

I Half 2017 Tiscali Results

Tiscali IH 2017 results:

Main Takeaways

Revenues and Customers:

- +6,9% revenues growth vs IH 2016 in line with target communicated to market;
- +1,7% BB Fixed revenues growth vs IH 2016, first time positive after years;
- IH 2017 revenues in line with Budget;
- Strong growth on “Core Business” services Customer Base vs IH 2016:
 - +32k customers (+8%) on BroadBand Fixed
 - +56k customers (+37%) on Mobile
 - 58k customers on UltraBroadBand services (36k LTE Fixed Wireless plus 22k Fiber)

EBITDA:

- Two Digit growth (+16%) vs IH 2016 largely higher than target communicated to market;
- IH 2017 EBITDA strongly better than Budget;

Net Income:

- First time Tiscali positive Net Income

Tiscali:

IH 2017 results vs targets communicated to market

Mln €

IH 2017 Results				
	Actual IH 2017	Delta vs IH 2016*	Target	Status
Revenues	103,6	+6,9%	+5-8%	Achieved ✓
EBITDA	14,4	+16,3%	+8-12%	Over-performed ✓✓
Net Income	24,5		positive	Achieved ✓

Positive Net Income for the first time in Tiscali history

*Comparison with actual 2016 figures restated according to new 2017 perimeter excluding Discontinued Operations (see Annex)

IH 2017 – Main Tiscali achievements

1

**Growth
on Core Business**

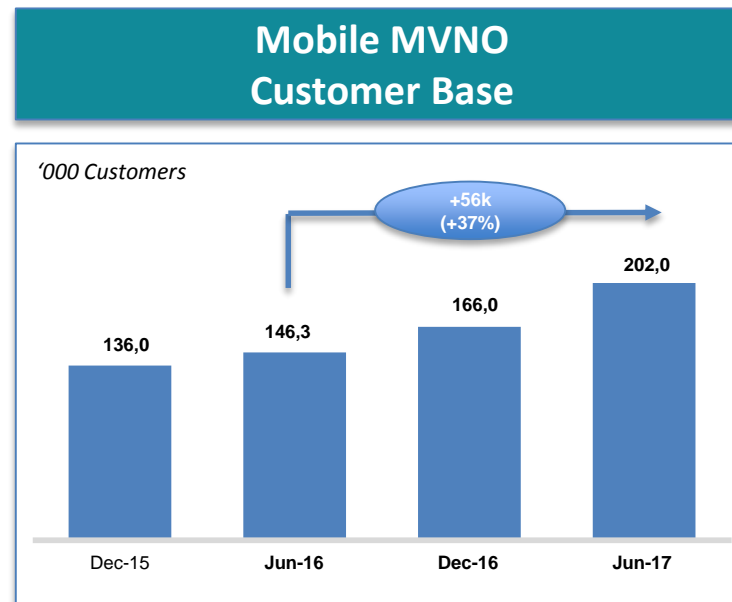
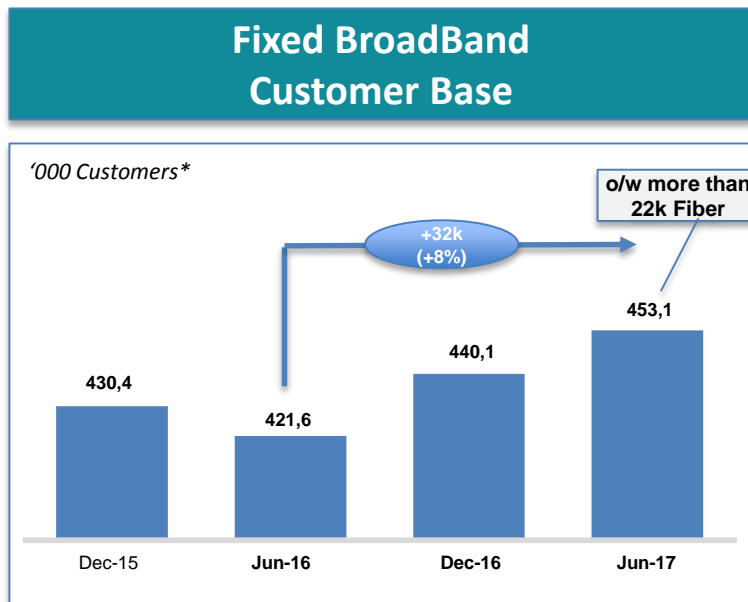
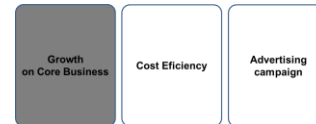
2

