

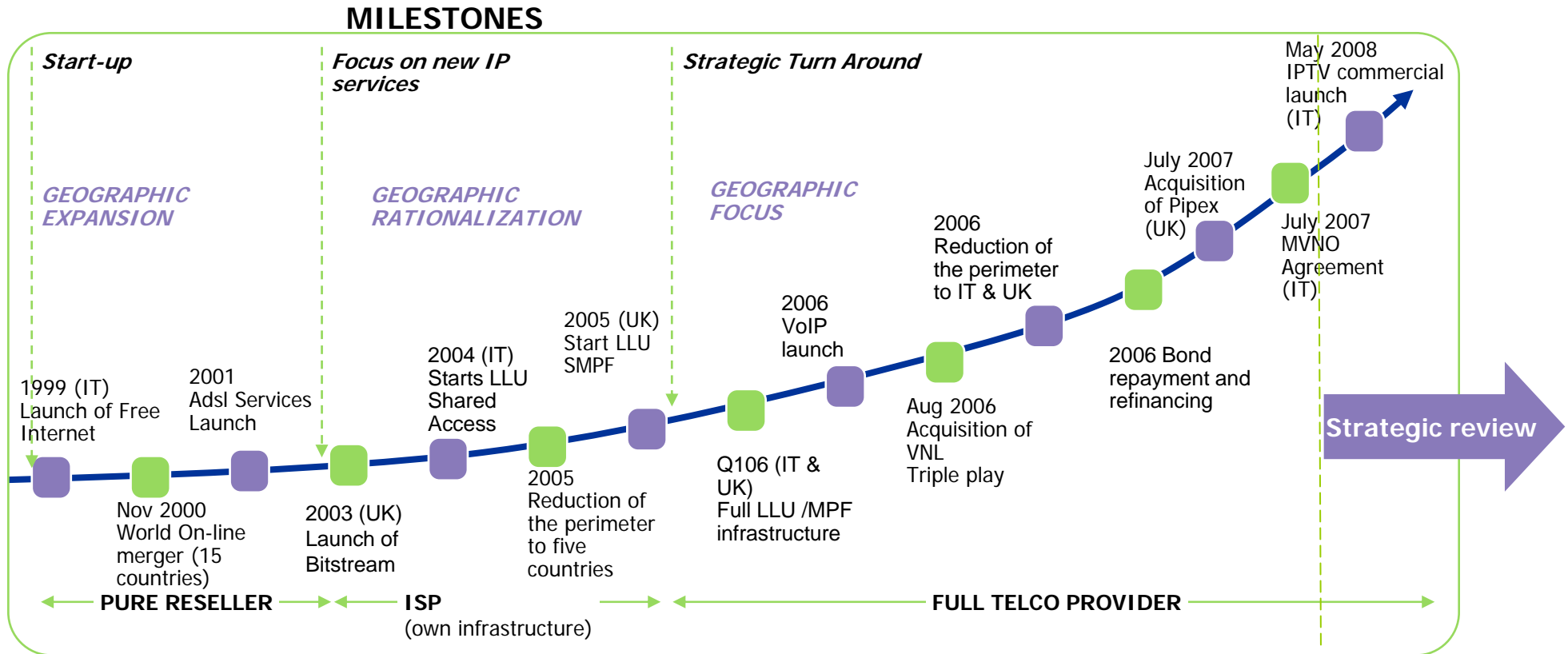
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Tiscali

Company presentation

Deutsche Bank Conference
Milan May 29th, 2008

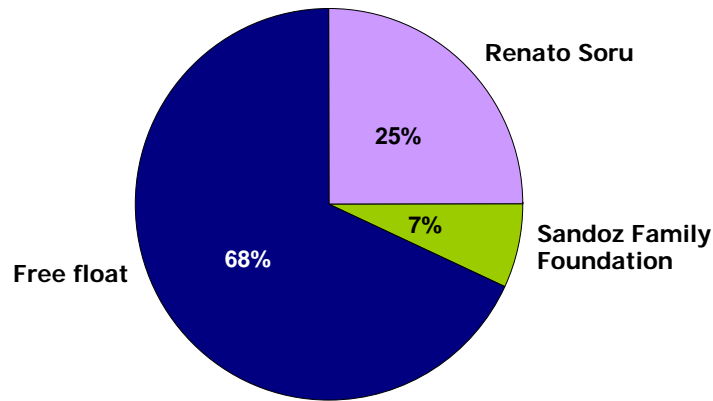
Tiscali Group History: a continuous growth trend



