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3Q 2005 financial results

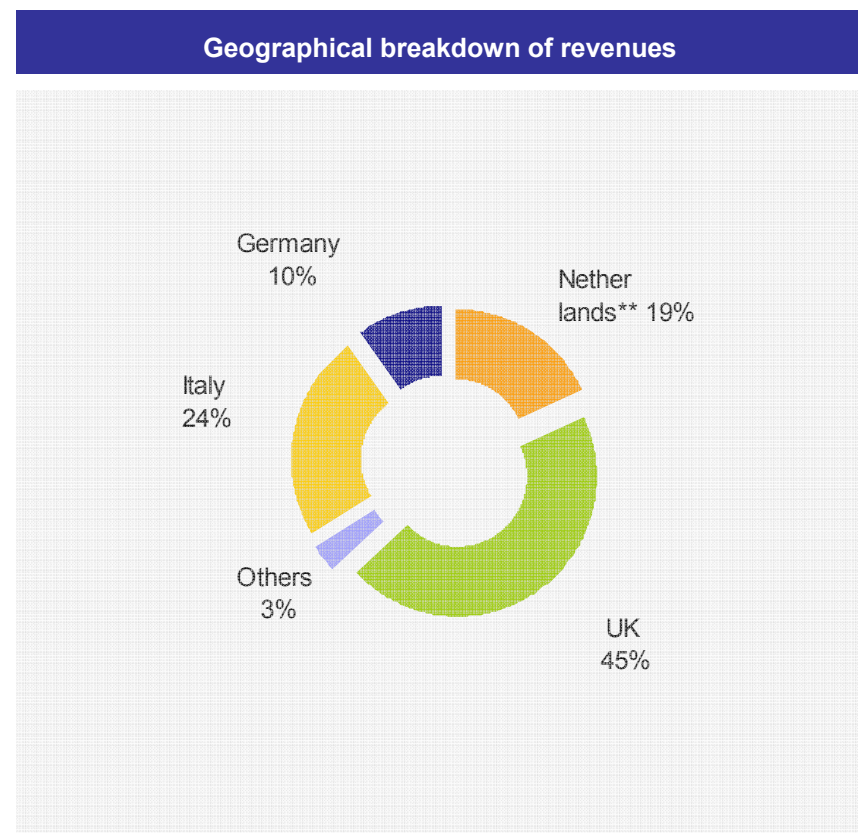
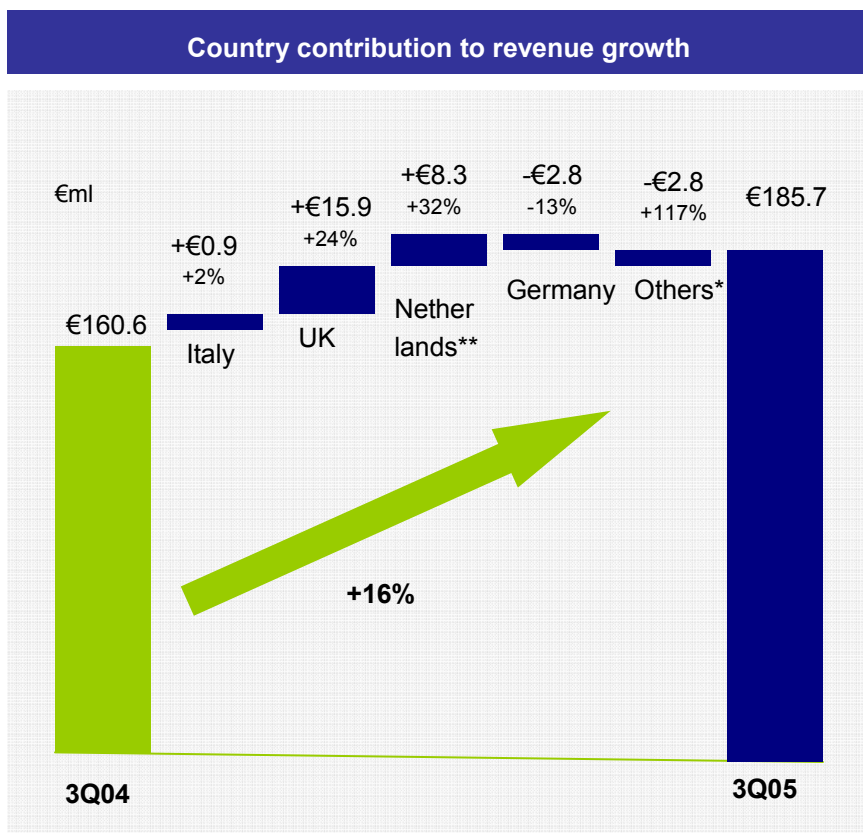
Milan, 11th November 2005

Key results

- **Solid revenue growth:**
 - 3-month revenues at €185.7 (+16% YoY), mainly driven by ADSL (65% of total access revenues) and UK
 - 9-month revenues at €539.3 ml +13% YoY
- **4.8 million* customers:**
 - 160,000 new ADSL subscribers vs 30.06.05, reaching 1.48* million ADSL customers, of which 280,000 ULL. Total active dial-up users at 3.4 million
- **Steep increase in YoY profitability:**
 - 3-month Gross Operating Result (EBITDA) at €31.7 ml (17% of revenues), +25% YoY
 - 9-month Gross Operating Result (EBITDA) at €84.1 ml (16% on revenues), +85% YoY
- **Free Cash Flow improvement** -€23 ml in Q305 vs -€20 ml in Q205, in spite of yearly coupon on E-L Bonds. NFP at -€269 ml vs -€259 ml as of 30.06.05
- **9-month pre-tax income (EBT)** of -€77 million improving by 26% vs 9M04

