

1Q2006 financial results

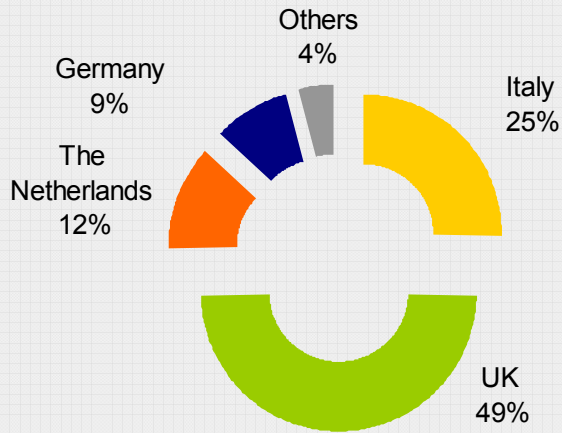
Milan, 12th May 2006

Key 1Q06 results

- **Revenues and DSL customer growth:**
 - 1Q06 revenues at €202.7 ml (+17% YoY)
 - 1Q06 Gross Operating Result (EBITDA) at €29.2 ml (14% of revenues) +9% YoY
- **Over 1.9 ml ADSL customers:**
 - 211,000 new ADSL adds in the quarter, reaching over 1.9 ml ADSL customers
 - Total active customers (including dial-up) at 4.5 ml
- **LLU deployment and customer migration to direct access:**
 - Over 435,000 LLU customers as of 31.03.06 of which around 100,000 customers subscribing to a double-play service
 - Completed 1st phase of ULL roll out in Italy, continues LLU network implementation in the UK
- **Free Cash Flow continues improving:**
 - Operating FCF at -€13 ml in 1Q06 improved vs 1Q05 -€44ml. NFP at -€314 ml vs -€290 ml as of 31.12.05
- **Total available funding of ca €250 million**
 - Silver Point facility increase by €70 ml, bringing total commitment to €220 ml (€50 ml drawn)
 - EGM called to approve a capital increase of up to 27.7 million shares (7% of share capital, €80 ml at current price) for the partial conversion of 4.25% Equity-Linked Bonds due 2006

