

## Information for the market pursuant to Art. 114, paragraph 5 of Law Decree 58/98

Cagliari, 30<sup>th</sup> December 2009

In compliance with Consob's request sent to the Company on 14<sup>th</sup> July 2009, pursuant to Article 114, comma 5, of Law Decree N. 58/98 the Company provides to the market the following information on the Tiscali Group, referred to November 30th, 2009.

### ■ NET FINANCIAL POSITION OF TISCALI GROUP AND OF TISCALI S.P.A, HIGHLIGHTING SHORT TERM AND LONG TERM DEBT

EUR (000)		Tiscali Group 30 November 2009	of which: Tiscali S.p.A. 30 November 2009
	Note		
A. Cash	(1)	168,071	158,392
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>		<b>168,071</b>	<b>158,392</b>
<b>E. Current financial payables</b>		-	-
<b>F. Non-current financial payables</b>	(2)	<b>6,430</b>	<b>482</b>
G. Current bank payables	(3)	191,020	43,010
H. Current portion of non-current debt		-	-
I. Other current financial payables	(4)	6,651	-
<b>J. Current financial debt (G) + (H) + (I)</b>		<b>197,670</b>	<b>43,010</b>
<b>K. Net current financial debt (J) - (E) - (D) - (F)</b>		<b>23,169</b>	<b>(115,864)</b>
L. Non-current bank payables	(5)	162,987	-
M. Bonds issued		-	-
N. Other non-current payables	(6)	57,985	-
<b>O. Non-current financial debt (L) + (M) + (N)</b>		<b>220,972</b>	-
<b>P. Net financial debt (K) + (O)</b>		<b>244,141</b>	<b>(115,864)</b>

#### Notes:

(1) Includes ca EUR 157.1 million related to the proceeds from the capital increase for a nominal amount of EUR 180 million, concluded on 12<sup>th</sup> November 2009, net of conversion of debt toward the company by the shareholder Renato Soru equal to EUR

#### Investor Relations

Lisa Nanu  
Ph. +39 02 30901209 - [ir@tiscali.com](mailto:ir@tiscali.com)

#### Ufficio Stampa

Image Building  
Mara Baldessari – Simona Vecchies  
Tel: 02 89 01 13 00 – [tlc@imagebuilding.it](mailto:tlc@imagebuilding.it)

Tiscali S.p.A.  
Sa Illetta  
09122 Cagliari  
Italy

[www.tiscali.com](http://www.tiscali.com)

31.4 million. The amount of EUR 157.1 million includes the total proceeds from the capital increase equal to EUR 148.6 million and EUR 8.5 from the sale of the unexercised rights.

- (2) The entire amount represents the credit to the purchaser of TiNet Group (Talia) for the deferred component of the price.
- (3) Includes the outstanding debt to Senior Lenders (Facility D1) amounting to EUR 135.5 million, which has been reimbursed on 1<sup>st</sup> December 2009 from the proceeds of the capital increase and EUR 42.3 of Senior debt (Facility D2) which has been cancelled on 1<sup>st</sup> December 2009 following the successful operation of the capital increase, in addition to bank debt of Tiscali Italia S.p.A and Tiscali S.p.A. for EUR 12.5 million
- (4) Includes EUR 6,7 million for short term Leasing in Italy
- (5) Includes the amount of new debt to Senior Lenders, restored from 03/07/09, for an amount of EUR 158.5 million (inclusive of interest from 3<sup>rd</sup> August 2009 to 31<sup>st</sup> October 2009)
- (6) Includes the debt "Sale and Lease Back Sa Illetta" for EUR 57.9 million

The net financial position above refers to the Tiscali Group, without including the subsidiary Tiscali UK, sold to the Carphone Warehouse Group on 3 July 2009.

As described in the Interim Report, the paragraph "Events after the end of the semester", on 3rd July, the Company sold its operations in the United Kingdom, for a consideration of GBP 236 million. The proceeds of the disposal were used for the partial repayment of financial debt to the Senior Lenders (ca GBP 180 million), in addition to the payment of debts to the management of Tiscali UK (ca GBP 8 million).

Net of the partial repayment of the debt to the Senior Lenders for EUR 207 million, outstanding debt, amounting to EUR 332.8 million has been restructured for a nominal amount of EUR 158.5 million (ca EUR 163 million including interest at 30 November 2009), and the remaining part, named Facility D1 and D2, amounting to nominal EUR 174.3 million (EUR 177.8 million inclusive of interest to 18<sup>th</sup> November 2009), reimbursed (Facility D1) and cancelled (Facility 2) after the capital increases, launched on October 12<sup>th</sup> 2009 and completed with 100% take-up from the market and the shareholder Renato Soru on November 11<sup>th</sup> 2009.