* Net of 60K ADSL customers sold to KPN

Key financials: Revenues by country 3Q04 vs 3Q05

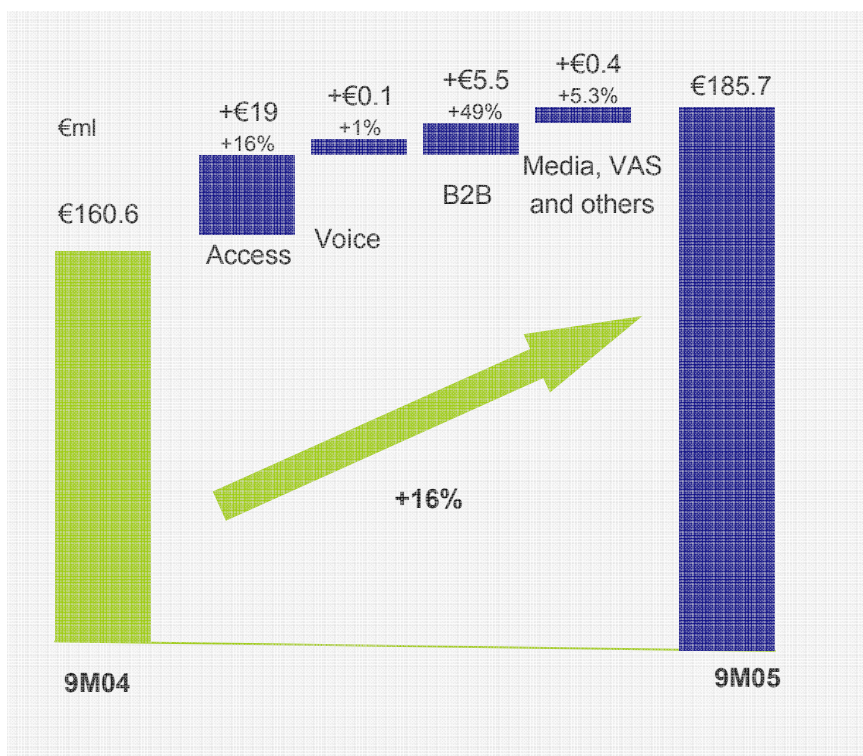


* Others include Czech Republic, TINET, HQ and other minor stakes

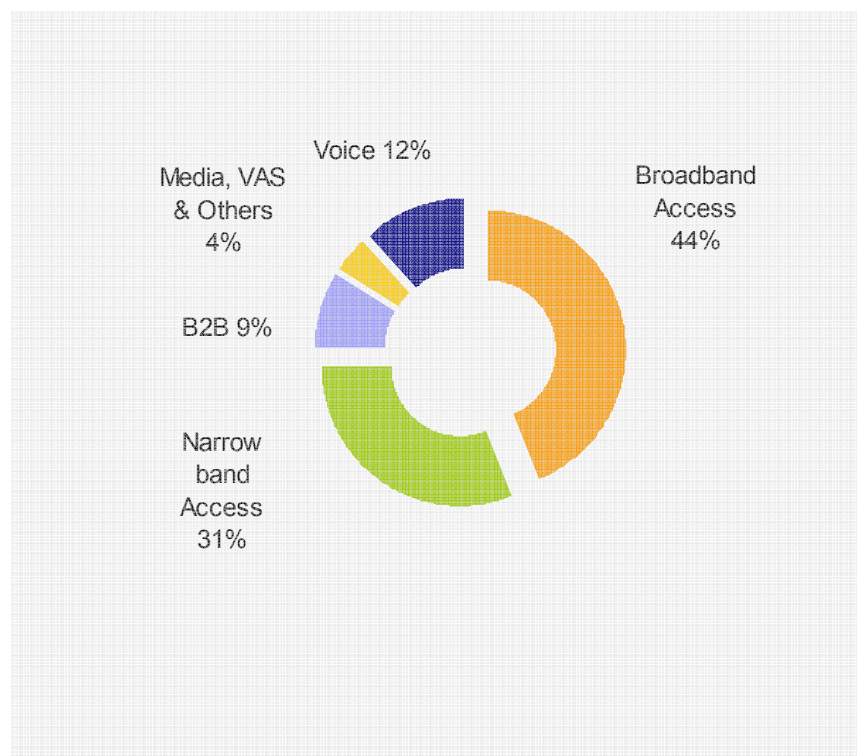
** Includes revenues from disposal 60K customers to KPN