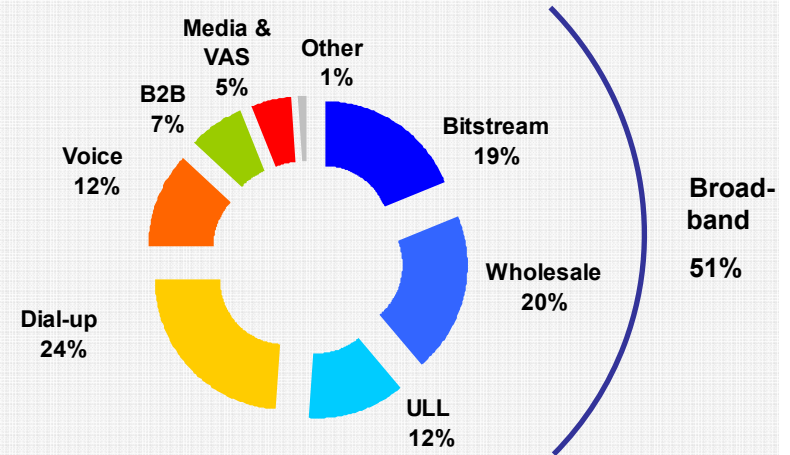
Operational breakdown and dynamics

Geographical breakdown of revenues – 1Q06

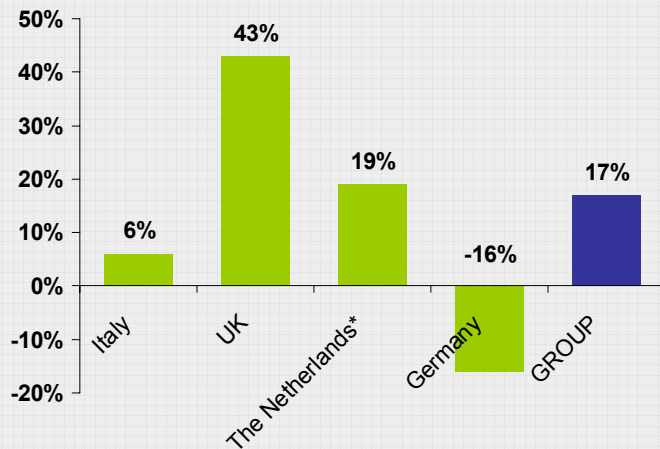


Note: Others include Czech Republic, TiNet IP

Business line breakdown of revenues – 1Q06

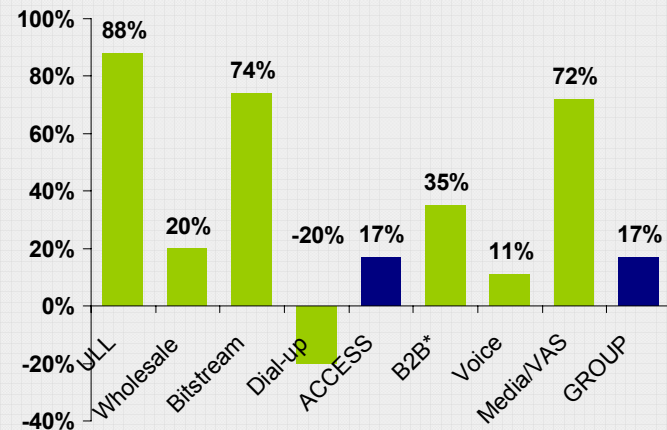


Revenue growth: contribution by country - YoY



* Net of the sale of 60K wholesale customers

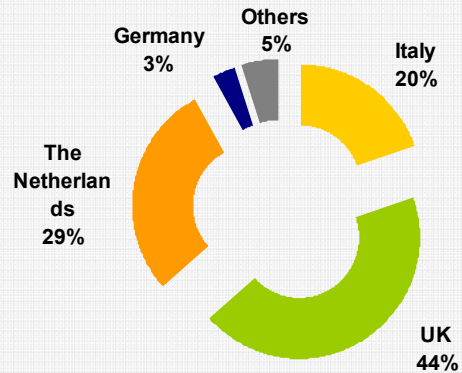
Revenue growth: contribution by line of business - YoY



