

tiscali:

**FY2009 Results
Presentation**

29th March 2010

FY 2009 Financial Results

2009: Delivering on promises in an adverse environment

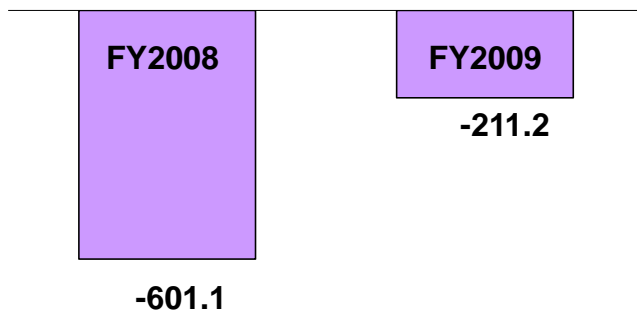
- **Successfully implemented restructuring plan**
- **Bolstered commercial activities on consumer**
- **Created positive momentum for business services**
- **Reaffirmed Portal and Media mission**
- **Streamlined operations with strong cost efficiency approach**
- **Capex strategy supporting business needs**

Successfully implemented restructuring plan

■ Key achievements:

- Senior debt and SLB restructured with a net positive *one off* P&L effect of EUR 42.3 million
- Right issue completed with total net proceed of ca EUR 188 million
- Total net debt reduction of ca 65% YoY

Net Financial Position (EUR Mln)



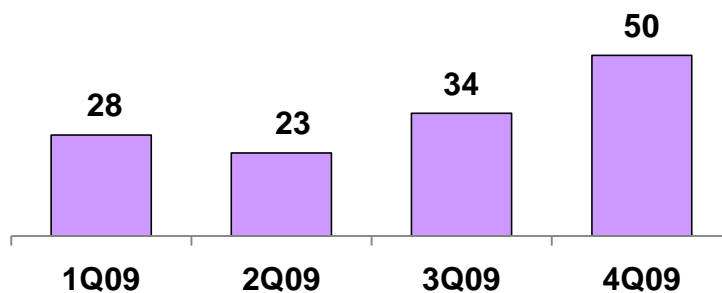
- Further reduction from the Escrow release and possible HQ disposal

Bolstered commercial activities on consumer

- New and complete product portfolio, increased ARPU and loyalty
- Launch of mobile voice and data services
- Launch of convergent services, *first mover* in the market (WiPhone and Unica)
- Increased efficiency on pull sales channels
- Re-started selected push channels (telemarketing)
- Widened network of dealers and shop, first flagship store in 4Q09
- Internalization of Customer Service completed in 2010, focus on service quality
- New ADV campaign supported by testimonial

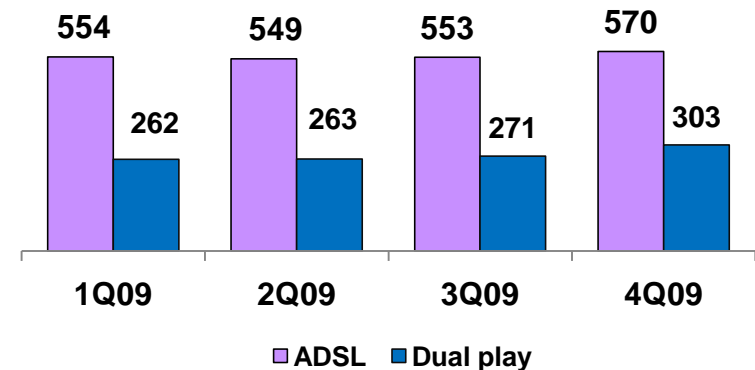


ADSL registrations per quarter (000s)



Registrations: +64% in 2H09 vs 1H09

Italy DSL users (000s)



Constant increase of Dual play customers: +19% YoY

Created positive momentum for business services

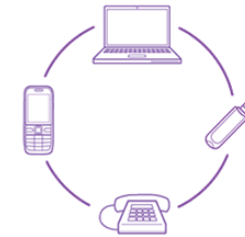
- Complete range of services: access (fixed and mobile), voice (fixed and mobile), housing & hosting, advanced services
- Leveraging fiber optic network and data center facilities
- Enhanced sales channels:
 - Push channels and telemarketing for SOHO
 - Regional direct and indirect sales force for large account and P.A.
- Strongly committed sales team

UNICA
La soluzione completa per la tua azienda: cellulare, telefono fisso e internet ovunque ti trovi

a partire da **36.50** euro/mese VAI

- ADSL: navighi fino a 20 mega senza limiti
- Telefono: chiamate nazionali limitate, senza scatto alla risposta
- Mobile: chiamate verso numeri fissi e mobili nazionali a 12 centesimi
- Internet Mobile: navighi fino a 7.2 Mbps dove vuoi, quando vuoi

