

PROCEDURE CONCERNING IDENTIFICATION OF THE RELEVANT PERSONS AND THE TRANSACTIONS CARRIED OUT DIRECTLY OR THROUGH NOMINEES IN RESPECT OF SHARES ISSUED BY TISCALI S.P.A. OR OTHER RELATED FINANCIAL INSTRUMENTS ("INTERNAL DEALING PROCEDURE")

1. Foreword

Pursuant to the provisions set out in Section 114, paragraph 7, of Legislative Decree no. 58 of 24 February 1998 (hereinafter TUF) and in Consob Regulation no. 11971/1991 ("Regulations on Issuers" set in Annex A of the Italian version), the Chief Executive Officer of Tiscali S.p.A. (hereinafter "Tiscali") in consultation with the Internal Audit Committee has approved the following "Procedure concerning identification of the relevant persons and the transactions carried out directly or through nominees in respect of shares Issued by Tiscali o or other related financial instruments (Internal Dealing Procedure)".

2. Relevant persons

For the purposes of this Internal Dealing Procedure, the relevant persons are defined as follows:

A. Relevant Persons:

1. At Tiscali's level:

- a. the Chairman of the Board of Directors, the Chief Executive Officer, the members and the secretary of the Board, the Chairman of the Statutory Auditors and the Statutory Auditors, as well as the executive in charge of financial documents and the General Manager, if any;
- b. The Directors of the Business Units and/or Corporate Functions directly reporting to the Chairman, if executive, and/or to the Chief Executive Officer, having formal access to inside information and having the power to adopt management decisions possibly affecting the future development and perspectives of Tiscali;

2. At Tiscali's subsidiaries levels, whenever the book value of the holding is higher than 50% of Tiscali's total assets, as resulting from the last approved financial statements:

- c. the members of the governing and audit bodies and the secretary of the Board;
- d. The Directors of the Business Units and/or Corporate Functions directly reporting to the Chairman, if executive, and/or to the Chief Executive Officer, having formal access to inside information and having the power to adopt management decisions possibly affecting the future development and perspectives of Tiscali

B. Persons closely associated with the relevant persons:

1. spouses, unless legally separated, dependent children, including those of the spouse, and, if they have cohabited for at least one year, parents and persons related by consanguinity or affinity;
2. legal entities, partnerships and trusts in which a relevant person or one of the persons referred to in subparagraph 1 of letter B is solely or jointly responsible for the management;
3. legal persons, partnerships and trusts in which a relevant person or one of the persons referred to in subparagraph 1 of letter B is solely or jointly responsible for the management;
4. partnerships whose economic interests are substantially equivalent to those of a relevant person or one of the persons referred to in subparagraph 1 of letter B;
5. trusts set up in favor of a relevant person or one of the persons referred to in subparagraph 1 of letter B ;

Relevant persons other than those referred to under letter a) and the Persons closely associated with them shall be jointly referred to hereinafter as "Relevant Persons".

3. Transactions for which notification obligations apply

The transactions carried out by the Relevant Persons for whatever purposes, whether on the Stock Exchange or over the counter, concerning purchase, sale, subscription or exchange ("Transactions") of shares issued by Tiscali (hereinafter, "Shares") and/or listed subsidiaries thereof, as well as in respect of other financial instruments linked to the Shares, shall have to be notified, exceeding the amount indicated in paragraph 4.

The Shares and the financial instruments linked to them, where necessary, shall be referred thereafter jointly as "Financial Instruments".

Under Section 152-sexies (Definitions), par. 1, of the Regulations on Issuers, "b) "financial instruments linked to shares" shall mean:

- b.1) financial instruments that permit the subscription, acquisition or disposal of shares;*
- b.2) debt financial instruments convertible into shares or exchangeable for shares;*
- b.3) derivative financial instruments based on shares referred to in Article 1.3 of the Consolidated Law;*
- b.4) other financial instruments, equivalent to shares, representing such shares;*
- b.5) listed shares issued by subsidiaries of the listed issuer and financial instruments referred to in subparagraphs from b.1) to b.4) linked to them;*
- b.6) unlisted shares issued by subsidiaries of the listed issuer when the book value of the holding in the subsidiary represents more than fifty per cent of the listed issuer's assets as shown by the latest approved annual financial statements and financial instruments referred to in subparagraphs from b.1) to b.4) linked to them.*

