

tiscali.

9M2007 financial results

Milan, 13th November 2007

■ **Key facts in 9M07**

- Completed disposal of non core assets (Netherlands, Germany, Czech Republic)
- Successfully implemented integration of Video Networks in the UK, both from an organizational and from a product stand point
- Acquisition of Pipex Broadband and Voice Division in the UK
- New financing by Banca Intesa Sanpaolo and JP Morgan (EUR 650 ml, EUR 600ml drawn) to fund Pipex acquisition and to replace existing debt
- Capital increase delegation approved by EGM, for up to EUR 220 ml: EUR 150 ml expected to be executed early 2008

■ **9M2007 results in line with full year targets**

- 9M07 revenues at EUR 614 ml (+ 26% YoY) (FY target of EUR 930 ml). Broadband revenues (including double-play) represent over 66% of total
- 3M07 revenues at EUR 221 ml, +31% YoY
- 9M07 Gross Operating Result at EUR 103.5 ml (17% of revenues) +53% YoY (FY target of EUR 160 ml)

■ **Ca 4.2 million customers as of 30.09.07**

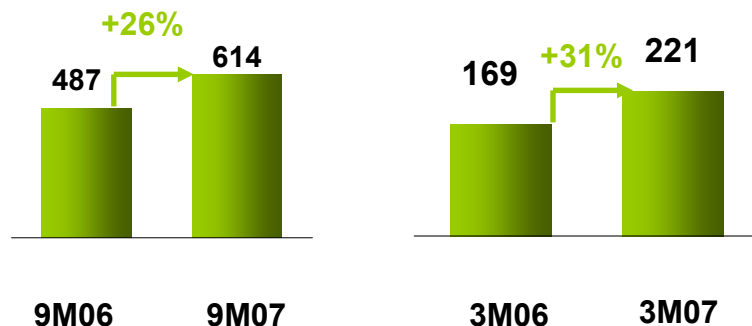
- **2.58 ml broadband** customers (725K* net adds from 31.12.06)
 - Over 1 million direct (LLU) customers (+ 74% YoY), to increase after migration of Pipex customers onto UK network is completed
- **>970K voice customers** (of which 133K VoIP)
- **>750K narrowband customers**

**Including Pipex*

Key results - Group

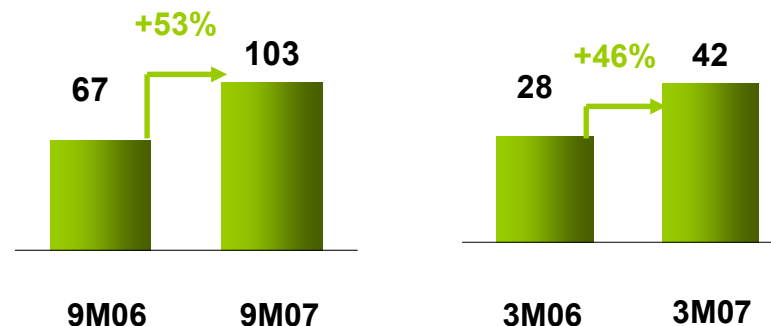
€ml

Revenues*



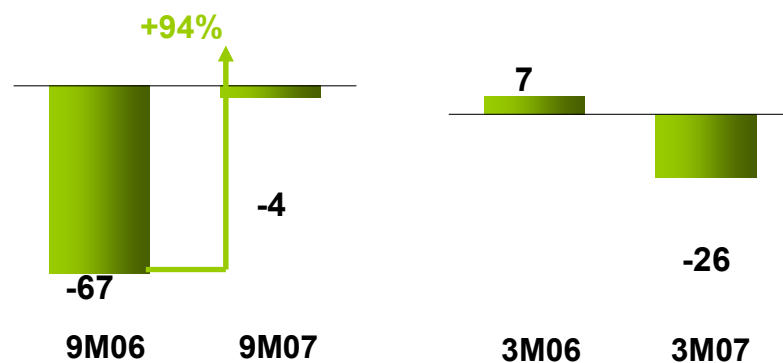
* Including Pipex for 18 days in September.
Organic growth at 22% on 9M and 20% for 3M