OFFICEONE 1 LINEA Telefonata limitata Adsl 20 Mega senza limiti 36.50 euro/mese VAI	ADSL PROFESSIONAL Adsl fino a 20 mega per l'utenza professionale e per l'ufficio 24.50 euro/mese VAI	VOCE 15/30 LINEE Soluzioni fonali per grandi aziende VAI	MOBILE BASE Nessun canone, tariffazione al secondo senza scatto 12 centesimi VAI
OFFICEONE 2 LINEE Telefonata limitata Adsl 24 Mega senza limiti VAI	ADSL BUSINESS Adsl fino a 24 mega per le piccole e medie imprese VAI	DOMINI Registra o trasferisci il tuo dominio su Internet VAI	MOBILE PRO Tariffazione al secondo senza scatto, stessa tariffa verso tutti VAI



SERVIZI AVANZATI Rete Aziendale | Banda Larga | Data Center | Streaming | Sms Gateway | Tiscali 800 | Email Aziendale

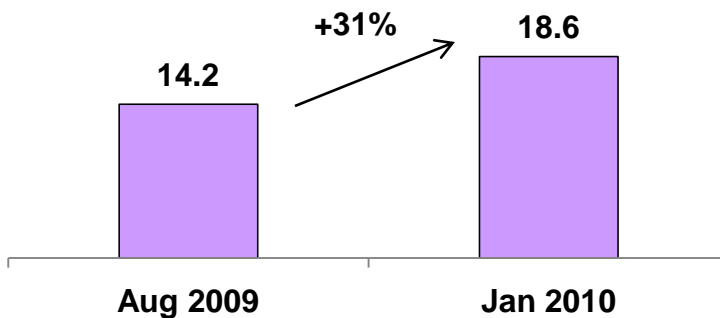
RETE PRIVATA AZIENDALE
Soluzioni VPN per ridurre i tuoi costi eliminando le distanze fra le sedi della tua azienda.
14.00 euro/mese VAI

CONNETTIVITA' A BANDA LARGA Per circuiti altamente professionali. Accesso a Internet, realizzazione di VPN o collegamenti punto-punto. VAI	DATA CENTER Soluzioni di Hosting e Housing in alta affidabilità su misura per le tue esigenze VAI	STREAMING La linea completa di soluzioni di streaming per i vostri eventi On-Demand e live, nel formato che preferisci. VAI
SMS GATEWAY Il servizio professionale di gateway SMS più flessibile ed economico per sviluppare il tuo business. VAI	TISCALI 800 Il numero verde per azienda. Per migliorare i rapporti con la propria clientela, contenendo i costi. VAI	EMAIL AZIENDALE Soluzioni di posta sicure e affidabili, piccoli investimenti per organizzazioni solide. VAI

Reaffirmed Portal and Media mission

- Renewed user interface
- News oriented portal and new vertical channels (jobs, video)
- 18.6 million users* in January 2009, +68% YoY
- Strengthening sales force for advertising
- Bolstered network for Tiscali ADV with high quality partners

Unique Browsers (Mln)



* Source: Webtrends



Streamlined operations with strong cost efficiency approach

- Operational performance improvement in key areas such as provisioning and billing
- Total operating costs reduced by 34% YoY
- Implemented labor cost reduction -23% YoY
- Reduced corporate functions
- Redefined main suppliers contracts to reduce cost (maintenance, facilities, network)