* Including B2B Access revenues

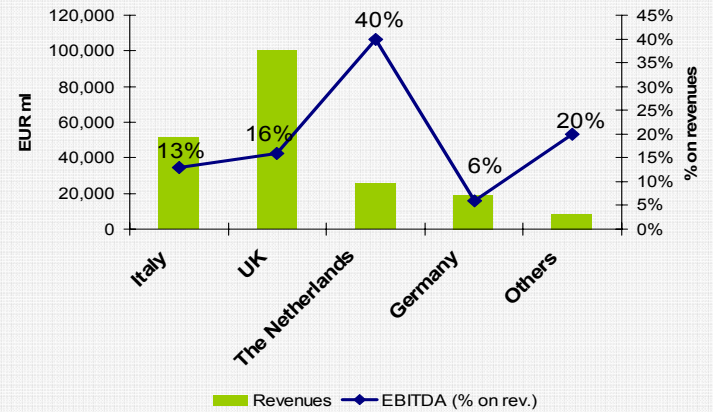
Analysis by country

Geographical breakdown of EBITDA - 1Q06

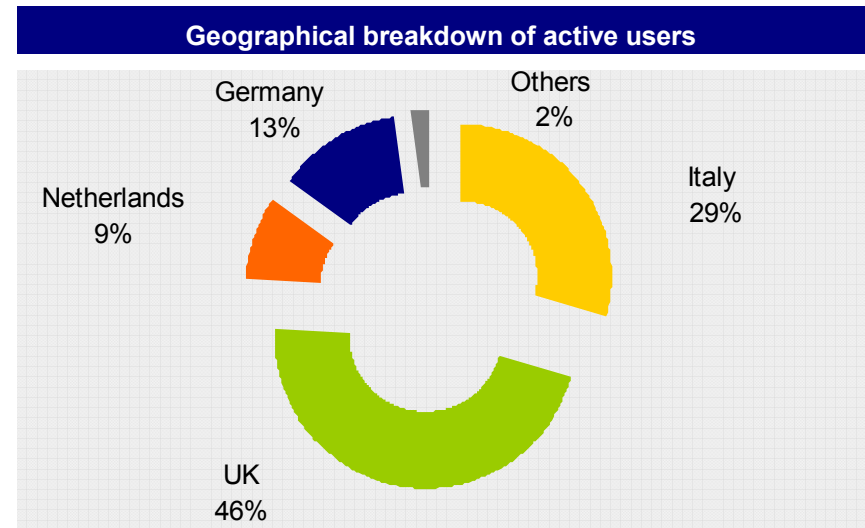
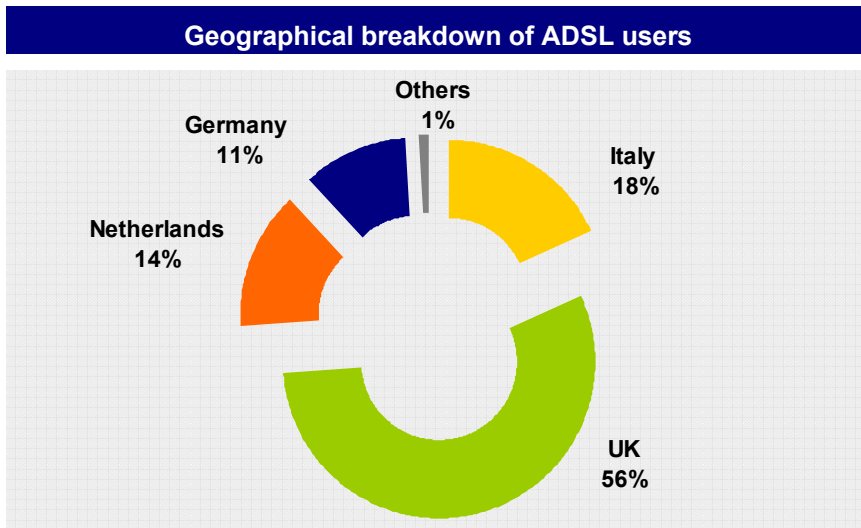
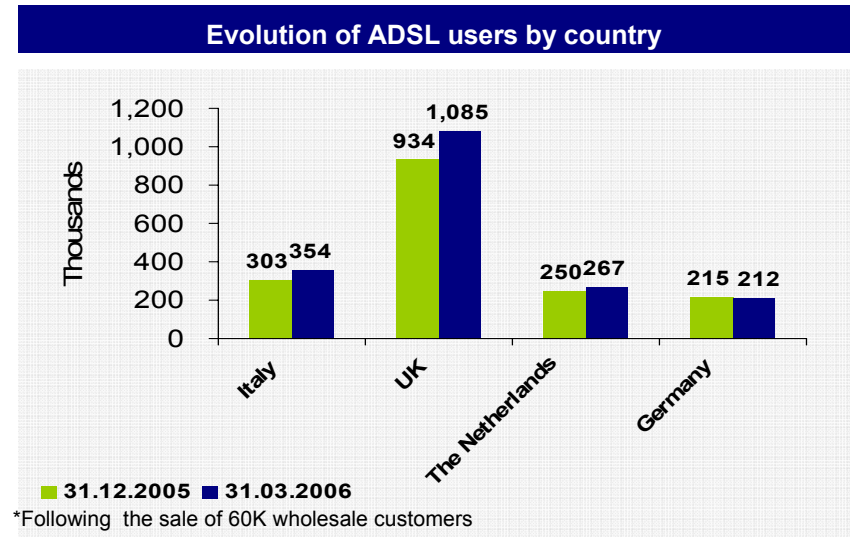
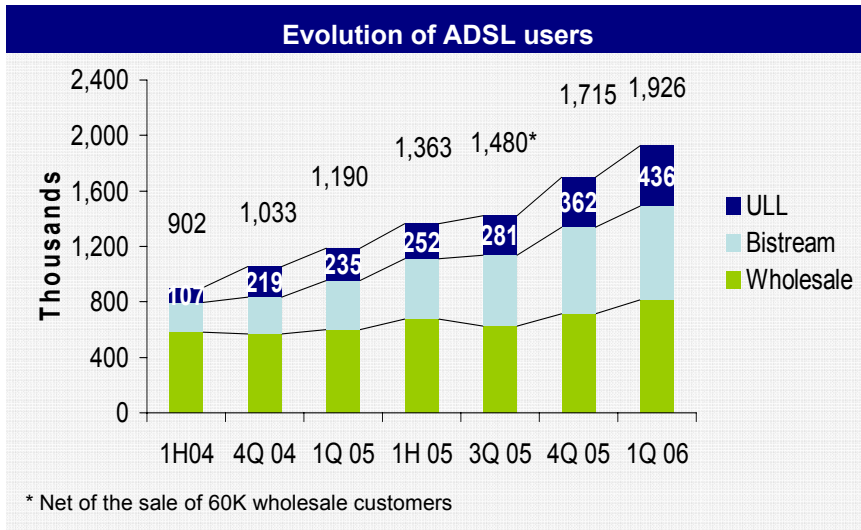