- From an ISP to an integrated telecommunication provider
- Strategic review process commenced in February 2008 and well on track

Tiscali Group highlights

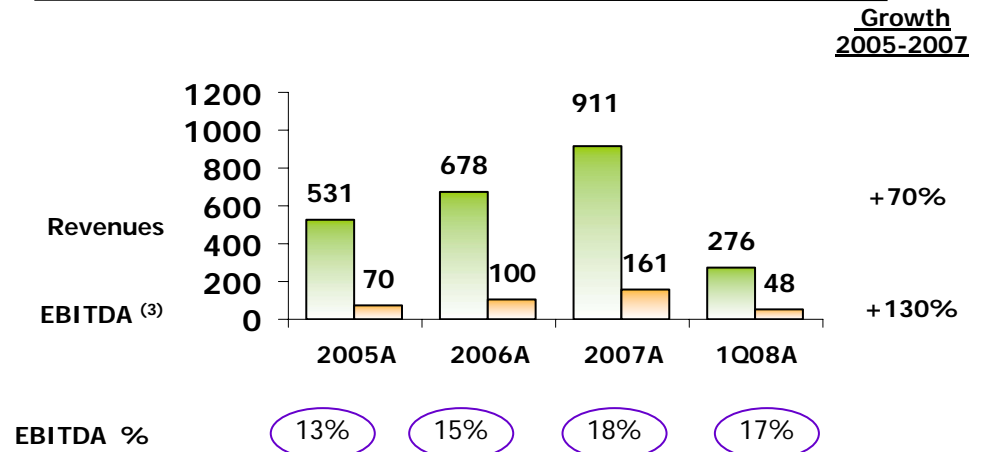
Tiscali Shareholders structure (%)



- Listed on the Milan Stock Exchange, blue chips segment
- 574.2 mln total shares outstanding⁽¹⁾
- 1.4 € bn market capitalization⁽²⁾

Note: 1) 2,6 mln own stocks were bought back in April 2008
 2) As of May 22, 2008, Italian Stock Exchange
 3) Pre-bad debt

Key Financials (€ mln)



- Fourth broadband player both in UK and Italy (12% market share in the UK, 5%+ in Italy)
- 72% of revenues generated in the UK market, 27% in Italy
- More than 80% of revenues are from broadband and voice services
- Net income positive and FCF generation targets in 2008

The Key industrial assets of Tiscali

Clients: 3.4 million customers of which 2.4 million ADSL ⁽¹⁾

Network: Full IP based network VoIP and IPTV enabled

Brand: Brand awareness: 3rd telecom brand in Italy, 68% brand awareness in the UK ⁽²⁾

Products: Fully integrated telecom operator providing internet access, voice and media services (IPTV). More than 1 million multiplay customers ⁽¹⁾