In order to assess whether the Transaction shall be communicated the following shall not be taken into consideration:

- transactions whose overall amount is lower than EUR five thousands (5,000.00) within the end of the calendar year; concerning derivative financial instruments based on shares the relevant amount is calculated with reference to the underlying shares;
- transactions performed by Relevant persons and Persons closely associated to Relevant persons
- transfers of financial instruments mortis causa;
- Transactions performed by Tiscali and its subsidiaries.

4. Duty of notification

The notification shall be performed within the day following the day on which, in each calendar year, the total amount in absolute terms is equal to or higher than five thousand (5,000.00) Euro or, once exceeded such threshold, within the day following the performance of any further transaction in the same calendar year. This amount shall be calculated by summing up the equivalent value of the Transactions performed by or on behalf of each Relevant Person as well as the Transactions performed by or on behalf of the Persons closely associated with each of the said persons. The Relevant Persons shall send the information concerning the Transactions carried out by them, or by the Persons closely associated with them, by the aforementioned term, to the Finance Department, Investor Relations Manager, via e-mail (ir@tiscali.com) or via fax (++ 39 02 30901400), using the form contained in Annex B hereto, which is also available on Tiscali's website.

The Finance Department shall notify, within the fifth day on which the Stock Exchange is open after the performance date, the reported Transactions to Consob and the market on behalf of the

Relevant persons. The notification shall be performed by using the "Network Information System" that is available to both issuers and subscribers (mainly press agencies).

Pursuant to Legislative Decree 196/03 that regulates the safeguarding of persons and other subjects with respect to personal data processing, the communication of the data supplied by the Relevant Parties is limited exclusively to that needed for their specific objectives and, within the limits strictly pertaining to the obligations, assignments or objectives previously indicated, will be communicated to Borsa Italiana and disclosed to the public. The data will be kept for the period necessary pertaining to the reason for which they were received. Anyone interested in exercising the rights set forth in Article 7 of Legislative Decree 196/03 may refer to the officer in charge of personal data handling at Tiscali.

5. Sanctions

Failure to comply with laws and regulations related to communications to CONSOB and the market, set forth in this Internal Dealing Procedure, the companies, entities or associations (...) shall be punished by a pecuniary administrative sanction of between five thousand euros and five hundred thousand euros for non-compliance with such articles or the related implementing provisions. (...) Where the notifications are due from a natural person, in the event of a violation the sanction shall be applied to such person." (Section 193(1) of TUF).

Additionally, insider trading and market manipulation are regarded as offences carrying criminal punishments (Sections 184 to 187 of TUF) as well as administrative sanctions (Sections 187-bis to 187-quater of TUF) and may give rise to situations entailing corporate administrative liability (as per Sections 187-quinquies of TUF and Section 25-sexies of Legislative Decree no. 231/2001).

6. Final Provisions

The Chief Executive Officer shall send this Internal Dealing Procedure to the Board of Directors and Statutory Auditors as well as to all Relevant persons.

Under Section 152-octies (Procedures and time limits for notifications to Consob and public disclosures), paragraph 10, of the Regulations of Issuers, "Relevant persons shall inform persons closely associated with them of the existence of the conditions by virtue of which the latter are subject to the notification obligations referred to in Article 114.7 of the Legislative Decree 58/1998."

Each Relevant Person is required to:

- comply with the provisions set out in the Internal Dealing Procedure;
- see that persons closely associated to them comply with the provisions set out in this Internal Dealing Procedure.

The Investor Relation Manager and Legal Affairs Manager are in charge of providing any required explanation on the contents and application of this Internal Dealing Procedure.

The Chief Executive Officer may make such amendments and/or additions to this Procedure as may become necessary following legislative measures or organizational changes implemented by Tiscali.

