

tiscali.

FY2007 results

Milan, 20th March 2008

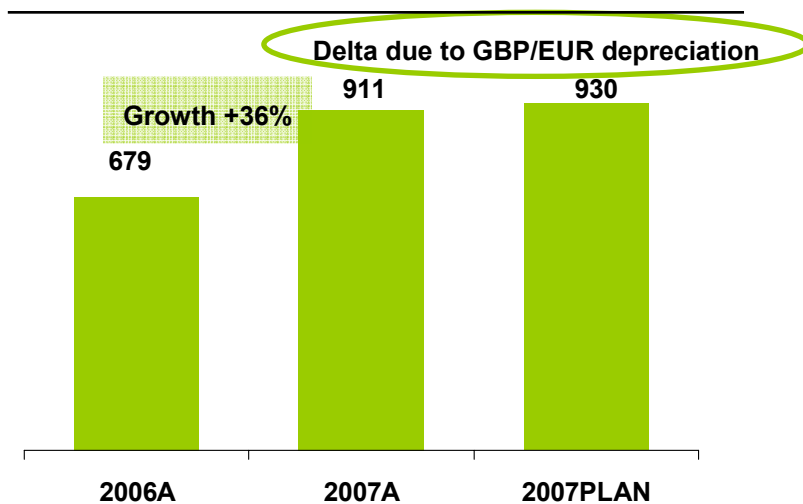
Key FY07 results*

- Revenue at EUR 911 million +34% YoY
- EBITDA at EUR 161.4 million +61% YoY, above business plan target
- Organic (net of Pipex) revenue and EBITDA YoY growth at 17% and 50% respectively
- Pipex integration plan proceeding well and ahead of schedule
- Total DSL users at 2.4 million, increasing by over 520,000 customers in 2007
- Net result at EUR -65.3 million, vs EUR -130,6 million of FY2006
- Net financial debt at EUR 636 ml, better (EUR 40 million) than the plan
- Operating FCF at EUR -167.7, EUR 46 million better than the plan
- Pro-forma NFP, after completion of the EUR 150 million capital increase, at EUR 486 million

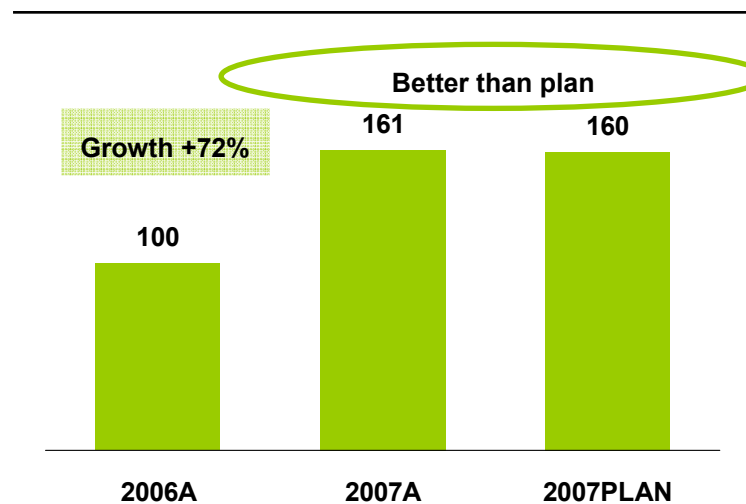
** Draft FY2007 financial statement, approved by the Board of Directors of Tiscali and subject to the approval of Tiscali's AGM scheduled on 28th April 2008*

Delivery key business plan targets

Revenues (€ ml)



EBITDA (€ ml)



