

3Q04 FINANCIAL RESULTS

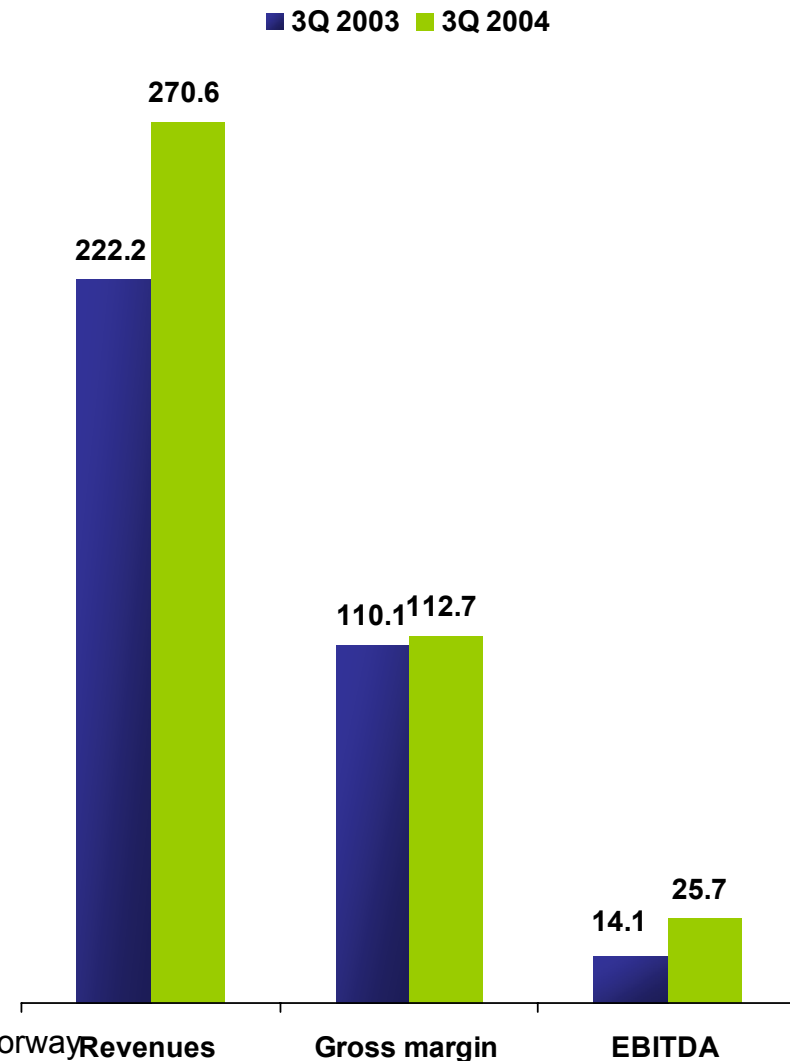
November 2004

Key results

- **Revenue growth**: revenues at €270.6 ml +22% YoY mainly driven by ADSL (44% of total access revenues). 9M04 revenues at €808.7 ml, +24% vs 9M03
- **3Q04 EBITDA** at €25.7 ml (9% on revenues) +82% YoY. 9M03 EBITDA at €73.9 ml, +57% vs 9M03
- **ADSL**: 102,366 new ADSL subscribers +7% vs 2Q04, reaching 1.54 million ADSL customers. Total active customers at 7.7 million
- **Operating cash flow** (including capex) at - €12 million, +40% vs -€20 million in 2Q04, on track for positive FCF in 4Q04
- **Disposals** of Austria, Norway, Sweden, Switzerland. The sale of South Africa, including mobile business, is awaiting regulatory approval and will bring proceeds to €81 ml

Key financials: 3Q03 vs 3Q04

€ m	3Q03	3Q04	% diff
Revenues	222.2	270.6*	22%
Gross Margin	110.1	112.7	2%
EBITDA	14.1	25.7	82%
EBIT	(52.4)	(31.8)	39%
EBT	(72.8)	(33.3)**	54%