Gross Operating Results*



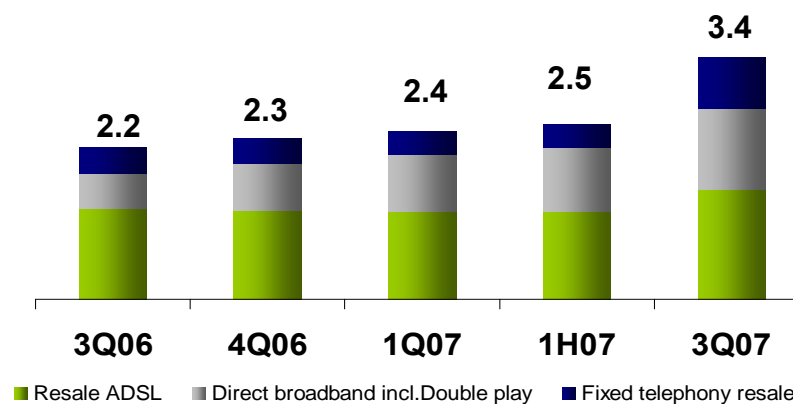
* Including Pipex for 18 days in September.
Organic growth at 47% on 9M and 31% for 3M

Net result*



*Including Pipex for 18 days in September
2007 net result include capital gain from disposals

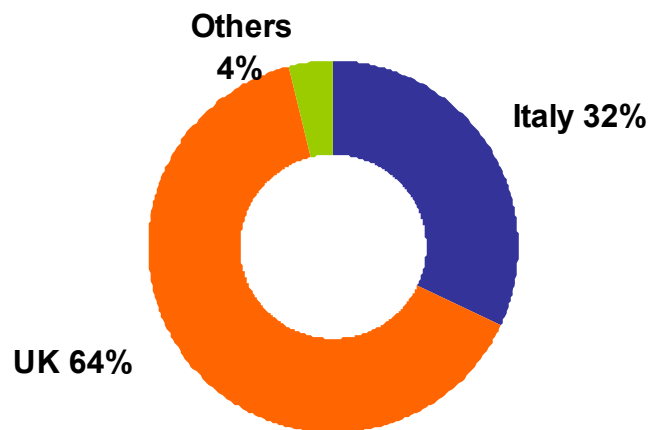
Retail Customer base (Voice and DSL) ml*



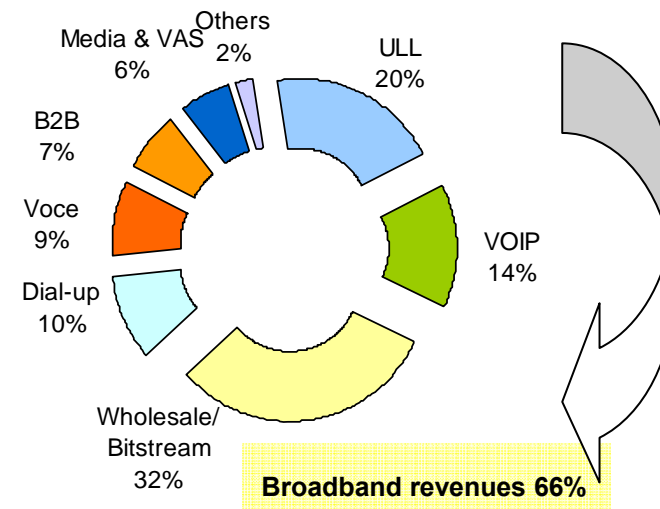
* Including Pipex as of 30th Sept 2007

Geographical and business line result breakdown

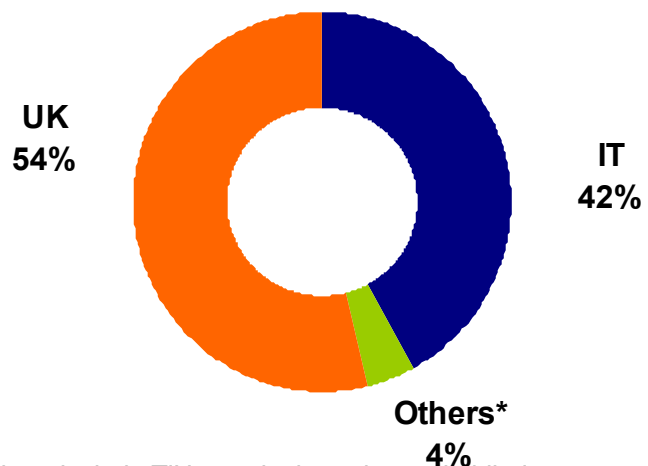
Geographical breakdown of revenues – 9M07