Key financials: Revenues by business line 3Q04 vs 3Q05

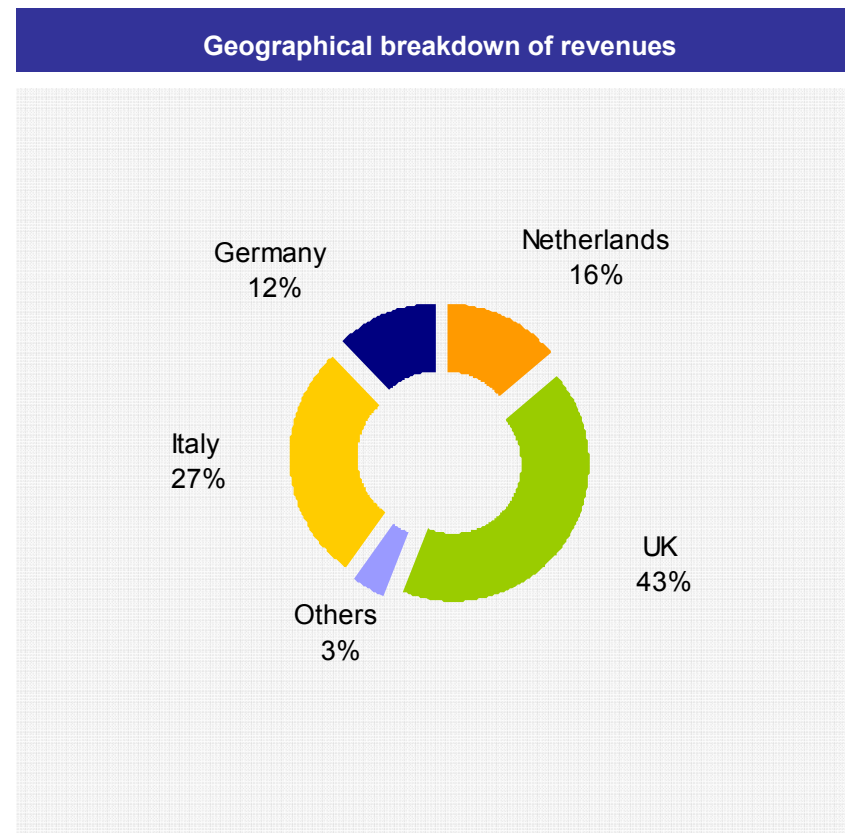
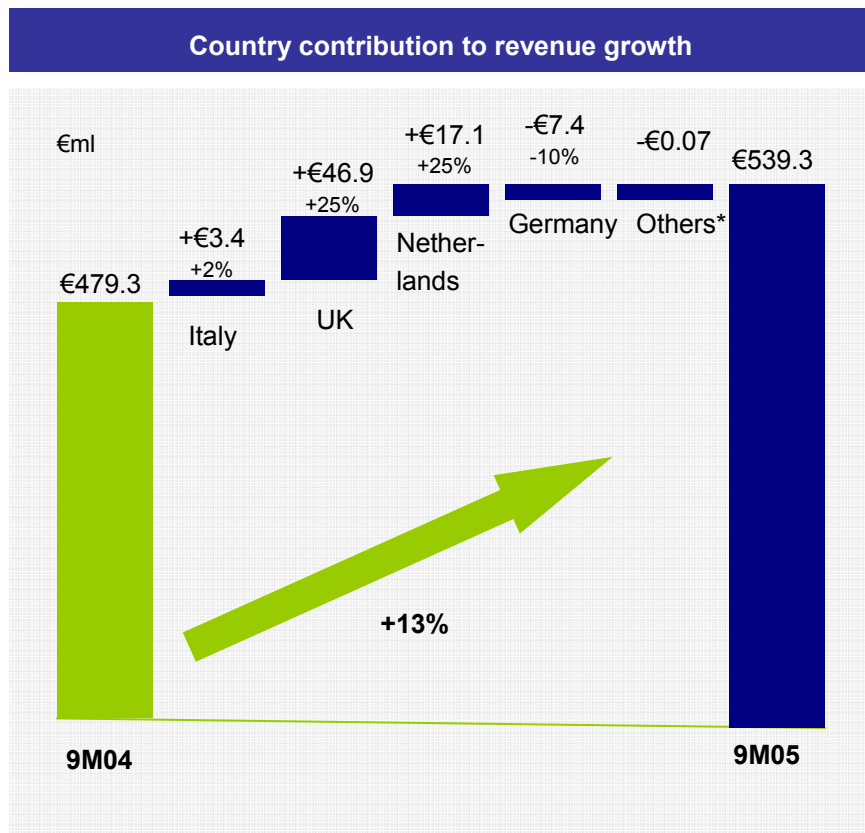
Business line contribution to revenue growth



Business line breakdown of revenues

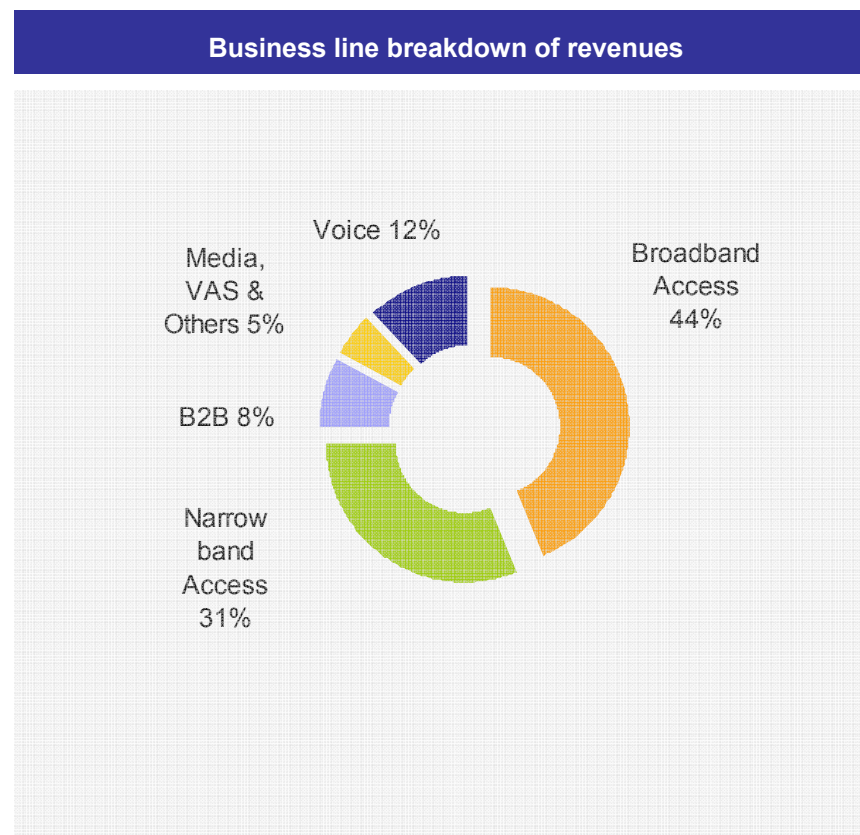
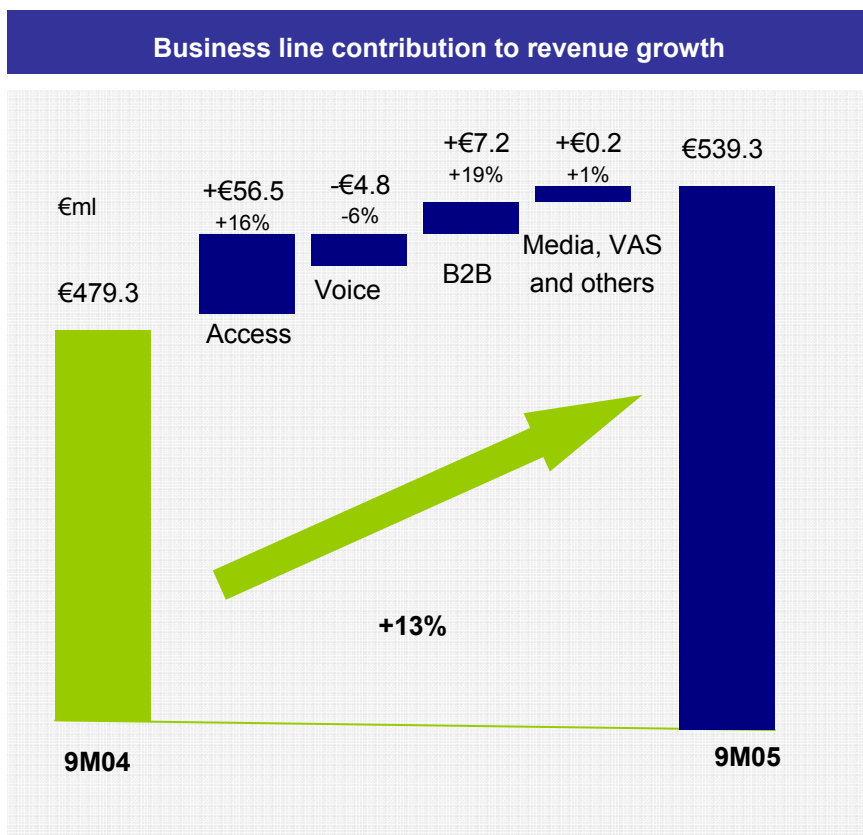