The capital increase ended with the underwriting of approximately 1,799,819,371 shares for a total value of EUR 179,981,937.

Net of the amount underwritten by the shareholder Renato Soru, through compensation of the existing debt towards the Company, amounting to EUR 31.4 million (including interest), the proceeds actually received by the capital increase amounted to EUR 148.5 million, in addition to EUR 8.5 million from the sale of the unexercised rights.

The proceeds of the capital increase have been targeted, on 1<sup>st</sup> December 2009, to the repayment of the Facility D1, for an amount equal to EUR 135.5 million (inclusive of interest until 18 November 2009), and for the reimbursement of outstanding debt towards the former minority shareholders VNIL for EUR 11.7 million.

## **Investor Relations**

Lisa Nanu

Tel. +39 02 30901209 – [ir@tiscali.com](mailto:ir@tiscali.com)

2

## **Press Office**

Image Building

Mara Baldessari – Simona Vecchies

Tel: +39 02 89 01 13 00 – [tlc@imagebuilding.it](mailto:tlc@imagebuilding.it)

The Facility D2, equal to EUR 42.3 million (inclusive of interest until 18 November 2009) is has been written off by the Senior Lenders on 1<sup>st</sup> December 2009 as provided for under the debt restructuring agreement signed on 2nd and 3rd July 2009 and widely described in the Prospectus of the capital increase, available on the Company website [www.tiscali.com](http://www.tiscali.com), Investors section.

It should be noted finally that, conservatively, the net debt does not include the escrow related to the UK assets disposal, amounting to EUR 40.9 million that could be released in two tranches in June and December 2010.

## ■ OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS OF 30<sup>TH</sup> NOVEMBER 2009

On 30<sup>th</sup> November 2009, overdue trade payables, net of payment plans negotiated with suppliers, amounted to ca EUR 47.8 million, improving of ca EUR 16.2 million compared to the same data at 30 June 2009, thanks to the cash normalization actions undertaken.

There were also overdue tax debts for approximately EUR 6.5 million. There were no overdue debts towards the employees or the social security system.

## ■ POSSIBLE REACTION OF THE CREDITORS OF THE GROUP AT 30<sup>TH</sup> NOVEMBER 2009

On 30<sup>th</sup> November 2009, there were not solicitations for payment, outside of those within the ordinary course of business. The injunctions for payment received by the Company, which are still being negotiated or opposed to, amounted to a total of EUR 3.41 million.

No actions were taken to suspend supplies.

## ■ RELATIONSHIPS WITH RELATED PARTIES OF TISCALI S.P.A AND TISCALI GROUP

Tiscali clarifies that at 30<sup>th</sup> November 2009 there were not relationships with related parties. Furthermore, with respect to what has been previously communicated:

- Renato Soru has rendered his stake in Shardna SpA;
- The Sandoz Family Foundation, controlling Interoute, has decreased its stake in the Company under 2%, communicating a stake of ca 0.21%.

### **Investor Relations**

Lisa Nanu

Tel. +39 02 30901209 – [ir@tiscali.com](mailto:ir@tiscali.com)

### **Press Office**

Image Building

Mara Baldessari – Simona Vecchies

Tel: +39 02 89 01 13 00 – [tlc@imagebuilding.it](mailto:tlc@imagebuilding.it)

## ■ DECLARATION OF THE EXECUTIVE IN CHARGE OF DRAWING UP THE COMPANY'S ACCOUNTING DOCUMENTS

*I, the undersigned Luca Scano, executive in charge of drawing up the Company's accounting documents for Tiscali S.p.A., certify that pursuant to art. 154-bis, subsection 2, of the Legislative Decree 58/98, as subsequently modified, that the accounting information contained in this press release corresponds to the documental results, the books and the accounting entries.*

Luca Scano



*Executive in charge of drawing up the Company's accounting documents*

### **Information on Tiscali**

*Tiscali S.p.A. (Borsa Italiana, Milan: TIS) is one of the largest telecommunications companies in Italy. Tiscali supplies a wide range of services to its customers, both private individuals and companies: internet access through dial-up and ADSL, as well as voice, VoIP, media, and added-value services and other technologically advanced products.*

*At 30 September 2009 Tiscali had over 708 thousand customers in Italy, of which about 553 thousand were ADSL customers.*

*The Tiscali website may be accessed at [www.tiscali.com](http://www.tiscali.com).*

### **Investor Relations**

Lisa Nanu

Tel. +39 02 30901209 – [ir@tiscali.com](mailto:ir@tiscali.com)

### **Press Office**

Image Building

Mara Baldessari – Simona Vecchies

Tel: +39 02 89 01 13 00 – [tlc@imagebuilding.it](mailto:tlc@imagebuilding.it)