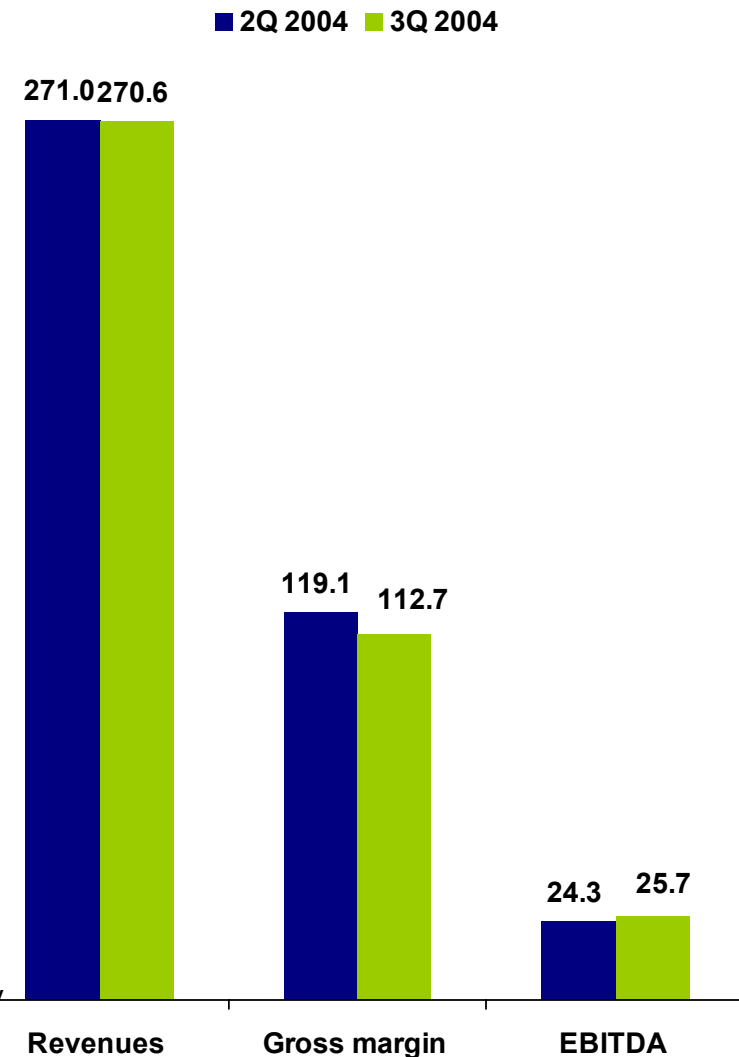


* Does not include €3ml deriving from the deconsolidation of Austria and Norway

** Includes €17 ml of capital gains from the disposals of Austria and Norway

Key financials: 2Q04 vs 3Q04

€ m	2Q04	3Q04	% diff
Revenues	271.0	270.6*	-
Gross Margin	119.1	112.7	-5%
EBITDA	24.3	25.7	6%
EBIT	(39.7)	(31.8)	20%
EBT	(65.5)	(33.3)**	49%



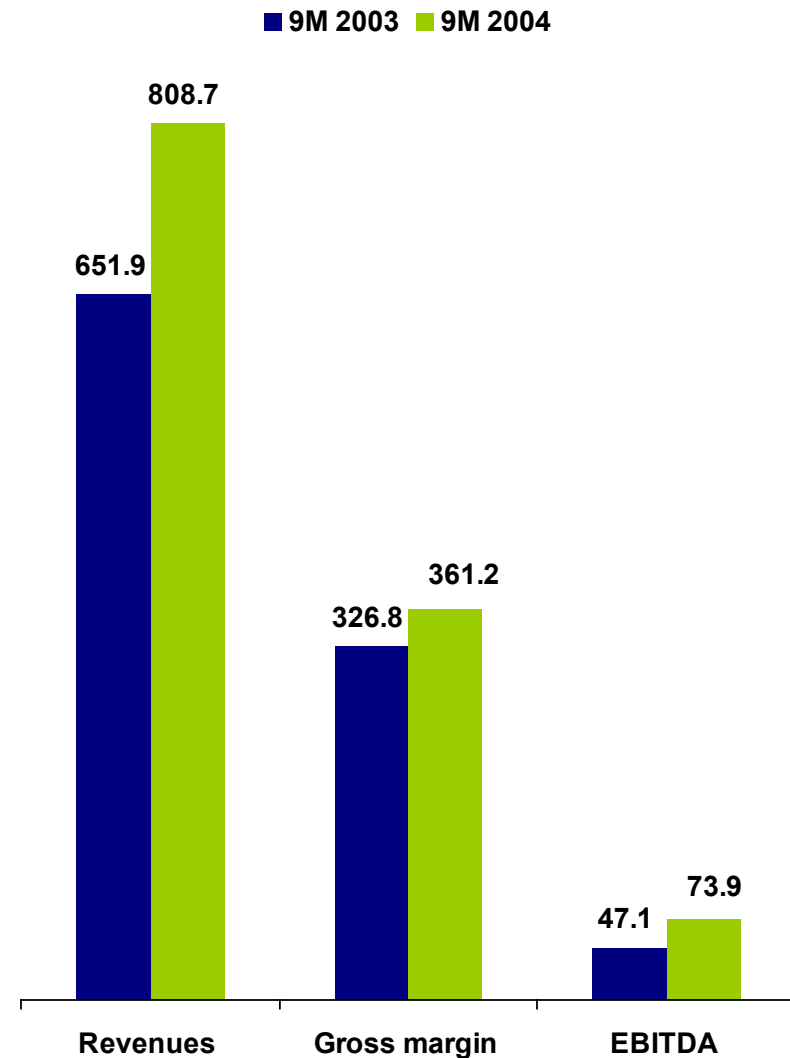
* Does not include €3ml deriving from the deconsolidation of Austria and Norway

** Includes €17 ml of capital gains from the disposals of Austria and Norway

Key financials: 9M03 vs 9M04

€ m	9M 03	9M 04	% diff
Revenues	651.9	808.7*	24%
Gross Margin	326.8	361.2	11%
EBITDA	47.1	73.9	57%
EBIT	(151.2)	(98.2)	35%
EBT	(201.6)	(168.5)**	16%

* Does not include €3ml deriving from the deconsolidation of Austria and Norway



Revenues by business line: 3Q03 vs 3Q04

€ m	3Q03	3Q04	% diff
Access	150.5	183.4	22%
<i>% of rev.</i>	68%	68%	
Business services	41.6	52.9	27%
<i>% of rev.</i>	19%	19%	
Voice	16.8	23.3	39%
<i>% of rev.</i>	8%	9%	
Portal	10.9	10.5	(4%)
<i>% of rev.</i>	5%	4%	
Others	2.3	0.5	(79%)
<i>% of rev.</i>	1%	-	
Total revenues	222.2	270.6*	22%

