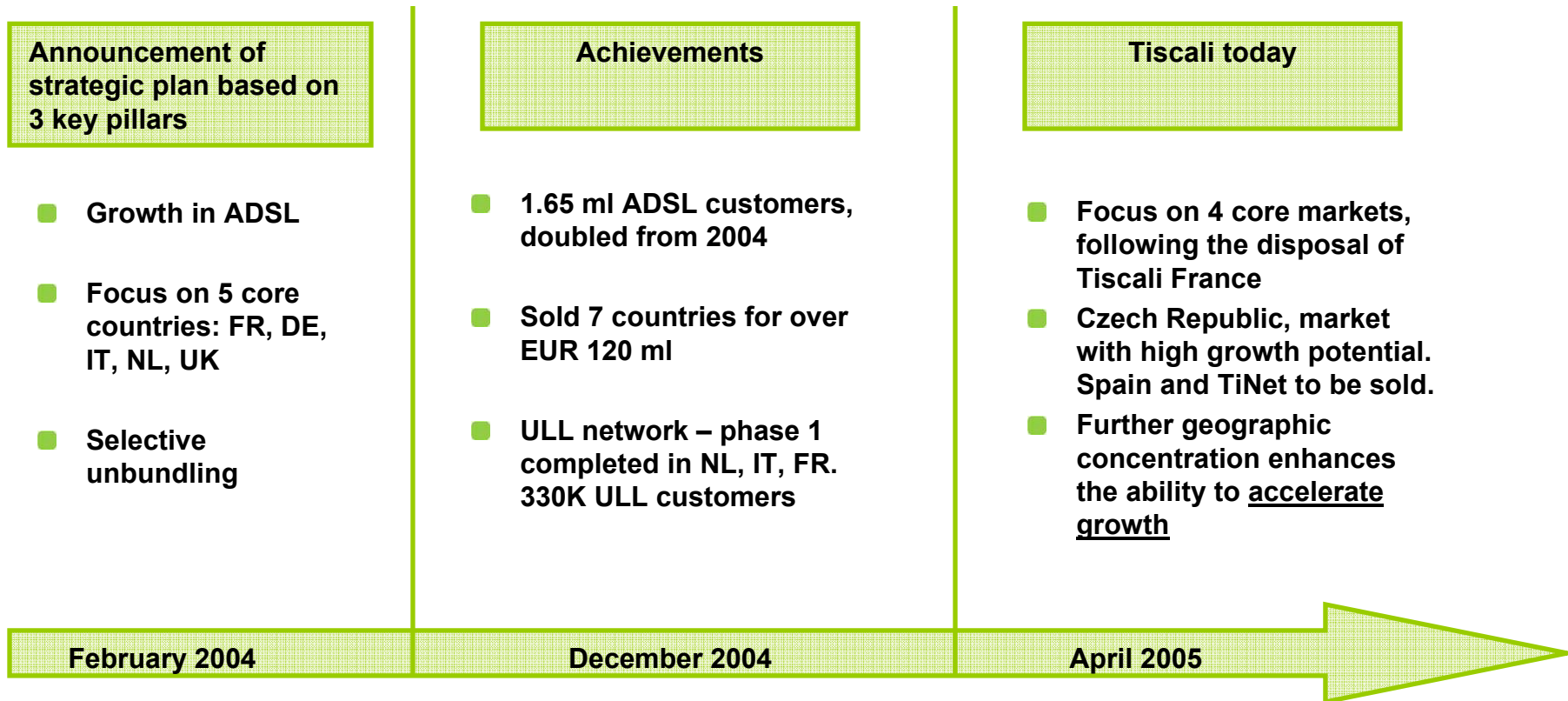


Business plan 2005-2007
Accelerating growth

Milan, 13th April 2005

Refocusing to accelerate growth



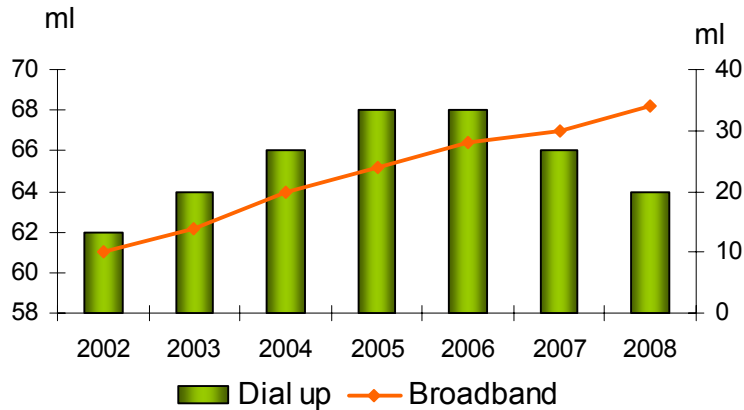
- Tiscali has successfully implemented the announced plan, and now has decided to further focus its resources to benefit fully of rapid growth in selected countries

Sale of Liberty Surf to Telecom Italia

- Agreement with Telecom Italia for the sale of 95.5% stake, subject only to French antitrust approval which is expected in 6/8 weeks
- Proceeds of EUR 266 million (95.5% stake) of which 90% will be cashed in at closing, based on a 100% valuation of EUR 280 million, which takes into account EUR 28 million of cash resources in LS
- FY04 revenues were EUR 224.6 million, EBITDA close to breakeven. Over 1 million active users
- Telecom Italia will launch a tender offer on remaining 5% ca still floated at Euronext Paris
- Proceeds will allow reimbursement of 2005 bonds and financing of further growth in key countries, which will create greater value

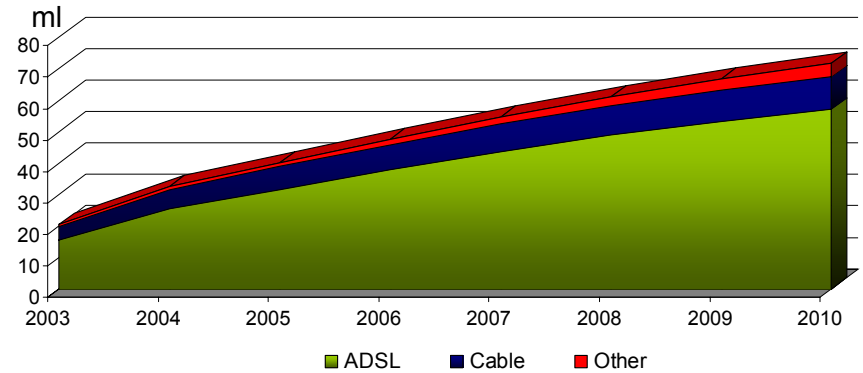
A growing market and a prevailing technology: ADSL

