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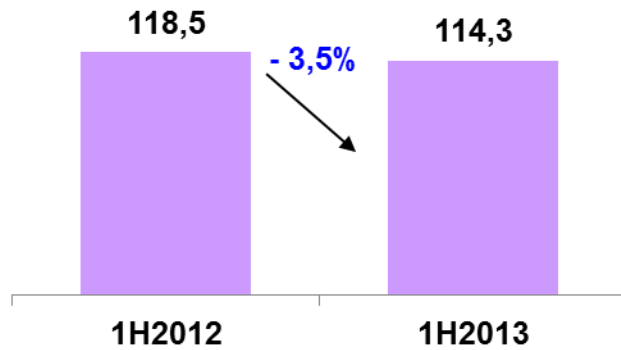
**1H2013 Results
Presentation**

29th August 2013

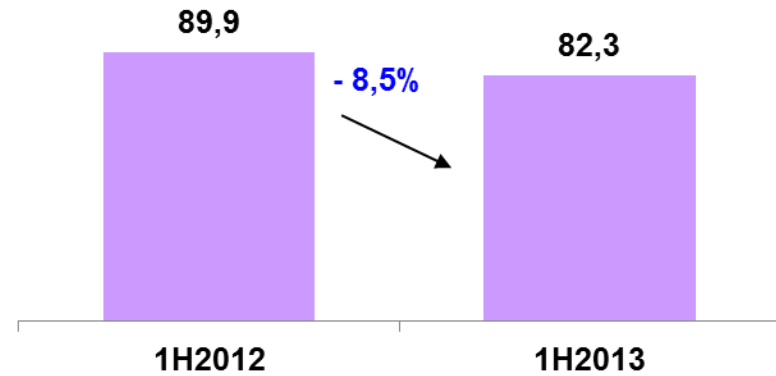
- **Revenues** at ca EUR 114,3 mln, down (-3,5%) YoY; revenues 2Q2013 vs 1Q2013 up (+4,5%); Good performance of BTB Services (+21,6 % YoY)
- **Gross Operating Result** at EUR 35,5 mln (-9,1% YoY); Gross margin stable (-0,2 mln vs 1H12) notwithstanding the decrease in revenues, operating costs up (+6,2%) YoY;
- **EBITDA (net of bad debt)** at EUR 27,2 mln, ca EUR 1,3 mln up vs 1H2012 (+4,9%);
- **EBIT positive at EUR 3,7 million**, only EUR 1,4 mln down respect 1H2012, EUR 7,5 mln before restructuring costs for EUR 3,8 mln;
- **Net result** negative for ca EUR 3,6 million vs a negative net result of EUR 2,3 million in the 1H2012;
- **Net debt*** at EUR 185,1million vs EUR 192,8 million as of 30th June 2012, 4% down YoY;
- **Free cash flow** positive for EUR 13,1 mln, (vs EUR 12,8 mln in 1H2012), with over ca EUR 13,8 mln reduction in trade payables vs 1H2012; Capex at ca EUR 12 mln;
- **ADSL and Voice active customers** at 505,8K (ADSL 492K). Dual play customers at 360K. Mobile SIM at 136K (-22,8% YoY). Third consecutive quarter recording customer growth, thanks to increased registrations flow **(+98% vs 1H2012)**;

* Consob consolidated net financial debt

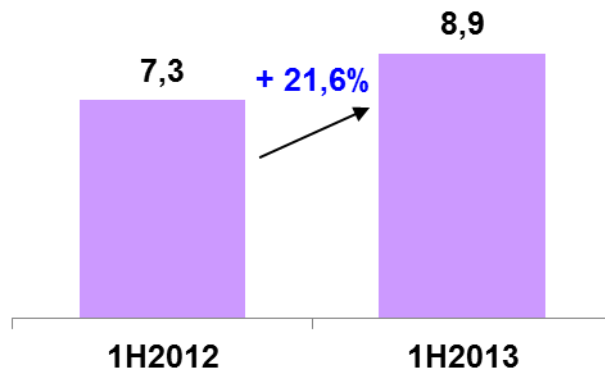
Sales (EUR Mln)