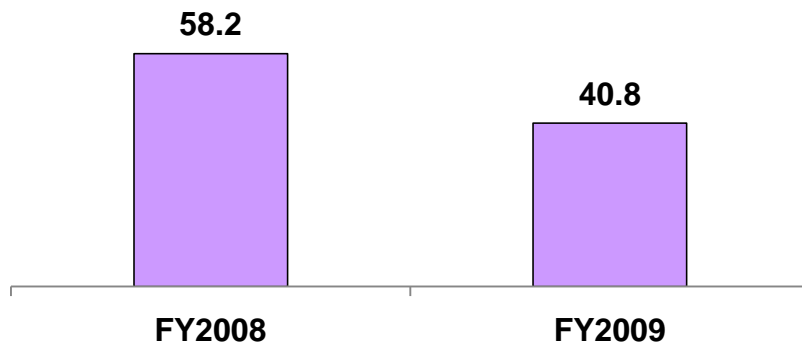


Capex strategy supporting business needs

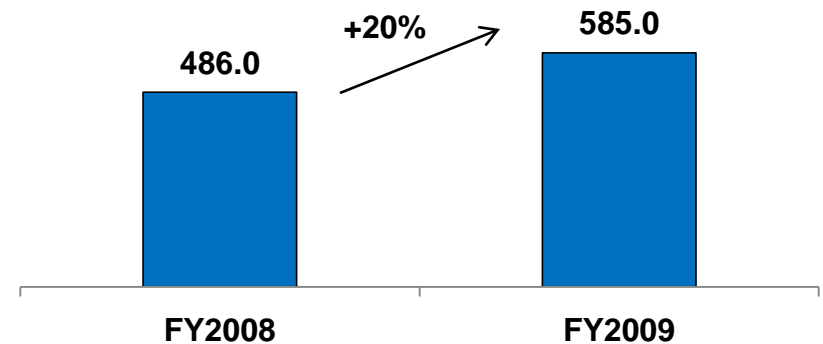
- Effective network expansion
- Convergent platform for fixed and mobile
- 200 new LLU sites equipped with state-of-the-art optical technology



Capex Italy (EUR Mln)



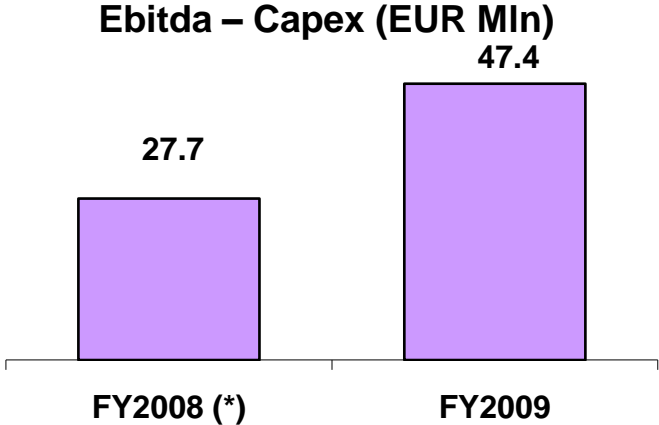
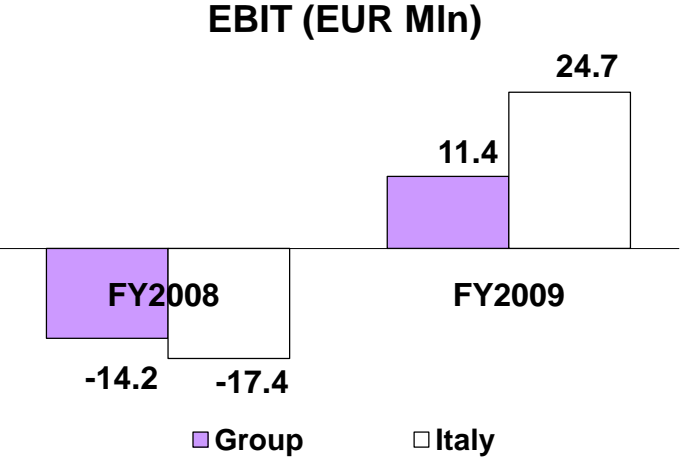
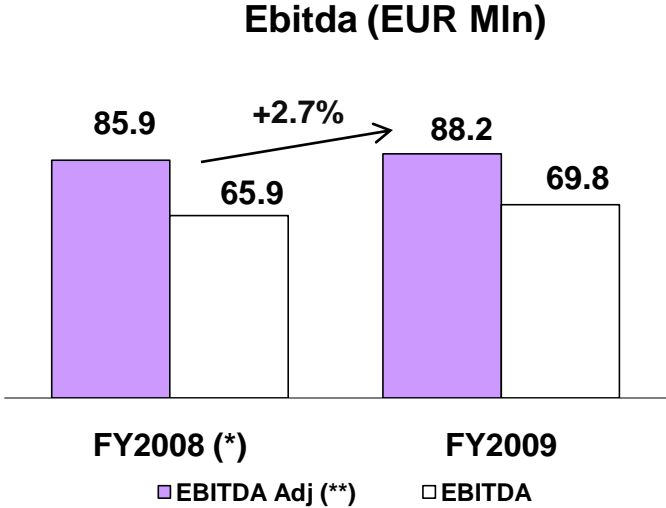
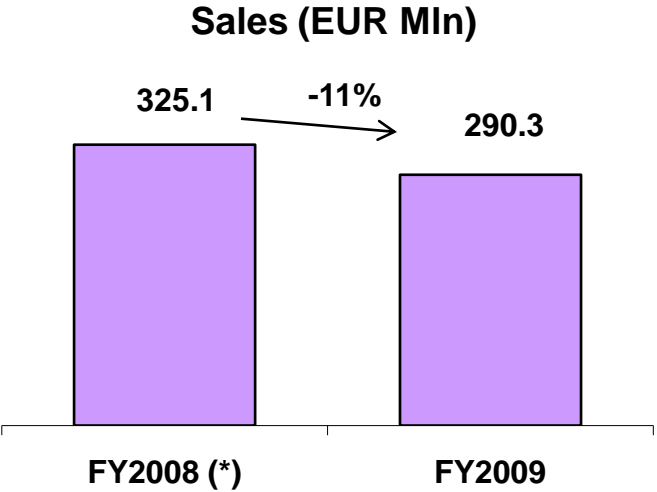
ULL sites (000s)