% from direct access

15%

38%

32%

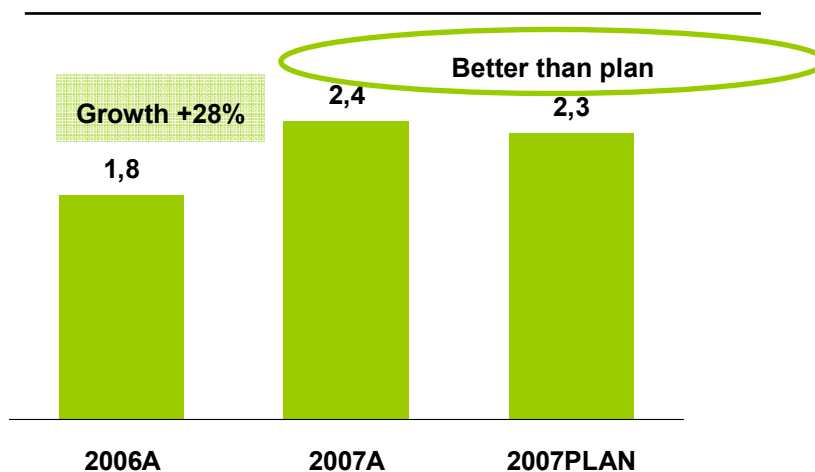
% of revenues

15%

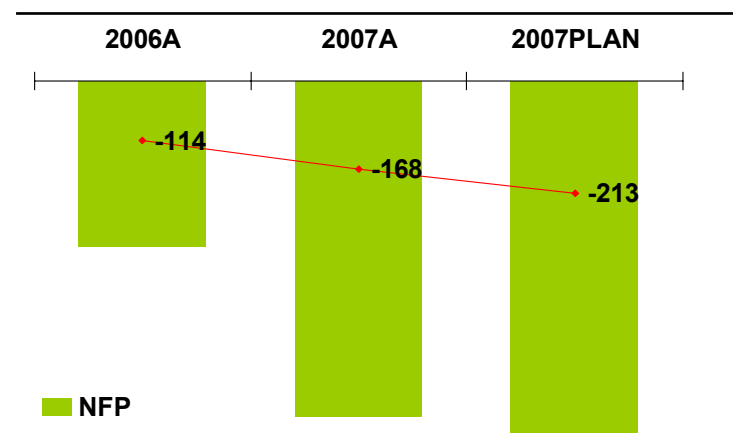
18%

17%

DSL customers (ml)



NFP/FCF (€ ml)

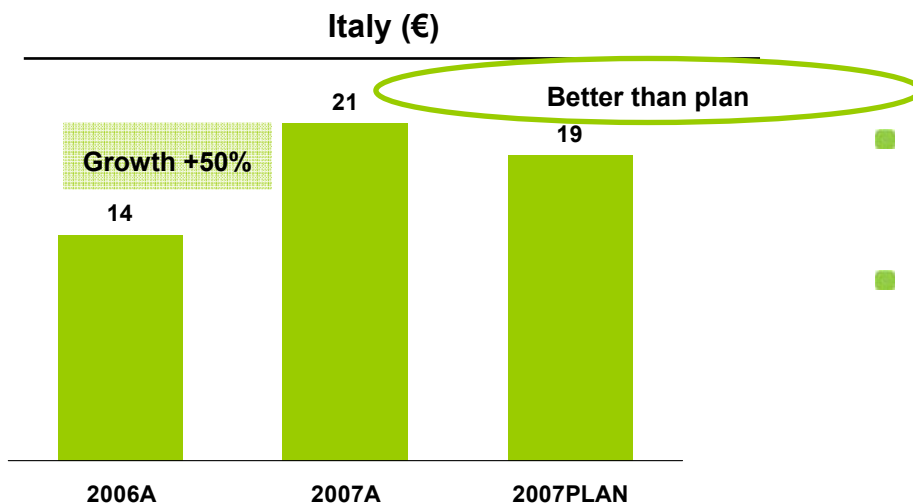
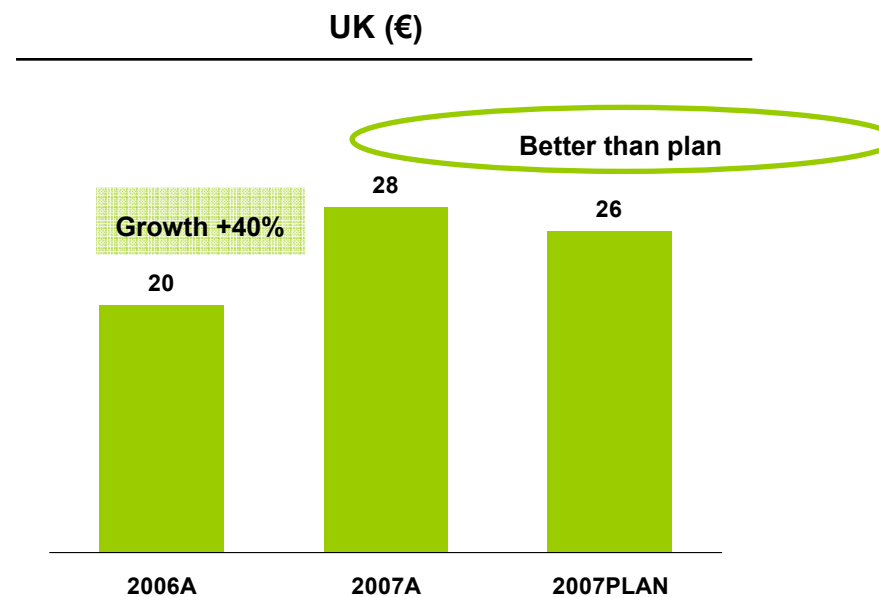
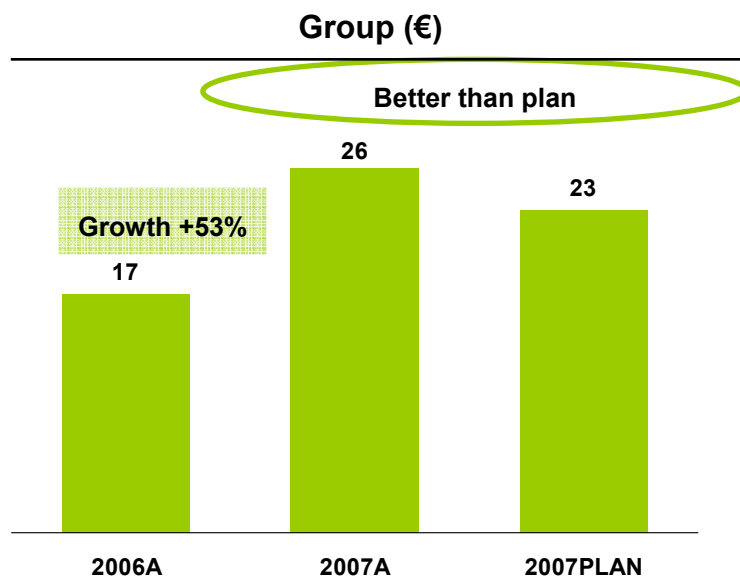


