



tiscali.

1Q08 financial results

Milan, 13th May 2008

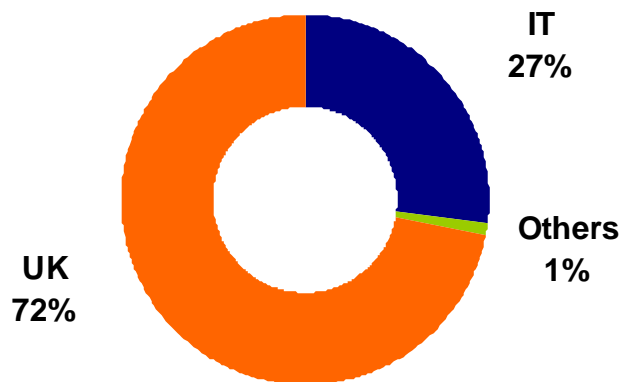
Key 1Q08 results

- Revenue, EBITDA and KPIs growth:
 - Revenue at EUR 276.4 million +43% YoY
 - EBITDA at EUR 48.3 million +92% YoY
 - Total DSL users at 2.45 million, increasing by ca 75K customers in the quarter, over 500K YoY. Market share increase in Italy, stable in the UK, in spite of higher competition
 - Net result of the Group at EUR -37.5 million, vs EUR -42.5 million of 1Q08
- Close to EBIT break-even pre-restructuring costs
- Net financial debt at EUR 520 ml vs EUR 636 ml as of 31st December 2007
- Operating FCF at EUR -26.9 ml

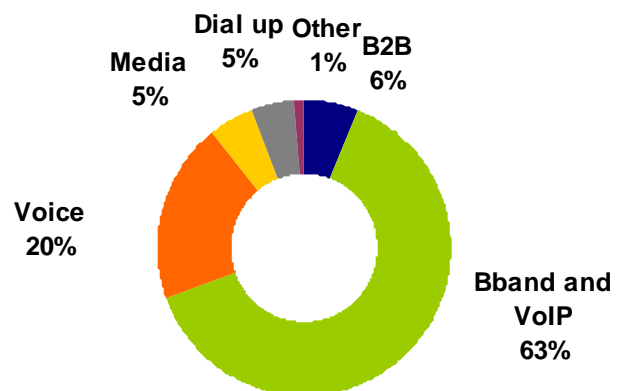
€ml		1Q08	% of rev.	1Q07	% of rev.	Delta 08/07
Revenues		276.4	100%	193.2	100%	43%
	Access	159.8	58%	128.1	66%	25%
	 of which ADSL	144.7	52%	103.9	54%	39%
	Voice	82.9	30%	39.2	20%	111%
	 of which dual play voice traffic	31.8	12%	26.0	13%	22%
	B2B	17.6	6%	13.0	7%	35%
	Media and VAS	12.9	5%	12.4	6%	4%
	Other	3.2	1%	0.04	0%	7900%
Gross Margin		128.8	47%	88.2	46%	46%
Operating costs		81.5	29%	63.9	33%	28%
	Sales & Marketing costs	31.6	11%	24.8	13%	27%
	Personnel costs	24.8	9%	25.2	13%	-2%
	G&A costs	25.1	9%	13.9	7%	81%
Gross Operating Result (EBITDA)		48.3	17%	25.2	13%	92%
	Bad debt and other provisions	7.5	3%	5.0	3%	50%
Adjusted EBITDA post provisions		40.8	15%	20.1	10%	103%
EBIT pre restructuring costs		(4.2)	nm	(15.9)	nm	74%
EBIT		(16.4)	nm	(16.8)	nm	2%
Net result of the Group		(37.5)	nm	(42.5)	nm	12%

Operational breakdown and dynamics

Geographical breakdown of revenues – 1Q08



Business line breakdown of revenues – 1Q08



- The revenues from Italy include the former Tiscali Services, following the merger effective as of 1st Jan 2008
- Broadband and dual play (VoIP) revenues are two-third of total revenues, with voice over 80%. VoIP revenues are traffic generated revenues in dual play offers
- Network coverage:
 - Italy: ca 1,150 LLU sites (55% coverage), of which ca 500 in direct LLU
 - UK: ca 850 LLU sites (55% coverage)
- Estimated broadband market share is ca 12% in UK, 6% in Italy

