

tiscali:

**1Q2010 Results  
Presentation**

11th May 2010

## Key 1Q 2010 results

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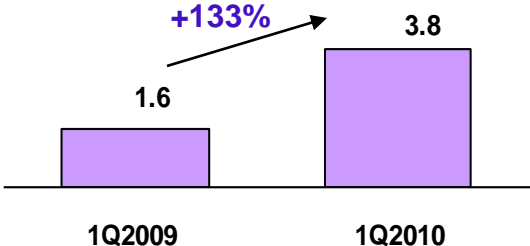
- Revenues at EUR 68.6 million, - 7% YoY, in line with 4Q09;
- EBITDA (gross of bad debt) at EUR 18 million; Adjusted EBITDA (net of bad debt) at EUR 14.4 million;
- EBIT positive at EUR 3.8 million, +133% YoY (EUR 1.6 million in 1Q09);
- Net result negative for EUR 0.3 million (including EUR 4.1 million of interests charges) up 98% YoY (negative for EUR 17.2 million in 1Q09), bottom line profitability virtually achieved
- Net financial debt at EUR 217.2 million, vs EUR 211.2 as of 31st December 2009, 65% down compared to 30 March 2009, thanks to restructuring process
- Total customer base at 672K (excluding Narrowband), of which 598K ADSL (572 k already active). Dual play customers at 332K, 10% up on 4Q09. LLU customers at 389K.

# 1Q 2010 Results: highlights

## 1Q2010 Improvements:

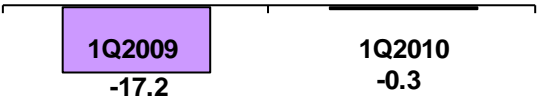
- EBIT +133% YoY
- Net results +98% YoY
- Strong NFP reduction, - 65% YoY

EBIT (EUR Mln)



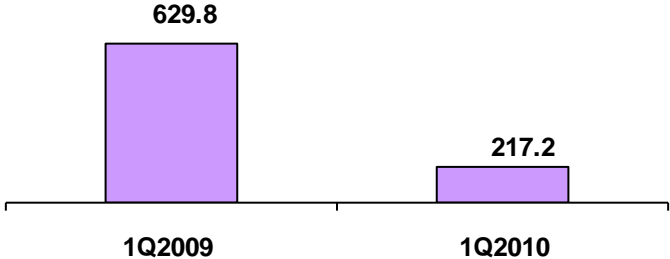
Net result (EUR Mln)

+ 98% YoY



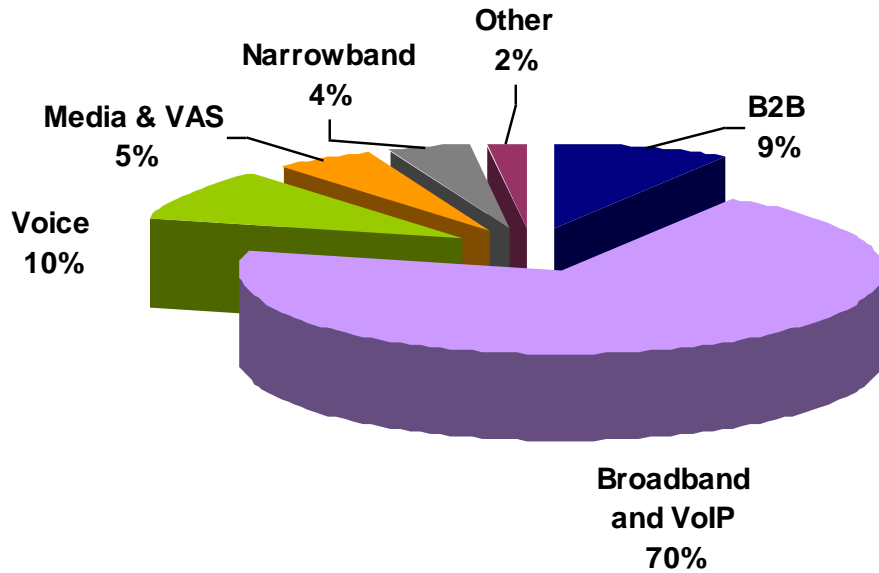
Net financial Position (EUR Mln)