Key financials: Revenues by country 9M04 vs 9M05

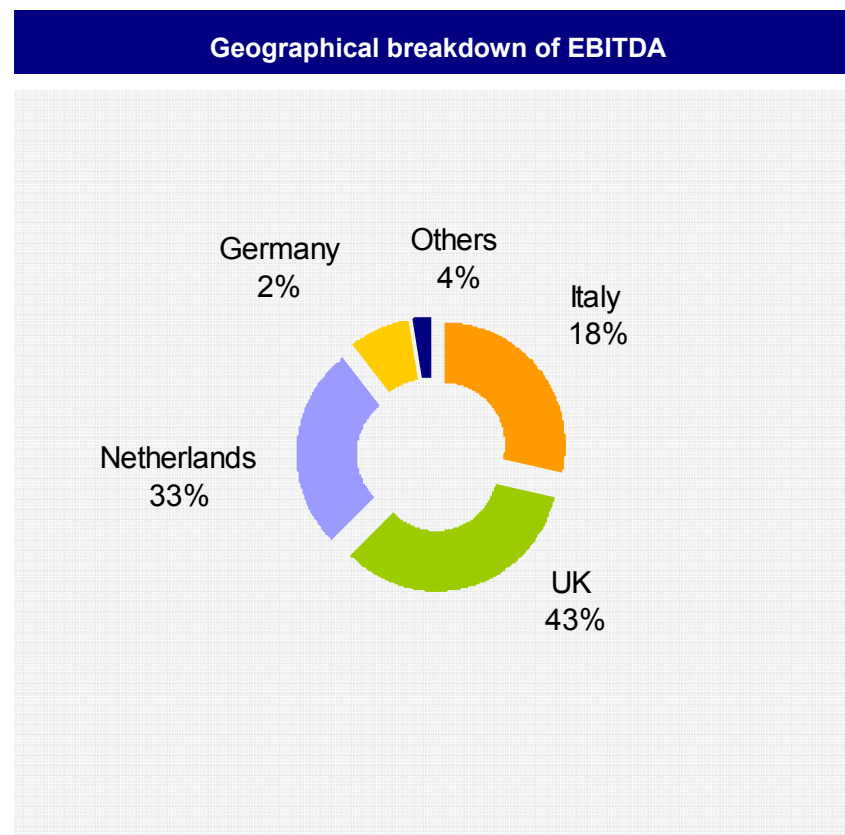
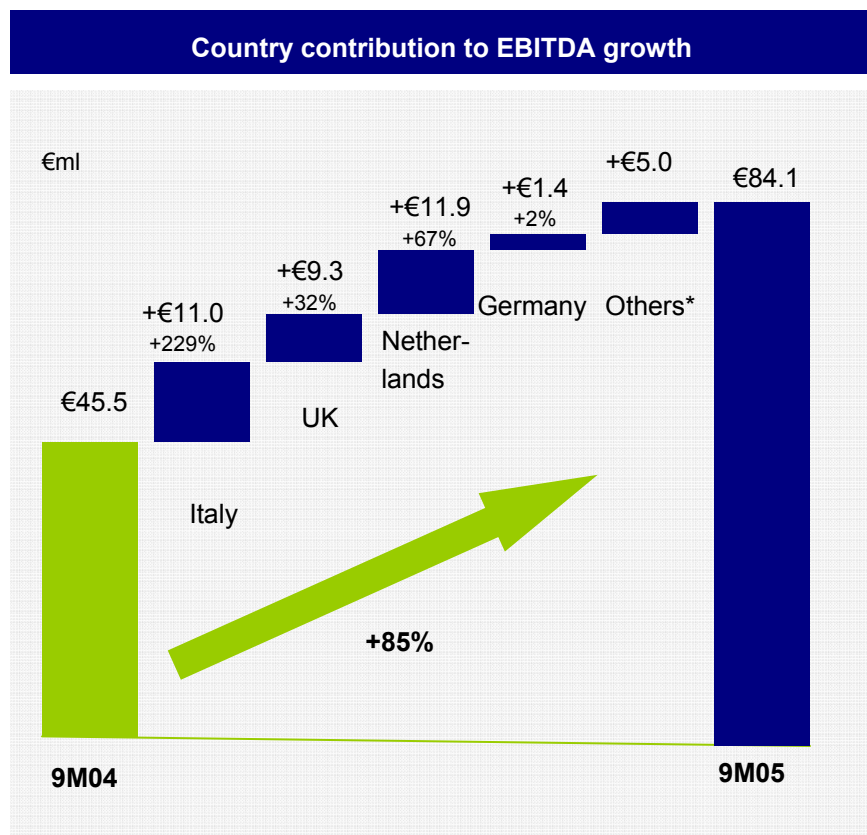