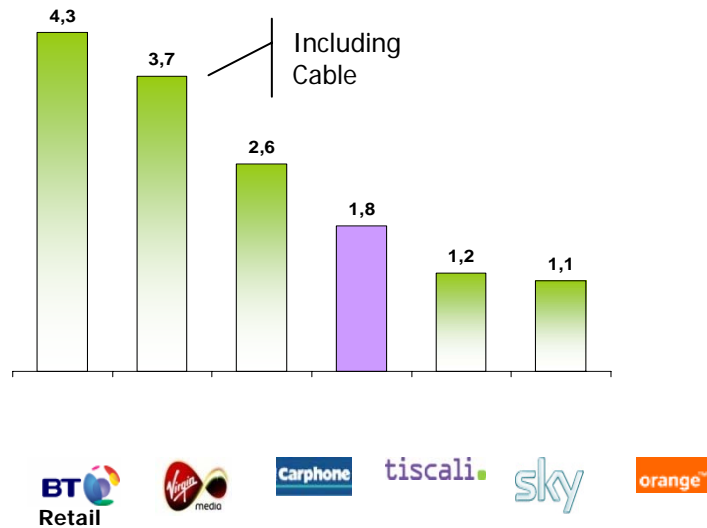
Portal: 17 million unique users per month, 660 monthly page views in the Italian and UK portals ⁽²⁾

(1) As of 31st March 2008

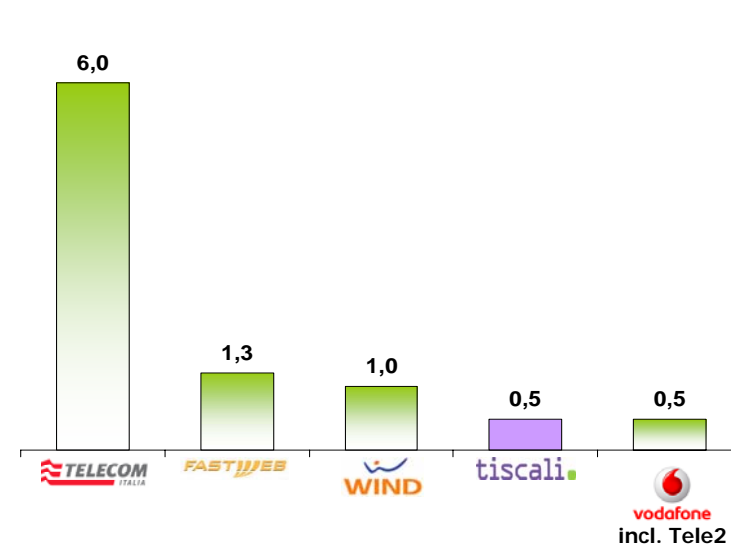
(2) Source: Nielsen

Tiscali is a strong player in Italian and UK broadband markets

UK Internet BB Customers⁽¹⁾ (mln - 2007)



Italy Internet BB Customers⁽²⁾ (mln - 2007)



- Tiscali is the only sizeable and independent operator both in the UK and Italian broadband markets

Core network full-IP new generation technology

Italian Core Network overview

- **Full-IP new generation network** (100% Giga Ethernet)
 - More than **95% in dark fiber**⁽¹⁾
 - **9.000 Km of backbone** overland fiber optic cable
 - **800 Km of undersea** fiber optic cable
 - **3.000 Km of MAN** fiber optic cable, covering 50 cities
- **Scalable** network capacity
 - **10 Giga backbone** (expandable to 40 Giga) based on DWDM technology
 - Over **40 Gigabit Ethernet MAN** (1-10 Giga capacity)



UK Core Network overview

- **The largest LLU backbone in the UK** built from ground up to support **full triple-play** and multicast IPTV broadcast services
 - Redundant, high capacity and highly scalable
 - Fully QoS enabled
 - Fully multicast enabled, and delivering ~100 multicast TV channels today
 - Will support over 1m IPTV customers today. Easily expandable to support 1m+
 - Over 330 Gbps of resilient transmission capacity deployed, expandable to over 1,600 Gbps of resilient capacity.
- Design **allows for growth in coverage**, capacity and exchange rollout
- Expansion in the West Country and Southeast under construction



