

tiscali:

**1Q2013 Results
Presentation**

15th May 2013

Key 1Q2013 Results



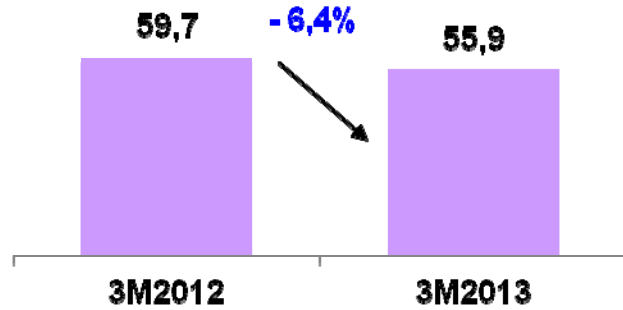
- **Revenues** at ca EUR 55,9 million, down (-6,4%) YoY; mainly due to the higher level of promotions to cope with the increasingly competitive scenario; Business revenues 26,8 % up vs 1Q2012;
- **Gross Margin at 49,5% vs 52,4%** in 1Q2012;
- **Gross Operating Result** at EUR 15,9 million (-1,6 million YoY); Gross margin decrease (-3,6 million vs 1Q2012, -11,6%)
- **EBITDA (net of bad debt)** at EUR 12,7 million, 9,7% down vs 1Q2012;
- **EBIT positive** for EUR 1 million, including restructuring costs for EUR 1,8 million mainly related to Long Term debt refinancing;
- **Net result** negative for ca EUR 2,6 million vs a positive result of EUR 0,3 million in 1Q2012;
- **Net debt*** at EUR 191,1 million vs EUR 195,8 million as of 31th March 2012, 2,4% down YoY;
- **Free cash flow** positive for EUR 4,5 million,; Capex at ca EUR 6,2 million;
- **ADSL customers** at 483K (+ 4k vs 4Q2012), second quarter in a row of growth.

* *Consob consolidated net financial debt*

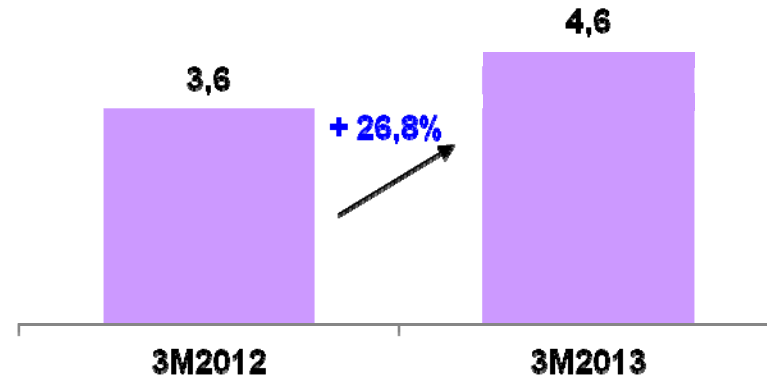
1Q2013 Results: Highlights



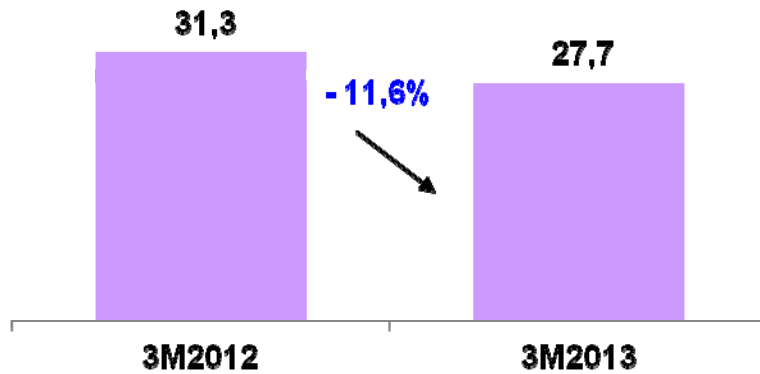
Sales (EUR Mln)