Cost Efficiency

3

**Back to
Advertising
campaign to
relaunch Tiscali
brand**

IH 2017 – Acceleration on Core Business growth

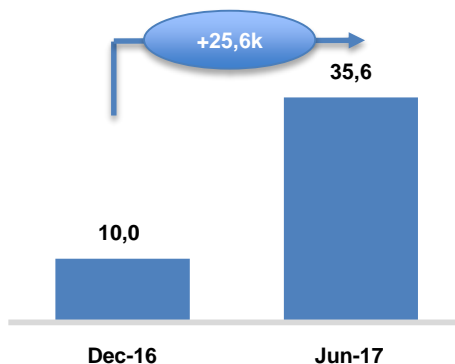


Positive confirmation in IH 2017 of growth trend on BroadBand (Fixed and LTE) and Mobile Customer Base thanks to new marketing and sales strategy in place

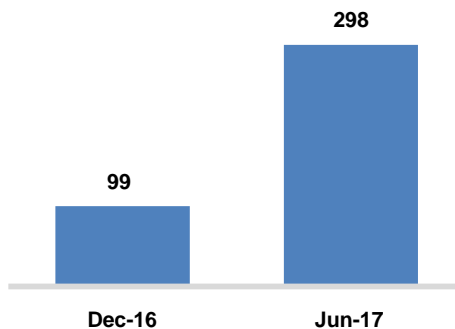
*2015 and 2016 figures restated mainly to take into account impacts of Business Branch dismissal to Fastweb

IH 2017 – Focus on LTE rump-up

LTE Customer Base ('000)



LTE Base Stations on-air (#)

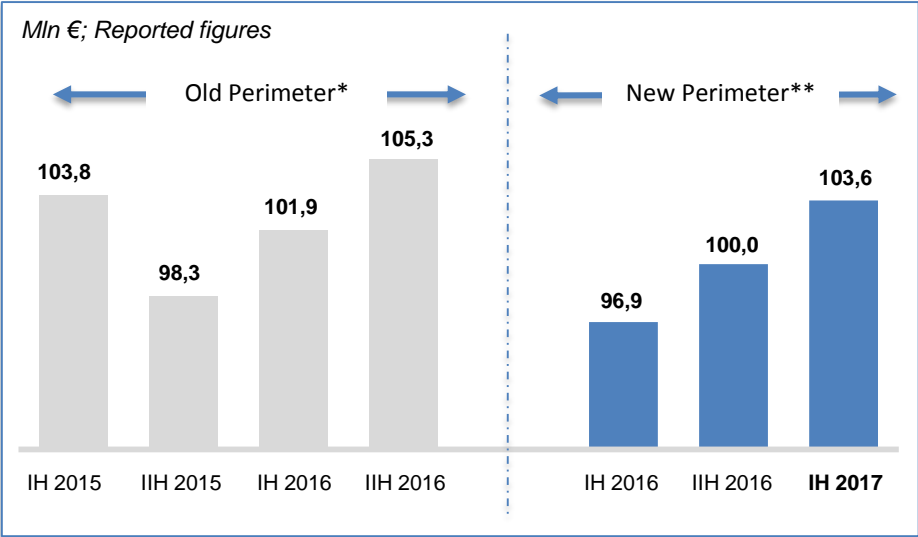


- LTE deployment on track (approx. 300 Base Stations LTE installed by June 2017) to complete full migration from WiMax to LTE in IVQ 2017
- LTE Customer Base has grown by more than 25k customers in IH 2017
- Very positive LTE Customer experience and satisfaction in line with expectations