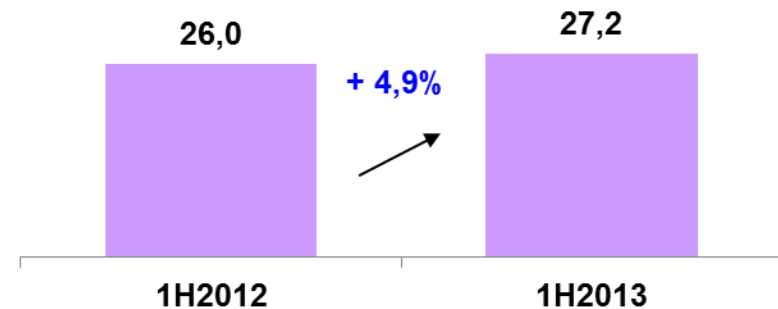
BB + VoIP + MVNO revenues (EUR Mln)



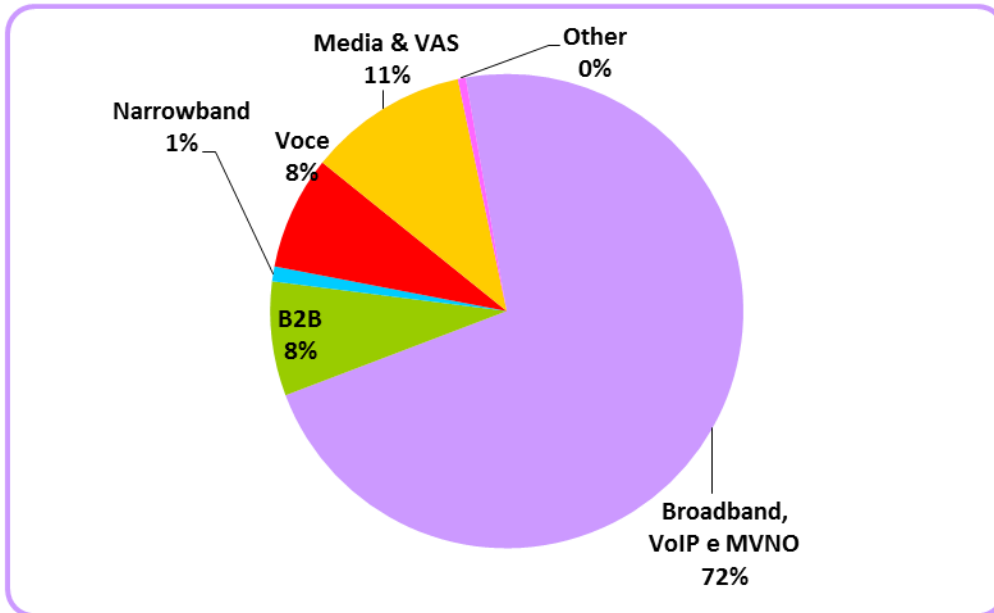
BTB Services (EUR Mln)



EBITDA net of Bad Debt (EUR Mln)

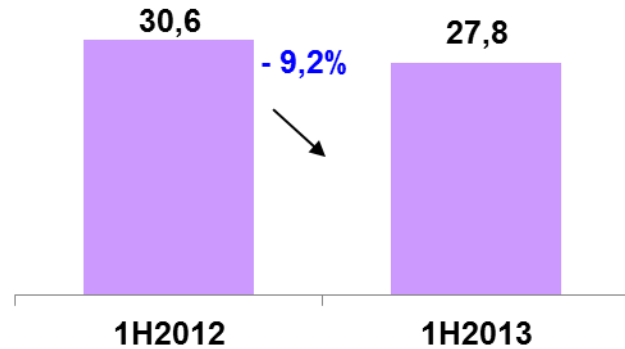


Business line breakdown on revenues – 1H2013

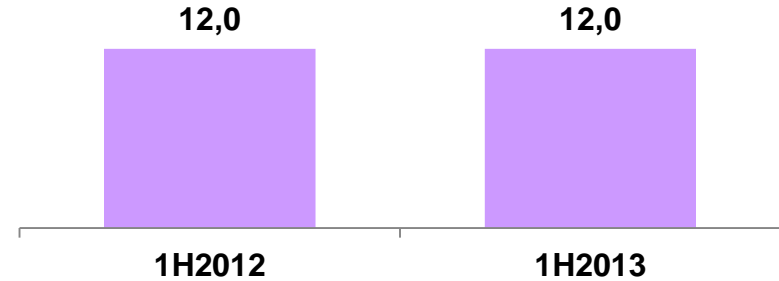


- **Broadband & Dual play (VoIP) & MVNO**, core revenues, equal to ca EUR 82,3 million (72% of total revenues), down ca 8,5% vs 1H2012;
- **Growing importance of BTB Services** (7,8% of total revenues), 21,6% growth YoY (6,2% of total revenues in 1H2012)