Tiscali S.p.A.
Chief Executive Office
Tommaso Pompei

Law Decree 24 February 1998 n. 58

Article 114

Information to be provided to the public

7. Persons performing administrative, supervisory and management functions in a listed issuer and managers who have regular access to inside information referred to in paragraph 1 and the power to make managerial decisions affecting the future development and prospects of the issuer, persons who hold shares amounting to at least 10 per cent of the share capital, and any other persons who control the issuer must inform Consob and the public of transactions involving the issuer's shares or other financial instruments linked to them that they have carried out directly or through nominees. Such disclosures must also be made by the spouse, unless legally separated, dependent children, including those of the spouse, cohabitant parents and relatives by blood or affinity of the persons referred to above and in the other cases identified by Consob in a regulation implementing Commission Directive 2004/72/EC of 29 April 2004. In the same regulation Consob shall identify the procedures and time limits for such notifications, the procedures and time limits for the disclosure of the information to the public and the cases in which such obligations also apply with reference to companies in a control relationship with the issuer and any other entities in which the persons specified above perform functions referred to in the first sentence of this paragraph.

Art. 193

(Corporate information and duties of auditing firms and members of boards of auditors)

1. Companies, entities and associations required to make the notifications referred to in Articles 113, 114 and 115 shall be punished by a pecuniary administrative sanction of between five thousand euros and five hundred thousand euros for non-compliance with such articles or the related implementing provisions. Article 190(3) shall apply.

Where the notifications are due from a natural person, in the event of a violation the sanction shall be applied to such person.

Art. 181

(Inside information)

1. For the purposes of this title inside information shall mean information of a precise nature which has not been made public relating, directly or indirectly, to one or more issuers of financial instruments or one or more financial instruments and which, if it were made public would be likely to have a significant effect on the prices of those financial instruments.

2. In relation to derivatives on commodities, inside information shall mean information of a precise nature which has not been made public relating, directly or indirectly, to one or more such derivatives and which users of markets on which such derivatives are traded expect to receive in accordance with accepted market practices on those markets.

3. Information shall be deemed to be of a precise nature if:

- a) it refers to a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to occur;
- b) it is specific enough to enable a conclusion to be drawn as to the possible effect of the set of circumstances or event referred to in subparagraph a) on the prices of financial instruments.

4. Information which, if made public, would be likely to have a significant effect on the prices of financial instruments shall mean information a reasonable investor would be likely to use as part of the basis of his investment decisions.

1-*bis*. The sanction referred to in paragraph 1 shall be imposed on persons who perform administrative, management or supervisory functions in companies or entities that engage in the activities referred to in Articles 114(8) and 114(11) and their employees and on persons referred to in Article 114(7) for non-compliance with such articles and the related implementing provisions issued by Consob.

L. 28 DECEMBER 2005, N. 262

Art. 39

(Increased penal and administrative sanctions)

The sanctions provided by the consolidated act contained in legislative decree 1° September 1993, n. 385, by the consolidated act contained in legislative decree 24 February 1998, n. 58, by the law 12 August 1982, n. 576, and by legislative decree 21 April 1993, n. 124, are doubled within the limits established for each type of sanction by part I, title II, chapter II, of the penal code.

CONSOB REGULATION N. 11971 IMPLEMENTING THE PROVISIONS OF LEGISLATIVE DECREE 58 24 FEBRUARY 1998

Chapter II - Transactions concluded by relevant persons and persons closely associated with such persons

Article 152-*sexies* (*Definitions*)

1. In this Chapter:

- a) "listed issuer" shall mean companies referred to in Article 152-*septies*, paragraph 1;
- b) "financial instruments linked to shares" shall mean:
 - b.1) financial instruments that permit the subscription, acquisition or disposal of shares;
 - b.2) debt financial instruments convertible into shares or exchangeable for shares;
 - b.3) derivative financial instruments based on shares referred to in Article 1.3 of the Consolidated Law;
 - b.4) other financial instruments, equivalent to shares, representing such shares;
 - b.5) listed shares issued by subsidiaries of the listed issuer and financial instruments referred to in subparagraphs from b.1) to b.4) linked to them;
 - b.6) unlisted shares issued by subsidiaries of the listed issuer when the book value of the holding in the subsidiary represents more than fifty per cent of the listed issuer's assets as shown by the latest approved annual financial statements and financial instruments referred to in subparagraphs from b.1) to b.4) linked to them.
- c) "relevant persons" shall mean:
 - c.1) the members of the board of directors and the internal control body of a listed issuer;