* Others include Czech Republic, HQ and other minor stakes

Key financials: Revenues by business line 9M04 vs 9M05

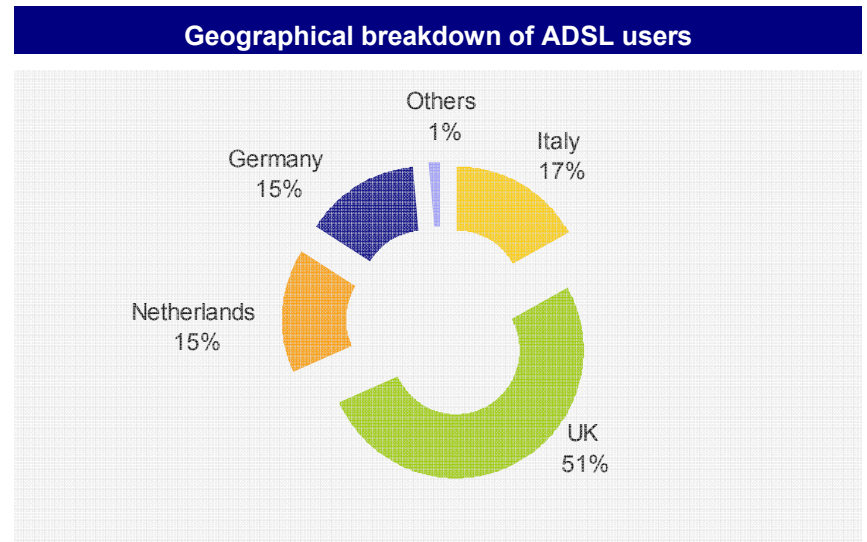
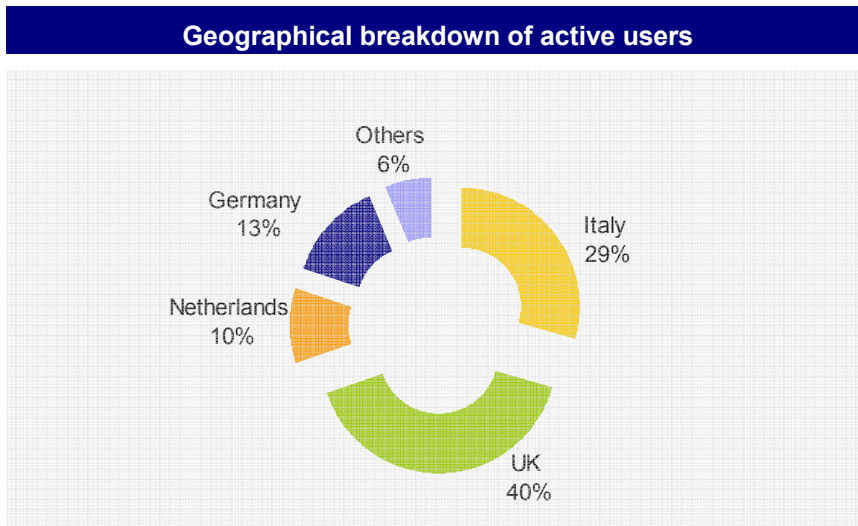
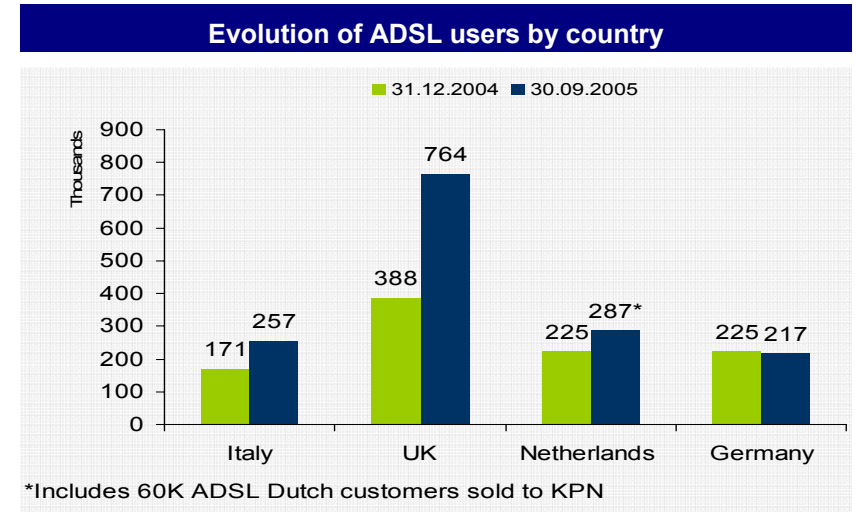
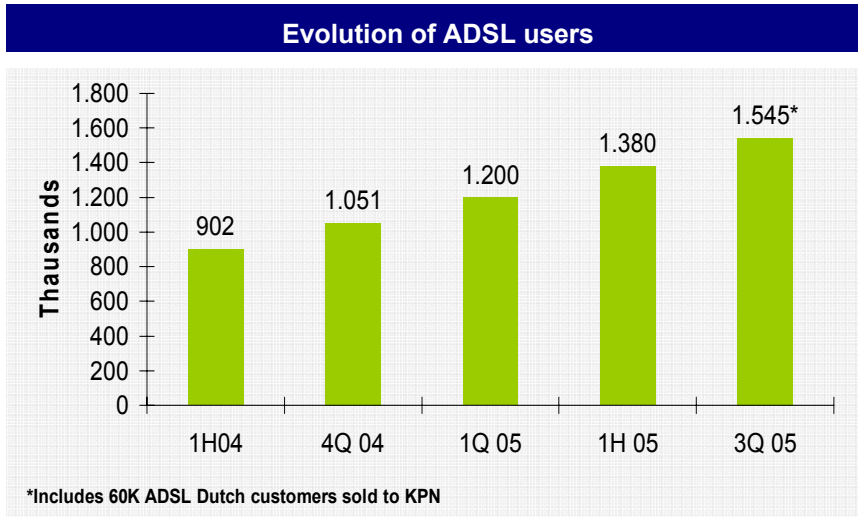