IH 2017 – Back to growth on Revenues



Positive inversion of Revenues trend

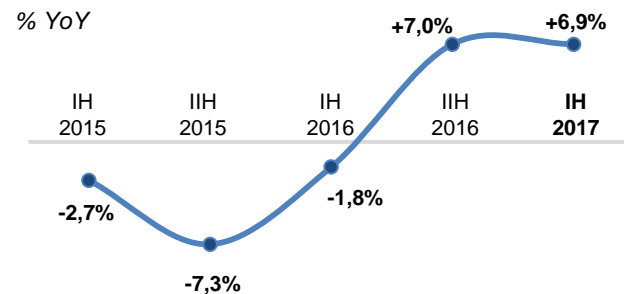


*Perimeter including 2016 Discontinued Operations (see Annex)

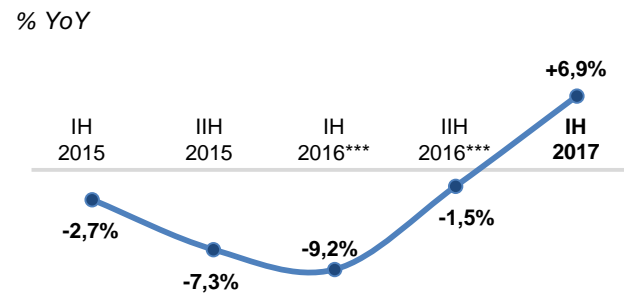
**2016 restated figures according to new 2017 perimeter excluding Discontinued Operations (see Annex)

***2016 organic growth are calculated using 2015 pro-forma figures adding Aria to Tiscali reported figures

Revenues Trend - Reported Growth YoY

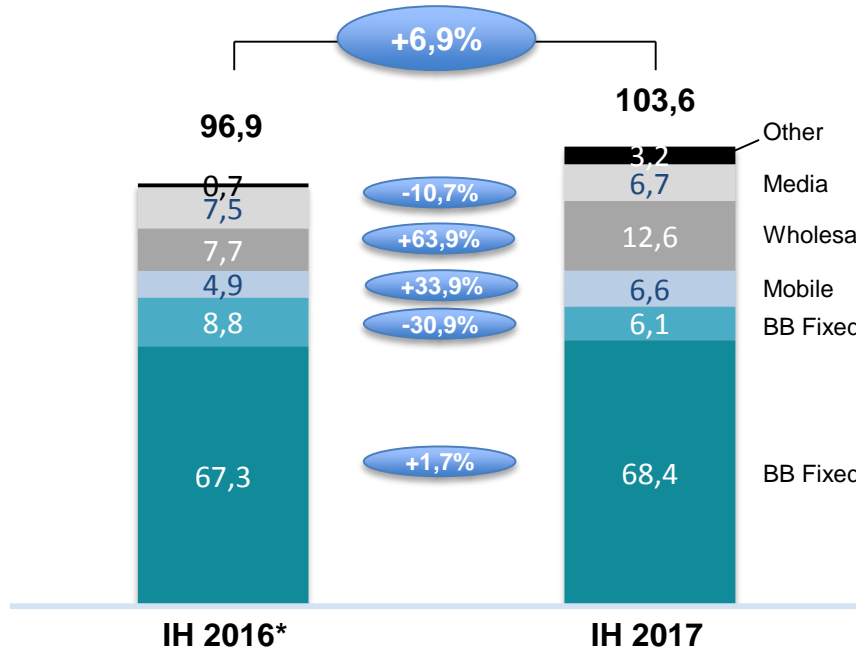
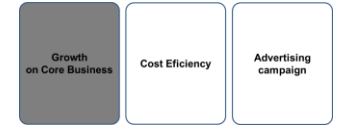