■ NFP

—●— Operating FCF

Better than plan

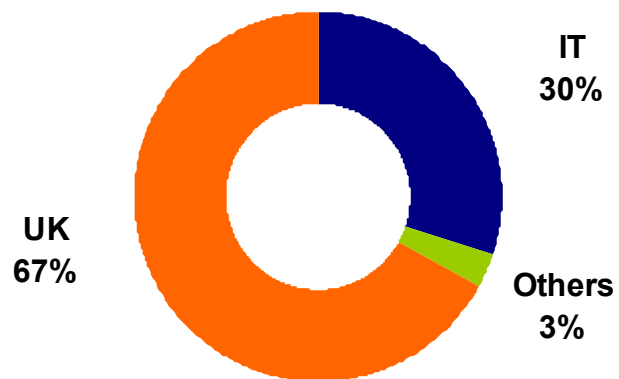
Retail ARPU: significant increase vs 2006 and ahead of business plan targets



- Significant ARPU growth due to decrease in wholesale customer base, switching from narrowband to broadband customer base and success of multiplay offers
- ARPU in Italy structurally lower than UK but price competition on single and multiplay offers is increasing

Operational breakdown and dynamics

Geographical breakdown of revenues – FY07

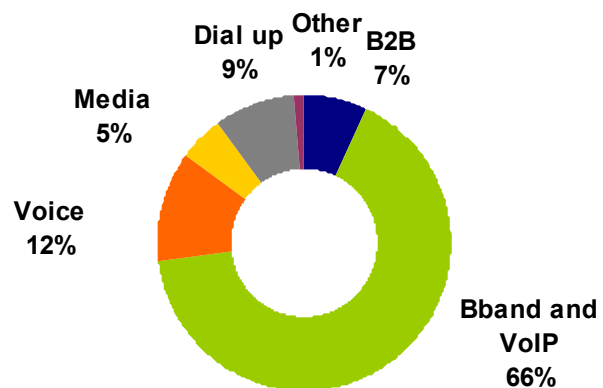


- UK revenues include ca EUR 114 million from the consolidation of Pipex from September