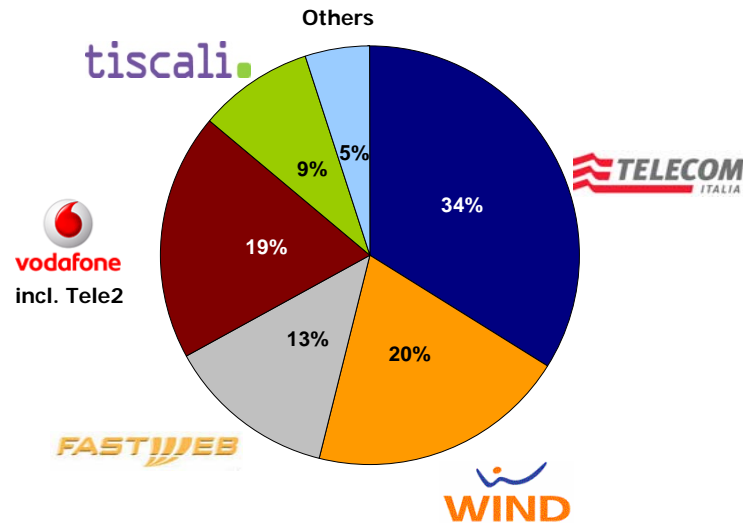
Notes

- For clarity, only major towns are marked.
- Indicates Dark Fibre
- Indicates 10Gig managed bandwidth

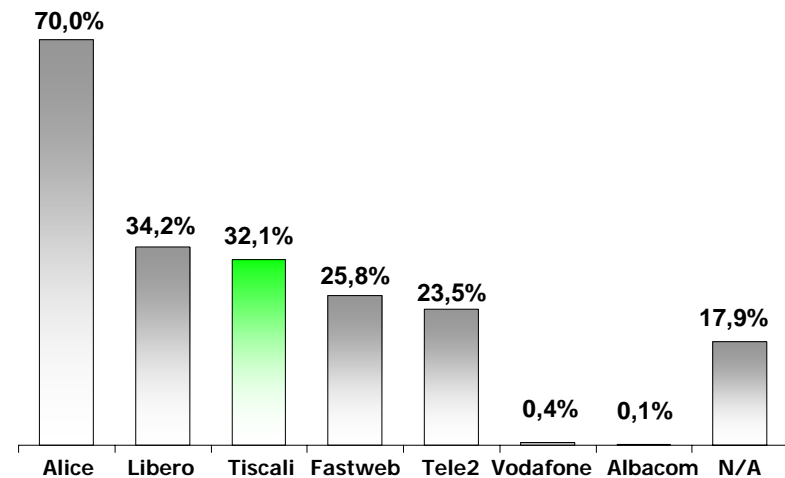
Note: 1) Fully redundant and high scalable fiber and DWDM network

Strong brand awareness with limited advertising investments in Italy...

Share of Advertising Spending (1)
(2007; %)