Key financials: Gross operating result (EBITDA) by country 9M04 vs 9M05

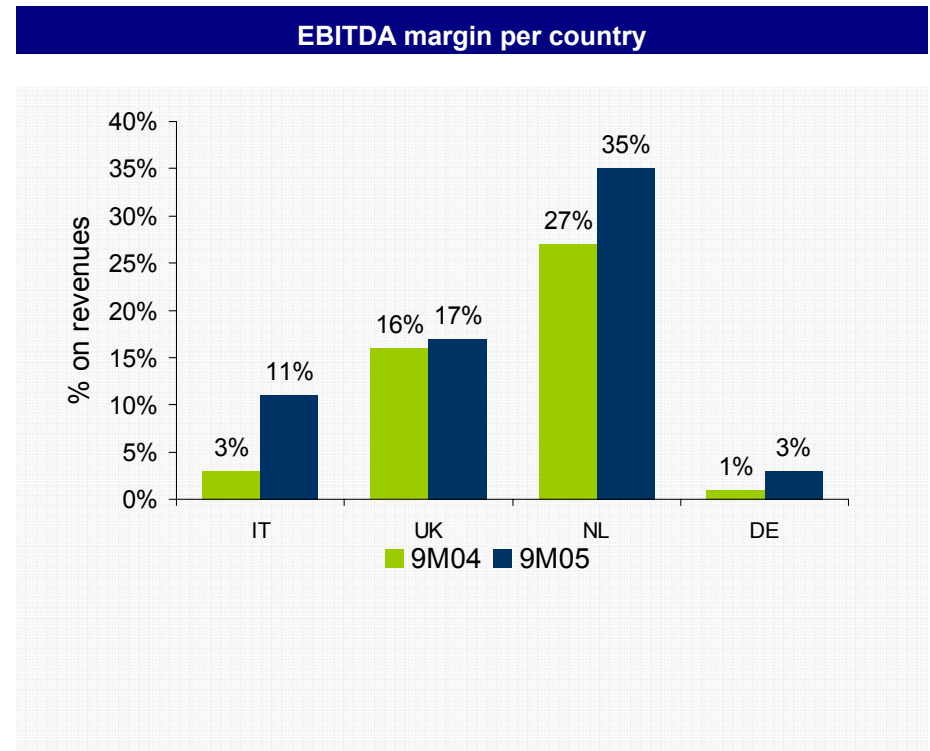
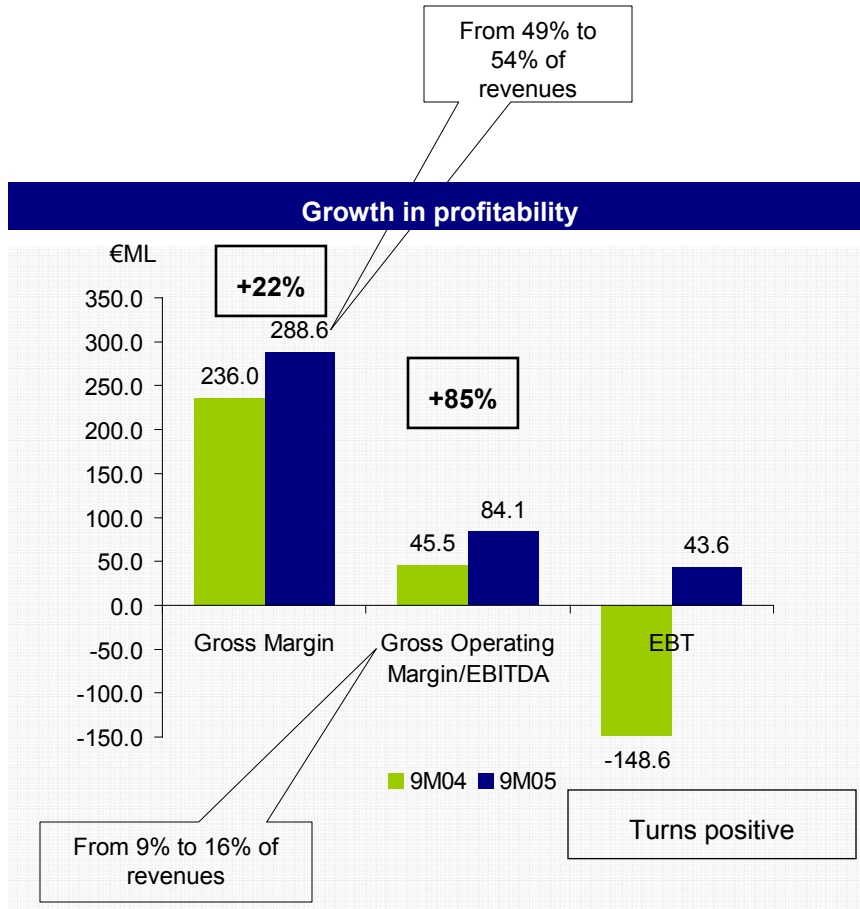


* Others include Czech Republic, TiNet IP and corporate costs

Active users 30.09.2005



Sharp improvement in profitability



Financials 3Q04 vs 3Q05

€ m	3Q05	% of rev.	3Q04	% of rev.	Delta 04/05
Revenues	185.7	100%	160.6	100%	+16%
<i>Access</i>	139.3	75%	120.3	75%	+16%
<i>Voice</i>	21.6	12%	21.5	13%	+1%
<i>B2B</i>	16.8	9%	11.3	7%	+49%
<i>Media and VAS</i>	6.4	3%	7.6	5%	-16%
<i>Others</i>	1.6	1%	-	<i>nm</i>	<i>Nm</i>
Gross Margin	96.7	52%	83.9	52%	+15%
Operating costs	63.5	34%	55.0	34%	+16%
<i>Sales & Marketing costs</i>	24.1	13%	16.0	10%	+51%
<i>Personnel costs</i>	28.4	15%	28.7	18%	-1%
<i>G&A costs</i>	11.1	6%	10.3	6%	+7%
<i>Extraordinary Income & Expenses</i>	(1.5)	<i>nm</i>	(3.4)	<i>nm</i>	+56%
Gross Operating Result (EBITDA)	31.7	17%	25.3	16%	+25%
EBIT	(7.8)	<i>nm</i>	(8.1)	<i>nm</i>	+4%
EBT	(10.9)	<i>nm</i>	(16.8)	<i>nm</i>	+37%
Net result	(16.0)	<i>nm</i>	(24.8)	<i>nm</i>	+35%