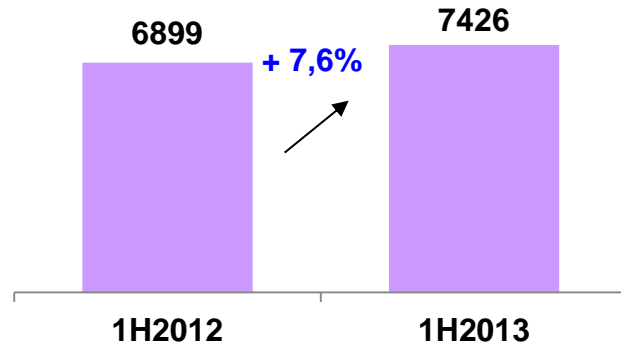
Broadband ARPU (Eur)



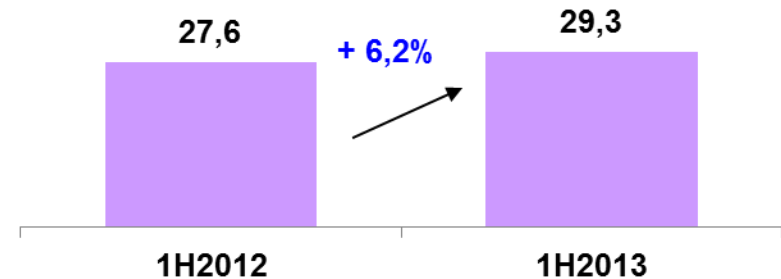
CAPEX (EUR mln)



Page views network adv* (million)

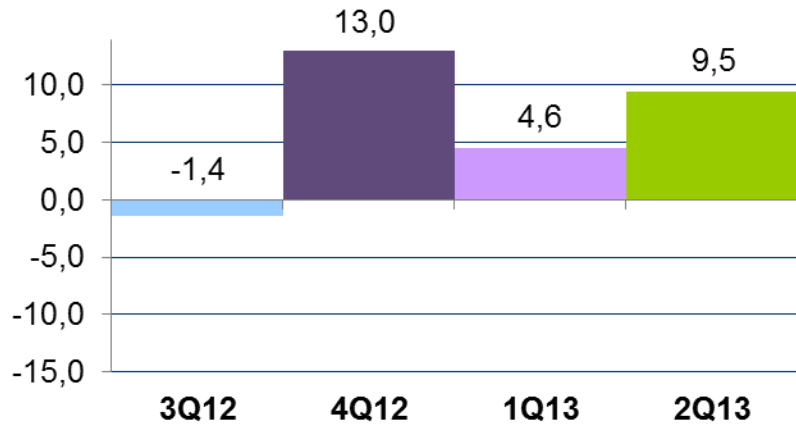


Operating Costs (EUR mln)



- Increased Page views (+7,6% YoY) on network driving improved performance;
- Capex in 1H2013 at EUR 12 million, in line with 1H2012, despite increased customer acquisition activity;
- Operating costs up 6,2% vs 1H2012.

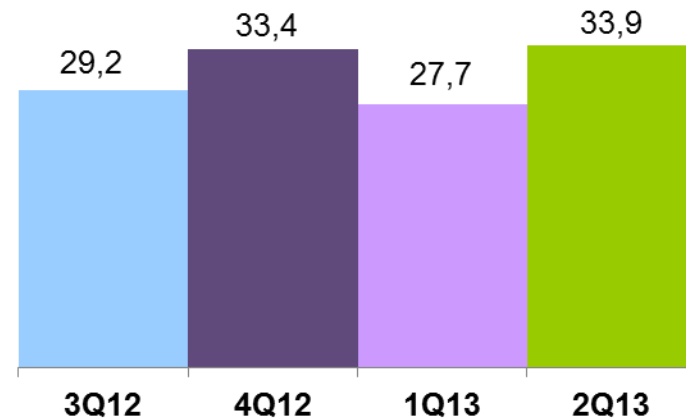
Net ADSL lines acquisition (n/000)