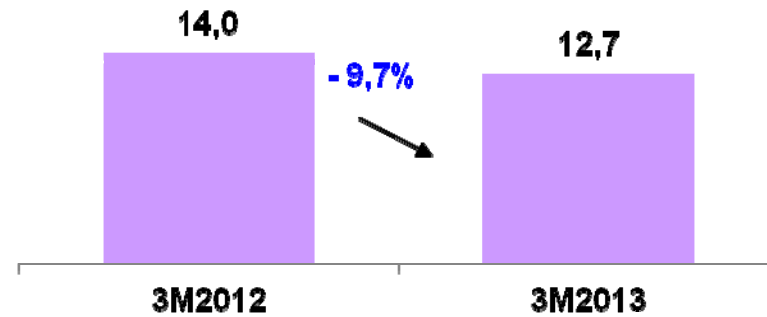
BTB Services (EUR Mln)



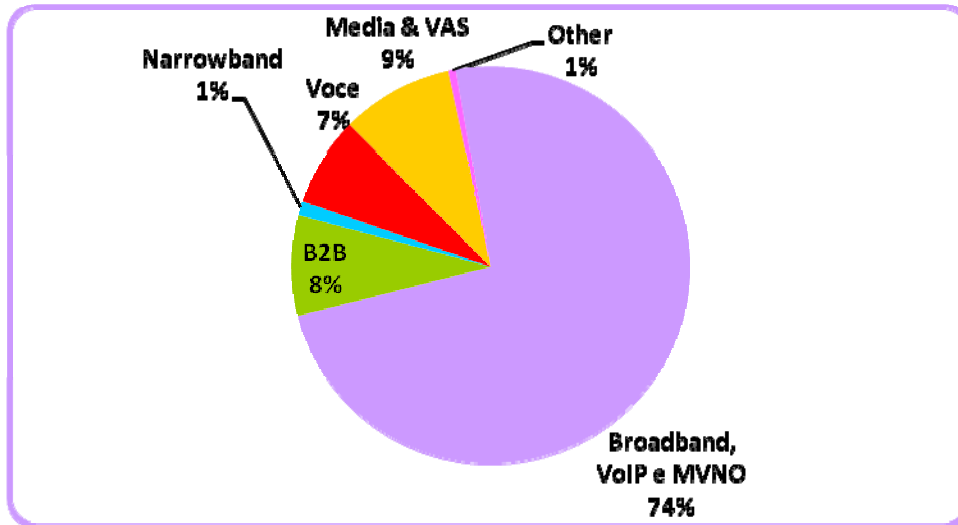
Gross Margin (EUR Mln)



EBITDA (net of Bad Debt) (EUR Mln)