Financials 3Q04 vs 3Q05

€ m	3Q05	% of rev.	3Q04	% of rev.	Delta 04/05
Revenues	185.7	100%	160.6	100%	+16%
<i>Italy</i>	44.0	24%	43.1	27%	+2%
<i>UK</i>	82.9	45%	67.0	42%	+24%
<i>Netherlands</i>	34.3	19%	26.0	16%	+32%
<i>Germany</i>	19.2	10%	22.0	14%	-13%
<i>Others</i>	5.3	3%	2.5	2%	+117%
Gross Margin	96.7	52%	83.9	52%	+15%
Operating costs	63.5	34%	55.0	34%	+16%
<i>Sales & Marketing costs</i>	24.1	13%	16.0	10%	+51%
<i>Personnel costs</i>	28.4	15%	28.7	18%	-1%
<i>G&A costs</i>	11.1	6%	10.3	6%	+7%
<i>Extraordinary Income & Expenses</i>	(1.5)	<i>nm</i>	(3.4)	<i>nm</i>	+55%
Gross Operating Result (EBITDA)	31.7	17%	25.3	16%	+25%

Financials 9M04 vs 9M05

€ m	9M05	% of rev.	9M04	% of rev.	Delta 04/05
Revenues	539.3	100%	479.4	100%	+13%
Access	401.9	75%	345.4	72%	+16%
Voice	65.6	12%	69.6	15%	-6%
B2B	45.3	8%	38.1	8%	+19%
Media and VAS	21.0	4%	21.9	5%	-4%
Others	5.5	1%	4.3	1%	+27%
Gross Margin	288.6	54%	236.0	49%	+22%
Operating costs	203.5	38%	174.6	36%	+17%
Sales & Marketing costs	89.0	17%	57.3	12%	+55%
Personnel costs	82.6	15%	83.4	17%	-1%
G&A costs	31.9	6%	33.9	7%	-6%
Extraordinary Income & Expenses	(1.0)	nm	(15.9)	nm	nm
Gross Operating Result (EBITDA)	84.1	16%	45.5	9%	+85%
EBIT	(54.2)	nm	(75.0)	nm	+28%
EBT	(77.0)	nm	(104.5)	nm	+26%
Net result	(1.5)	nm	(148.6)	nm	+99%

Financials 9M04 vs 9M05

€ m	9M05	% of rev.	9M04	% of rev.	Delta 04/05
Revenues	539.3	100%	479.4	100%	+13%
<i>Italy</i>	143.7	27%	140.3	29%	+2%
<i>UK</i>	231.2	43%	184.3	38%	+25%
<i>Netherlands</i>	84.1	16%	67.0	14%	+25%
<i>Germany</i>	63.3	12%	70.7	15%	-10%
<i>Others</i>	16.9	3%	17.0	4%	-1%
Gross Margin	288.6	54%	236.0	49%	22%
Operating costs	203.5	38%	174.6	36%	17%
<i>Sales & Marketing costs</i>	89.0	17%	57.2	12%	+56%
<i>Personnel costs</i>	82.6	15%	83.4	17%	-1%
<i>G&A costs</i>	33.4	6%	31.9	7%	-6%
<i>Extraordinary Income & Expenses</i>	(1.0)	<i>nm</i>	-	-	-
Gross Operating Result (EBITDA)	84.1	16%	45.5	9%	85%
<i>Italy</i>	15.8	11%	4.8	3%	+229%
<i>UK</i>	38.2	17%	28.9	16%	+32%
<i>Netherlands</i>	29.8	35%	17.9	27%	+67%
<i>Germany</i>	1.9	3%	0.5	1%	+308%
<i>Others</i>	(1.6)	<i>nm</i>	(6.6)	<i>nm</i>	-76%

Evolution of capital structure

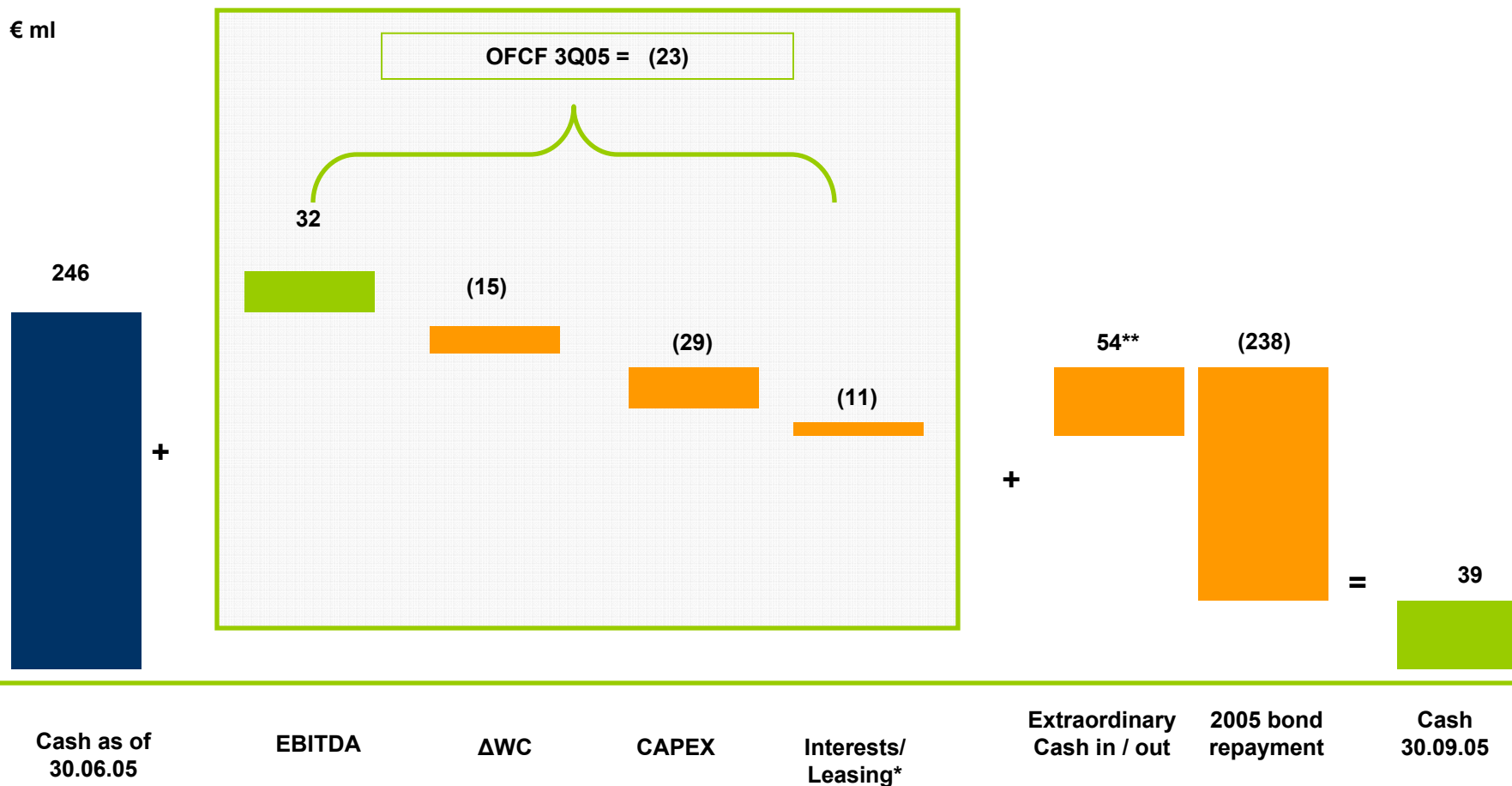
€ m	30 June 2005	30 September 2005
Cash	245.9	38.8
Other Financial Assets	45.7	42.7
<i>of which</i>		
Escrow accounts	7.8	17.3
Tax receivables and other assets	37.9	25.4
Total cash and other financial assets	291.6	81.5
FRNs 2005	237.6	-
Equity Linked 2006	214.9*	208.6
Total Bonds	452.5	208.6
Long term loans	45.5	91.7
Bank overdraft and short term lines	16.0	17.9
Total Bank debt	61.5	109.6
Leasing	36.8	32.0
Total Financial debt**	550.8	350.2
Net Financial Debt	259.2	268.7