c.2) the general managers of a listed issuer and the managers who have regular access to inside information and are authorized to take management decisions that can influence the development and prospects of the listed issuer;

c.3) the members of the board of directors and the internal control body, the general managers and the managers who have regular access to inside information and are authorized to take management decisions in a company directly or indirectly controlled by a listed company that can influence the development and prospects of such company if the book value of the holding in the subsidiary represents more than fifty per cent of the listed issuer's assets as shown by the latest approved annual financial statements;

c.4) any other person who holds a holding, calculated pursuant to Article 118, equal to at least 10 per cent of the share capital of the listed issuer represented by voting shares and any other person who controls the listed issuer;

d) "persons closely associated with relevant persons" shall mean:

d.1) spouses, unless legally separated, dependent children, including those of the spouse, and, if they have cohabited for at least one year, parents and persons related by consanguinity or affinity;

d.2) legal persons, partnerships and trusts in which a relevant person or one of the persons referred to in subparagraph d.1) is solely or jointly responsible for the management;

d.3) legal persons controlled directly or indirectly by a relevant person or one of the persons referred to in subparagraph d.1);

d.4) partnerships whose economic interests are substantially equivalent to those of a relevant person or one of the persons referred to in subparagraph d.1);

d.5) trusts set up in favour of a relevant person or one of the persons referred to in subparagraph d.1).

Article 152-septies (Scope)

1. Article 114.7 of the Consolidated Law shall apply to:

a) Italian companies issuing shares traded on Italian or other EU regulated markets;

b) companies that do not have their registered office in an EU Member State and that are required to file annual information concerning shares in accordance with Article 10 of Directive 2003/71/EC.

2. The obligations laid down in Article 114.7 of the Consolidated Law shall apply to transactions involving the purchase, sale, subscription or exchange of shares or financial instruments linked to shares.

3. The following shall not be notified:

a) transactions whose total amount does not reach five thousand euros at the end of the year; for derivative linked financial instruments, the amount shall be computed with reference to the underlying shares;

b) transactions between relevant persons and persons closely associated with them;

c) transactions by the listed issuer itself and its subsidiaries.

4. The amount referred to in Article 3.a) shall be computed by summing the transactions involving shares and the financial instruments linked to them concluded on the own account of each relevant person and those concluded on the own account of persons closely associated with such person.

Article 152-octies

(Procedures and time limits for notifications to Consob and public disclosures)

1. Relevant persons referred to in Article 152-sexies, paragraphs 1. c.1), 1.c.2) and 1.c.3) shall notify Consob of transactions involving shares and linked financial instruments concluded directly and by persons closely associated with them not later than five trading days after their execution date.

2. Relevant persons referred to in Article 152-sexies, paragraphs 1. c.1), 1.c.2) and 1.c.3) shall notify the listed issuer of transactions referred to in paragraph 1 within the time limit established therein.

3. Listed issuers shall publicly disclose, in the manner provided for in Articles 66.2 and 66.3, the information received pursuant to paragraph 2 not later than the end of the trading day following that of its receipt.

4. Relevant persons referred to in Article 152-sexies, paragraph 1. c.4) shall notify to Consob and publicly disclose, in the manner provided for in Article 66.2, the information referred to in paragraph 1 not later than the fifteenth day of the month following that in which transaction was executed.

5. The public disclosure referred to in paragraph 4 may be made, on behalf of the relevant persons specified in such paragraph, by the listed issuer, provided that, under a prior agreement, such relevant persons send the information referred to in paragraph 1 to the listed issuer within the time limit established in paragraph 4. In such case the listed issuer shall publicly disclose, in the manner provided for in Articles 66.2 and 66.3, the information not later than the end of the trading day following that on which it received the information from such relevant persons.

6. Notifications to Consob provided for in paragraphs 1 and 4 may be made, on behalf of all the relevant persons, by the listed issuer within the respective time limits established in such paragraphs.