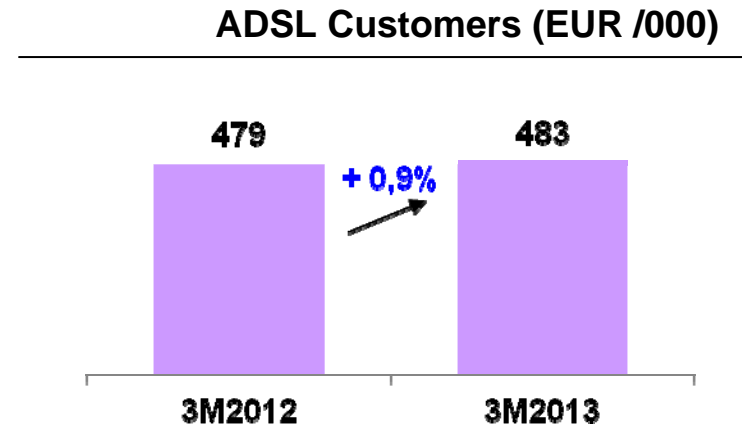
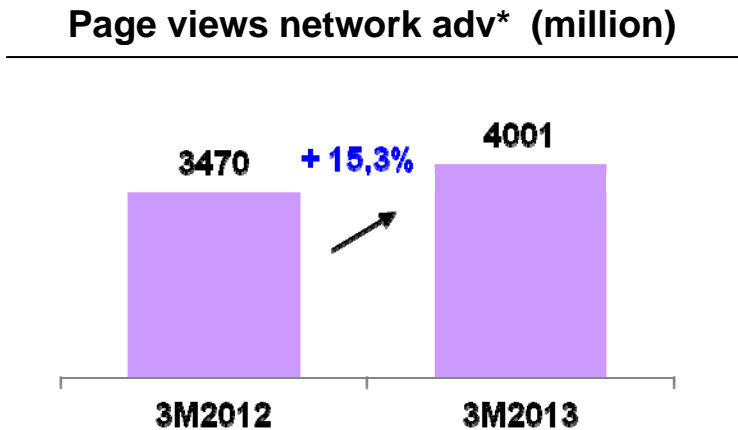
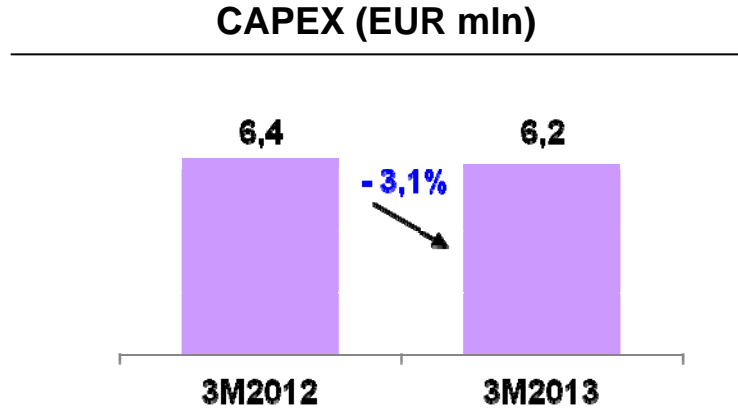
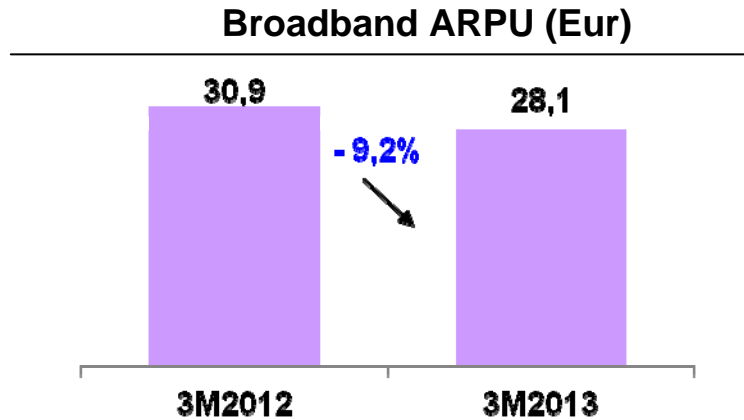


Business line breakdown on revenues – 1Q2013



- **Broadband, Dual play (VoIP) & MVNO**, core revenues, equal to ca EUR 41,3 million (73,8% of total revenues), down ca 10,6% vs 1Q2012;
- **Growing importance of BTB Services** (8,2% of total revenues), 26,8% growth YoY (6% of total revenues in 1Q2012)

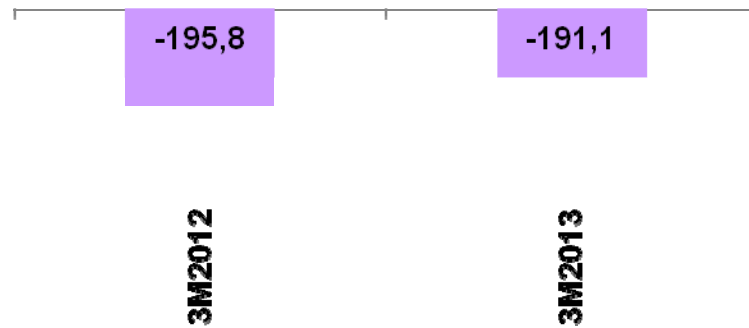
Trading Performance Key Items



- Decrease in ARPU mainly due to increased promotions on dual play consumer and SoHO proposition;
- Increased Page views (+15,3% YoY) on network, setting the ground for a growth with improved market scenario;
- Capex in 1Q2013 at EUR 6,2 million, down (-3,1%) YoY;

- On-going process of debt reduction;
- Total Net Debt* reduction of ca 2,4% YoY.