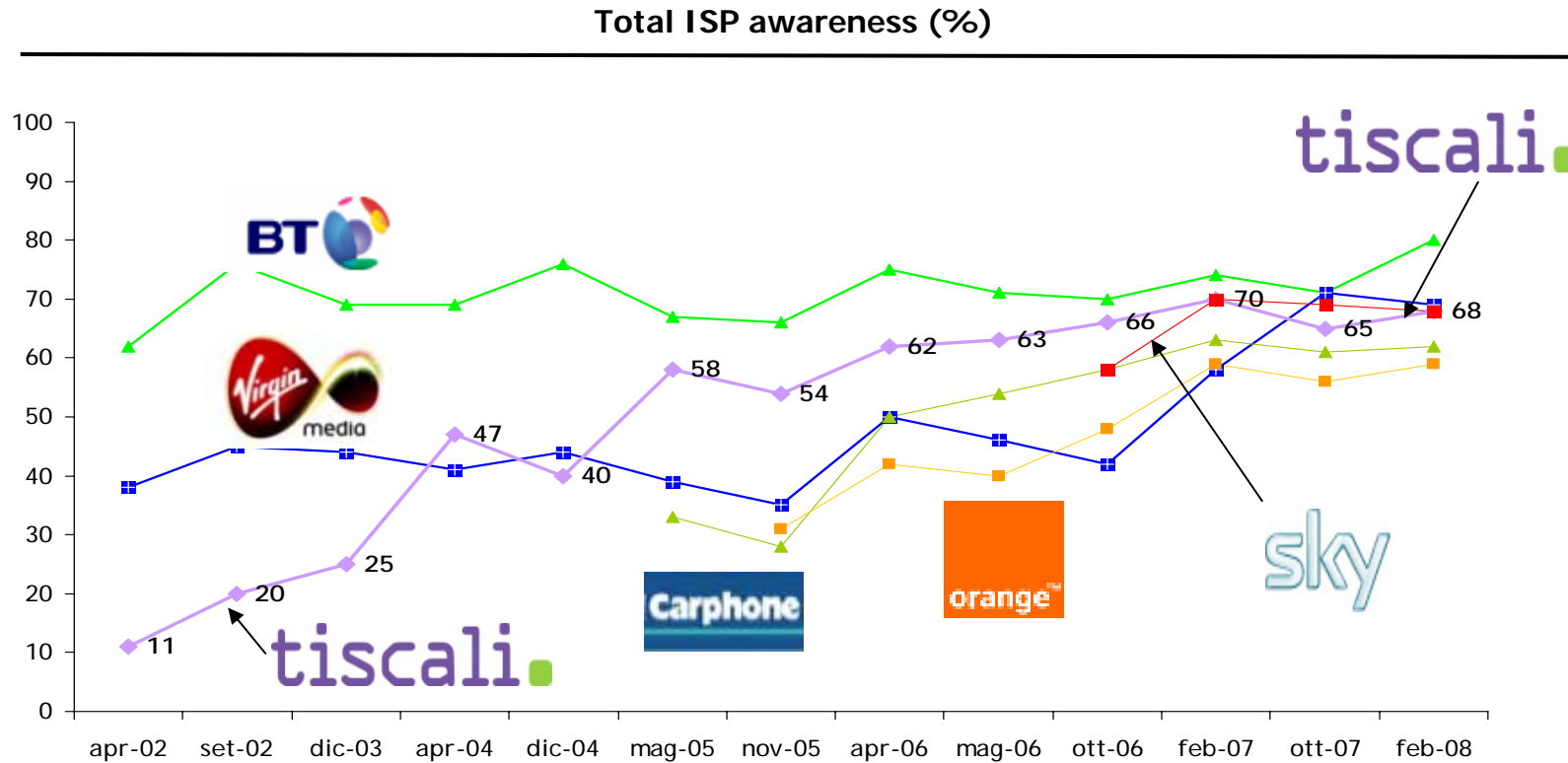
Brand Awareness (2)
(2007; %)



- Value-for-money communication strategy:
 - best in class brand awareness
 - lower communication investments than competitors
- Brand strategically repositioned as an **"Integrated Telco & Media Operator"**

Source: 1) Nielsen Media Research AdEx data
2) Total of the known ISPs (Top of mind + other mentioned); TQL 2007

... and achieved an outstanding and sustainable brand awareness in the UK



- Tiscali UK high brand awareness increasing from 28% to 68% in the last 3 years, through smart marketing campaigns (Share of Voice between 5% - 10%)
- Tiscali recognized as one of the most innovative TLC service provider

Tiscali Italy product portfolio well positioned to address both traditional and innovative market needs

Single Play Voice		Single Play Data		Dual Play		Triple Play	
Pay per Use	Flat	8 Mega Flat	20 Mega Flat	Flat DSL + Voice set up call	Flat DSL and Voice	Flat DSL+TV Voice set up call	Flat DSL+TV +Voice
9,90 €/month	19,90 €/month	19,95 €/month	29,95 €/month	28,95 €/month	38,95 €/month	40,95 €/month	50,95 €/month

Telefonate urbane e nazionali
da **€ 9,90** al mese
senza canone Telecom

ADSL senza limiti
Navighi sino a 20 Mega
da **€ 9,95** al mese

Tiscali se è meglio!

GRATIS fino al 2009

- ADSL senza limiti
- 30 minuti al mese di chiamate verso i cellulari

Scopri **VOCE 8 MEGA**

Non paghi Telecom!