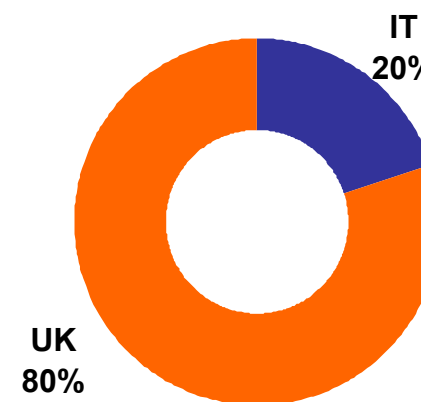
Business line breakdown of revenues – 9M07



Geographical breakdown of Gross Op. Result – 9M07

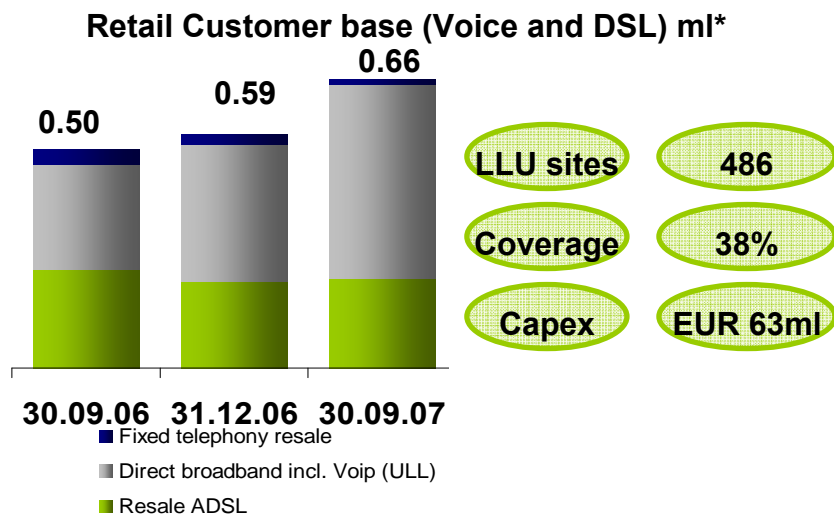
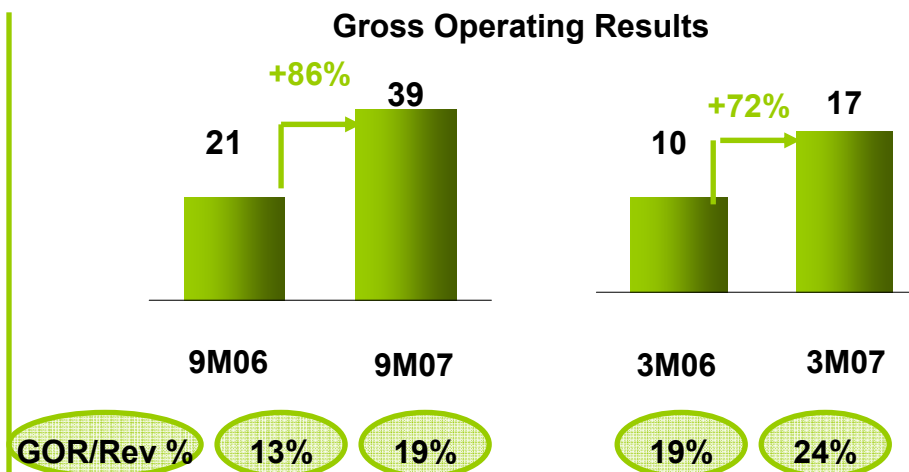
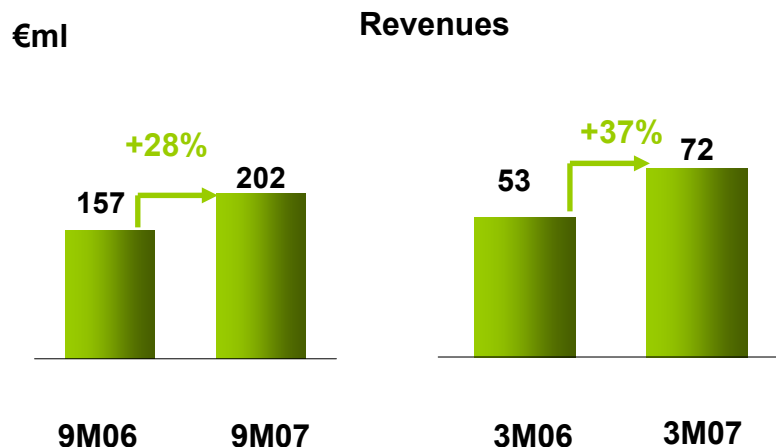