Net Financial Position



- Payment in January 2013 of EUR 0,9 million as interests of the Senior loan.

* Consob consolidated net financial debt

1Q2013 vs 1Q2012



EUR mln	1Q2013	% of rev.	1Q2012	% of rev.	Delta 1Q13/1Q12
Revenues	55,9	100%	59,7	100%	-6,4%
Access	41,3	74%	46,1	77%	-10,6%
of which ADSL	23,8	42%	26,6	45%	-10,8%
of which VOIP	16,7	30%	18,5	31%	-9,6%
of which MVNO	0,8	1%	1,0	2%	-22,0%
Voice	4,0	7%	3,4	6%	16,9%
Narrowband	0,7	1%	0,9	1%	-25,1%
B2B	4,6	8%	3,6	6%	26,8%
Media and VAS	5,1	9%	5,2	9%	-2,7%
Other	0,3	1%	0,5	1%	-29,6%
Gross Margin	27,7	50%	31,3	52%	-11,6%
Operating costs	14,3	26%	14,3	24%	0,3%
Sales & Marketing costs	1,9	3%	2,1	4%	-9,3%
Personnel costs	9,0	16%	8,9	15%	0,4%
G&A costs	3,4	6%	3,2	5%	6,4%
Other (Income) / Expenses	(2,5)	-4%	(0,4)	-1%	nm
Gross Operating Result	15,9	28%	17,4	29%	-9,0%
Bad debt and other provisions	3,2	6%	3,4	6%	-6,5%
EBITDA net of bad debts	12,7	23%	14,0	24%	-9,7%
D&A and Restructuring costs	11,6	21%	9,9	17%	17,1%
EBIT	1,1	2%	4,1	7%	nm
Net result of the Group	(2,6)	-5%	0,3	1%	nm

- First three months revenues down YoY (-6,4%);
 - Strong performance of Business Service revenues (+26,8% vs 1Q2012);
 - Decline in Access segment BB and VOIP (down 10,6% vs 1Q2012) mainly due to the higher level of promotions;
 - Customer base growth for the second quarter in a row, thanks to strong contribution of on line channels;
 - Performance in Media: revenues in line with 1Q2012, notwithstanding the stagnation in ADV market, also affecting on line segment;
- EUR 3,6 mln Gross margin decrease compared to 1Q2012, mainly due to decreased revenues (and ARPU) ;
- Operating costs in line with 1Q2012 (up 0,3% vs 1Q2012);
- Gross Operating Result decrease (-9%) vs 1Q2012;
- EBIT positive for EUR 1 million, including 1,8 mln group restructuring costs;
- Net income negative at EUR 2,6 mln.