Consumer Internet subscribers – Western Europe 2002-2008



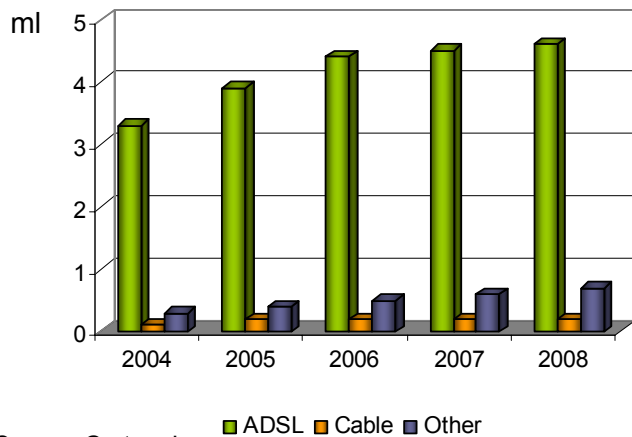
Source: Gartner Dataquest

Western Europe's Residential BB Technology 2004 - 2010



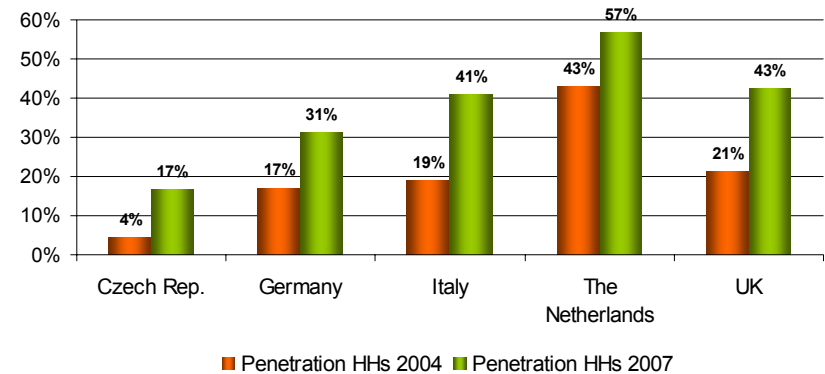
Source: Forrester Research Inc.

Business BB Ports in Service – Western Europe 2004 -2008



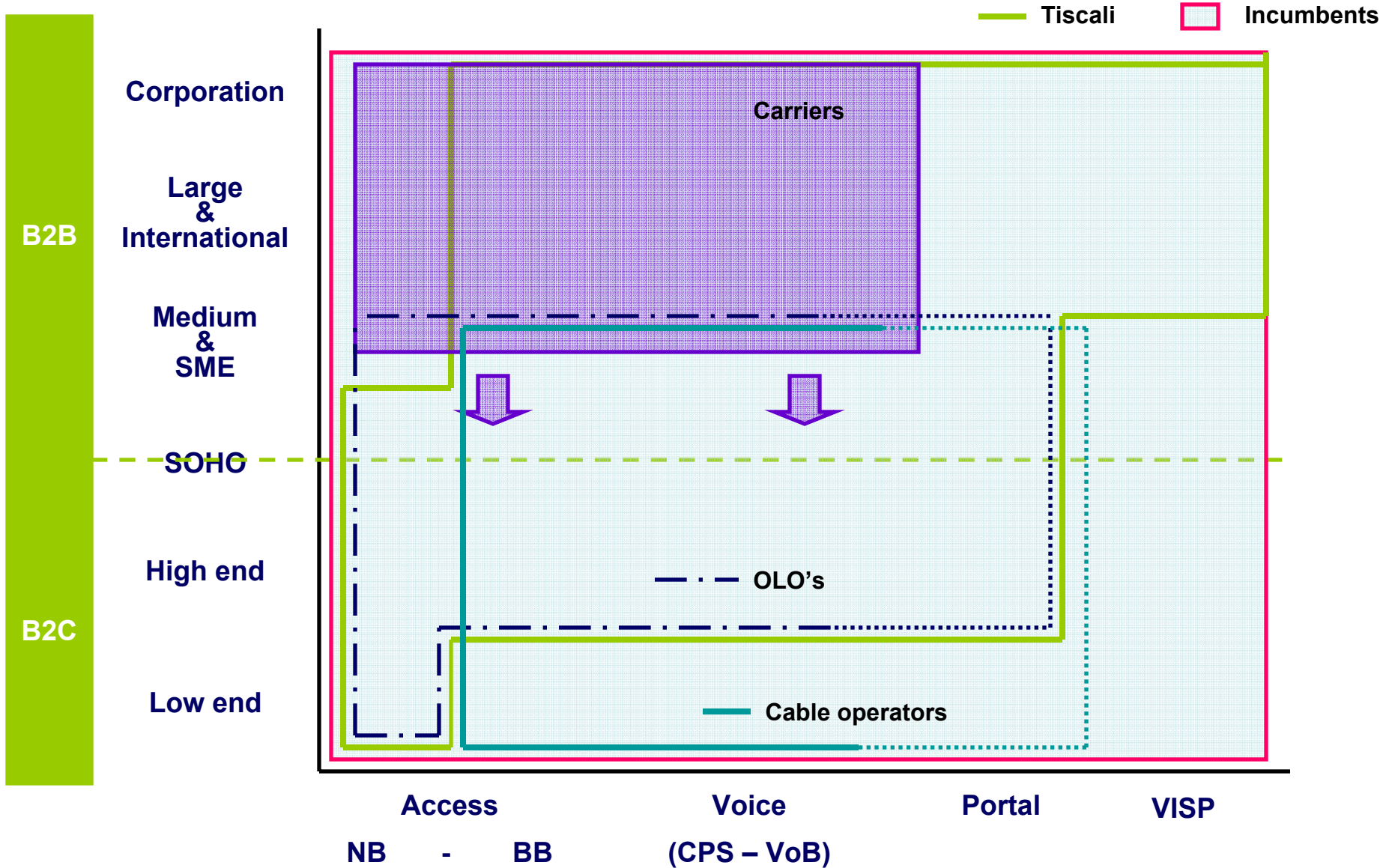
Source: Gartner Inc.