* Does not include €3ml deriving from the deconsolidation of Austria and Norway

Revenues by business line: 2Q04 vs 3Q04

€ m	2Q04	3Q04	% diff
Access	185.0	183.4	(1%)
<i>% of rev.</i>	68%	68%	
Business services	49.9	52.9	6%
<i>% of rev.</i>	18%	19%	
Voice	21.9	23.3	[7%]
<i>% of rev.</i>	8%	9%	
Portal	11.3	10.5	(7%)
<i>% of rev.</i>	4%	4%	
Others	3.0	0.5	(84%)
<i>% of rev.</i>	1%	-	
Total revenues	271.0	270.6*	-

* Does not include €3ml deriving from the deconsolidation of Austria and Norway

Revenues by business line: 9M03 vs 9M04

€ m	9M 03	9M 04	% diff
Access	449.2	549.3	22%
<i>% of rev.</i>	69%	68%	
Business services	111.0	154.9	40%
<i>% of rev.</i>	17%	19%	
Voice	49.3	66.1	34%
<i>% of rev.</i>	8%	8%	
Portal	34.9	33.1	(5%)
<i>% of rev.</i>	5%	4%	
Others	7.5	5.2	(31%)
<i>% of rev.</i>	1%	1%	
Total revenues	651.9	808.7*	24%

* Does not include €3ml deriving from the deconsolidation of Austria and Norway

Operating costs: 3Q03 vs. 3Q04

€ m	3Q03	3Q04	% diff
Gross Margin	110.1	112.7	2%
<i>% of rev.</i>	50%	42%	
Sales & Marketing	35.9	27.4	(24%)
<i>% of rev.</i>	16%	10%	
Personnel costs	35.9	40.1	12%
<i>% of rev.</i>	16%	15%	
G&A	24.2	19.5	(19%)
<i>% of rev.</i>	11%	7%	
Total operating costs	96.0	87.0	(9%)
<i>% of rev.</i>	43%	32%	
EBITDA	14.1	25.7	82%
<i>% of rev.</i>	6.3%	9.5%	

Operating costs: 2Q04 vs 3Q04

€ m	2Q04	3Q04	% diff
Gross Margin	119.1	112.7	(5%)
<i>% of rev.</i>	44%	42%	
Sales & Marketing	30.2	27.4	(9%)
<i>% of rev.</i>	11%	10%	
Personnel costs	40.9	40.1	(2%)
<i>% of rev.</i>	15%	15%	
G&A	23.8	19.5	(18%)
<i>% of rev.</i>	9%	7%	
Total operating costs	94.8	87.0	(8%)
<i>% of rev.</i>	35%	32%	
EBITDA	24.3	25.7	6%
<i>% of rev.</i>	9%	9.5%	

Operating costs: 9M03 vs. 9M04

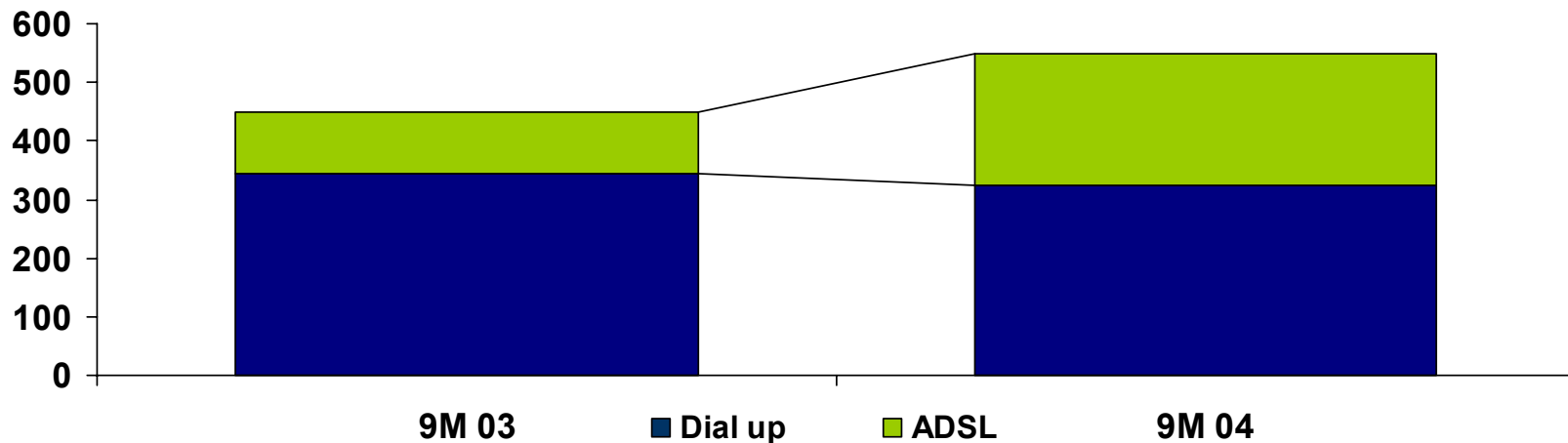
€ m	9M 03	9M 04	% diff
Gross Margin	326.8	361.2	11%
<i>% of rev.</i>	50%	45%	
Sales & Marketing	102.3	98.0	(4%)
<i>% of rev.</i>	16%	12%	
Personnel costs	104.8	118.0	13%
<i>% of rev.</i>	16%	15%	
G&A	72.7	71.1	(2%)
<i>% of rev.</i>	11%	9%	
Total operating costs	279.8	287.2	3%
<i>% of rev.</i>	43%	36%	
EBITDA	47.1	73.9	57%
<i>% of rev.</i>	7.2%	9.1%	