Strong NFP reduction: - 65% YoY



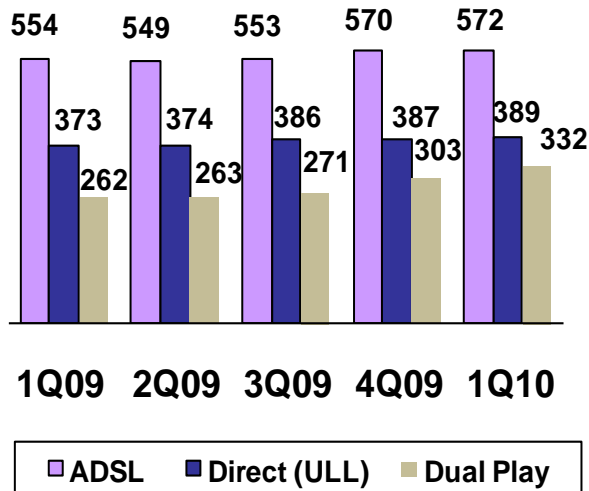
■ Bottom line profitability virtually achieved

# 1Q 2010 Results: Operational breakdown and Customers dynamics



- Broadband & Dual play (VoIP) revenues are 70% of total revenues, in line vs 1Q09 and up 3.7% vs 4Q09;
- Narrowband revenues down 54% compared to 1Q 09 affecting margin;
- Network coverage: 651 LLU sites, +165 YoY;
- B2B revenues increase: + 88% YoY;
- Recovering media sales up 52% compared to 4Q09; 1.3 billion page views in the quarter;
- Dual Play Customers increase of 70K YoY and ca 10% vs 4Q09;
- ARPU up 2% compared to 4Q 09, thanks to improved mix, disconnection of about 12K silent and non paying customers.

## ADSL Active Customers (000s)



# 1Q2010 vs 1Q2009

EUR mln	1Q10	% of rev.	1Q09	% of rev.	Delta 10/09
<b>Revenues</b>	<b>68.6</b>	<b>100%</b>	<b>73.5</b>	<b>100%</b>	<b>-6.7%</b>
Access	33.4	49%	37.3	51%	-10.5%
of which ADSL	30.8	45%	31.6	43%	-2.5%
Voice	24.2	35%	24.8	34%	-2.4%
of which dual play voice traffic	17.5	26%	16.8	23%	4.5%
B2B	6.4	9%	3.4	5%	88.2%
Media and VAS	3.1	5%	6.3	9%	-50.8%
Other	1.5	2%	1.8	2%	-16.7%
<b>Gross Margin</b>	<b>34.0</b>	<b>50%</b>	<b>41.0</b>	<b>56%</b>	<b>-17.1%</b>
<b>Operating costs</b>	<b>18.4</b>	<b>27%</b>	<b>23.5</b>	<b>32%</b>	<b>-21.7%</b>
Sales & Marketing costs	3.3	5%	5.1	7%	-35.3%
Personnel costs	11.1	16%	11.5	16%	-3.5%
G&A costs	4.0	6%	6.9	9%	-42.0%
Other Income / (Expenses)	(2.5)	nm	(1.1)	nm	nm
<b>Gross Operating Result (adjusted EBITDA)</b>	<b>18.0</b>	<b>26%</b>	<b>18.5</b>	<b>25%</b>	<b>-2.7%</b>
Bad debt and other provisions	3.6	5%	3.5	5%	2.9%
<b>Gross Operating Result (EBITDA)</b>	<b>14.4</b>	<b>21%</b>	<b>15.0</b>	<b>20%</b>	<b>-4.0%</b>
<b>EBIT</b>	<b>3.8</b>	<b>6%</b>	<b>1.6</b>	<b>2%</b>	<b>133.0%</b>
<b>Net result of the Group</b>	<b>(0.3)</b>	<b>nm</b>	<b>(17.2)</b>	<b>nm</b>	<b>98.3%</b>