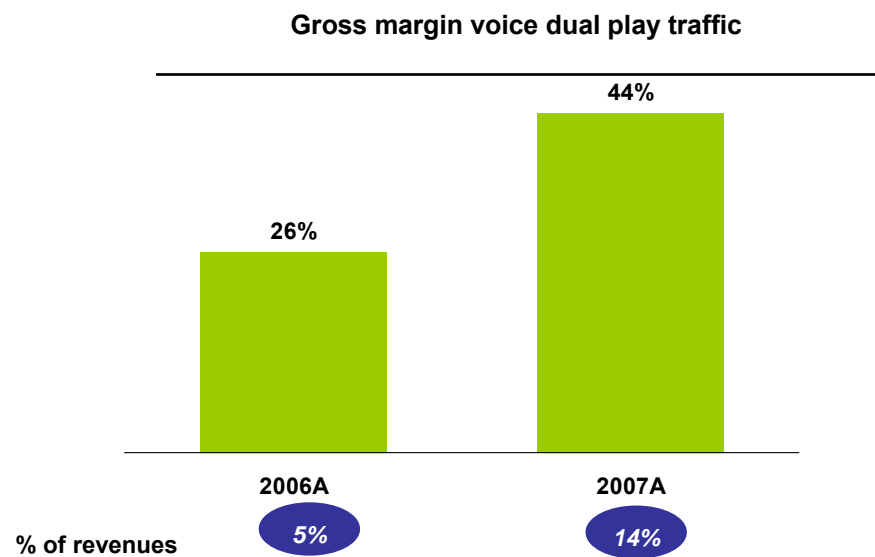
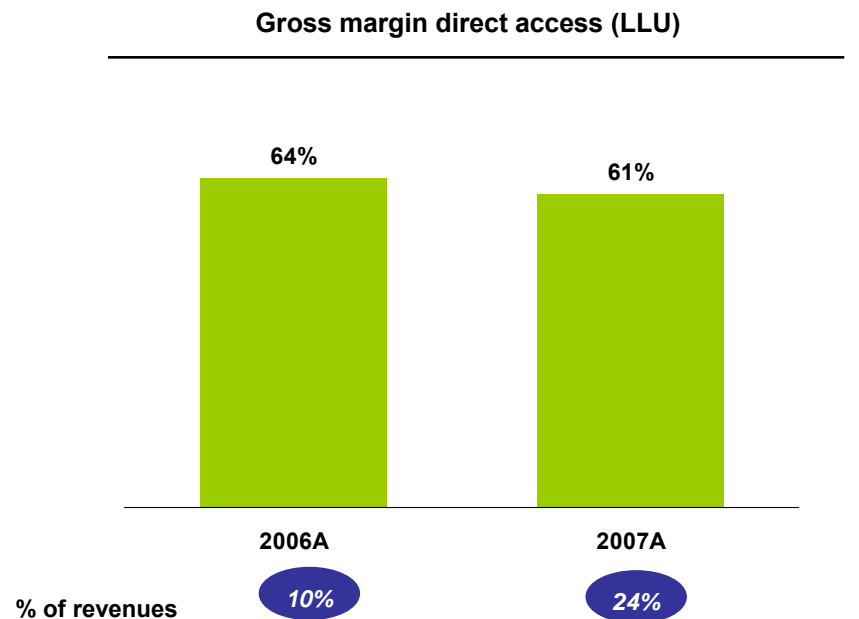
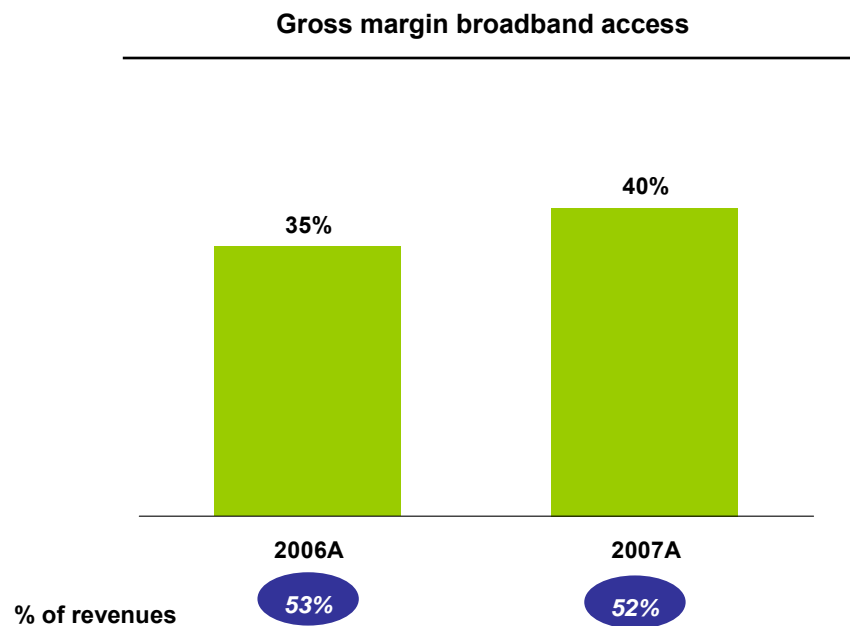
- Broadband and dual play (VoIP) revenues are two-third of total revenues, with voice ca 80%