Hai già un'ADSL Tiscali?
La **TV è gratis** per tre mesi!

Tiscali UK product offer tailored to both traditional and new market needs

Single Play - Data

Evening & weekend (Option1)

Anytime (Option 2)

Price Range ■ 6,49/12,99 £/month ■ 8,49/14,99 £/month

Double Play (1)

Evening & weekend (Option1)

Anytime (Option 2)

Price Range ■ 14,99 £/month ■ 19,99 £/month

Triple Play (2)

Evening & weekend (Option1)

Anytime (Option 2)

Price Range ■ 15,99/19,99 £/month ■ 19,99/24,99 £/month



Note: 1) Line rental chargeable in non LLU areas
2) TV offer not available in non LLU areas

New IPTV service highlights: top of the market features

IPTV FEATURES

- “Time shifting” feature:** entire programming schedule of major national channels available for 48 hours.
- User friendly interface:** simple EPG (Electronic Programming Guide) integrating broadcast DTT and IP channels, VOD channels and timeshifting programs. Can be easily customized for advertising purposes
- Video promos:** EPG quarter of screen displaying video promos to entertain during channel selection and to push content sales, with direct immediate access to the displayed content just by clicking the green button on the remote control
- Quasi-linear channels:** exclusive feature not available on any other platform, allowing usage increase and improved user experience. Combination of linear channels simplicity with VOD functionalities
- Digital audio and video quality and full High Definition compatibility**
- Playlist feature:** users can save the content they are watching (e.g. music videoclips) to create their own playlist
- PVR (Personal Video Recorder):** STB with 160GB hard disk for easy video recording through the EPG ⁽¹⁾



New IPTV package structure: leveraging VOD unique features

<i>Package</i>	<i>Contents</i>	<i>Retail Price ⁽¹⁾</i>
Tiscali TV	More than 20 VOD channels plus selection of thematic SAT channels and all DTT channels	€ 12
Replay	48 hours time-shifting on RAI channels	€ 4 – rolling promotion at 0€
Junior	8 channels, school and pre-school	€ 4 ⁽²⁾
Music	8 thematic channels	€ 4
VOD	Free movie selection + movie selection	From €0,99 to €5,99

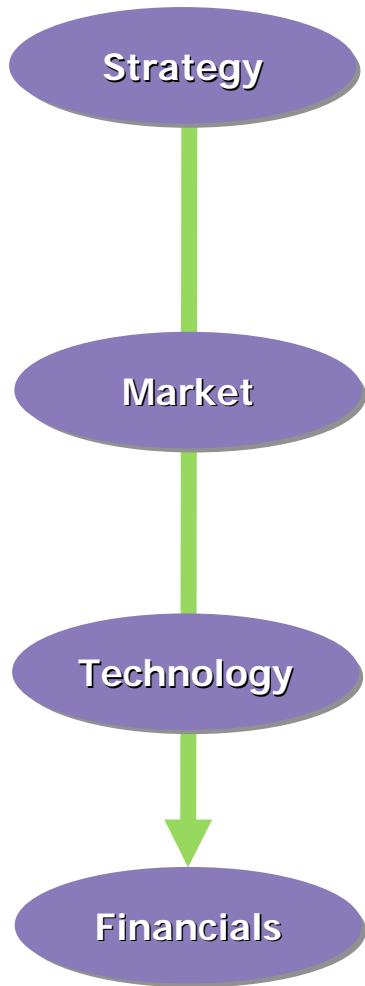
- Content partners include major international broadcasters and movie studios (RAI, BBC, Sony, Disney, etc.)
- Continuous enrichment of product offering: SKY Football and Sport packages available from August 2008

- Basic package**
- Optional add-on packages that can be subscribed**
- Single events on demand (including the free ones)**