7. Notifications referred to in the preceding paragraphs shall be made in the manner specified in Annex 6.

8. Listed issuers and companies they control referred to in Article 152- sexies, paragraph 1.c.3) must:

a) establish a procedure serving to identify those of their managers required to make the notification referred to in Article 114.7 of the Consolidated Law, as specified in such article and in this Title;

b) inform the persons identified in accordance with the previous subparagraph of their having been identified and of the consequent obligations.

9. Listed issuers must identify the person to be responsible for receiving and handling the information referred to in this Title and for disclosing it to the market.

10. Relevant persons shall inform persons closely associated with them of the existence of the conditions by virtue of which the latter are subject to the notification obligations referred to in Article 114.7 of the Consolidated Law.

ANNEX B

FILING MODEL FOR DISCLOSURE OF TRANSACTIONS REFERRED TO ARTICLE 152-*octies*, paragraph 7

1. DECLARER										
1. PERSONAL DATA										
IF NATURAL PERSON										
FAMILY NAME					FIRST NAME				GENDER*	
TAX CODE*		DATE OF BIRTH (dd/mm/yyyy)*		PLACE OF BIRTH*		PROVINCE OF BIRTH*		COUNTRY OF BIRTH*		
PLACE OF RESIDENCE*										
IF LEGAL PERSON, UNLIMITED PARTNERSHIP OR TRUST										
CORPORATE NAME										
TAX CODE*		LEGAL FORM*		DATE ESTABLISHED (dd/mm/yyyy)*						
REGISTERED OFFICE *										
1.2. NATURE OF RELATIONSHIP WITH THE LISTED COMPANY										
C.1) MEMBER OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES OF THE ISSUER									S/N	
C.2) SENIOR EXECUTIVE HAVING REGULAR ACCESS TO INSIDE INFORMATION RELATING, DIRECTLY OR INDIRECTLY, TO THE ISSUER, AND THE POWER TO MAKE MANAGERIAL DECISIONS ON THE FUTURE DEVELOPMENTS AND BUSINESS PROSPECTS OF THE ISSUER									S/N	
C.3) PERSON WHO PERFORMS THE FUNCTIONS REFERRED TO IN POINT C1 AND C2 IN A SUBSIDIARY OF THE LISTED COMPANIES									S/N	
C.4) PERSON WHO HOLDS SHARES AMOUNTING TO AT LEAST 10 PER CENT OF THE SHARE CAPITAL AND ANY OTHER PERSON WHO CONTROL THE ISSUER									S/N	
2. LISTED COMPANY										
CORPORATE NAME						TAX CODE*				

* Information must be provided only if the form is disseminated through the telematics system provided by the market management company (these information will not be subject to public disclosure).

ANNOTATION

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3. PARTY WHICH EXECUTED THE TRANSACTION									
3.1. REASON FOR RESPONSABILITY TO NOTIFY									
RELEVANT PERSON									S/N
NATURAL PERSON CLOSELY ASSOCIATED WITH A RELEVANT PERSON (SPOUSE, UNLESS LEGALLY SEPARATED, DEPENDENT CHILDREN OF THE RELEVANT PERSON OR OF THE SPOUSE, PARENTS, RELATIVES AND RELATIVES-IN-LAW)									S/N
LEGAL PERSON, UNLIMITED PARTNERSHIP OR TRUST CLOSELY ASSOCIATED WITH A RELEVANT PERSON									S/N
3.2 PERSONAL DATA¹									
IF NATURAL PERSON									
FAMILY NAME		FIRST NAME			GENDER*				
TAX CODE *		DATE OF BIRTH (dd/mm/yyyy)*		PLACE OF BIRTH*		PROVINCE OF BIRTH*		COUNTRY OF BIRTH*	
RESIDENZA ANAGRAFICA / PLACE OF RESIDENCE *									
IF LEGAL PERSON, UNLIMITED PARTNERSHIP OR TRUST									
CORPORATE NAME									
TAX CODE*		LEGAL FORM*		DATE ESTABLISHED (dd/mm/yyyy)*					
REGISTERED OFFICE*									

* Information must be provided only if the form is disseminated through the telematics system provided by the market management company (these information will not be subject to public disclosure).