Note: Others includes Czech Republic, TiNet IP

Revenues and EBITDA by country - 1Q06

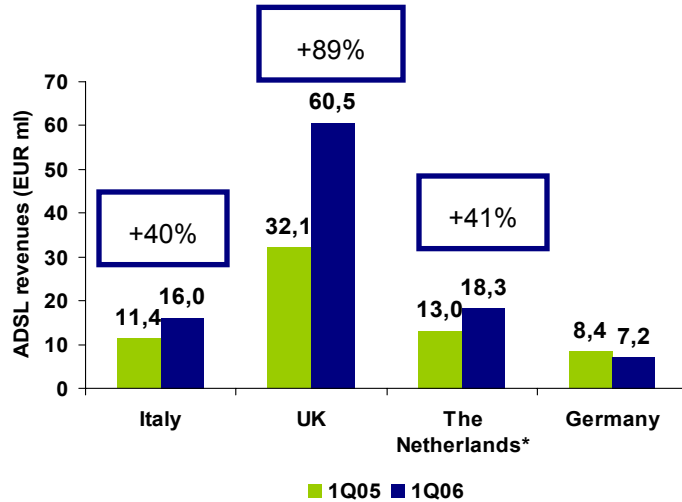


Active users as of 31.03.2006



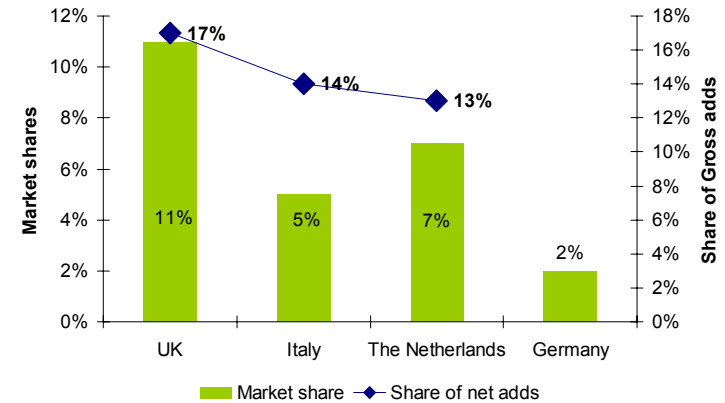
DSL market dynamics

ADSL revenues by country



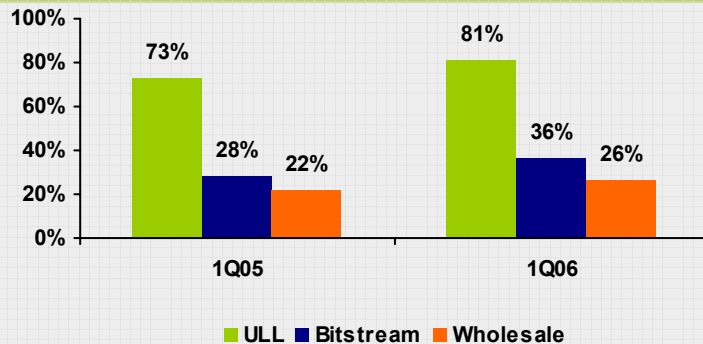
* Pro forma figures excluding ADSL customers disposed to KPN