Broadband penetration Growth



Source: Forrester Research Inc.

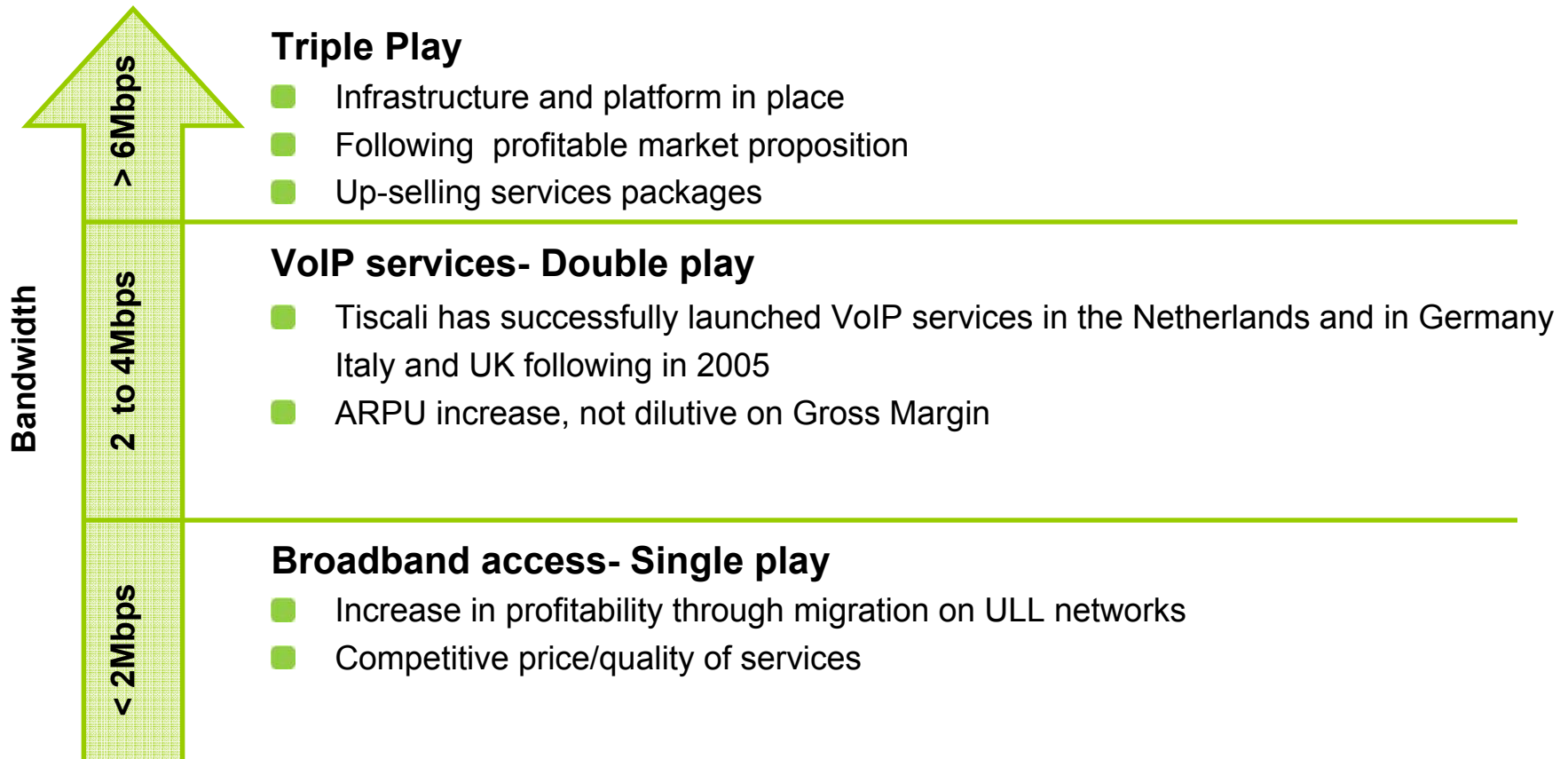
Market positioning based on Network infrastructure