Revenues Trend - Organic Growth YoY



IH 2017: Revenues evolution by segment vs IH 2016

Mln€; Reported Figures; %



Organic Growth YoY by Half

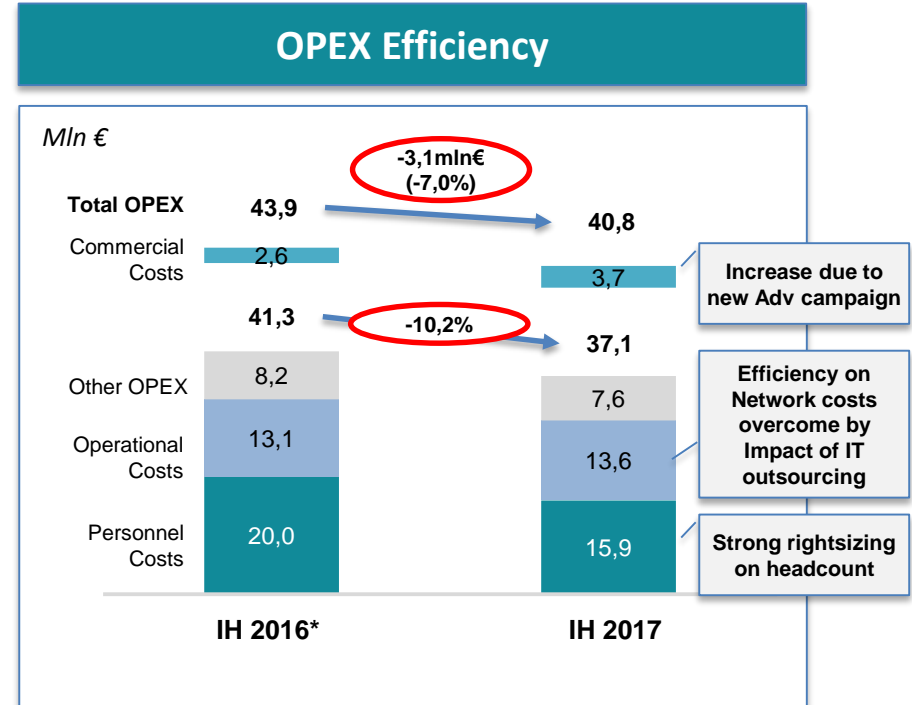
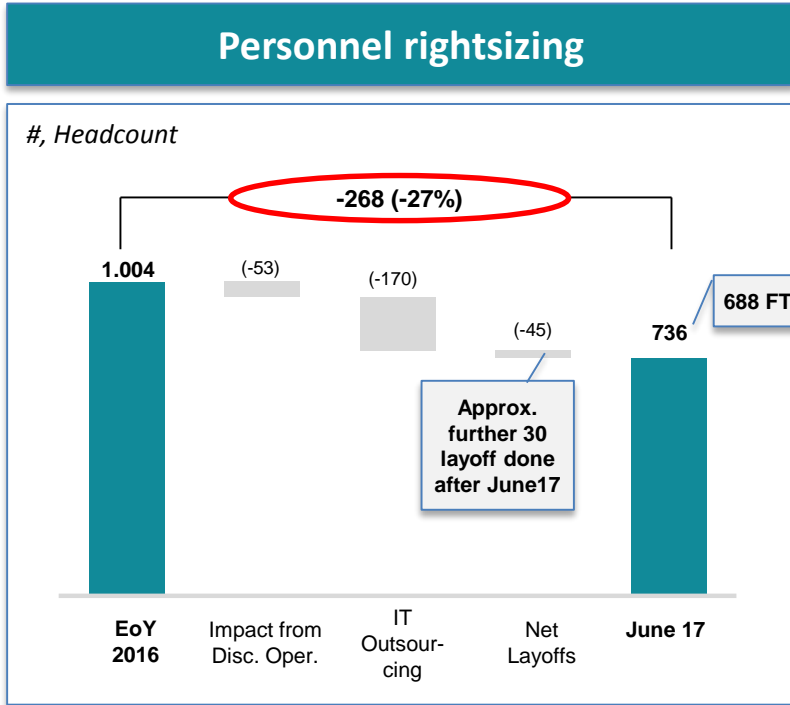
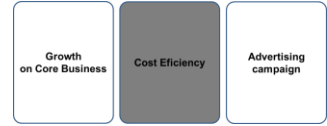
	IH 2016	IIH 2016	IH 2017
Total	-9,2%	-1,5%	+6,9%
BB Fixed	-12,9%	-5,4%	+1,7%
BB Fixed Wireless	+4,9%	-18,7%	-30,9%
Mobile	+14,9%	+26,4%	+33,9%
Wholesale & Business	+23,8%	+36,0%	+63,9%
Media	-32,1%	-16,0%	-10,7%
Other	-21,5%	+25,7%	+353%