Net Financial Position

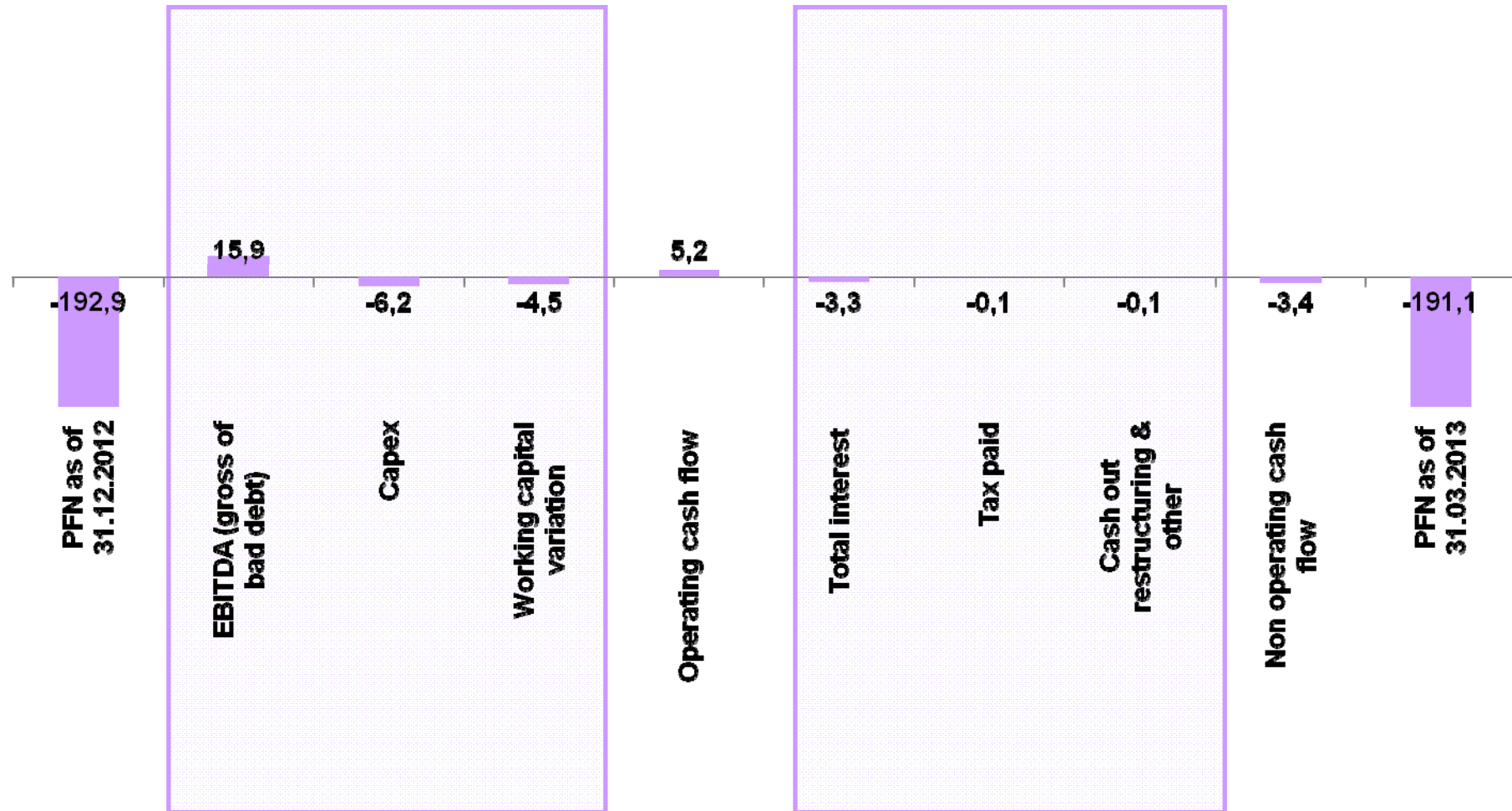
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<i>EUR Mln</i>	31 marzo 2013	31 Dicembre 2012
A. Cash	5,5	4,4
B. Other liquid assets	0,1	0,1
C. Securities	-	-
D. Total cash and other financial assets (A) + (B) + (C)	5,6	4,5
E. Current financial receivables	0,0	-
F. Non-Current financial receivables	6,3	6,3
G. Current bank debt	4,3	6,3
H. Long term loans falling within one year	8,9	9,5
I. Other current financial debt (*)	0,7	0,1
J. Current financial debt (G) + (H) + (I)	14,0	16
K. Net current financial debt (J) – (E) – (F) – (D)	2,1	5,1
L. Non current bank loans	124,1	122,7
M. Bonds	-	-
N. Other non current debt (**)	58,6	58,6
O. Non current financial debt (L) + (M) + (N)	182,6	181,3
P. Net Financial Debt (K) + (O)	184,7	186,5
Other cash equivalents and non current financial receivables	6,4	6,4
Consob Net Financial Debt	191,1	192,9

(*) includes financial leasing debts

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

Tiscali Group: 1Q2013 – Cash Flow Analysis (EUR ml)



- Operating cash flow positive for EUR 5,2 million;
- Free cash flow positive for EUR 4,5 million (7,6 million in 1Q012).

- Management focus stays on cash flow generation;
- On going customer growth on dual play proposition, thanks to good performance of on-line channels;
- Pursuing opportunity on business services, both with traditional and innovative services;
- Working on growing portal and network traffic, to catch expected network recovery in digital ADV;
- Continuing effort on innovation;
- Addressing 2014 financing requirements, discussions started.