorld magazine as a "2005 Top 100" product. Officially unveiled by September 2005, KMWorld's 2005 Top 100 lists some 100 products on their ability to solve a unique value to an organization. Its selection and listing is prestigious.

"After evaluating more than 200 vendors and 1,200 offerings, the year's 100 most innovative products were ranked on the usability, flexibility, scalability, and ease of integration. To see the vendor's score for the Top 100, go to www.kmworld.com." said Hugh Mitchell, editor-in-chief, KMWorld.

October

October 17, 2005
FAST placed in the Leaders quadrant in 2005 Business Access Technology Magic Quadrant Report

Industry analyst group, Gartner, Inc., has positioned FAST in "the Leaders quadrant" of its newly released 2005 Information Access Technology Magic Quadrant Report. According to Gartner, vendors located in the "Leaders" quadrant are companies that will define a new wave of market leaders, and are actively building competencies to meet their customers' needs in the market.

October 21, 2005
All: Fast named president of FAST

FAST today announced that All J. Fast has been named president and chief executive officer. Mr. Fast previously served as chief operating officer and chief financial officer of the Company.

"The role of president appropriately reflects All's role in our company, and the important strategic responsibilities he has in the overall management of FAST and in our executive relationships with customers and partners," said John M. Lewis, chief executive officer of FAST. Mr. Fast has served as CEO and CFO of FAST during a period of unprecedented growth and success.

October 24, 2005
FAST awards a new standard for desktop enterprise search

FAST today announced availability of the FAST Enterprise Search Platform (FAST ESP™). FAST PSP awards FAST's world class enterprise search technology to a flexible platform that enables enterprises to manage their desktop enterprise search. Not covered by the initial set of search technologies available today, FAST PSP is the FAST PSP to deliver innovation and differentiated services to help our customers and organizations across the globe can leverage FAST PSP to increase productivity and performance for their knowledge services.

November

November 1, 2005
FAST provides search technology for Schubert's groundbreaking web portal search

FAST today announced that Schubert.com, the world's largest free web portal, has selected FAST ESP™ to power the search capabilities of its newly launched web portal, now standard in major search engines in the world.

Such search offering allows the portal to accurately interpret user search needs of structured and unstructured sources including desktop search, broadband media content and other information. The professional search capabilities of the service allow users to instantly and to view relevant local information.

November 22, 2005
FAST named to EConnect 100 list for fourth consecutive year

FAST today announced that it has been named to EConnect magazine's EConnect 100. This list recognizes the companies that maintain the highest level of digital content quality for FAST. We are the fourth consecutive year the Company has been selected to the EConnect 100 annual list. Members of the EConnect 100 represent the leaders of the digital content industry. These companies consistently deliver products and services that are innovative and provide meaningful results for the customers, said Andrew Murray, FAST's, EConnect magazine.

December

December 12, 2005
FAST selected to Red Herring Small Cap 100

FAST today announced that it has been named to the Red Herring Small Cap 100. The list of Red Herring included more than 2,000 technology companies from North America, Europe, and the Asia Pacific region for the month. The award is the list of the most competitive, most innovative, and the most promising technology companies in the small cap segment. We hope that the Red Herring Small Cap 100 list will draw the light on them in the "Red Herring" and "Red Herring" magazine.

We remain debt-free and increased our 2005 year-end cash balance to \$126 million, up from \$77 million at the close of 2004.



Innovation Journal no.1

fast
Considering the 2.0 World

Crossing the Line: Musings on Media

By Garth Sacks

It's a new world. The old rules are gone. The new rules are being written. The old rules were simple: if you had a good idea, you could make it. The new rules are complex: if you have a good idea, you need to have a good business plan, a good marketing strategy, and a good network. The old rules were about the product. The new rules are about the process.

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Sustainable Advantage: Building the Search Center of Excellence

Search Centers of Excellence are a new management approach to leveraging value from enterprise search. This is a structured, practical tool for driving search innovation.