First time growth in revenues organic figures after years

«Core» BroadBand Fixed revenues turned from negative to positive after years

*2016 restated figures according to new 2017 perimeter excluding Discontinued Operations (see Annex)

IH 2017 – Ongoing focus on Costs efficiency



*2016 restated figures according to new 2017 perimeter excluding Discontinued Operations (see Annex)

IH 2017 – New Tiscali Advertising campaign to relaunch brand and to support sales

Tiscali new Advertising campaign

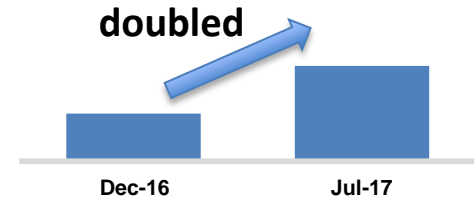
- Back to invest in advertising through a TV campaign based on a new testimonial (Jeff Bridges) to back to one of the historical Tiscali brand equity value: “Tiscali gives you the freedom to chose without any legacy”



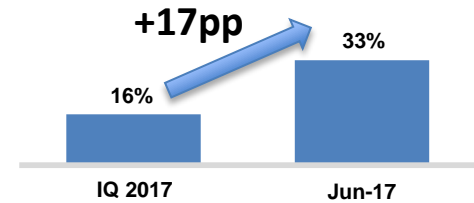
- Advertising campaign performed in June with an institutional cut, centered on an overall relaunch of Tiscali brand with specific flyers on Fiber and Mobile

Positive returns from new ADV campaign

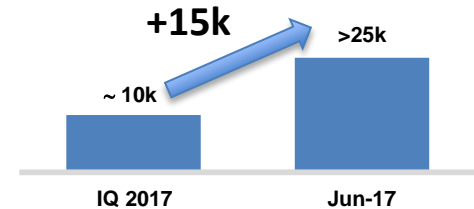
Brand Awareness
(spontaneous)



Fiber takeup
(% Fiber on total BB Fixed new acquisitions)



Mobile
(Monthly new activations – ‘000)



IH 2017 – EBITDA evolution vs IH 2016

Mln €

	Act 2016 IH*	Act 2017 IH	YoY Growth		
			Δ Abs	Δ%	
Revenues	96,9	103,6	6,7	6,9%	First significant organic revenues growth after years
Variable Costs	37,6	45,8	8,2	21,9%	
Personnel	20,0	15,9	-4,2	-20,8%	
Operational Costs	13,1	13,6	0,5	3,9%	
Commercial Costs	2,6	3,7	1,1	44,6%	
Other OPEX	8,2	7,6	-0,6	-6,8%	
Other Income/(Expenses)	1,7	1,2	-0,6	-32,4%	
Bad Debt	4,8	3,8	-1,0	-20,9%	
EBITDA	12,4	14,4	2,0	16,3%	Strong increase in EBITDA thanks to revenues growth and efficiency
Depreciation	24,5	23,7	-0,8	-3,5%	
Restructuring Costs & Provisions	0,4	3,5	3,2	865%	Impact of one-off restructuring costs related to layoffs and Tiscali rightsizing
EBIT	-12,6	-12,9	-0,3	-2,5%	
Financial Expenses	6,7	6,3	-0,3	-5,1%	
Taxes	0,0	0,0	-0,1	-169%	Impact of gain coming from Business perimeter sale to Fastweb
Income/(Loss) from Disc. Op.	1,5	43,6	42,1	2740%	
Net Income	-17,7	24,5	42,2	238%	First time positive Net Income in Tiscali history