Tiscali DSL market share as of 31.03.2006



Gross Margin by access type - YoY

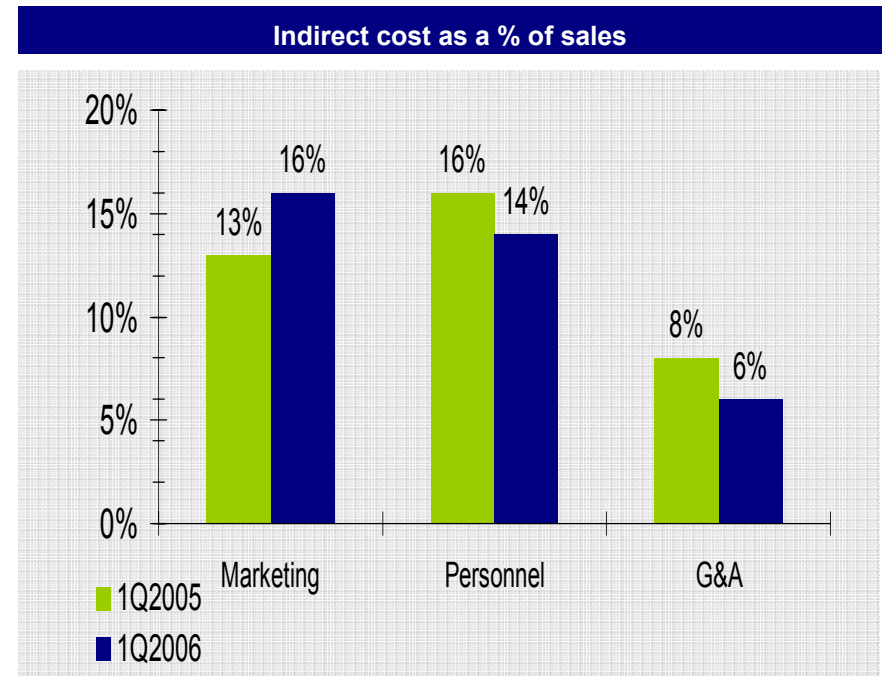
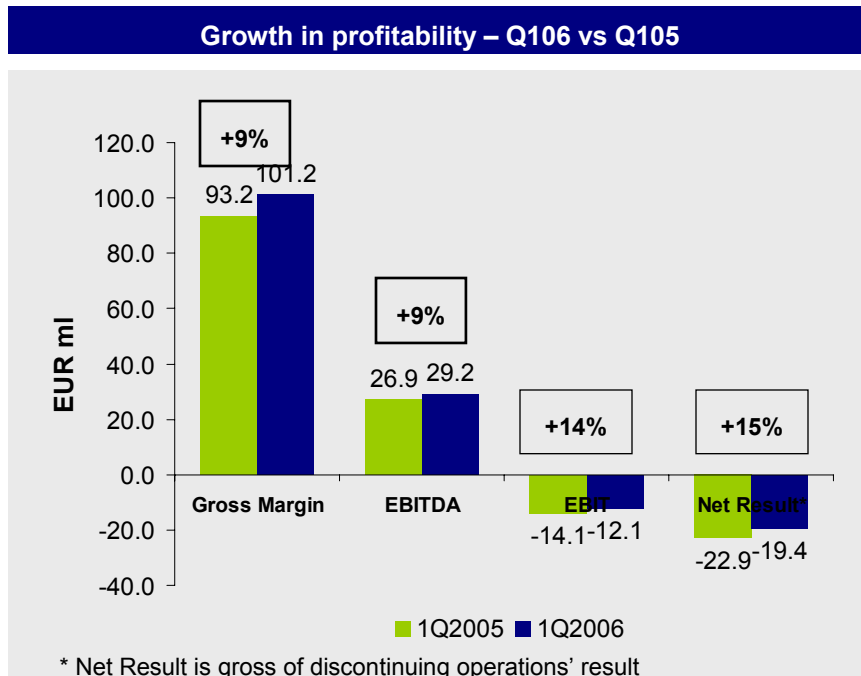
% DSL rev 19% 31% 50% 24% 37% 39%