- VoIP revenues are traffic generated revenues in dual play offers

Business line breakdown of revenues – FY07



Solid industrial performance of core products



Customer base

<i>Numbers in 000s</i>	31st December 2006	31st December 2007	Delta YoY
DSL customers	1,855	2,382	+527
Italy	432	552	+120
<i>Of which dual play</i>	81	171	+90
UK retail	1,123	1,729	+606
<i>Of which dual play</i>	-	787	+787
Wholesale	300	100	-200
Narrowband and single play voice customers	1,595	1,085	-510
Italy	829	527	-302
<i>Of which single play voice</i>	104	141	+37
UK	765	558	-207
<i>Of which single play voice</i>	325	360	+35

- Customer targets in line with the plan
- Successful migration to dual-play products, both in Italy and in the UK
- Till February 90K registrations in the UK, 70% of which subscribing to dual play services

Financial FY06 vs FY07

€ ml		FY07	% of rev.	FY06	% of rev.	Delta 06/07
Revenues		910,9	100%	678,5	100%	34%
	Access	549,9	60%	473,5	70%	16%
	of which ADSL	471,9	52%	357,9	53%	32%
	Voice	232,8	26%	112,2	17%	107%
	of which dual play voice traffic	125,5	14%	32,1	5%	291%
	B2B	64,3	7%	44,4	7%	45%
	Media and VAS	50,2	6%	42,0	6%	20%
	Other	13,7	2%	6,3	1%	117%
Gross Margin		421,7	46%	303,8	45%	39%
Operating costs		261,8	29%	205,3	30%	28%
	Sales & Marketing costs	89,2	10%	75,9	11%	18%
	Personnel costs	97,1	11%	77,9	11%	25%
	G&A costs	75,5	8%	51,5	8%	47%
Gross Operating Result (EBITDA)		161,4	18%	100,4	15%	61%
	Bad debt and other provisions	39,0	4%	15,6	2%	150%
Adjusted EBITDA post bad debt and		122,4	13%	84,8	12%	44%
EBIT		(80,5)	nm	(12,8)	nm	nm
EBIT net of restructuring costs/unusual income related to acquisitions		(40,3)	nm	(46,7)	nm	nm
Taxes		17,3	2%	5,8	1%	198%
Net result of the Group		(65,3)	nm	(130,6)	nm	nm

Financials by country FY06 vs FY07

ITALY					
€ m	FY07	% of rev.	FY06	% of rev.	Delta 06/07
Revenues	277,7	100%	217,5	100%	28%
<i>of which ADSL</i>	101,8	37%	73,3	34%	39%
<i>of which Voice</i>	73,9	27%	40,9	19%	81%
Gross Margin	160,4	58%	112,3	52%	43%
Operating costs	95,9	35%	72,3	33%	33%
<i>Sales & Marketing costs</i>	41,6	15%	30,4	14%	37%
<i>Personnel costs</i>	33,9	12%	29,2	13%	16%
<i>G&A costs</i>	20,4	7%	12,7	6%	61%
Gross Operating Result (EBITDA)	50,5	18%	30,1	14%	68%