*2016 restated figures according to new 2017 perimeter excluding Discontinued Operations (see Annex)

Balance Sheet: June 2017 vs December 2016

Mln €

	Jun 2017	Dec 2016
Fixed Assets	221,8	216,2
Financial Assets	4,5	8,2
Total Non-current assets	226,3	224,4
Inventory	0,0	0,4
Trade Receivables	46,1	38,3
Other Current Assets	33,9	20,0
Cash	1,8	1,3
Total Current Assets	81,7	59,9
Assets held for sale	0,5	6,2
Total Assets	308,5	290,5
Total Shareholders Equity	(143,0)	(167,6)
Senior Debt	85,9	87,3
Rigensis Loan*	18,6	18,8
Other Banks Debt	20,9	22,4
Financial Lease	68,9	64,6
Total Financial Liabilities	194,2	193,1
Trade Payables	168,9	167,8
Other Liabilities	88,0	93,6
Total Other Liabilities	256,9	261,5
Liabilities held for sale	0,4	3,6
Total Liabilities	308,5	290,5

*Including Fair Value of «Put Option» according to IFRS accounting principles

ANNEX

2016 figures restatement net of discontinued Operations

Note:

2016 Tiscali economic figures has been restated to take into account impacts of changes in perimeter occurred during 2016 (Business Perimeter sold to Fastweb and OTT deconsolidation due to business dismissal) to ensure a 2017 vs 2016 comparison on a “like-for-like” basis

2016 Revenues detail figures restated

Mln €; Reported Data

2016 Restated revenues figures net of Discontinued Operations

Revenues	Act 2016	Act 2016	Act 2016
	FY	IH	IIH
Revenues	196,9	96,9	100,0
BroadBand Fixed	133,8	67,3	66,5
BroadBand Fixed Wireless	15,8	8,8	7,0
Mobile	10,7	4,9	5,7
Business Services & Wholesale	19,0	7,7	11,3
Media	15,0	7,5	7,5
Other	2,7	0,7	2,0

Tiscali Organic and Reported revenues

	Including Discontinued Operations				Excluding Discontinued Operations		
	IH 2015	IIH 2015	IH 2016	IIH 2016	IH 2016 (new)	IIH 2016 (New)	IH 2017
Revenues Reported	103,8	98,3	101,9	105,3	96,9	100,0	103,5
Revenues Organic	112,2	106,9	101,9	105,3	96,9	100,0	103,5

2015 Organic figures include Aria pro-forma (merged in December 2015 and consolidated starting from 2016)

2016 Restated figures to take into account impacts of Discontinued Operations for a 2017 vs 2016 "like-for-like" comparison

2016 P&L figures restated

Mln €; Reported Data

	Act 2016 FY	Act 2016 IH	Act 2016 IIH
Revenues	196,9	96,9	100,0
Variable Costs	80,4	37,6	42,9
Personnel	34,9	20,0	14,9
Operational Costs	25,7	13,1	12,6
Commercial Costs	5,7	2,6	3,1
Other OPEX	17,3	8,2	9,1
Other Income/(Expenses)	5,5	1,7	3,8
Bad Debt	11,3	4,8	6,5
Net EBITDA	27,1	12,4	14,8
Depreciation	49,5	24,5	25,0
Restructuring Costs & other provisions	6,0	0,4	5,7
EBIT	-28,4	-12,6	-15,9
Financial Expenses	9,4	6,7	2,7
Taxes	0,1	0,0	0,0
Income/(Loss) from Disc. Op.	-7,0	1,5	-8,6
Net Income	-45,0	-17,7	-27,2