1Q2010 vs 4Q2009

EUR mln	1Q10	% of rev.	4Q09	% of rev.	Delta 10/09
<b>Revenues</b>	<b>68.6</b>	<b>100%</b>	<b>68.8</b>	<b>100%</b>	<b>-0.3%</b>
Access	33.4	49%	32.6	47%	2.5%
of which ADSL	30.8	45%	29.6	43%	4.4%
Voice	24.2	35%	23.9	35%	1.3%
of which dual play voice traffic	17.5	26%	17.0	25%	2.9%
B2B	6.4	9%	7.4	11%	-13.5%
Media and VAS	3.1	5%	2.0	3%	55.0%
Other	1.5	2%	2.7	4%	-44.4%
<b>Gross Margin</b>	<b>34.0</b>	<b>50%</b>	<b>36.9</b>	<b>54%</b>	<b>-7.9%</b>
<b>Operating costs</b>	<b>18.4</b>	<b>27%</b>	<b>18.3</b>	<b>27%</b>	<b>0.5%</b>
Sales & Marketing costs	3.3	5%	2.4	3%	37.5%
Personnel costs	11.1	16%	8.7	13%	27.6%
G&A costs	4.0	6%	7.1	10%	-43.7%
Other Expenses/ (Income)	(2.5)	nm	0.4	nm	nm
<b>Gross Operating Result (adjusted EBITDA)</b>	<b>18.0</b>	<b>26%</b>	<b>18.2</b>	<b>26%</b>	<b>-1.1%</b>
Bad debt and other provisions	3.6	5%	3.1	5%	16.1%
<b>Gross Operating Result (EBITDA)</b>	<b>14.4</b>	<b>21%</b>	<b>15.1</b>	<b>22%</b>	<b>-4.6%</b>
<b>EBIT</b>	<b>3.8</b>	<b>6%</b>	<b>6.1</b>	<b>9%</b>	<b>-37.7%</b>
<b>Net result of the Group</b>	<b>(0.3)</b>	<b>nm</b>	<b>33.5</b>	<b>nm</b>	<b>nm</b>