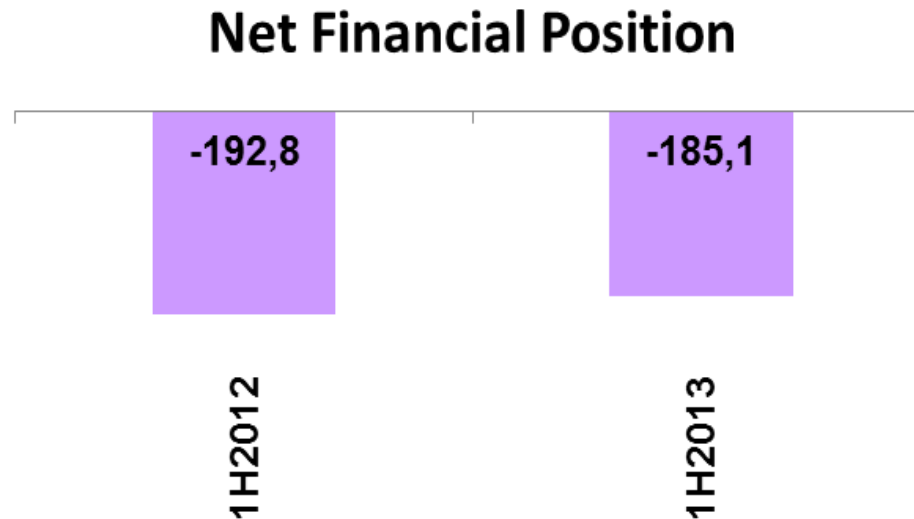
- Net ADSL acquisitions negative trend definitely reverted in 3Q12;
- On going positive trend in 2013.

■ Promising gross margin performance, taking advantage of reduced regulated tariffs and increased network efficiency.

Gross Margin



- Total Net Debt* reduction of 4% YoY;
- Further reimbursement in July 2013 of EUR 7,5 million of the Senior loan besides EUR 0,5 million as cash interests.



* Consob consolidated net financial debt

EUR mln	1H2013	% of rev.	1H2012	% of rev.	Delta 1H2013/1H2012
Revenues	114,3	100%	118,5	100%	-3,5%
Access	82,3	72%	89,9	76%	-8,5%
of which ADSL	47,1	41%	51,7	44%	-9,0%
of which VOIP	33,8	30%	36,3	31%	-6,9%
of which MVNO	1,4	1%	1,9	2%	-25,7%
Voice	8,9	8%	6,4	5%	39,3%
Narrowband	1,2	1%	1,7	1%	-32,5%
B2B	8,9	8%	7,3	6%	21,6%
Media and VAS	12,5	11%	12,4	10%	0,9%
Other	0,6	1%	0,8	1%	-26,3%
Gross Margin	61,5	54%	61,3	52%	0,4%
Operating costs	29,3	26%	27,6	23%	6,2%
Sales & Marketing costs	4,4	4%	4,2	4%	5,5%
Personnel costs	17,5	15%	16,6	14%	5,5%
G&A costs	7,5	7%	6,9	6%	8,6%
Other (Income) / Expenses	(3,3)	-3%	(5,4)	-5%	-38,9%
Gross Operating Result	35,5	31%	39,0	33%	-9,1%
Bad debt and other provisions	8,2	7%	13,1	11%	-37,0%
EBITDA net of bad debts	27,2	24%	26,0	22%	4,9%
D&A and Restructuring costs	23,5	21%	20,8	18%	13,1%
EBIT	3,7	3%	5,2	4%	nm
Net result of the Group	(3,6)	-3%	(2,3)	-2%	nm