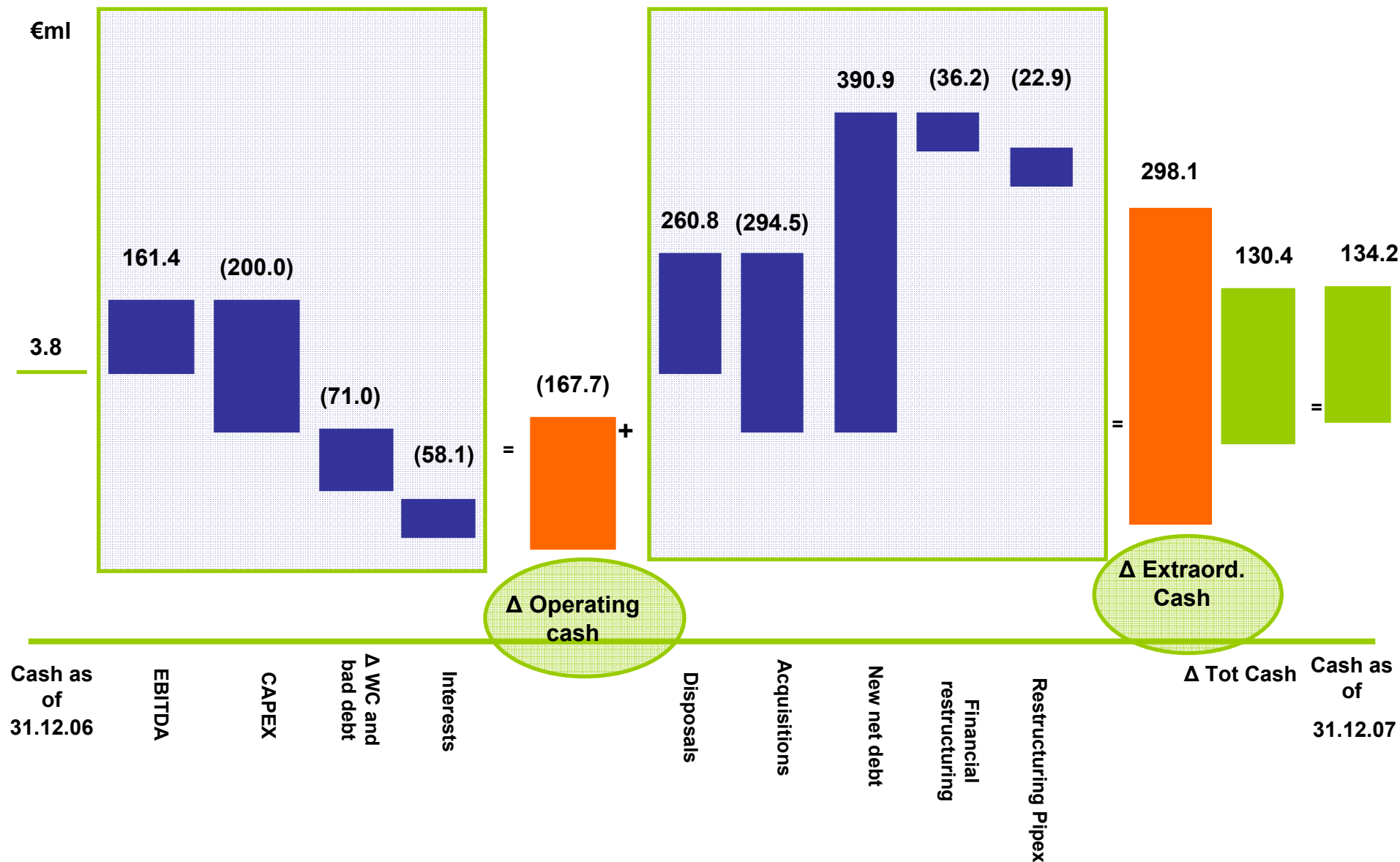
UK					
€ m	FY07	% of rev.	FY06	% of rev.	Delta 06/07
Revenues	608,7	100%	445,2	100%	37%
<i>of which ADSL</i>	370,6	61%	284,6	64%	30%
<i>of which Voice</i>	155,1	25%	70,4	16%	120%
Gross Margin	249,5	41%	183,6	41%	36%
Operating costs	131,2	22%	102,8	23%	28%
<i>Sales & Marketing costs</i>	41,1	7%	43,8	10%	-6%
<i>Personnel costs</i>	40,5	7%	30,1	7%	35%
<i>G&A costs</i>	49,6	8%	28,9	6%	72%
Gross Operating Result (EBITDA)	98,6	16%	65,1	15%	51%

Net financial position

€ ml	31-Dec-07	31-Dec-06
A. Cash	134.2	3.8
B. Other liquid assets	16.3	11.5
C. Securities	-	-
D. Total cash and other financial assets (A) + (B) + (C)	150.5	15.3
E. Other current financial assets	12.1	21.2
F. Current financial debt	176.2	374.8
G. Long term loans falling within one year	-	-
H. Other current financial debt (*)	19.5	12.3
I. Current financial debt (F) + (G) + (H)	195.7	387.1
J. Net current financial debt (I) – (E) – (D)	33.1	350.5
K. Non current bank loans	450.1	-
L. Bonds	43.8	-
M. Other non current debt (**)	109.5	46.6
N. Non current financial debt (K) + (L) + (M)	603.4	46.6
O. Net financial debt (J) + (N)	636.5	397.2

(*) includes leasing debts

Cash Flow analysis



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