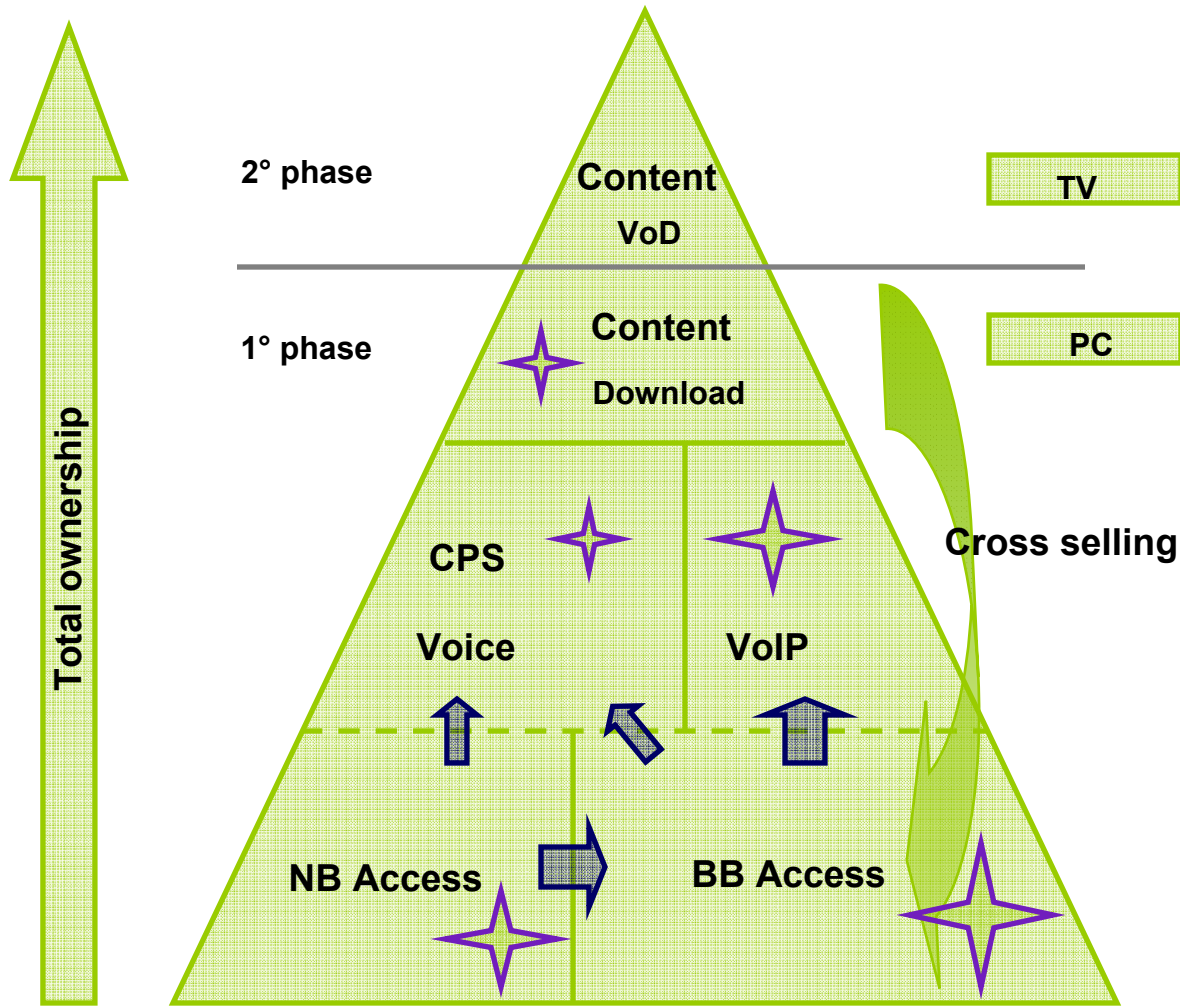
Double / Triple Play Strategy


Selective unbundling

- Focused unbundling in key countries, already implemented in The Netherlands and Italy
- Further investments to increase network coverage to over 50% in Italy, and to extend current coverage in The Netherlands (60%) to over 80%. Start selective unbundling in UK
- Tiscali has chosen ADSL2 Plus technology (allows to deliver 24Mbps)