Access revenues

€ m	9M 03	9M 04	% diff
Dial up	345.4	323.1	(6%)
<i>% of access rev.</i>	77%	59%	
ADSL	103.8	226.2	118%
<i>% of access rev.</i>	23%	41%	
<i>Number of ADSL customers</i>	602,175	1,542,000	206%
<i>Number of ULL customers</i>	-	160,000	<i>nm</i>

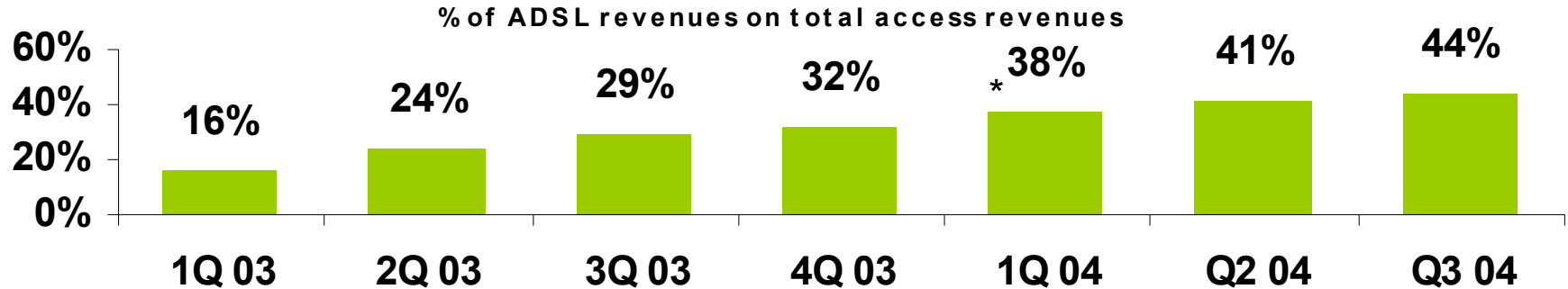
€m

Access revenues: Dial-up vs Broadband



ADSL revenues trend