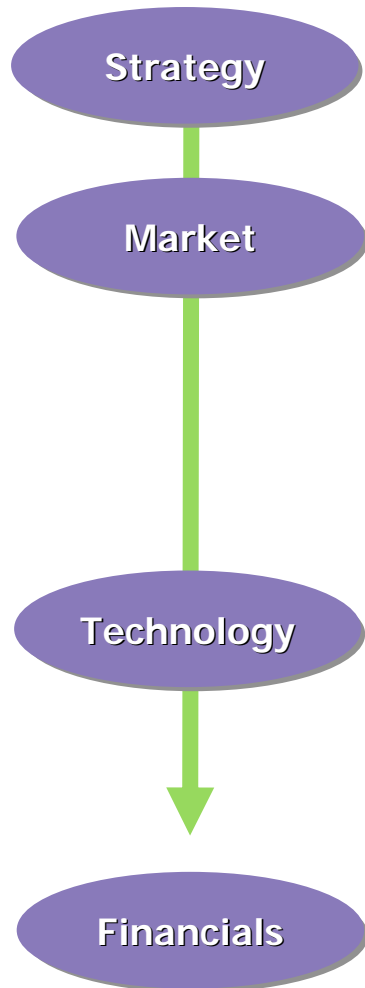
Note: 1) After promotional period
2) € 6 including Telemio, special remote control for children

Italy - Strategic objectives



- **Maximize customer acquisition** through balanced investments on network and marketing & sales
- **Accelerate push of double play positioning and enter triple and quad play segments to address total consumer spending**
- **Address non-LLU areas** through WLR and Bit-stream to increase market share in specific geographies
- **Develop relevant content partnerships** to gain status in the media arena and reinforce IPTV proposition
- **Enhance LLU network footprint, up to 1,136 exchanges**, reaching a coverage of 50% approx (from 30% of 2007)
- Expand the number of **available sites for triple play service offering**
- **Continue strong growth of revenues and marginality**

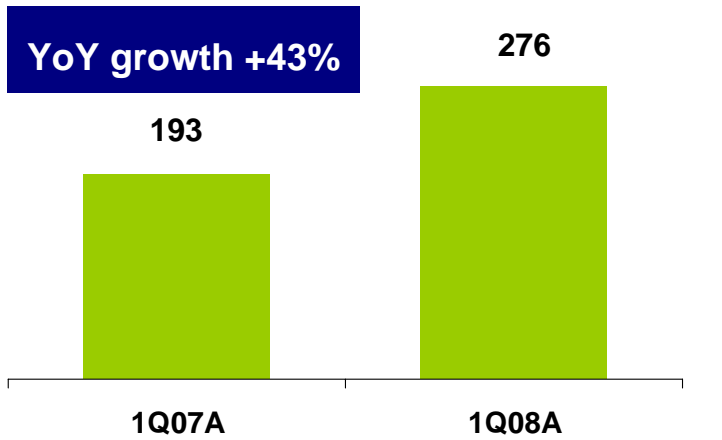
UK Strategic objectives



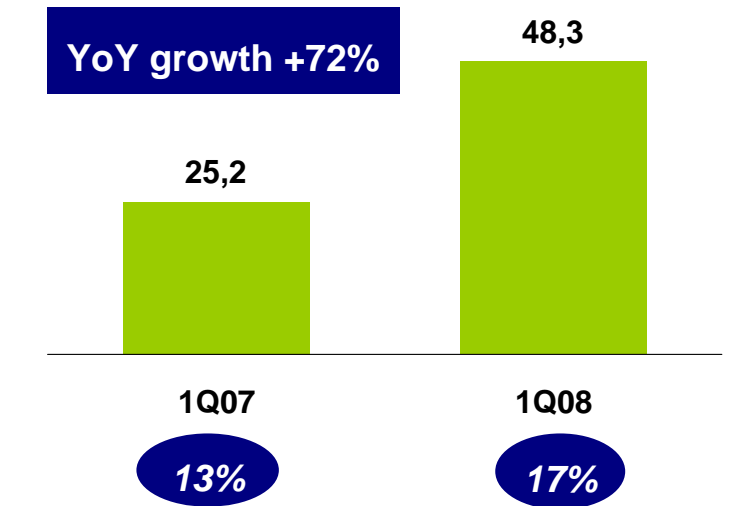
- Maintain **focus on Residential and SoHo**, pushing on dual and triple play offerings at competitive pricing
- **Leverage Pipex capabilities to penetrate Micro SME** market
- In the medium term, extend Pipex **MVNO** (Toucan) to Tiscali customer base to achieve 4P positioning
- **Complete integration of Pipex confirming current track record** to extract maximum network and G&A synergies
- **Enhance ULL coverage plan** (to 1,000 exchanges) and complete the roll-out of IPTV coverage to 840 exchanges
- **Leverage VoIP platform** to supplement broadband at MPF exchanges
- **Maximise 2008 financial metrics**, whilst focusing on consolidating a profitable growth