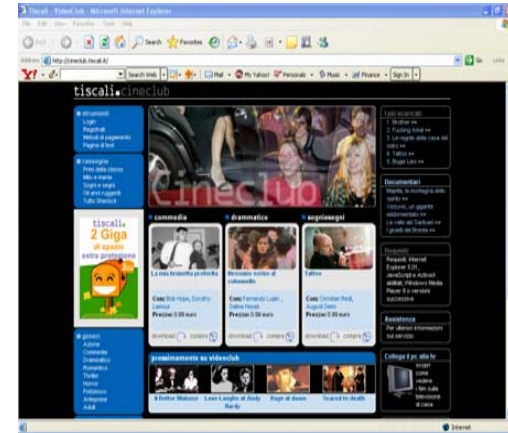


Tiscali B2C Strategy



 **Gross margin**
April 2005

Strategic plan 2005-2007: Accelerating Growth



Tiscali MovieClub

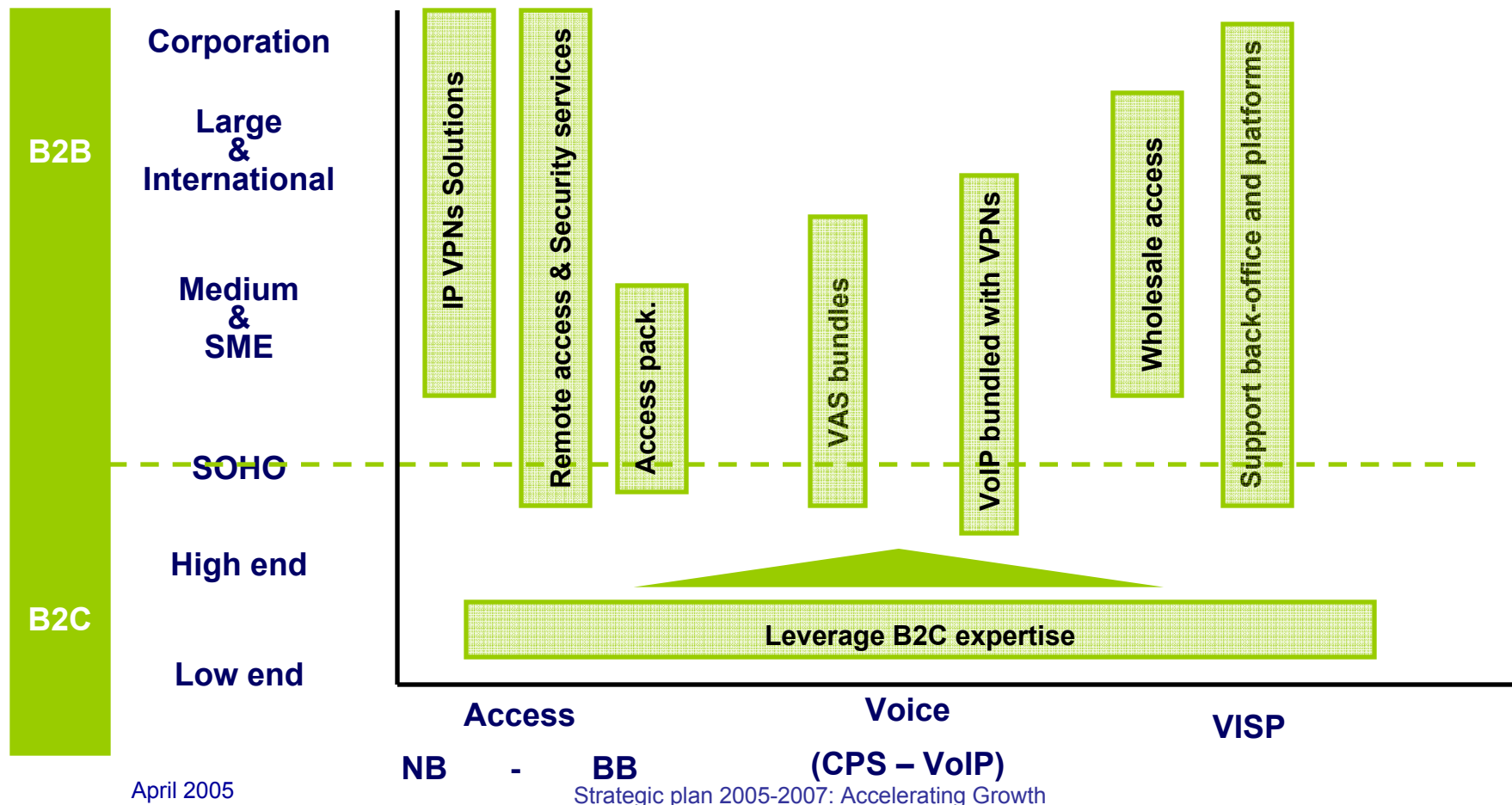


DSL Surf&Phone



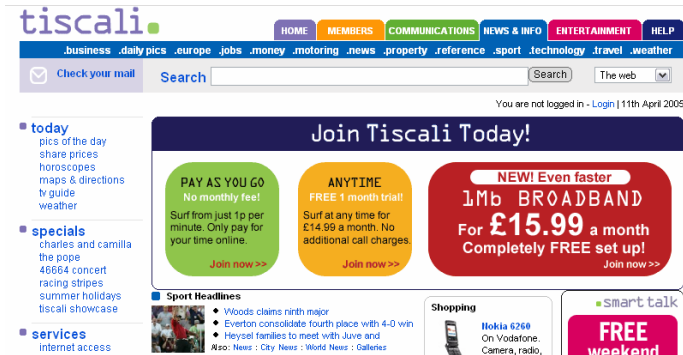
Tiscali B2B

- Leverage on access infrastructure networks (xDSL and Dial-up) and national/international IP networks as well as services platforms
- Access-driven product portfolio



Tiscali portal

- Strong brand awareness
- One of the leading web properties in Europe
- Main tool to acquire access customers



Services

Objective

- Focus on Value Added Services as substantial revenue source with value added services as the main driver

Plan

- Launch of "Tiscali Plus" a new Services platform focusing on ease of use and tight integration with all Tiscali services
- Migration of existing transaction based services (fax, sms, phone) on new platform
- First service to be launched in Q205
- Introduction of new revolutionary antispam product

Revenue model

- Subscription-based services with incremental revenues from transactions, >40% gross margin, depending on service

Content

BROADBAND Objective

- Enhance access and portal offer with broadband video and music contents, creating stickiness for users

Plan

- Complete roll-out of Tiscali video-on-demand platform, focusing on events and movie content

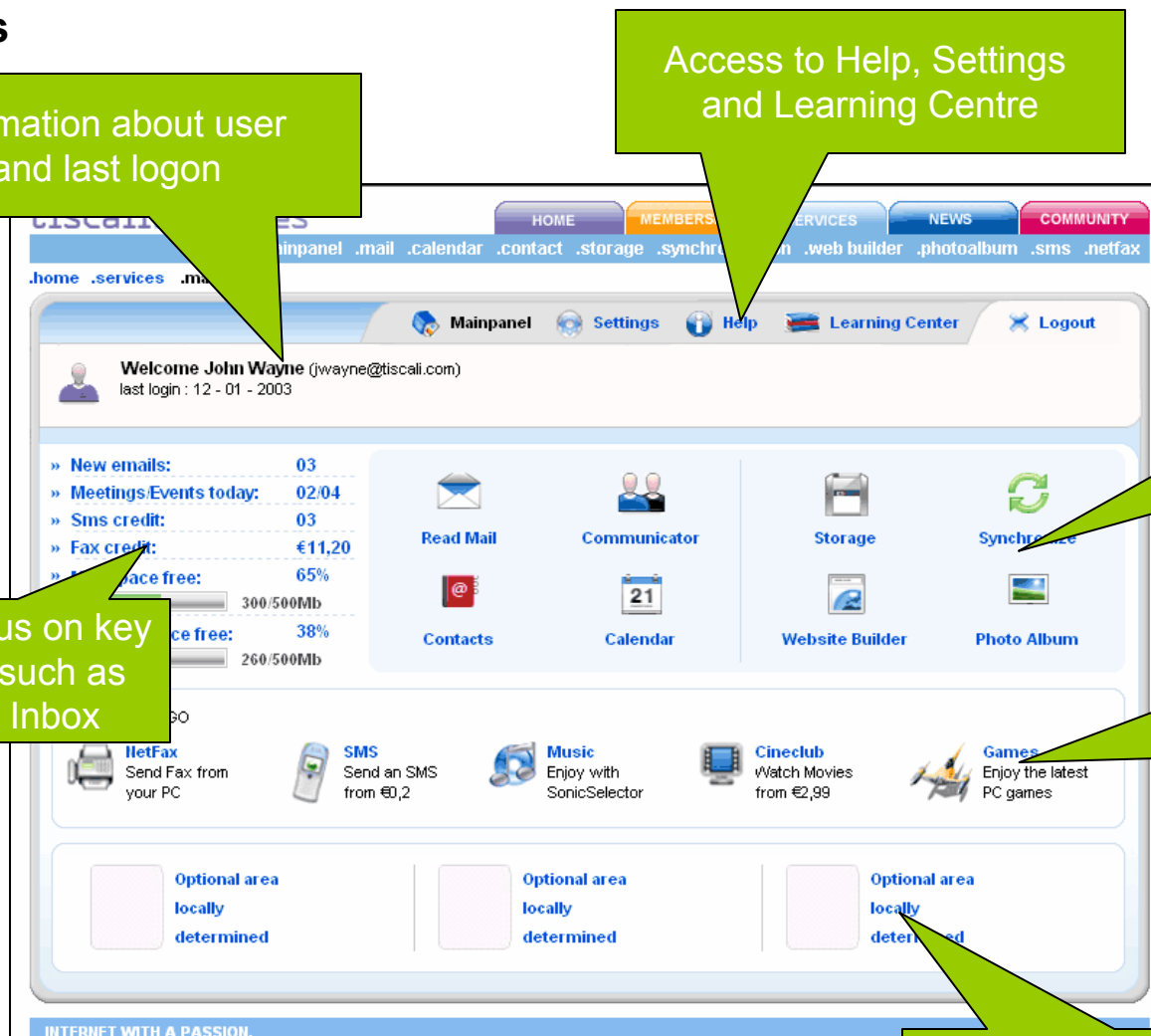
Revenue model

- Mixed (pay-per-use and subscription), price differentiation between Tiscali and non-Tiscali customers