- ADSL revenues at €80.9 ml in 3Q 04 +86% Y/Y

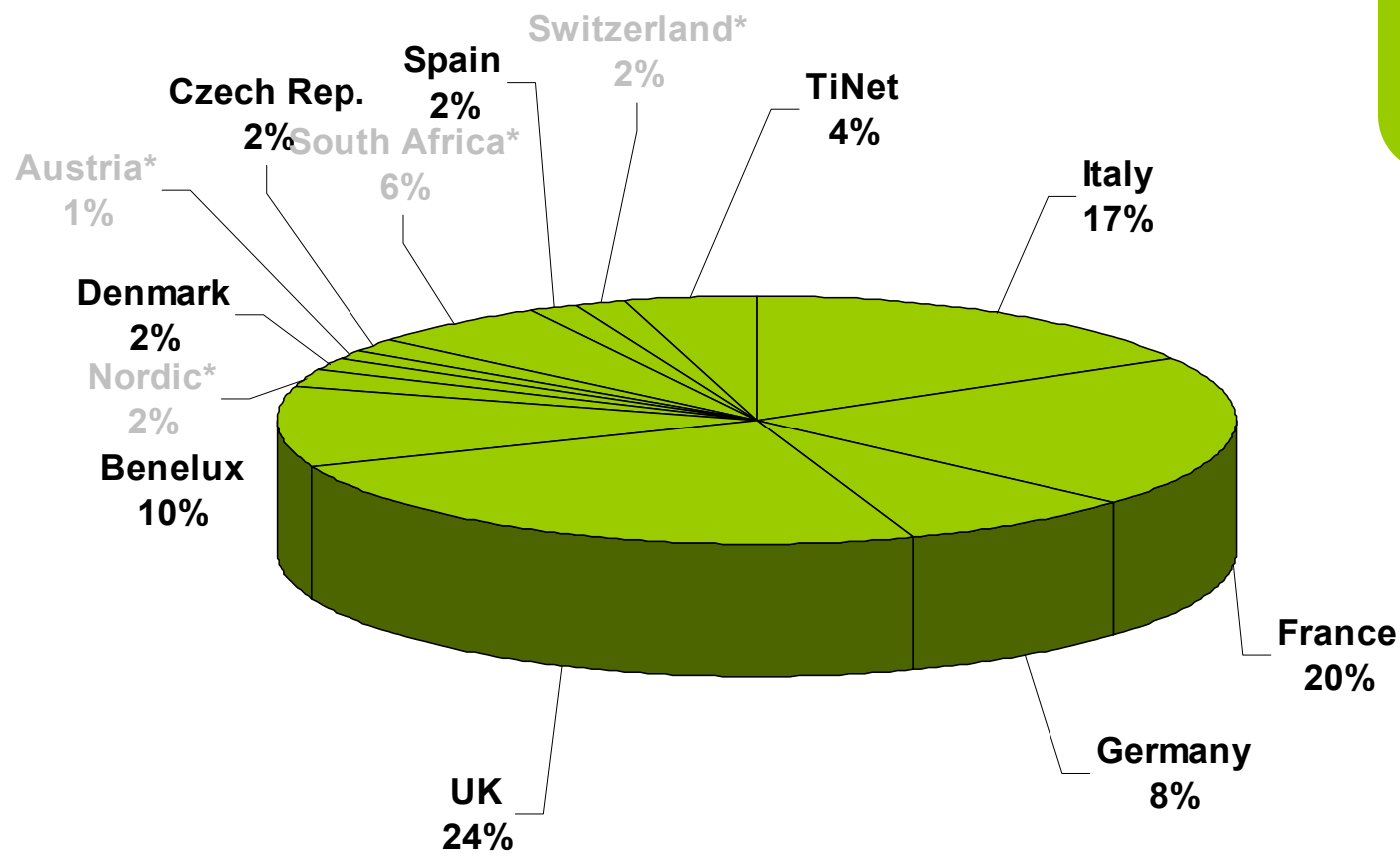


*Percentage on gross revenues

- 140,000 ULL customers in the Netherlands
- More than 20,000 ULL customers in Denmark
- In October reached 5,000 ULL customers in Italy

Revenues by countries 3Q04

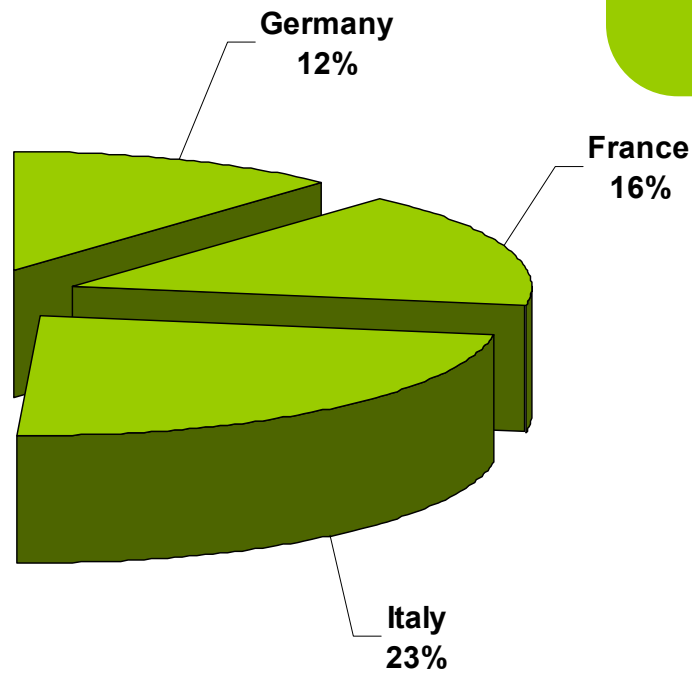
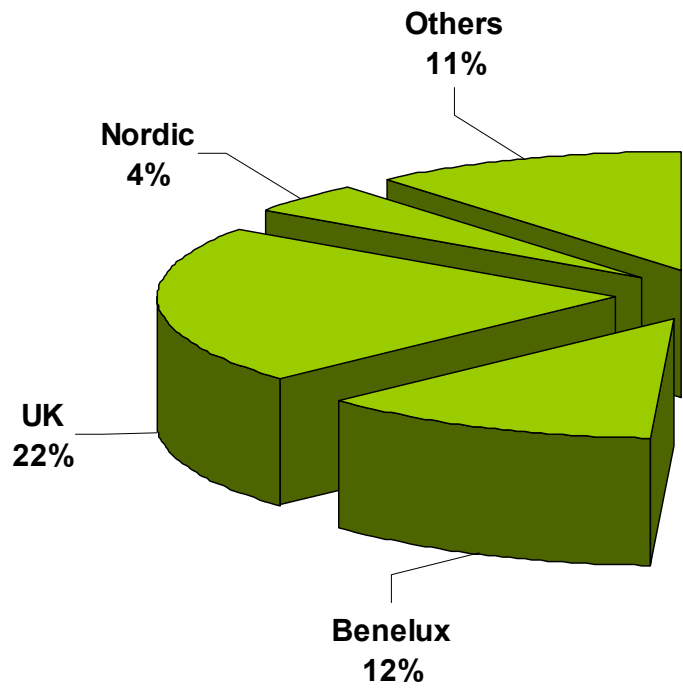
Focus on the core markets