Geographical breakdown of DSL users 30.09.07



* Others include TiNet and other minor subsidiaries

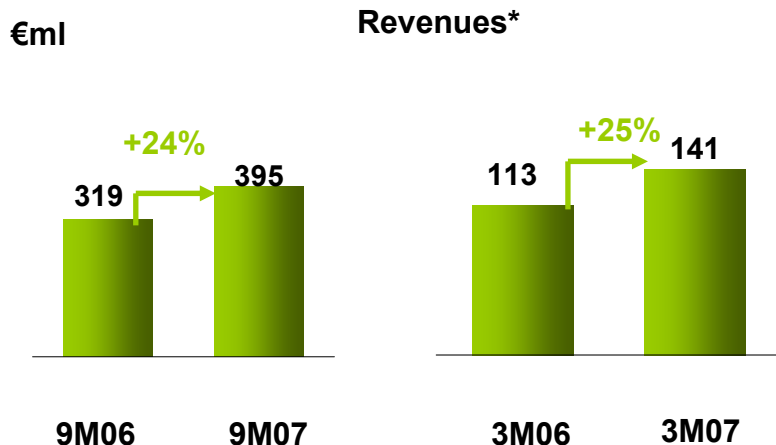
Key results - Italy



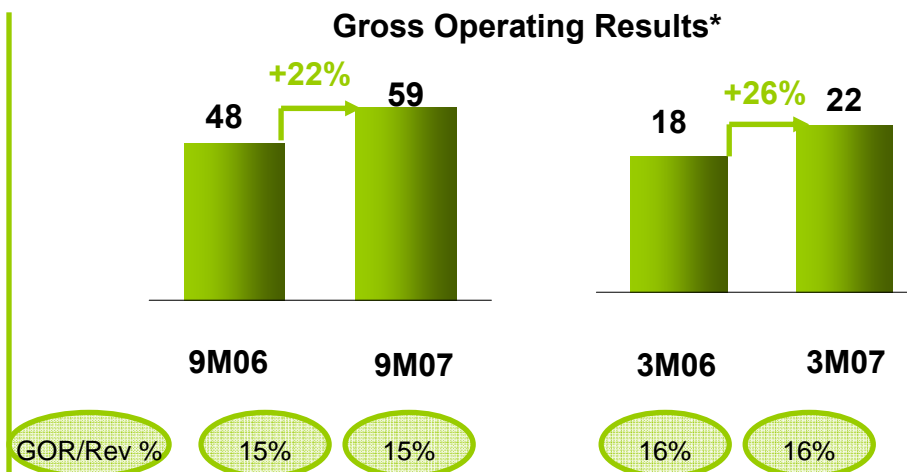
■ Highlights

- ✓ Migration of customers and success of double-play offers brings meaningful increase in profitability margin
- ✓ ARPU of double play offers at 39 EUR
- ✓ IPTV and MVNO launch scheduled in 4Q07/1H08 respectively