NARROWBAND Objective

- Continuous improvement of content offer to expand reach and create platform for brand advertising

Tiscali Plus



Information about user and last login

Access to Help, Settings and Learning Centre

Instant status on key elements such as mails in Inbox

Direct launch of specific online services

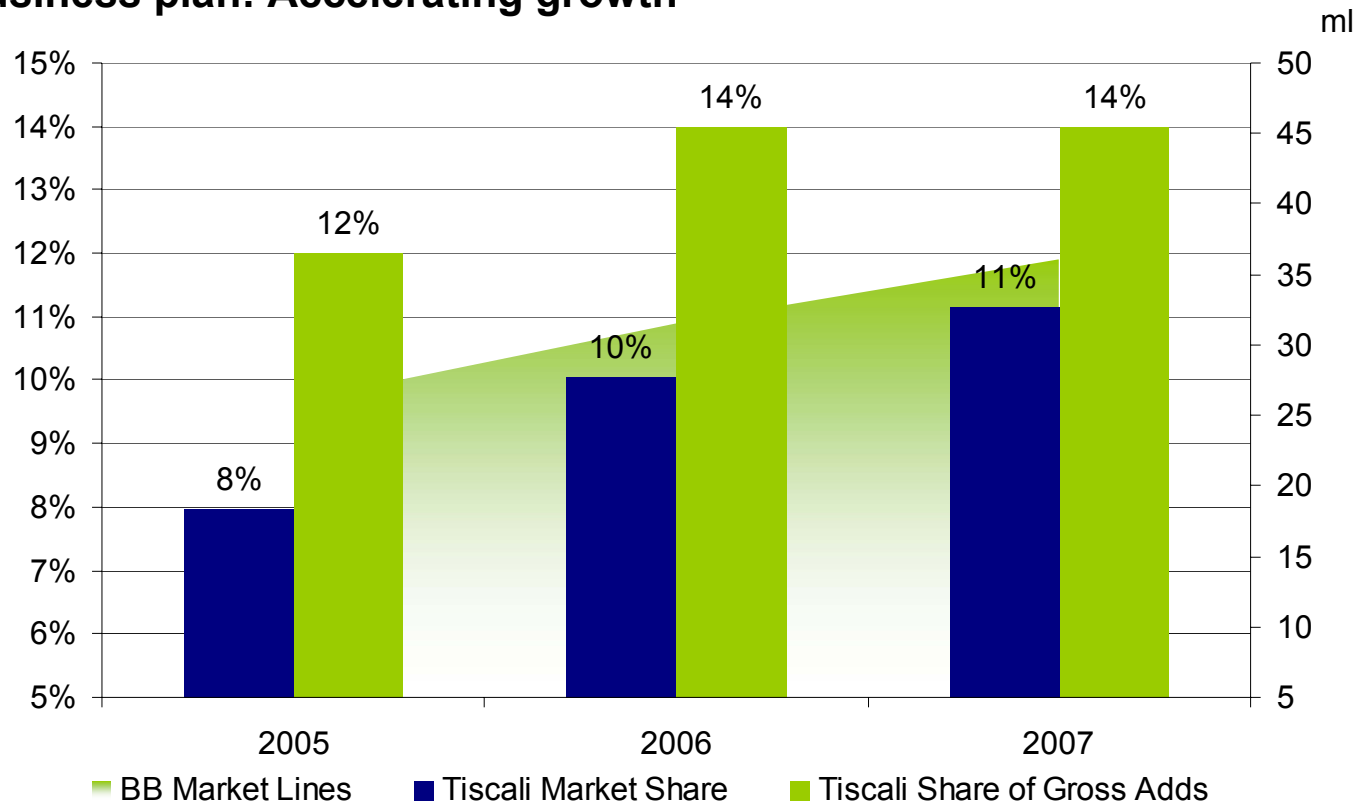
Direct launch of transactional based services like SMS and FAX

Opportunity to promote additional services like add-ons

Tiscali.Plus is a complete online communication tool providing a Care Free way of communicating and sharing files and photo's with friends and family.

2005-2007 Plan

2005-2007 Business plan: Accelerating growth



Source: Quintel Study, Tiscali analysis

- The new business plan is aimed at strengthening the competitive position in Germany, Italy, Netherlands and UK with a differentiated approach in each market
- The new plan includes additional investments in marketing and network infrastructure to accelerate profitable growth in 2005-2007, when a clear market opportunity is available.

Key financial targets

Revenues

- +30% 3-year CAGR due to growth in broadband access and services to residential and business customers

GM

- From 47%* of revenues in 2004 to 50% in 2007 due to change product mix and introduction of paid services

OPEX

- From 37%* of revenues in 2004 to 26% in 2007. Increase in marketing expense in 2005 vs 2004 to push growth. Marketing expenses over EUR 450 million in the 3 years

EBITDA

- EBITDA: +70% 3-year CAGR, due to sale of high margin services and migration of ADSL customers to own network infrastructure

Net income

- Positive in 2005, including capital gains from disposals

CAPEX

- Over EUR 300 million cumulated Capex from 2005-2007, from 13% of revenues in 2005 to 6% of revenues in 2007

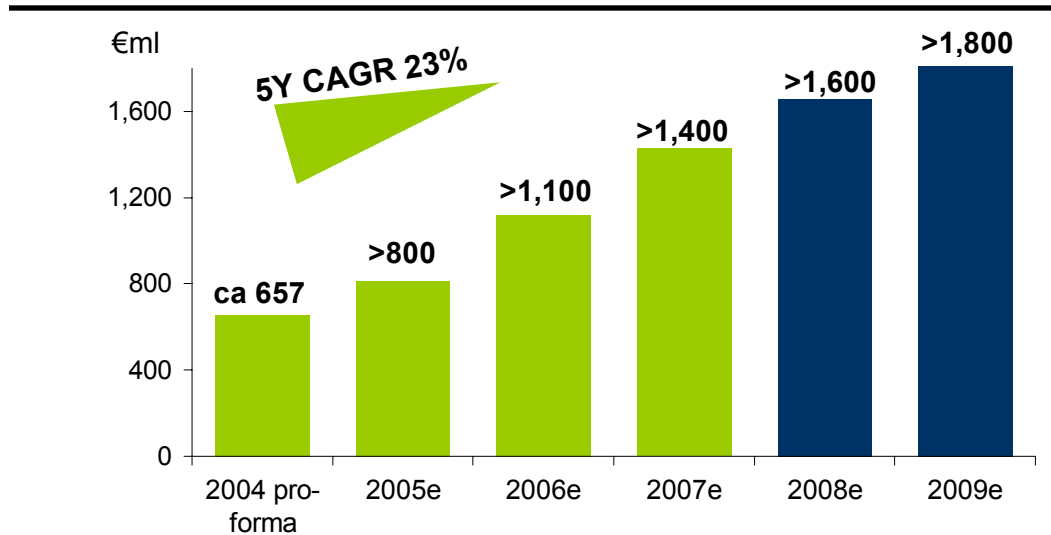
NCF

- 2005 cash flow expected to be negative for acceleration of growth in 4 top countries. FY positive FCF in 2006