4. TRANSACTIONS

SECTION A): RELATED TO SHARES AND EQUIVALENT FINANCIAL INSTRUMENT AND ASSOCIATED CONVERTIBLE BOND

DATE	TYPE OF TRANSACTION ²	ISIN CODE ³	NAME OF SECURITY	TYPE OF FINANCIAL INSTRUMENT ⁴	QUANTITY	PRICE (in €) ⁵	VALUE (in €)	DESCRIPTION OF TRANSACTION ⁶	NOTES
TOTAL AMOUNT SECTION A (in €)									

SECTION B): RELATED TO FINANCIAL INSTRUMENTS ASSOCIATED TO SHARE REFERRED TO IN ART. 152-sexies, paragraph 1, letters b1, b3

DATE	TYPE OF TRANSACTION ⁷	TYPE OF ASSOCIATED FINANCIAL INSTRUMENT ⁸	TYPE OF RIGHT ⁹	ASSOCIATED FINANCIAL INSTRUMENT		UNDERLYING SECURITY		ACTUAL INVESTMENT / DISINVESTMENT			POTENTIAL (NOTIONAL) INVESTMENT / DISINVESTMENT			MATURITY	NOTES
				ISIN CODE ¹⁰	NAME ¹¹	ISIN CODE	NAME ¹²	QUANTITY	PRICE (in €) ⁵	VALUE (in €)	QUANTITY OF UNDERLYING	STRIKE OR SETTLEMENT PRICE (in €)	VALUE (in €)		
TOTAL POTENTIAL AMOUNT SECTION B (in €)															
TOTAL AMOUNT SECTION A + SECTION B (in €)															

¹ Not to fill if the person which executed the transaction is the same as section 1.1

² Indicate the type of transaction, even if executed through the exercise of associated financial instruments

A = purchase

V = sale

S = subscription

X = exchange

³ ISIN code must be indicated whenever the financial instrument received that code from an appointed international agency (e.g. UIC for Italy)

⁴ Indicate the financial instrument involved in the transaction:

AZO = ordinary shares

AZP = preference shares

AZR = saving shares

QFC = units of closed-end funds

EQV = other financial instruments, equivalent, or representative of shares

OBCV = convertible bonds or other debt financial instruments convertible into shares or exchangeable for shares

⁵ In case of multiple transactions on securities of the same type (see note 2) and with the same modality (see note 6), indicate the weighted average price of the aforementioned transactions. In case of convertible bonds use prices in hundredths (e.g. for a bond negotiated below par value at a price of 99 indicate 0,99, whereas for a bond negotiated above the par value at a price of 101 indicate 1,01)

⁶ Indicate the origin of the transaction:

MERC-IT = transaction over Italian regulated market

MERC-ES = transaction over foreign regulated markets

FMERC = off-market transaction and blocks

CONV = conversion of convertible bonds or exchange of debt financial instruments for shares

ESE-SO = exercise of stock option/stock grant; in case of sale of shares stemming from the exercise of stock options, insert the exercise price in the same line where the sale is recorded, in the correspondent field "Note"

ESE-DE = exercise of derivatives or settlement of other derivatives (future, swap)

ESE-DI = exercise of rights (warrant/covered warrant/securitised derivatives/rights)

7 Indicate the type of transaction:

A= purchase

V= sale

S= subscription

AL= other (to be specified in the notes)

8 Indicate the type of financial instrument:

W = warrant

OBW = bond cum warrant

SD = securitised derivative

OPZ = option

FUT = future contracts

FW = forward contracts

OS = structured bond

SW = swap

DIR = rights

9 Indicate the category of derivative (only for options):

CE= call European style

PE= put European style

CA= call American style

PA= put American style

AL= other (to be specified in the notes)

10 Not to be indicated for non-standard derivatives or whenever the financial instrument did not receive that code from an appointed international agency (e.g. UIC for Italy)

11 Indicate the associated financial instrument

12 Indicate the underlying financial instrument (share)