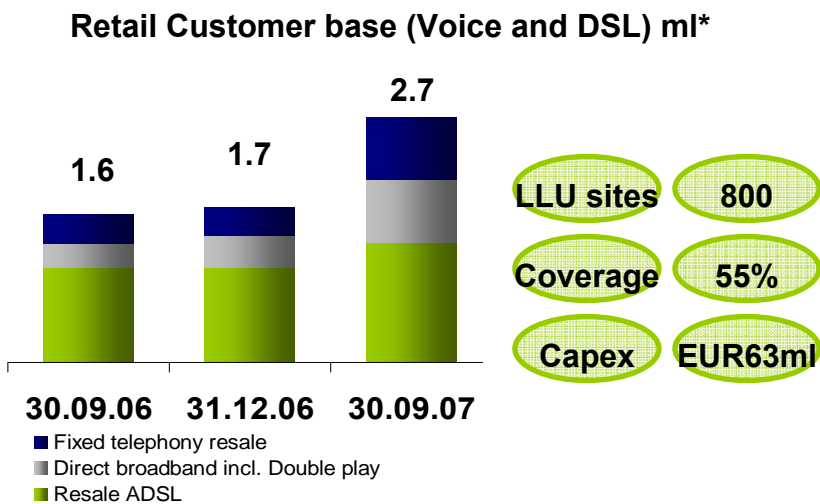
Key results - UK



* Including Pipex for 18 days in September



* Including Pipex for 18 days in September



* Including Pipex for 18 days in September

■ Highlights

- ✓ Focus on VNIL integration and on external growth (Pipex)
- ✓ Migration of Pipex customers on Tiscali UK network and rationalisation already commenced, to secure expected synergies
- ✓ IPTV customers registrations currently at 250 per day. At October 2007 490 exchanges were IPTV enabled (34% of UK homes)
- ✓ Triple-play blended ARPU at GBP 40.70 (incl. VAT)

Financials 9M06 vs 9M07

€ ml	9M07	% of rev.	9M06	% of rev.	Delta 9M06/9M07
Revenues	614.3	100%	487.0	100%	26%
Access	381.3	62%	342.3	70%	11%
<i>of which direct access (ULL)</i>	124.8	20%	37.3	8%	3X
Voice	141.0	23%	78.4	16%	80%
<i>of which double play offers</i>	88.1	14%	16.1	3%	5X
B2B	42.7	7%	31.9	7%	34%
Media and VAS	36.5	6%	29.7	6%	23%
Other	12.7	1%	4.6	1%	176%
Gross Margin	283.5	46%	218.2	45%	30%
Operating costs	182.7	30%	151.3	31%	21%
<i>Sales & Marketing costs</i>	65.6	11%	58.9	12%	11%
<i>Personnel costs</i>	72.5	12%	56.0	11%	29%
<i>G&A costs</i>	44.5	7%	36.3	7%	23%
<i>Other Income & Expenses</i>	(2.7)	<i>nm</i>	(0.7)	<i>nm</i>	<i>nm</i>
Gross Operating Result	103.5	17%	67.6	14%	53%
EBIT	(36.3)	<i>nm</i>	(11.9)	<i>nm</i>	<i>nm</i>
Net result	(3.8)	<i>nm</i>	(67.4)	<i>nm</i>	94%

Financials 3Q06 vs 3Q07

€ ml	3Q07	% of rev.	3Q06	% of rev.	Delta 3Q06/3Q07
Revenues	221.3	100%	168.9	100%	31%
Access	129.5	59%	118.6	70%	9%
<i>of which direct access (ULL)</i>	50.7	23%	20.3	12%	150%
Voice	56.7	26%	28.4	17%	100%
<i>of which double play offers</i>	32.3	15%	12.8	8%	152%
B2B	15.8	7%	10.9	6%	45%
Media and VAS	11.9	5%	9.9	6%	20%
Other	7.2	1%	1.1	1%	6X
Gross Margin	102.1	46%	72.3	43%	41%
Operating costs	61.2	28%	42.7	25%	43%
<i>Sales & Marketing costs</i>	23.1	10%	17.2	10%	34%
<i>Personnel costs</i>	22.3	10%	16.7	10%	34%
<i>G&A costs</i>	15.7	7%	8.8	5%	78%
<i>Other Income & Expenses</i>	(0.7)	<i>nm</i>	1.1	<i>nm</i>	<i>nm</i>
Gross Operating Result	41.6	19%	28.5	17%	46%
EBIT	(7.8)	<i>nm</i>	17.9	<i>nm</i>	<i>nm</i>
Net result	(26.3)	<i>nm</i>	6.8	<i>nm</i>	<i>nm</i>

Financials 9M06 vs 9M07

ITALY					Delta
€ ml	9M07	% of rev.	9M06	% of rev.	9M06/9M07
Revenues	201.9	100%	157.3	100%	28%
ADSL	74.1	37%	51.6	33%	44%
<i>of which unbundling (ULL)</i>	41.9	21%	20.7	13%	102%
Gross Margin	114.5	57%	79.9	51%	43%
Operating costs	66.6	33%	51.4	33%	30%
<i>Sales & Marketing costs</i>	28.3	14%	21.6	14%	31%
<i>Personnel costs</i>	25.5	13%	21.4	14%	19%
<i>G&A costs</i>	12.8	6%	8.5	5%	51%
Gross Operating Result*	38.7	19%	20.8	13%	86%