Key financials and KPIs 1Q2008

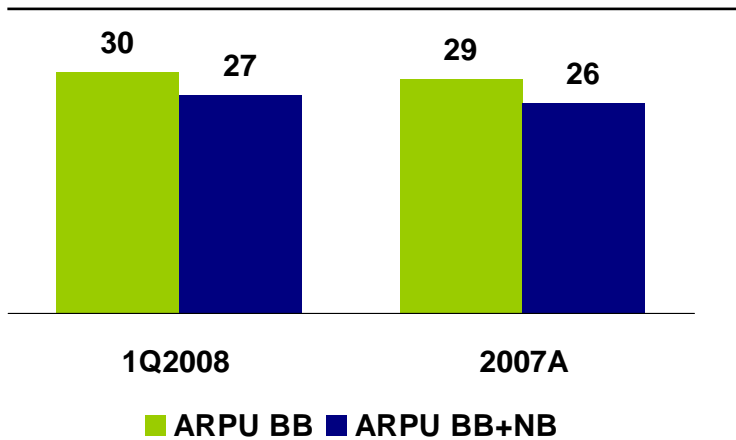
Revenues (€ml)



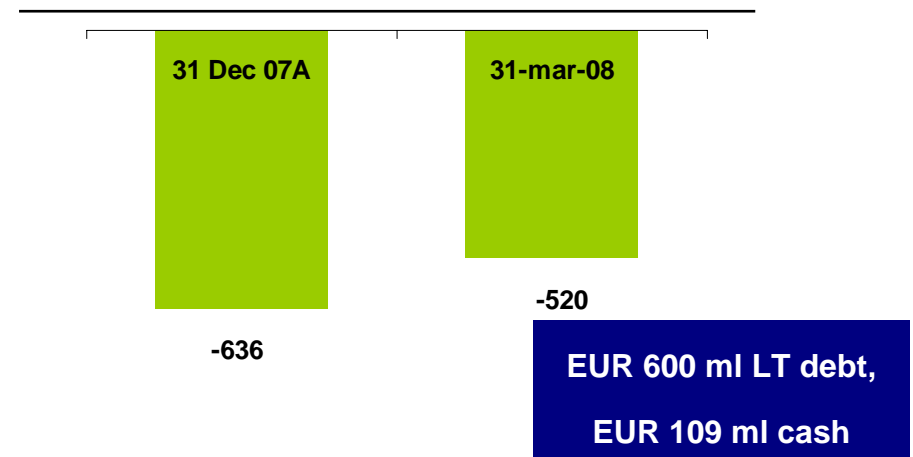
EBITDA (€ml)



ARPU (€)



NFP (€ml)



In summary....

- A unique asset in the Italian and UK markets:
 - Sizeable and well-established subscribers base: 2.4 million broadband customers¹
 - High-quality proprietary IP-based network infrastructure
 - Highly profitable 1.2 million direct (LLU) customer base¹
 - Comprehensive multi-play service offering with state-of-the art technology
 - Best-in-class brand recognition
 - Financial soundness

Tiscali is well positioned to seize the consolidation opportunities in the telecommunication arena

¹ As of 31st March 2008

SAFE HARBOUR

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