* Disposals already announced/completed

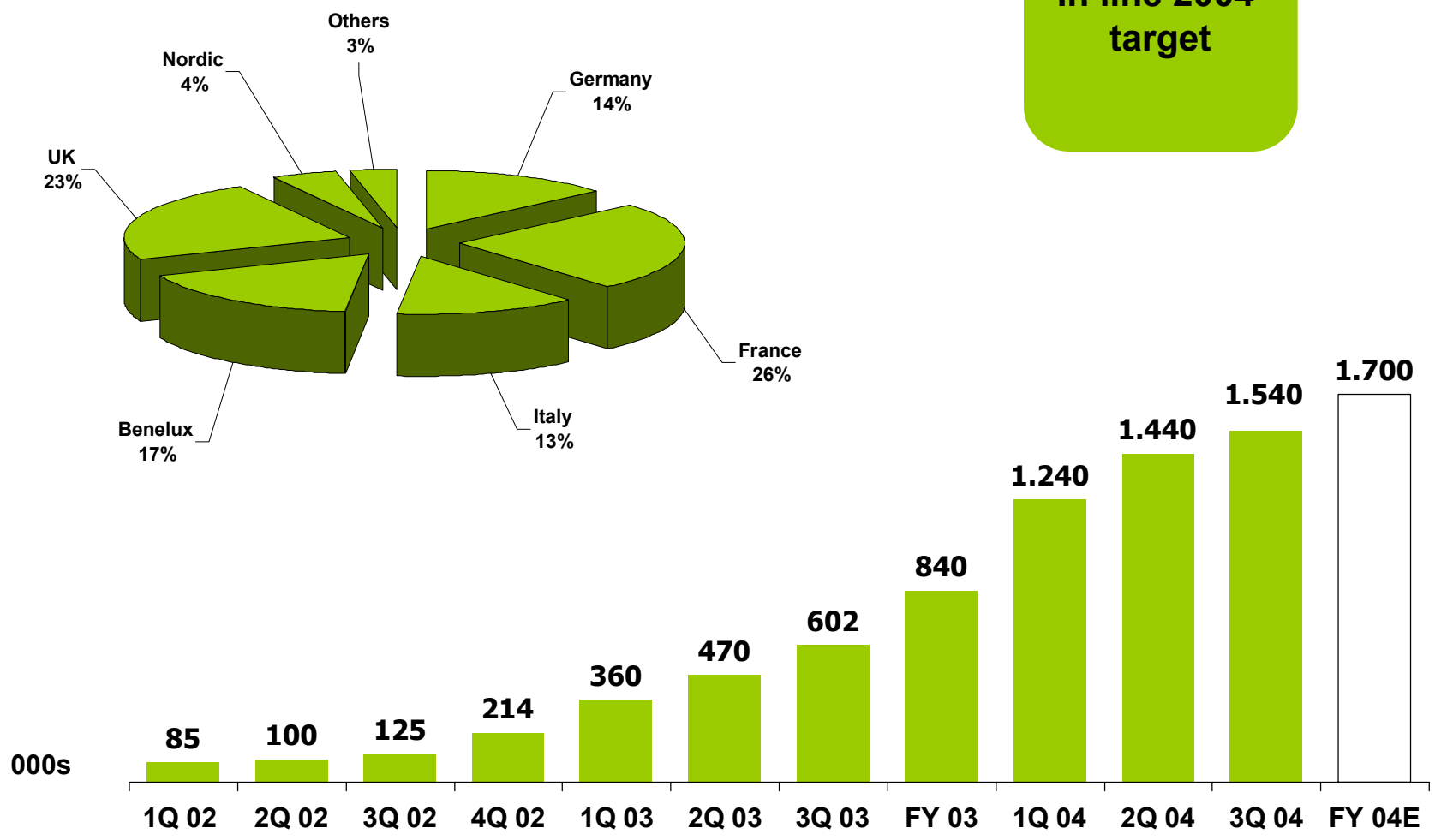
Total active users 3Q04

**7.7 ml
customers:
6.2 ml active
dial-up,
1.54 ml ADSL**

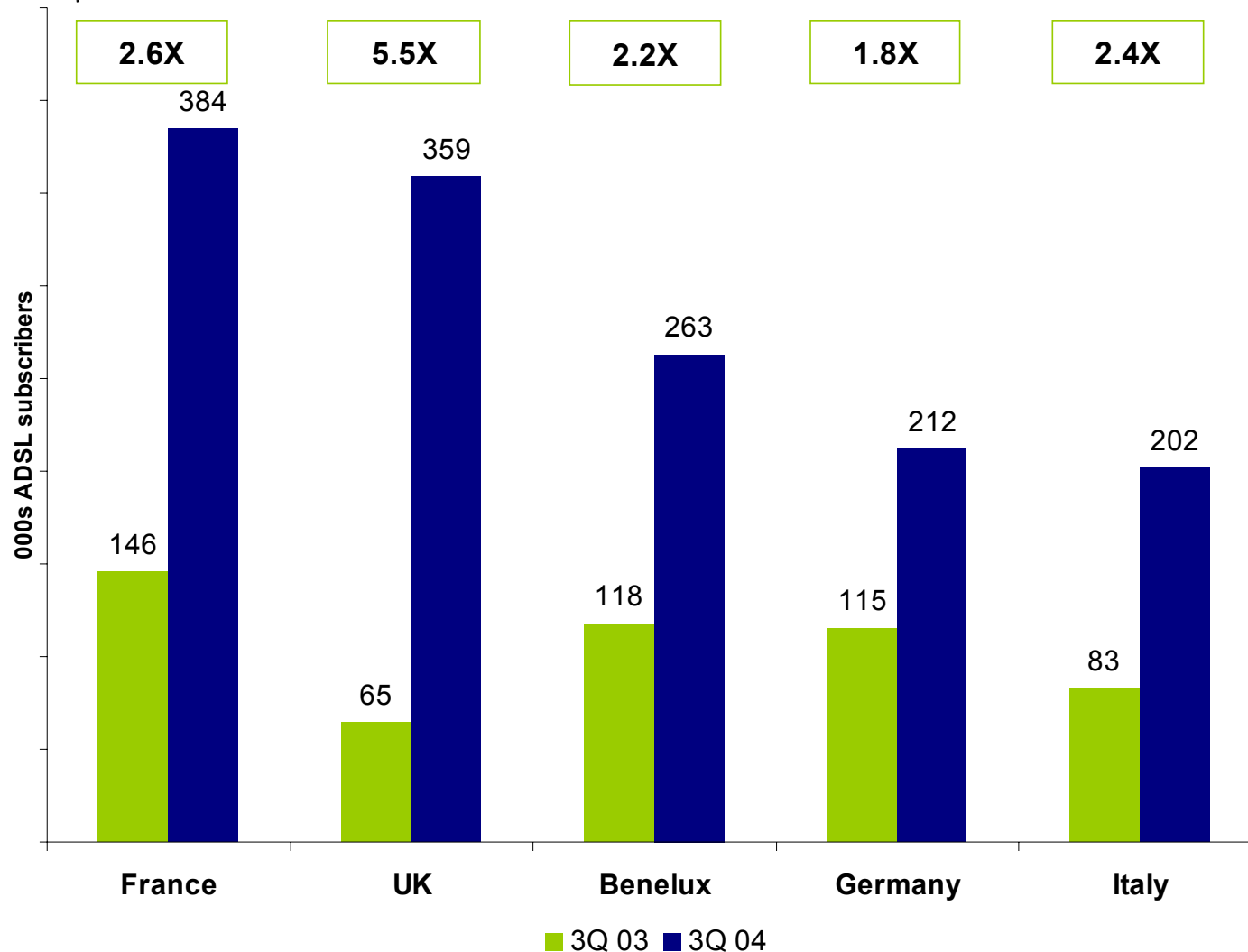