ITALY						
€ m	1Q08	% of rev.	1Q07	% of rev.	Delta 08/07	
Revenues	75.2	100%	64.4	100%	17%	
	<i>of which ADSL</i>	28.6	38%	22.8	35%	25%
	<i>of which Voice</i>	21.8	29%	13.9	22%	57%
Gross Margin	42.8	57%	35.1	55%	22%	
Operating costs	30.4	40%	25.5	40%	19%	
	<i>Sales & Marketing costs</i>	14.0	19%	11.4	18%	23%
	<i>Personnel costs</i>	10.1	13%	10.2	16%	-1%
	<i>G&A costs</i>	6.3	8%	3.8	6%	66%
Gross Operating Result (EBITDA)*	11.8	16%	9.4	15%	26%	
Adjusted EBITDA**	9.9	13%	7.7	12%	29%	
EBIT pre restructuring costs	(3.5)	nm	(4.2)	nm	17%	
EBIT	(3.6)	nm	(4.2)	nm	14%	

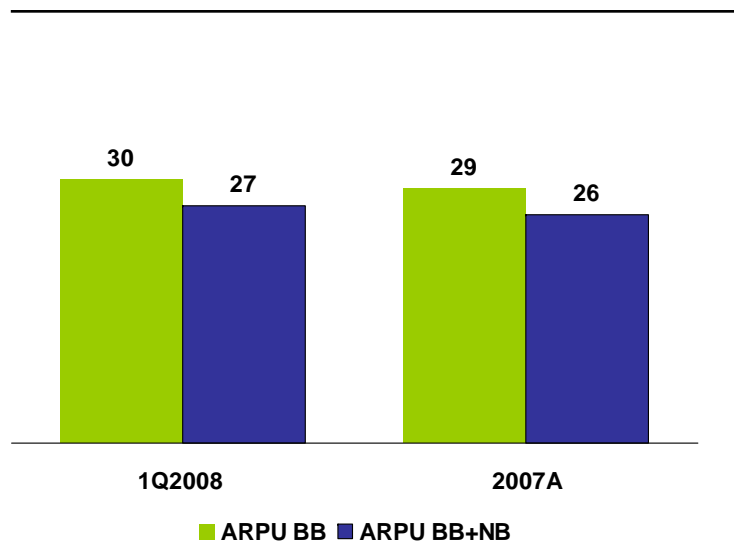
UK						
€ m	1Q08	% of rev.	1Q07	% of rev.	Delta 08/07	
Revenues	197.9	100%	128.0	100%	55%	
	<i>of which ADSL</i>	116.0	59%	81.1	63%	43%
	<i>of which Voice</i>	60.9	31%	24.7	19%	147%
Gross Margin	84.8	43%	53.5	42%	59%	
Operating costs	48.4	24%	32.2	25%	50%	
	<i>Sales & Marketing costs</i>	16.3	8%	12.9	10%	26%
	<i>Personnel costs</i>	10.8	5%	10.5	8%	3%
	<i>G&A costs</i>	21.3	11%	8.7	7%	145%
Gross Operating Result (EBITDA)*	34.7	18%	17.1	13%	103%	
Adjusted EBITDA**	29.4	15%	13.7	11%	115%	
EBIT pre restructuring costs	(0.1)	nm	(8.5)	nm	99%	
EBIT	(8.1)	nm	(8.5)	nm	5%	

* Gross Operating Results is after deduction of management fee and, for UK, of Tiscali Services IC costs

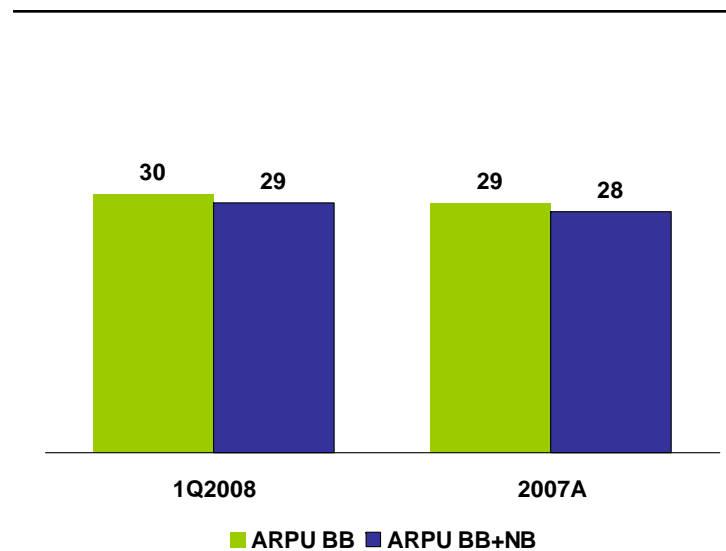
** Adjusted EBITDA is after bad debt and other provisions