* Pro-forma figures

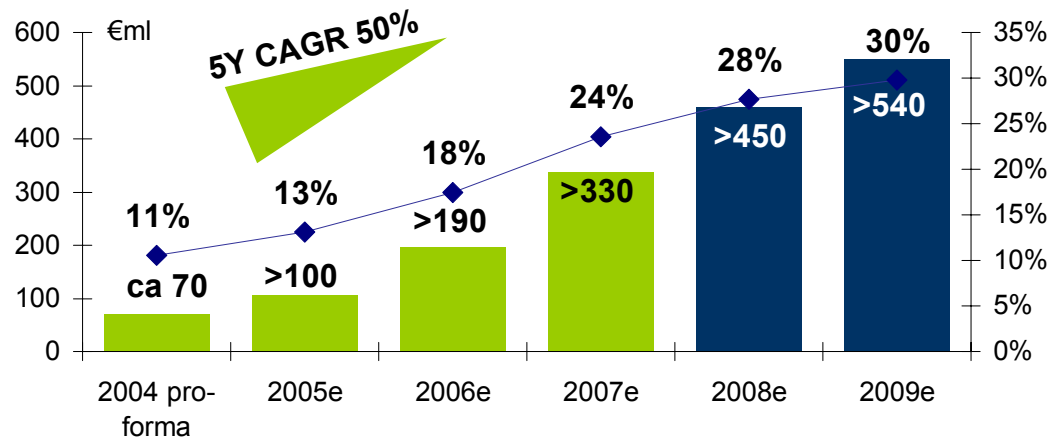
Revenue and EBITDA Growth

Revenue Growth



Projected growth of revenues and EBITDA: approach is differentiated in the 4 core markets, the goal is to maximize value creation