LLU network coverage and investments

Country	N. of CoLos		% of HH		Capex ULL (€ml)	
	4Q05	1Q06	4Q05	1Q06	4Q05	1Q06
Italy	367	440	35%	40%	12.0	14.1
UK	25	53	3%	6%	9.1	10.2
Netherlands	250	250	60%	60%	3.0	1.2
Germany	Test in Frankfurt				-	

Sharp improvement in profitability and indirect cost reduction



- Personnel and G&A costs decrease by 4 percentage points over revenues YoY

Financials 1Q06 vs 1Q05

€ ml	1Q05	% of rev.	1Q06	% of rev.	Delta 04/05
Revenues	173.8		202.7		17%
<i>Italy</i>	49.0	28%	51.7	25%	6%
<i>UK</i>	70.4	40%	100.4	49%	43%
<i>Netherlands</i>	24.5	14%	25.5	12%	4%
<i>Germany</i>	22.8	13%	19.1	9%	(16%)
<i>Others</i>	9.3	5%	8.3	4%	(10%)
Gross Margin	93.2	54%	101.2	50%	9%
Operating costs	64.5	37%	72.5	36%	12%
<i>Sales & Marketing costs</i>	22.9	13%	31.4	16%	37%
<i>Personnel costs</i>	27.7	16%	28.1	14%	1%
<i>G&A costs</i>	13.9	8%	13.0	6%	(7%)
Trading Margin (EBITDA)	28.7	16%	28.7	14%	nm
<i>Other Operating charges & income</i>	(1.8)	nm	0.5	nm	nm
Gross Operating Result (EBITDA)	26.9	15%	29.2	14%	9%
EBIT	(14.1)	nm	(12.1)	nm	14%
EBT	(23.0)	nm	(19.1)	nm	17%

* Revenue breakdown does not include corporate adjustments.

Financials 1Q06 vs 1Q05

€ ml	1Q05	% of rev.	1Q06	% of rev.	Delta 04/05
Revenues	173.8		202.7		17%
Access	130.1	75%	152.1	75%	17%
Voice	21.5	12%	23.8	12%	11%
B2B	14.0	8%	14.0	7%	nm
Media and VAS	6.3	4%	10.8	5%	72%
Others	1.8	1%	1.9	1%	8%
Gross Margin	93.2	54%	101.2	50%	9%
Operating costs	64.5	37%	72.5	36%	12%
Sales & Marketing costs	22.9	13%	31.4	16%	37%
Personnel costs	27.7	16%	28.1	14%	1%
G&A costs	13.9	8%	13.0	6%	(7%)
Trading Margin (EBITDA)	28.7	16%	28.7	14%	-
Other Operating charges & income	(1.8)	nm	0.5	nm	nm
Gross Operating Result (EBITDA)	26.9	15%	29.2	14%	9%
EBIT	(14.1)	<i>nm</i>	(12.1)	<i>nm</i>	14%
EBT	(23.0)	<i>nm</i>	(19.1)	<i>nm</i>	17%

* Revenue breakdown does not include corporate adjustments.