Retail broadband and blended ARPUs

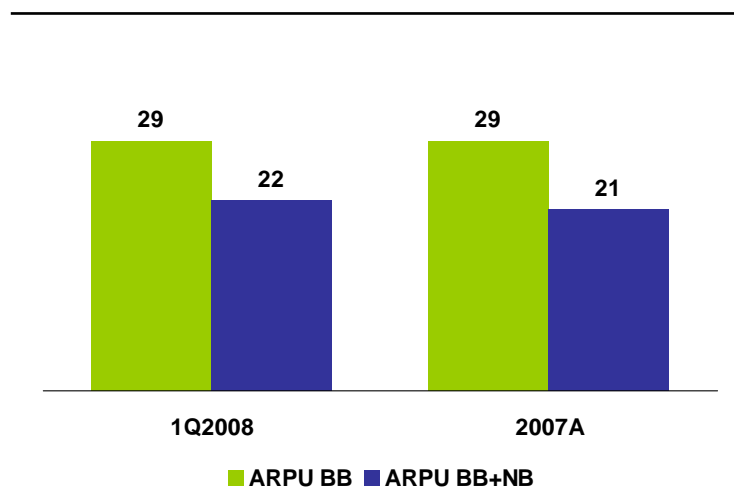
Group (€)



UK (€)



Italy (€)



- ARPU growth due to decrease in wholesale customer base, switching from narrowband to broadband customer and success of multiplay offers

Customer base : Yearly evolution

<i>Numbers in 000s</i>	31st March 2008	31st March 2007	Delta YoY
DSL customers	2,456	1,954	+502
Italy	580	470	+110
<i>Of which dual play</i>	185	111	+74
<i>Of which LLU</i>	354	269	+85
UK broadband	1,875	1,484	+391
<i>Of which dual play</i>	830	298 *	+532
<i>Of which LLU</i>	780	437	+343
Narrowband and single play voice customers	954	1,413	-459
Italy	458	700	-205
<i>Of which single play voice</i>	108	116	+19
UK	496	414 *	+82
<i>Of which single play voice</i>	310	26 *	+284

* Based on today's classification of dual play customers

Customer base: evolution in 1Q08

<i>Numbers in 000s</i>	31st March 2008	31 st December 2007	Delta 1Q08
DSL customers	2,456	2,382	+74
Italy	580	552	+28
<i>Of which dual play</i>	185	171	+14
<i>Of which LLU</i>	354	331	+23
UK	1,875	1,829	+46
<i>Of which dual play</i>	830	787	+43
<i>Of which LLU</i>	780	642	+130
Narrowband and single play voice customers	954	1,085	-131
Italy	458	527	-69
<i>Of which single play voice</i>	108	141	-33
UK	496	558	-62
<i>Of which single play voice</i>	310	360	-50

New IPTV service in Italy: highlights

IPTV TARGETS

- 9 cities covered as of today (4ml lines)
- 9 Mln lines targeted by YE2008
- Penetration : 11% of direct customers by 2009

IPTV FEATURES

- “Time shifting” feature: entire programming format available for 48 hours
- Simple and interactive functionalities: live and taped programs into a single interface
- Easy Video On Demand
- Full HD quality
- Content agreements with the liked of Disney, Sony...



Net financial position

€ ml	31-Mar-08	31-Dec-07
A. Cash	91.6	134.2
B. Other liquid assets	17.7	16.3
C. Securities	-	-
D. Total cash and other financial assets (A) + (B) + (C)	109.4	150.5
E. Other current financial assets	13	12.1
F. Current financial debt	22.1	176.2
G. Long term loans falling within one year	-	-
H. Other current financial debt (*)	19.4	19.5
I. Current financial debt (F) + (G) + (H)	41.5	195.7
J. Net current financial debt (I) – (E) – (D)	80.9	-33.1
K. Non current bank loans	449.6	450.1
L. Bonds	45.2	43.8
M. Other non current debt (**)	106.1	109.5
N. Non current financial debt (K) + (L) + (M)	600.9	603.4
O. Net financial debt (J) + (N)	520.0	636.5

(*) includes leasing debts

(**) includes leasing debt and debts to shareholders

Cash flow analysis



- Operating FCF at EUR -26.9 ml
- Extraordinary cash mainly related to Pipex restructuring costs

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