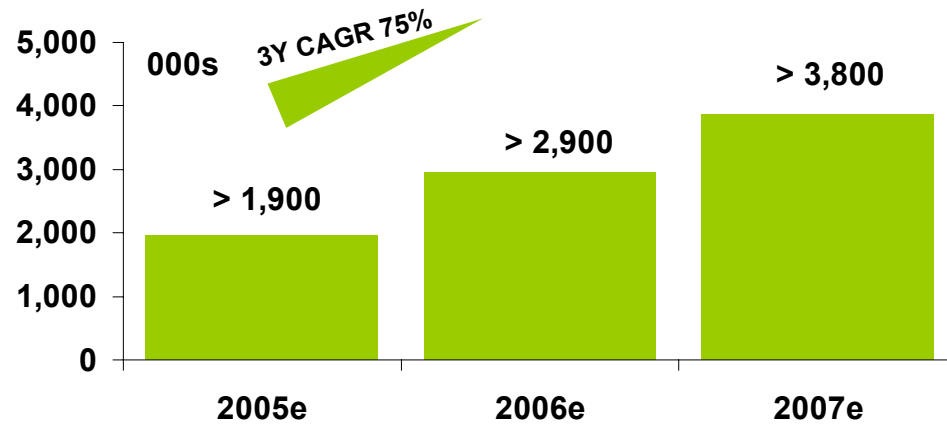
EBITDA Growth



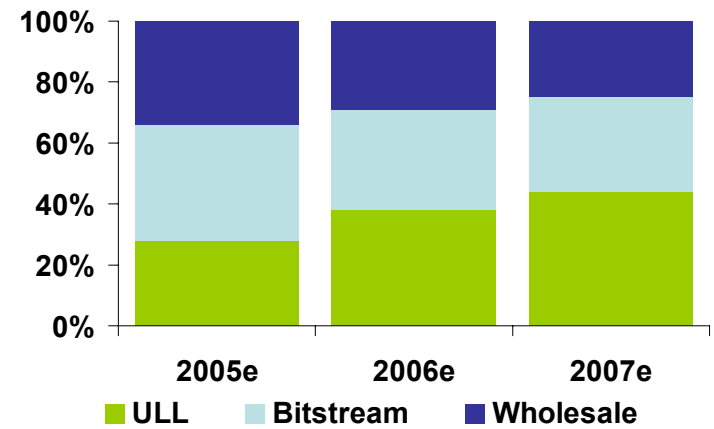
Estimated growth figures 2008-2009

Broadband targets

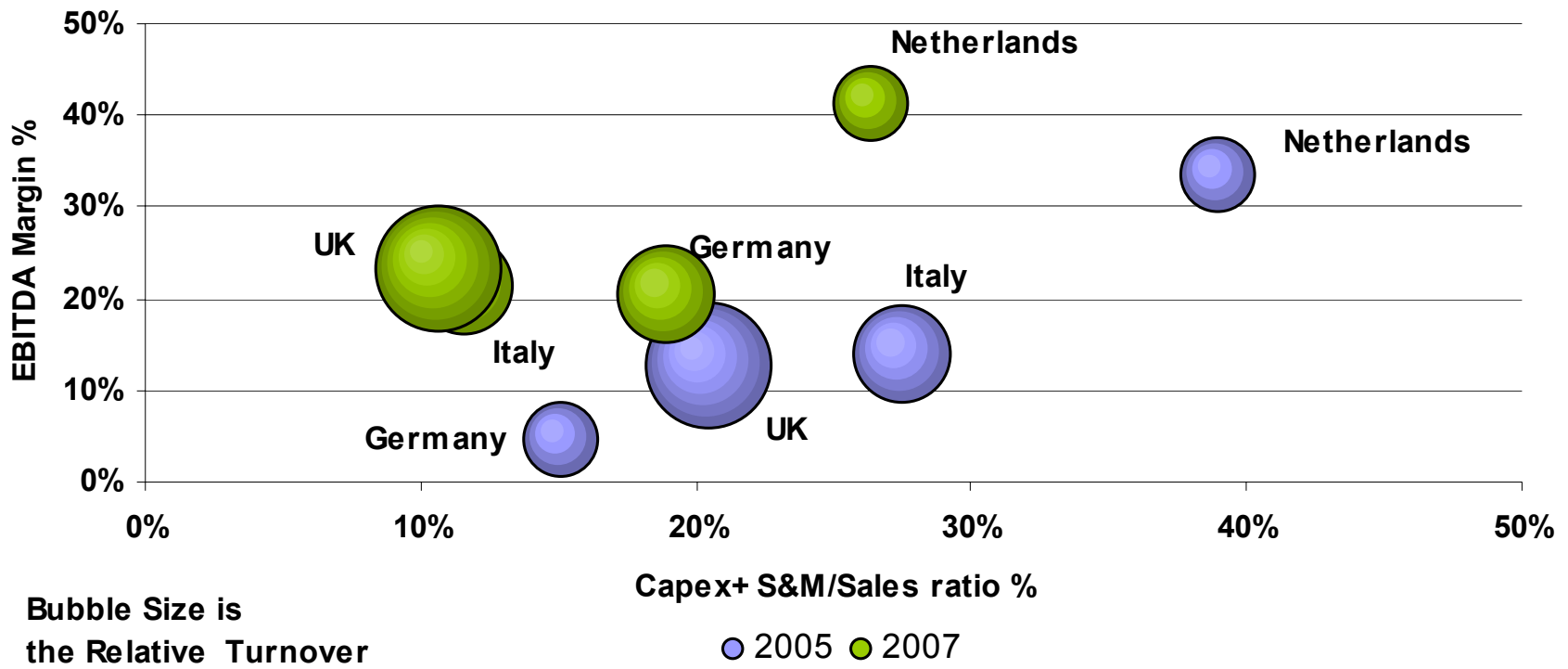
Growth of Broadband customers



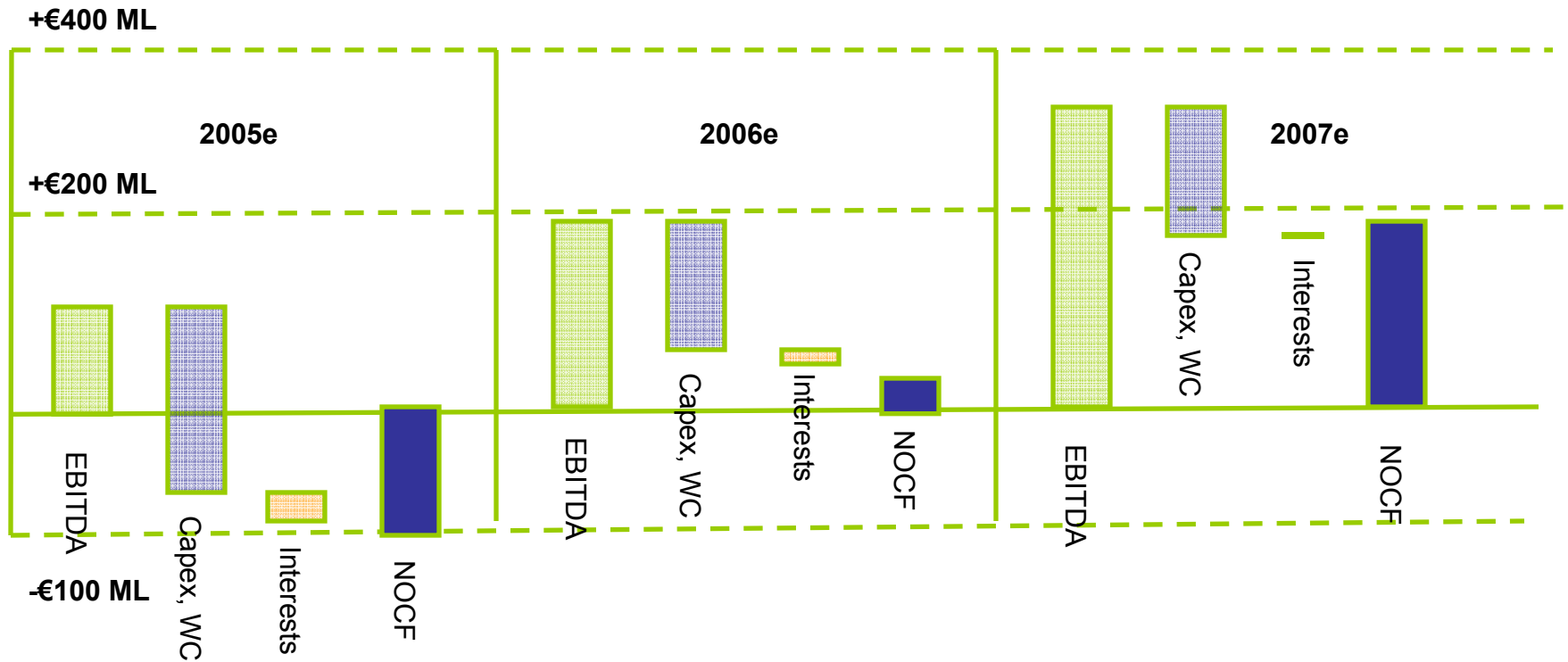
Growth of Broadband customers: By Technology



- Targets are residential broadband customers and SMEs
- Accelerated market penetration through marketing and investments in ULL





Net operating cash flow



- Investments in 2005-2007 to seize growing market opportunity
- Interest expense decreases due to debt reimbursement
- Strong cash flow generation from 2007 onwards

A sustainable financial structure

	31.12.2004		31.12.2004 Pro-forma without France
Gross Debt	€(563.8)		€(313.8)
Financial resources	€204.2		€190.2
Net Debt	€(359.6)		€(123.6)
Net Equity	€311.2		€461.2
Gross Debt/Equity	1.8		0.7
Net Debt/Equity	1.2		0.3

- Significant decrease in D/E ratio, following the sale of Tiscali France, creates a sustainable financial structure
- New medium term debt financing of approximately 100 million EUR targeted to pay back the cash component of 2006 Equity-Linked bond and to achieve a balanced capital structure

Disclaimer

This presentation contains un-audited 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.

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