■ 4Q09 affected by positive write-off effect for EUR 42.3 million

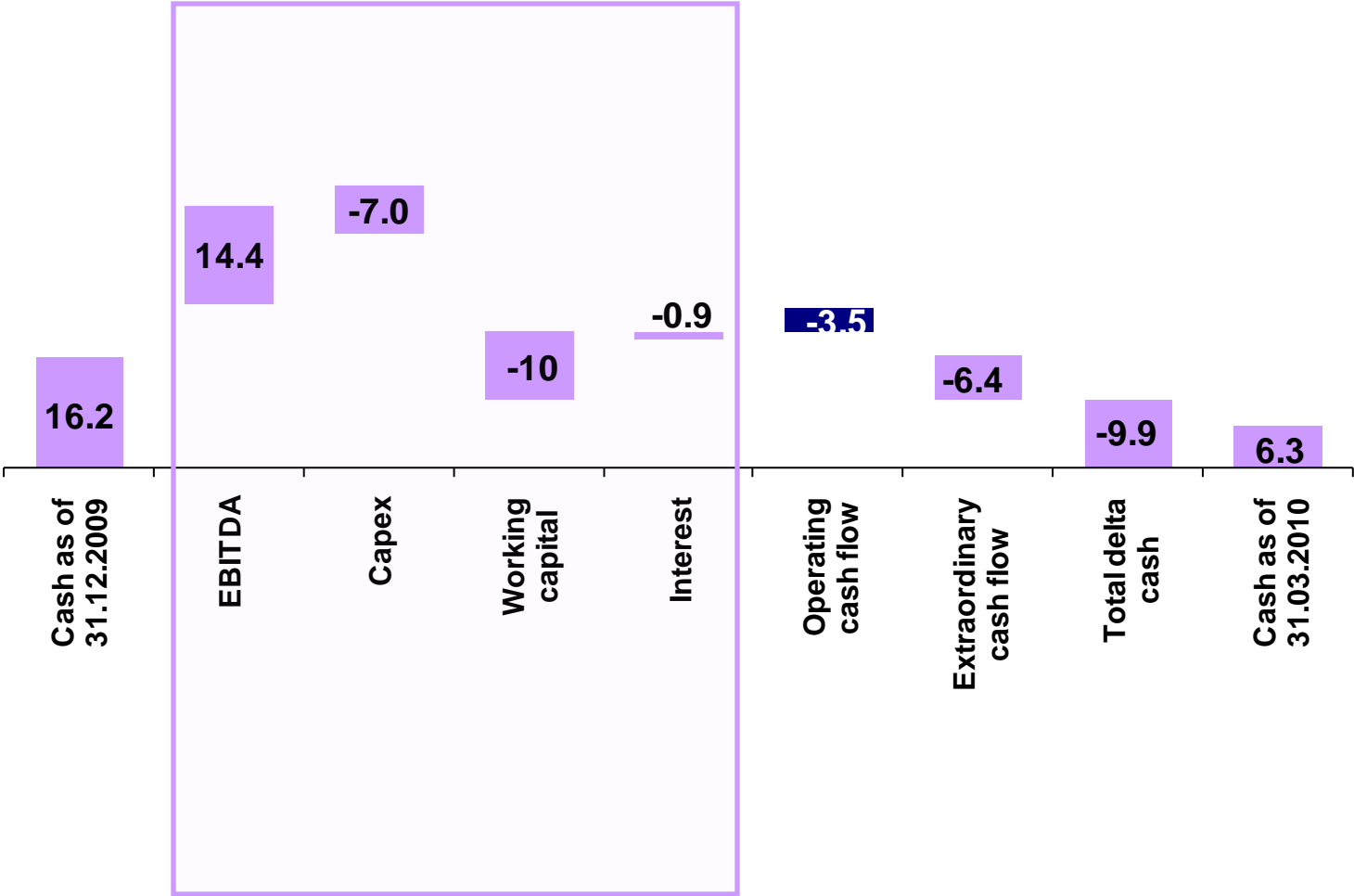
## Net financial position

EUR Mln	31-Mar-10	31-Dec-09
A. Cash	6.3	16.2
B. Other cash equivalents	0.6	0.6
C. Securities held for trading	-	-
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>6.9</b>	<b>16.8</b>
<b>E. Current financial receivables</b>	<b>5.9</b>	<b>6.4</b>
F. Non-Current financial receivables	12.5	12.7
G. Current bank payables	13.8	13.6
H. Long term loans falling within one year	5.4	10.9
I. Other current financial payables(*)	9.3	10.8
<b>J. Current financial debt (G) + (H) + (I)</b>	<b>28.6</b>	<b>35.3</b>
<b>K. Net current financial debt (J) – (E) – (F) – (D)</b>	<b>3.2</b>	<b>(0,7)</b>
L. Non current bank payables	155.5	152.9
M. Bonds issued	-	-
N. Other non current payables (**)	58.5	59.0
<b>O. Non current financial debt (L) + (M) + (N)</b>	<b>214.0</b>	<b>211.8</b>
<b>P. Net financial debt (K) + (O)</b>	<b>217.2</b>	<b>211.2</b>

(\*) includes leasing debts

(\*\*) includes leasing debts and debts to shareholders

# Tiscali Group: 1Q2010 – Cash flow analysis (EUR ml)



■ Senior loan partial repayment of ca EUR 5.3 million in March 2010



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