1H2013 vs 1H2012 – cont'd

- First half revenues down YoY (-3,5%) :
 - Strong performance of Business Service revenues (+21,6% vs 1H2012);
 - Decline in access segment BB, VOIP & MVNO (down 8,5% vs 1H2012) due to higher level of market competition (higher promotions);
 - Increase in the number of ADSL customers (+24k vs 1H2012);
- **Gross margin at EUR 61,5 mln, stable respect to 1H2012** (EUR 61,3 mln), notwithstanding the impact of the revenues decrease, thanks to direct costs rationalization and access fees reduction;
- Operating costs up EUR 1,7 mln (6,2%) respect to 1H2012;
- Gross Operating Result at EUR 35,5 mln (EUR 3,6 mln down vs 1H2012, mainly due to lower extraordinary income for EUR 2,1 mln);
- EBITDA up 4,9% thanks to lower impact of bad debt provision (-4,8 mln EUR vs 1H2012) and lower depreciation (-0,4 mln EUR);
- **EBIT positive for EUR 3,7 million, including EUR 3,8 mln group restructuring costs, WOL settlement reached;**
- Net income negative at EUR 3,6 mln, slightly positive before restructuring costs.

2Q2013 vs 2Q2012

EUR mln	2Q2013	% of rev.	2Q2012	% of rev.	Delta 2Q13/2Q12
Revenues	58,4	100%	58,8	100%	-0,6%
Access	41,1	70%	43,8	74%	-6,2%
of which ADSL	23,3	40%	25,1	43%	-7,0%
of which VOIP	17,1	29%	17,8	30%	-4,0%
of which MVNO	0,6	1%	0,9	1%	-29,9%
Voice	4,9	8%	2,9	5%	65,2%
Narrowband	0,5	1%	0,8	1%	-40,0%
B2B	4,3	7%	3,7	6%	16,6%
Media and VAS	7,4	13%	7,1	12%	3,4%
Other	0,3	0%	0,4	1%	-21,8%
Gross Margin	33,9	58%	30,0	51%	12,9%
Operating costs	15,0	26%	13,3	23%	12,7%
Sales & Marketing costs	2,5	4%	2,1	3%	21,0%
Personnel costs	8,5	15%	7,6	13%	11,5%
G&A costs	4,1	7%	3,7	6%	10,4%
Other (Income) / Expenses	(0,8)	-1%	(4,9)	-8%	-84,4%
Gross Operating Result	19,6	34%	21,6	37%	-9,2%
Bad debt and other provisions	5,1	9%	9,7	16%	-47,7%
EBITDA net of bad debts	14,5	25%	11,9	20%	22,0%
D&A and Restructuring costs	11,9	20%	10,8	18%	9,4%
EBIT	2,7	5%	1,1	2%	nm
Net result of the Group	(1,0)	-2%	(2,6)	-4%	nm

- QoQ slight decrease in revenue mainly driven by lower Access revenues, partially compensated by Media services (+3,4%) and B2B up (+16,6%);
- Strong increase in Gross margin (+12,9%) driven by Media and B2B revenues and increased network efficiency;
- Decrease in Gross Operating Result (-9,2%) but increase in net Ebitda (+22%) showing effects of sharp clean up policy on customer base and receivables;
- Net quarterly income strongly up.