Broadband customers 3Q04

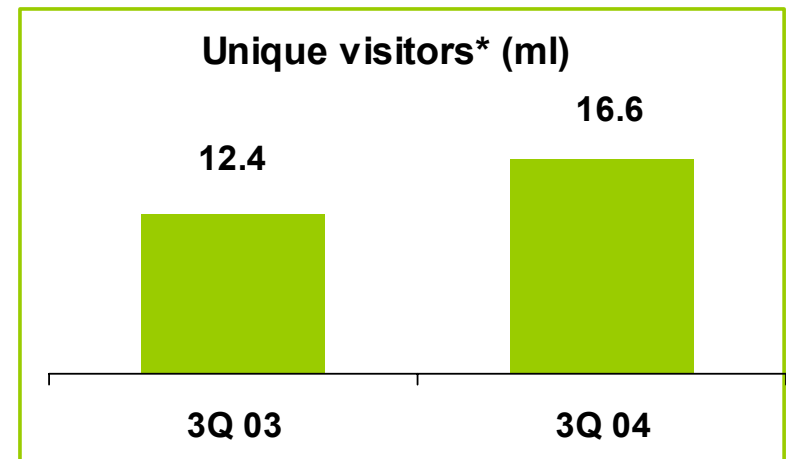
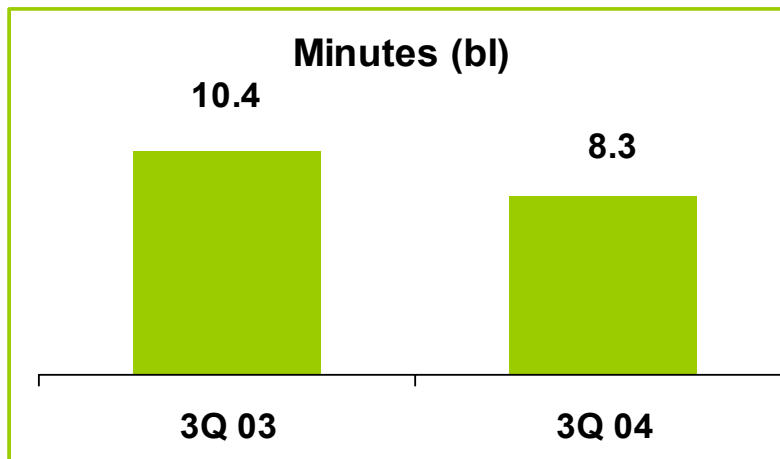
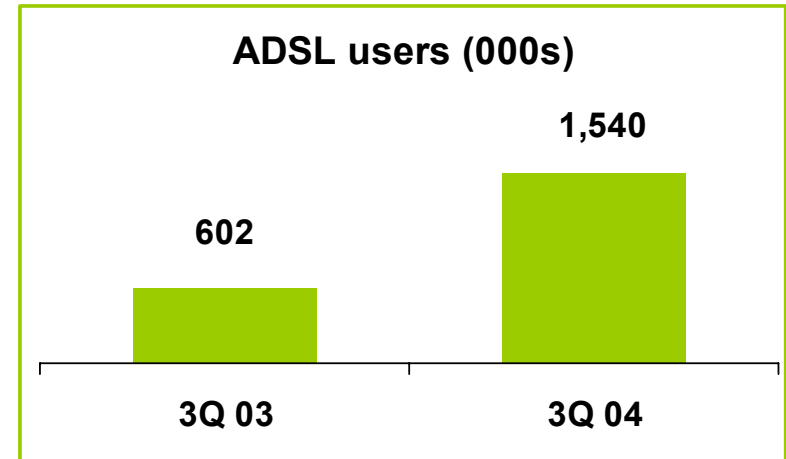
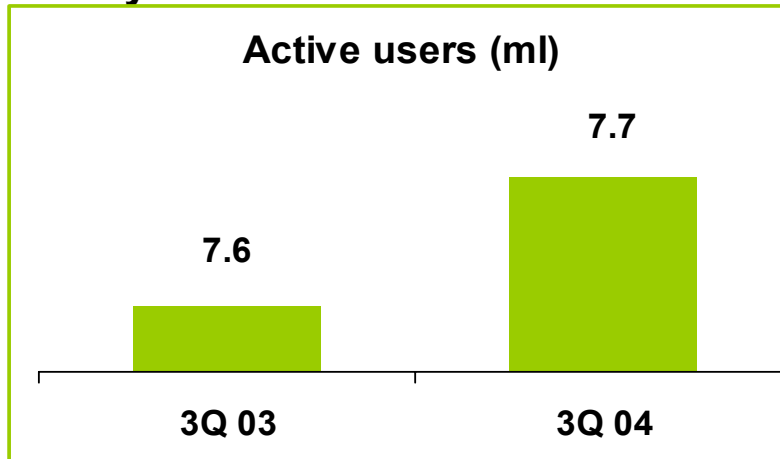
In line 2004 target