UK					Delta
€ ml	9M07	% of rev.	9M06	% of rev.	9M06/9M07
Revenues	394.6	100%	319.1	100%	24%
ADSL	245.8	62%	201.8	63%	22%
<i>of which unbundling (ULL)</i>	82.9	21%	16.6	5%	4X
Gross Margin	163.5	41%	132.5	42%	23%
Operating costs	89.8	23%	76.2	24%	18%
<i>Sales & Marketing costs</i>	32.7	8%	36.1	11%	-9%
<i>Personnel costs</i>	29.6	8%	19.7	6%	50%
<i>G&A costs</i>	27.5	7%	20.4	6%	35%
Gross Operating Result*	58.6	15%	47.9	15%	22%

* Net of intra-group costs

Financials 3Q06 vs 3Q07

ITALY					
€ ml	3Q07	% of rev.	3Q06	% of rev.	Delta 3Q06/3Q07
Revenues	71.9	100%	52.6	100%	37%
ADSL	26.1	36%	18.1	34%	44%
<i>of which unbundling (ULL)</i>	15.5	22%	8.4	16%	85%
Gross Margin	42.2	59%	26.2	50%	61%
Operating costs	21.5	30%	13.7	26%	57%
<i>Sales & Marketing costs</i>	8.2	11%	3.9	7%	110%
<i>Personnel costs</i>	8.2	11%	6.9	13%	19%
<i>G&A costs</i>	5.1	7%	2.9	6%	76%
Gross Operating Result*	17.4	24%	10.1	19%	72%

UK					
€ ml	3Q07	% of rev.	3Q06	% of rev.	Delta 3Q06/3Q07
Revenues	141.4	100%	113.5	100%	25%
ADSL	86.2	61%	74.2	65%	16%
<i>of which unbundling (ULL)</i>	35.2	25%	11.9	10%	196%
Gross Margin	57.8	41%	45.0	40%	28%
Operating costs	30.1	21%	24.7	22%	22%
<i>Sales & Marketing costs</i>	11.3	8%	9.9	9%	14%
<i>Personnel costs</i>	8.8	6%	7.5	7%	17%
<i>G&A costs</i>	10.0	7%	7.2	6%	39%
Gross Operating Result*	22.5	16%	17.8	16%	26%

