

The Extraordinary Shareholders' Meeting of Tiscali has approved the delegation to the Board of Directors for the execution of a capital increase with exclusion of the option right to be reserved for Société Générale

Cagliari, 30 January 2015 - The Shareholders' Meeting of Tiscali S.p.A., which met today in extraordinary session, approved the proposal to give the Board of Directors of the Company, pursuant to art. 2443. civ., the power to increase the share capital by payment in several tranches, divisible, no later than the 31.12.2017, with the exclusion of option right, pursuant to art. 2441, 5th c., cod. civ.

Today's capital increase (from now on The Capital Increase) is to be reserved for Société Générale ("SG") with the terms and conditions provided for by subscription of a so called "SEF - Standby Equity Facility" signed on December 24, 2014 between the Company and SG ("The Agreement"), for the issue of up. 1,000,000,000 ordinary shares on the basis of discretionary subscription made by Tiscali to SG according to the terms and conditions contained in the Agreement. There are no commitments to lock-up held by SG nor were concluded agreements relating to the subsequent transaction in the market for newly issued shares or securities lending or guarantee relating to the company's shares. By acting in this transaction as a financial intermediary, SG does not intend to stay long-term shareholder of the company and intends to sell the shares.

The power of attorney granted by today's meeting is part of the agreements with senior lenders of the Group - already communicated to the market on December 24, 2014 - aimed at the restructuring and rescheduling of the senior loan arising from the Group Facility Agreement signed in 2009, amounting to a total of about EUR 140 million. The aforementioned restructuring agreements, in summary, include:

1. The breakdown of the entire stock of debt in three separate facilities
 - o Facility A1 approximately EUR 42,4 million,
 - o Facility A2 approximately EUR 42,4 million,
 - o Facility B for approximately EUR 55 million.
2. The repayment of the Facility A1, with a percentage discount of the face value of the debt variable up to 10% depending on the timing of repayment, primarily through the proceeds of the above mentioned capital increase.
3. The opportunity for the Company, also evaluating other financing sources, to adopt additional capital increases and to negotiate with the lenders under the Facility A1 the eventual conversion into equity – as per the company initiative and subject to the fulfilment of certain specific conditions - of the remaining portion of such credit line.
4. The repayment of the Facility A2 and of the Facility B through a repayment plan that provides the following instalment:
 - o EUR 5 million + interests, already done;
 - o EUR 10 million + interests in 2015 and EUR 10 million in 2016;
 - o The remaining in 2017.
5. The redefinition of the financial covenants and interest rates applicable to the above mentioned credit lines.

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Below are the main terms of the SEF (Standby Equity Facility) as announced to the market on December 24, 2014, also referring to what is described in the report made available to the public in view of today's meeting for a more complete description of the operation:

- SG has agreed to underwrite The Capital Increase to be made in several tranches, with the exclusion of option rights, pursuant to art. 2441, 5th c., Civil Code, to be performed in divisible by 12.23.2015, for a maximum of. 1,000,000,000 of ordinary shares, on the basis of discretionary subscription made by Tiscali to SG under the terms and conditions contained in the Agreement (Requests for subscription);
- income from the subscription of The Capital Increase in execution of the Agreement will be used by the Group for the refund, in whole or in part, of the Facility A1 mentioned above;
- the timing for the determination of the subscription price of each tranche of The Capital Increase is identified in the 3 trading days following the submission of each request for subscription by the Company (the Pricing Period). The subscription price of each tranche of The Capital Increase will be equal to 95% of the average daily volume weighted exchanged (Volume Weighted Average Price, or VWAP) of the ordinary shares of the Company registered in the Pricing Period (the Subscription Price);
- in respect of each subscription request, if the closing price of the ordinary shares Tiscali recorded on the last day of the Period of Pricing is less than 97% of the VWAP recorded during the same period, the Company and/or SG will have the right to postpone the closing of the Pricing Period to the next trading day. This power can be exercised up to a maximum of five times;
- Societe Generale has undertaken to subscribe for each tranche a number of Tiscali ordinary shares equal to the lesser of: (i) the number of shares indicated in the Request for subscription; (ii) the difference between: (1) the maximum number of shares to be issued in the capital increase; and (2) the number of Tiscali shares already subscribed by SG against previous Requests for subscription; and (iii) the guaranteed number of Tiscali ordinary shares, equal to the lesser of: (1) n. 100,000,000 shares; (2) a number of shares equal to 2 times the average of the daily volume of transactions in Tiscali shares (excluding operations over the blocks) in the 15 trading days immediately preceding the date of the conclusion of each Pricing Period (included); and (3) a number of shares equal to the ratio of Euro 7,000,000 and the subscription price of the shares. SG will be entitled, at its discretion, to subscribe for an amount of shares up to the number of shares indicated by the Company in the Request for Subscription, even if that number of shares exceeded the limits specified in subparagraphs (ii) to (iii);
- the commitment of SG to subscribe, at the request of the Company, each tranche of The Capital Increase is subject to the satisfaction, inter alia, of the following precedent conditions: (i) the shares resulting from any previous tranches have been issued, admitted to trading and delivered to SG; (ii) for the entire period between the request and the subscription date for shares: (a) the statements made by the Company in favor of SG under the Agreement are true and (b) is not intended to be carried in Period Bound (as defined below), of operations involving the detachment of subscription rights or assignment for the actions or events which, without giving rise to the detachment of rights, have an influence on the share price, such may require the adjustment of the price of the shares by the Italian Stock Exchange; • (iii) for the entire period between the request and the date of subscription for shares of the Company, except to the information required by Article 114, paragraph 5, Legislative Decree no. 58/1998, does not plan to (or expected to be obligated to) declare publicly, and to the best of his knowledge is not expected that others declare publicly, any inside information (as such term is defined in Art. 181, Legislative Decree no. 58/1998) in the "period bound ", defined as the period between the date on which SG has received a Request for subscription and the latest of (a) the tenth trading day following the date of listing of the shares; (b) the date on which for the first time the number of shares to be subscribed is less than 20% of the total number of shares traded on the market Tiscali from