Key FY2009 results*

- Revenues at EUR 290.3 million, - 10.7% YoY; -3% on FY business plan target
- Growth of EBITDA + 2.7% YoY (gross of bad debt) at EUR 88.2 million. EBITDA better than FY2009 targets (+26%)
- Adjusted EBITDA (net of bad debt) increase at EUR 69.8 million (+6% YoY)
- EBIT positive at EUR 11.4 ml, including EUR 10 ml non recurrent debt restructuring charges
- EBIT at EUR 6.1 in 4Q2009 and Net result positive of ca EUR 33.5 million
- FY09 Net result negative for EUR 384.8 million, including EUR 372.4 million loss for the disposal of Tiscali UK and TINET and net interest charges for EUR 13.9 million
- Net debt at EUR 211.2 million, great decrease of 65% YoY (EUR 601.1 million in 2008)
- EBITDA-Capex at EUR 47.4 million in 2009, EUR 19.7 million up from 2008
- Italian operations net result positive at EUR 16.3 million (vs loss of EUR 31.2 million in 2008);

FY 2009 Results: highlights



(*) Restated
 (**) Gross of bad debt provision and stock options provision

EUR mln	FY09	% of rev.	FY08	% of rev.	Delta 09/08
Revenues	290.3	100%	325.1	100%	-10.7%
Access	135.8	47%	157.2	48%	-13.6%
of which ADSL	120.3	41%	124.6	38%	-3.5%
Voice	94.3	32%	95.0	29%	-0.7%
of which dual play voice traffic	64.6	22%	53.6	16%	20.5%
B2B	27.6	10%	31.9	10%	-13.5%
Media and VAS	17.6	6%	31.1	10%	-43.4%
Other	15.0	5%	9.8	3%	53.1%
Gross Margin	169.7	58%	198.7	61%	-14.6%
Operating costs	82.8	29%	125.1	38%	-33.8%
Sales & Marketing costs	16.7	6%	36.3	11%	-54.0%
Personnel costs	39.2	14%	51.1	16%	-23.3%
G&A costs	26.9	9%	37.6	12%	-28.5%
Other Income & Expenses	1.3	<i>nm</i>	12.3	<i>nm</i>	<i>nm</i>
Gross Operating Result (adjusted EBITDA)	88.2	30%	85.9	26%	2.7%
Bad debt and other provisions	18.4	6%	20.0	6%	-8.0%
Gross Operating Result (EBITDA)	69.8	24%	65.9	20%	5.9%
EBIT	11.4	4%	(14.2)	<i>nm</i>	180.3%
Net result from cont. Operations	(12.4)	<i>nm</i>	(102.7)	<i>nm</i>	<i>nm</i>
Net result from discount. Operations	(372.4)	<i>nm</i>	(140.0)	<i>nm</i>	<i>nm</i>
Net result of the Group	(384.8)	<i>nm</i>	(242.7)	<i>nm</i>	<i>nm</i>

Net financial position

EUR Mln	31-Dec-09	30-Jun-09	31-Dec-08
A. Cash	16.2	29.1	24.2
B. Other liquid assets	6.9	6.9	12.7
C. Securities	-	-	-
D. Total cash and other financial assets (A) + (B) + (C)	23.1	36.0	36.9
E. Other current financial assets	6.4	1.1	5.3
F. Non-Current financial payables	6.5	6.3	1.4
G. Current bank debt	24.5	537.2	510.0
H. Long term loans falling within one year	-	-	-
I. Other current financial debt (*)	10.8	12.0	21.4
J. Current financial debt (G) + (H) + (I)	35.3	549.2	531.4
K. Net current financial debt (J) – (E) – (F) – (D)	(0,7)	505.8	487.7
L. Non current bank loans	152.9	-	-
M. Bonds	-	-	-
N. Other non current debt (**)	59.0	102.1	113.4
O. Non current financial debt (L) + (M) + (N)	211.8	102.1	113.4
P. Net financial debt (K) + (O)	211.2	607.9	601.1

(*) includes leasing debts

(**) includes leasing debts and debts to shareholders

Final Remarks

- After successful completion of the restructuring plan, the company is focusing on building a long-term sustainable business model
- Strong management commitment
- Further debt reduction potential
- Operational profit already achieved

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.

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