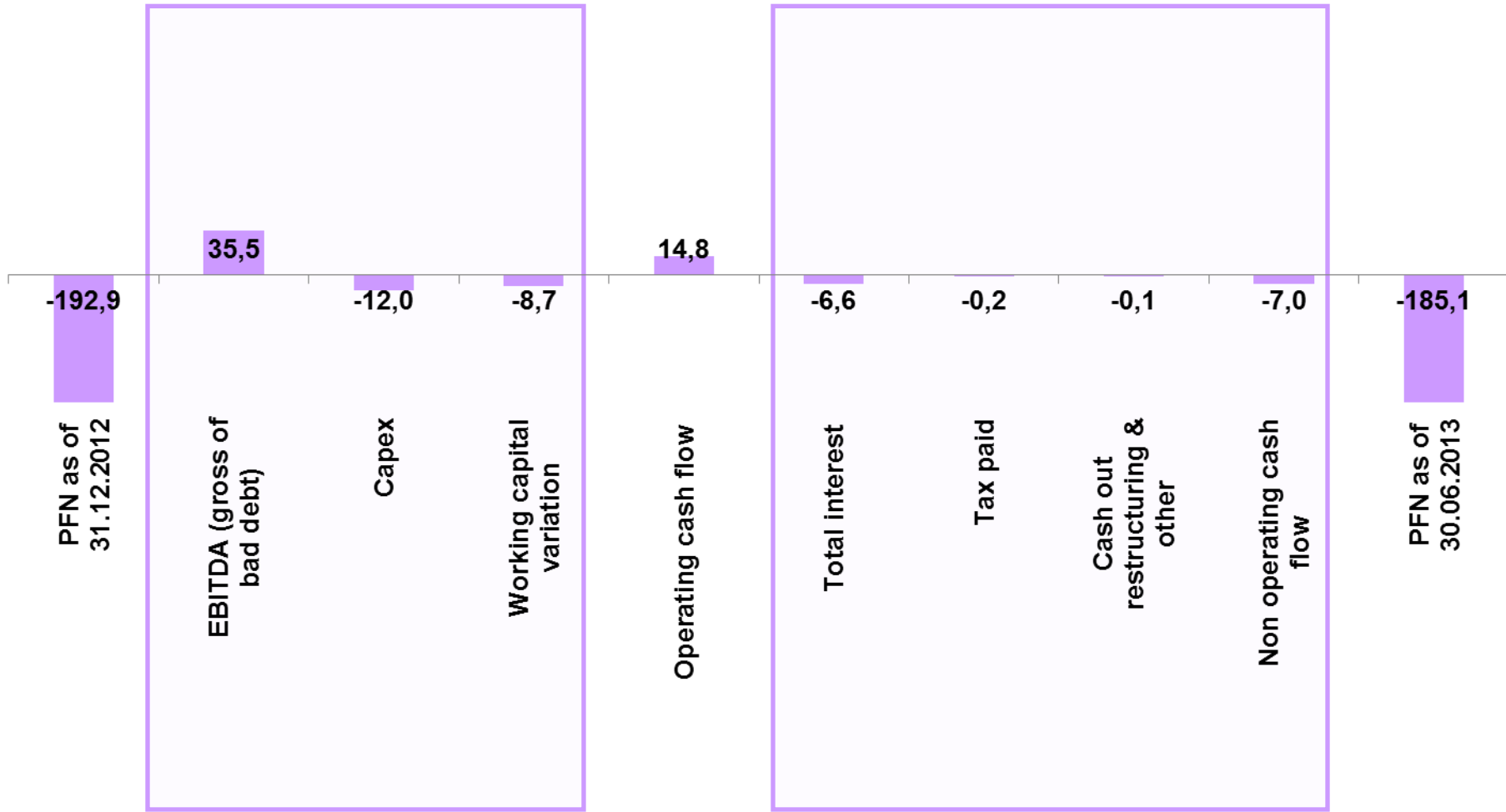
Net Financial Position

<i>EUR Mln</i>	30 June 2013	31 December 2012
A. Cash	13,2	4,4
B. Other liquid assets	0,1	0,1
C. Securities	-	-
D. Total cash and other financial assets (A) + (B) + (C)	13,3	4,5
E. Current financial receivables	0,1	-
F. Non-Current financial receivables	6,4	6,3
G. Current bank debt	4,2	6,3
H. Long term loans falling within one year	9,3	9,5
I. Other current financial debt (*)	0,7	0,1
J. Current financial debt (G) + (H) + (I)	14,2	16
K. Net current financial debt (J) – (E) – (F) – (D)	(5,5)	5,1
L. Non current bank loans	125,5	122,7
M. Bonds	-	-
N. Other non current debt (**)	58,7	58,6
O. Non current financial debt (L) + (M) + (N)	184,2	181,3
P. Net Financial Debt (K) + (O)	178,7	186,5
Other cash equivalents and non current financial receivables	6,4	6,4
Consob Net Financial Debt	185,1	192,9

(*) includes financial leasing debts

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

Tiscali Group: 1H2013 – Cash Flow Analysis (EUR ml)



- Operating cash flow positive for EUR 14,8 million;
- Free cash flow positive for EUR 13,1 million (12,8 million in 1H2012).

- Continued strong focus on efficiency and cash flow generation;
- Pursuing customer growth on dual play proposition, thanks to good performance of on-line channels and churn reduction;
- good performance of on line advertising expected in 2H2013;
- Focus on OTT services:
 - New Indoona version forthcoming launch including several new communication features;
 - Streamago: already 30K channels;
 - Istella running on Tiscali portal, 700K daily searches;
- 2013 net income seen negative but strongly better than 2012. EBIT Positive. Other targets confirmed;
- 2014 financing discussion on-going, financial advisor appointed.

Disclaimer

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