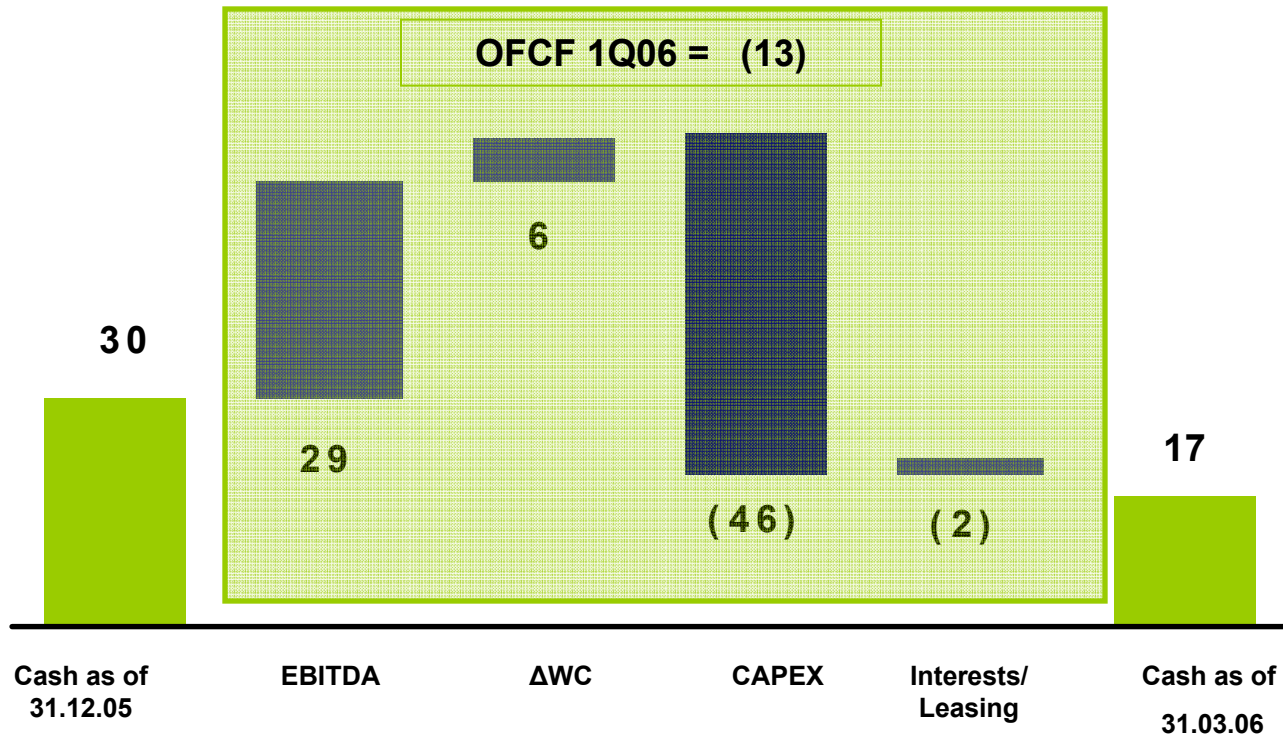
Evolution of capital structure

€ ml	31 March 2006	31 December 2005
Cash	17.3	30.0
Other Financial Assets	33.8	34.3
<i>of which</i>		
Escrow accounts	17.4	18.0
Tax receivables and other assets	16.4	16.2
Total cash and other financial assets	51.1	64.3
Equity Linked 2006*	213.4	211.0
Total Bonds	213.4	211.0
Long term loans	90.2	89.2
Bank overdraft and short term lines	29.8	19.7
Total Bank Debt	120.0	108.8
Leasing	31.3	34.5
Total Financial Debt**	364.7	354.4
Net Financial Debt	(313.6)	(290.1)

* Includes accrued interests

**Does not include shareholders' loan

Free Cash Flow



- Sharp improvement YoY (-€44ml in 1Q05)
- Net debt increase by €24ml
- €25.5 million of Capex attributable to ULL infrastructure investments, €20 million to customer-driven capex

Financing

- **Senior security facility increase by Silver Point of €70 million, bringing total commitment to €220 million** to be utilised to repay the 4.25% Equity-Linked Bonds due 26 September 2006 and for general corporate purposes
 - €50 million already drawn in August 2005
 - Rate at Euribor + 800 bps, subject to performance related adjustments
 - 3-year maturity
 - Security package includes pledge on shares of main operating subsidiaries

- EGM to be called (20th June 1st call) to approve a capital increase of **up to 27.7 million shares** (7% of share capital) to allow exercise the “soft mandatory” clause available in the Equity-Linked Bonds, allowing a share plus cash repayment of the Bonds at maturity
 - At today’s price, the equity portion of the Bonds would amount to ca €80 million, the cash portion to ca € 130 million
 - Tiscali may be putting in place certain hedging instruments to crystallise the value of the capital increase for which a shareholders’ share loan may be made available

- **Total funding of ca EUR 250 million** allows repayment of the E-L Bonds in full and gives additional operating flexibility

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.