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the date of admission to trading; or (c) the date notified by SG to Tiscali as the last day of the period; (iv) the period between the request and the date of subscription for shares, the Company does not fall in the 15 days preceding the publication by the Company's annual financial reports or infra-annual or quarterly reports; (v) the date of subscription of the shares does not fall in the Period Bound concerning a previous tranche; (vi) between the date of the Request for subscription and the subscription of the related shares will not occur any event of default provisions of the Agreement;

- under the Agreement, SG is committed to: (i) subscribe for shares at the request of Tiscali; (ii) do not make purchases or sale of Tiscali shares during the Pricing Period, unless such operations are within the ordinary course of its business; (iii) not to sell shares arising from each tranche of the capital before the publication of the press release in which the Company announcements have called a tranche of The Capital Increase and communicate its subscription price;
- under the Agreement, Tiscali is committed to: (i) to issue and deliver the shares to SG as issued; (ii) not to communicate to the latter any inside information; (iii) disclose as soon as possible inside information pertaining thereto; (iv) not to sell or buy, directly or indirectly, nor engage in any hedging activities having the same economic effect of a purchase or a sale of shares, as of the date of each request for subscription and until the end of the relevant period Bound;
- The Agreement may be terminated by SG to occur, inter alia, of the following circumstances: (i) breach of the obligations assumed by Tiscali under the Agreement; (ii) non-truthfulness of representations and warranties made by Tiscali under the Agreement; (iii) disability or failure to obtain the necessary permissions to compliance by Tiscali obligations contained in the Agreement; (iv) the insolvency or the liability of the Company to bankruptcy proceedings; (v) the existence of procedures which, in the opinion of the Company, may compromise the validity of the issue of shares subscribed by SG; (vi) exclusion or suspension from trading of Tiscali shares for at least 5 consecutive trading days; (vii) regulatory restrictions or regulations related to the free negotiability or transferability of shares Tiscali for at least 2 trading days between the date on which SG receives the Request Form and the last day of the period Pricing;
- Given the approval of The Capital Increase by today's Extraordinary Shareholders' Meeting the execution of the Agreement is subject to the fact that the Board of Directors is committed to The Capital Increase by 31 March 2015;
- The execution of The Capital Increase will result in a dilution effect that the state can not be determined as dependent on the amounts of the tranches that will be underwritten by SG in execution of the Agreement, on the basis of subscription requests made by the Company, and its subscription price. The maximum rate of such dilution, in the case of entire execution of the capital increase, is equal to about 35%.
- The Capital Increase will take place with the exclusion of option rights pursuant to art. 2441, 5th paragraph, Cod. civ., and will be reserved to SG. The agreement, in fact, provides for the obligation of the latter to subscribe for the shares subject to each Request for subscription.
- SG is one of the leading investment banks with diversified assets and more than 12,000 professionals in 31 countries in Europe, America and Asia. It operates as an intermediary, providing wide access market issuers and effective solutions for investors. the services offered to its customers revolve interior with three core businesses - investment banking, financing and markets - in addition to the franchise's global equity derivatives and natural resources. The Agreement allows you to create a financing solution based on issue of shares, drawn directly from the same SG. This tool allows issuers to diversify their funding sources, preserving the financial balance. SG, a leading institution in solutions cd equity lines, has already structured and completed over 40 transactions "Standby Equity Facility Agreement" across Europe;
- the agreement provides that Tiscali pay to SG, as commissions in connection with any subscription request, an amount of between 1% and 3% of the value of the relevant tranche,

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varies according to the size of each use. This amount will be deducted from the same SG will pay the Company for the liberation of the shares subscribed;

- It is expected that, on the occasion of The Capital Increase and before the first Request for Provision, the Company publishes a prospectus for admission to listing of the shares to be issued in execution of The Capital Increase itself, as it is expected that they exceed 10% of the ordinary Tiscali shares already admitted to trading on the MTA on the date that will start the execution of the Agreement.

This press release has been written in compliance with public disclosure obligations established by CONSOB resolution no. 11971 of May 14, 1999, as amended.

This press release contains certain forward-looking statements based on current expectations and projections in relation to future events. These forward-looking statements may be affected by known or unknown risks, uncertain events and the assumptions made. This press release also contains unaudited pro forma financial data. Tiscali does not undertake to publish updates or modify any forward-looking statements, either to provide new information or in response to future events or other circumstances. In light of the aforementioned risks, uncertainties and assumptions, the forward-looking statements contained in this press release may not come to fruition. Any statement relating to past performance or activities should not be considered a guarantee of future performance or of such activities continuing in the future.

Information on Tiscali

Tiscali S.p.A. (Borsa Italiana. Milan: TIS) is one of the leading alternative telecommunications companies in Italy. Tiscali provides its private and business customers with a vast range of services: Internet access through dial-up and ADSL, as well as voice, VoIP, media, and added-value services and other technologically advanced products. As at 30 September 2014 Tiscali reported 484 thousand ADSL customers. Of these, 360.7 thousand are Dual Play customers.

The Tiscali website may be accessed at www.tiscali.it.

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