* Includes accrued interests

**Does not include shareholders' loan

Free cash flow 3Q05

€ ml

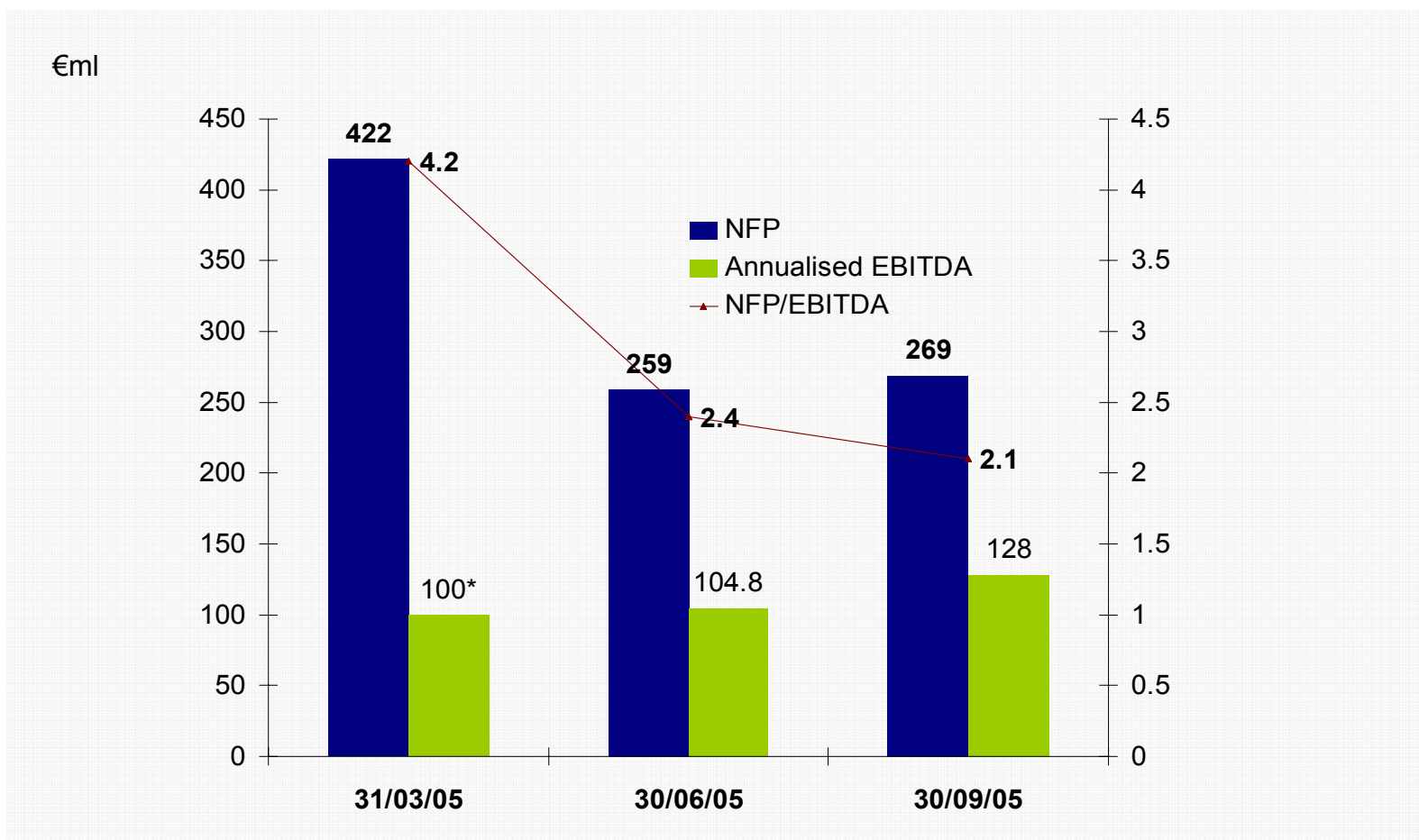


- FCF in 1Q05 was -€46 million, in 2Q05 -€20 million. 3Q05 cash flows include €9 million of annual interest on the 2006 E-L bonds

* Includes annual coupon on 2006 E-L bonds

**Includes SilverPoint facility drawn in August 2005

Evolution of NFP and Net Debt/EBITDA ratio



■ Sharp improvement in financial ratios

* Italian GAAP

2005 year-end targets (IFRS compliant)

- Turnover at approximately €750 million
- Gross Operating Result of over €100 million
- Over 1.7 million ADSL customers
- Capex at 15% of revenues