* Net of intra-group costs

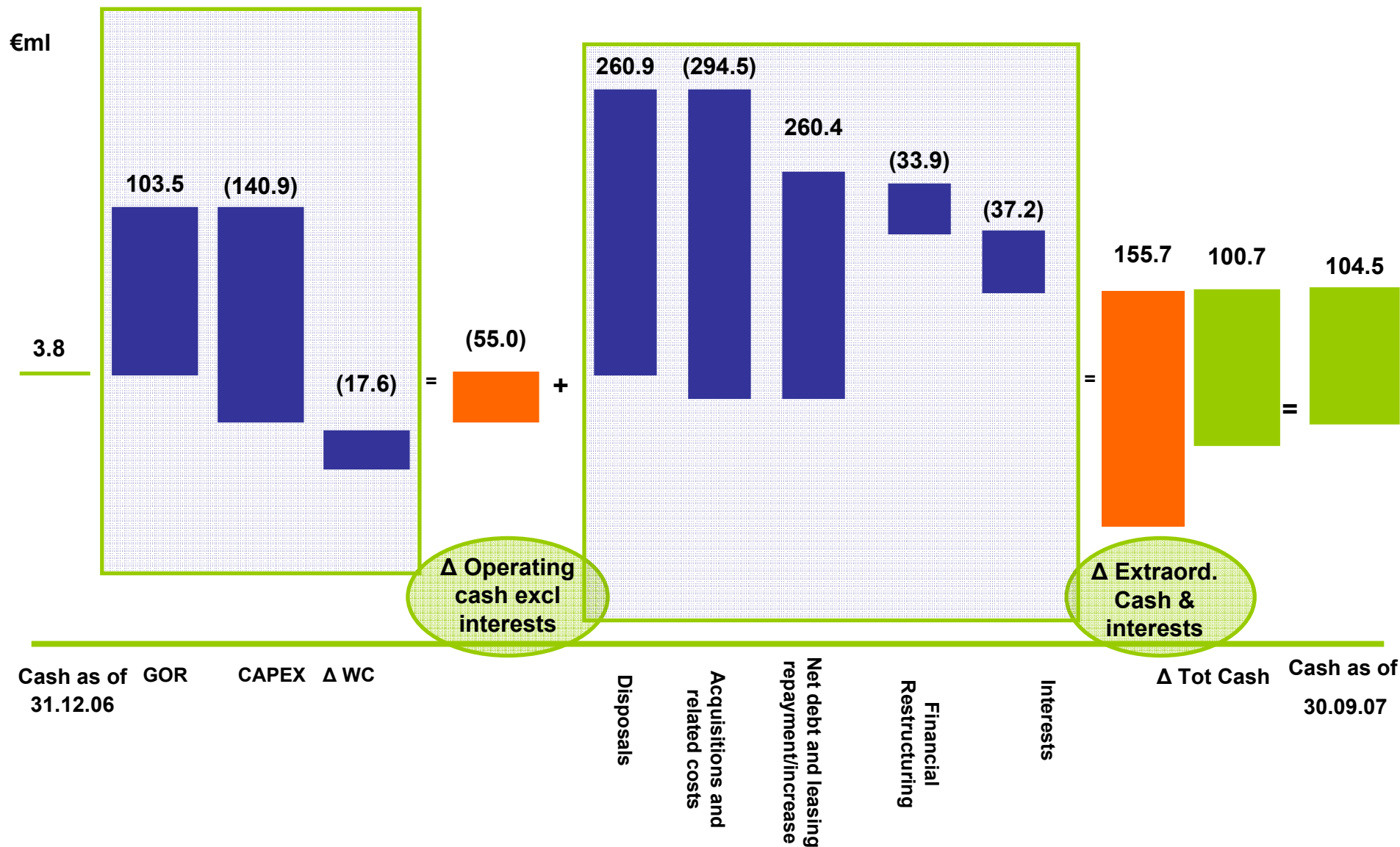
Evolution of capital structure

€ ml	30-Sep-07	31-Dec-06
A. Cash	104.5	3.8
B. Other liquid assets	18.9	11.5
C. Securities	-	-
D. Total cash and other financial assets (A) + (B) + (C)	123.5	15.3
E. Other current financial assets	21.1	21.2
F. Bank Overdraft	26.2	374.8
G. Long term loans falling within one year	-	-
H. Other financial debt (*)	17.9	12.3
I. Current financial debt (F) + (G) + (H)	44.0	387.0
J. Net current financial debt (I) – (E) – (D)	(100.5)	350.5
K. Non current bank loans	589.9	-
L. Bonds	-	-
M. Other non current debt (**)	107.3	46.7
N. Non current financial debt (K) + (L) + (M)	697.2	46.7
O. Net financial debt (J) + (N)	596.7	397.2

(*) includes leasing debts

(**) includes leasing debt and debts to shareholders

Cash Flow analysis



FY2007 targets confirmed

- **2007 targets inclusive:**
 - **Revenues: EUR 930 ml**
 - **Gross Operating Result: ca EUR 160 ml (over 17% margin)**
 - **Capex: EUR 200 ml**
- **Full year 2008 FCF and Net Result positive**
- **Business plan update in November 2007**

Disclaimer

This presentation contains unaudited and/or proforma financial data; it also includes forward-looking information that is subject to risks and uncertainties associated with Tiscali and the Internet sector. This information reflects Tiscali's management expectations, based on currently available information. The forward-looking information reflects certain assumed market parameters and other assumptions, but may differ materially from actual future results.

This presentation does not constitute an offer of Tiscali shares.

Not for release, publication or distribution, in whole or in part, in or into United States, Canada, Australia or Japan.

Pipex – Income statement 13th – 30th September 2007 (18 days)

€ ml	30-Sep-07
Total Revenues	18.60
Access	12.20
BTB Services	0.05
Voice	6.41
Media & VAS	0.02
Other	-0.08
Gross Operating Result	4.24
GOR % on revenues	23%
Depreciation/Amortization	0.84
Restructuring cost	2.18
Bad Debt	0.43
Operating Profit /(Loss)	0.79
Net Financial Income/Expense	-0.06
Net Income (Loss) (ex Net Result)	0.73