Quarterly growth by key countries: ADSL subscribers' growth



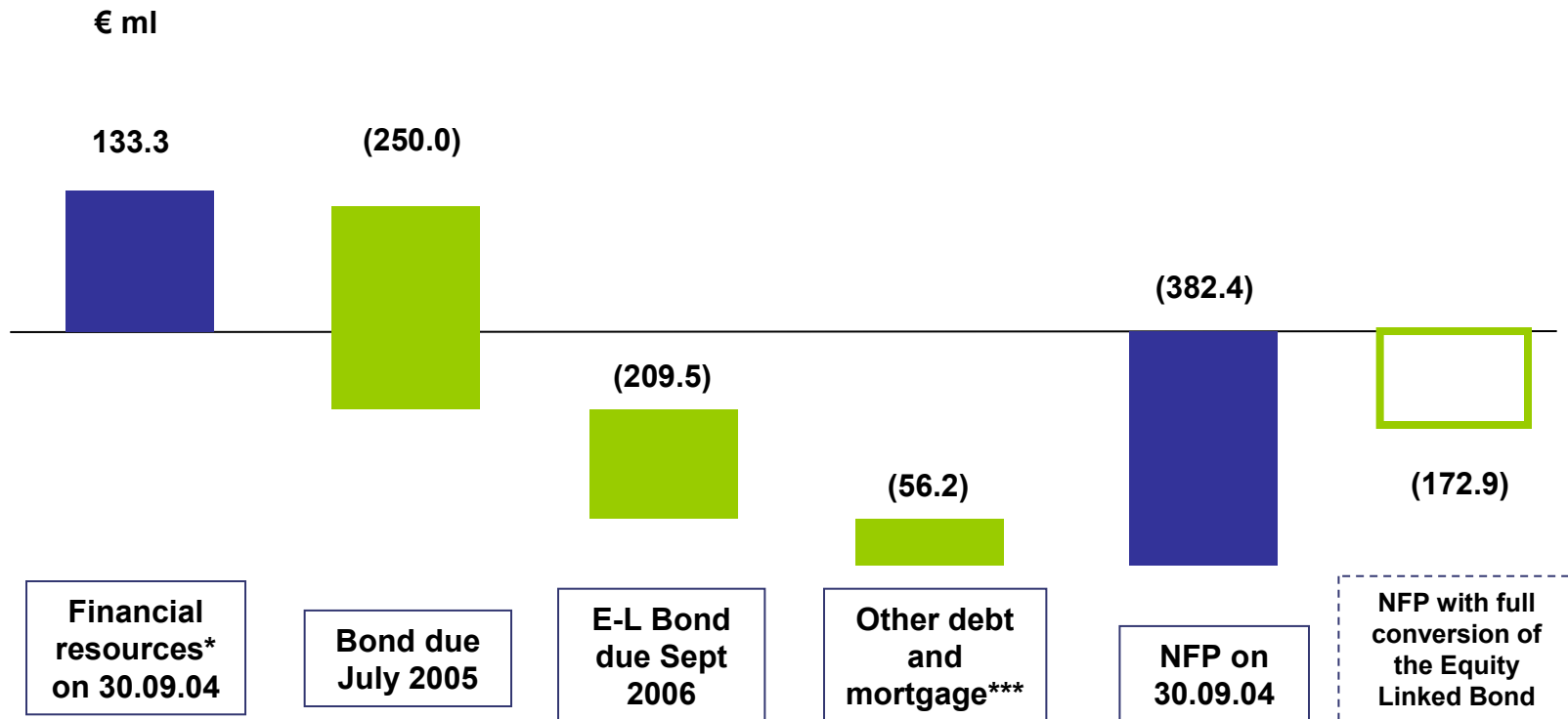
3Q04: Key metrics



* The number of unique visitors refers to the 5 main European markets (Italy, France, Germany, UK, Netherlands)

Source: Nielsen NetRatings

Net Financial Position



- Operating free cash flow (EBITDA +/- ΔWC – capex) at -€12ml vs -€20ml in 2Q04 and -€44ml in 1Q04
- FCF at -€11.3ml, including cash in from disposals of €26.0ml and annual interests on bonds for €18ml

* Includes € 29.1 ml of cash in escrow accounts and €46.6 ml of tax refunds and grants

** Does not include €47.7 ml of leasing and other debt

Targets for 2004

- Turnover at ca €1.1 billion (with disposals)
- 1.7 million broadband subscribers
- EBITDA margin at 10%
- Capex at 10% of turnover
- Free Cash Flow generation starting from 4Q2004
- Net profit in 2005
- Further disposals of non core assets completed by 1H2005

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.

This presentation does not constitute an offer of Tiscali shares.

Not for release, publication or distribution, in whole or in part, in or into United States, Canada, Australia or Japan.

Thank you

Q&A