

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

Cagliari 30th December 2014

In compliance with Consob's request sent to the Company on 14th 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 30th November 2014.

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

<i>EUR (000)</i>	Note	Tiscali Group 30 November 2014	of which: Tiscali S.p.A. 30 November 2014
A. Cash		11.731	6.974
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		11.731	6.974
E. Current financial receivables		100	-
F. Non-current financial receivables		-	-
G. Current bank payables	(1)	12.522	-
H. Current portion of non-current debt	(2)	139.358	-
I. Other current financial payables	(3)	7.239	-
J. Current financial debt (G) + (H) + (I)		159.119	-
K. Net current financial debt (J) - (E) - (D) - (F)		147.289	(6.974)
L. Non-current bank payables		-	-
M. Bonds issued		-	-
N. Other non-current payables	(4)	51.524	-
O. Non-current financial debt (N) + (L) + (M)		51.524	-
P. Net financial debt (K) + (O)		198.813	(6.974)

Investor Relations

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Notes:

- (1) *Includes bank debt of Tiscali Italia S.p.A and Tiscali S.p.A. for ca EUR 12.5 million;*
- (2) *Includes the total amount of the debt to Senior Lenders;*
- (3) *Includes EUR 6.9 million for short term Leasing of Sa Illetta of Tiscali Italia S.p.A;*
- (4) *Tncludes the long term debt "Sale and Lease Back Sa Illetta" for EUR 51.4 million.*

It is to be noted that, as already stated in the press release issued on December, 24th 2014, Tiscali have signed an agreement with senior lenders aimed at restructuring and rescheduling of its senior debt arising from the Group Facility Agreement (GFA), and amounting to date to a total of approximately EUR 140 million.

In summary, the agreement provides for the breakdown of the entire stock of debt in three separate facilities

- Facility A1 approximately EUR 42,4 million,
- Facility A2 approximately EUR 42,4 million,
- Facility B for approximately EUR 55 million.

The repayment of the Facility A1, will come, primarily, through the proceeds of a capital increase with exclusion of the right of option, that will be signed by Société Générale under terms and conditions of agreement so called SEF (Standby Equity Facility – a trademark by Société Générale) signed the same day (24/12/2014).

The repayment of the Facility A2 and of the Facility B will come through a repayment plan that provides the following instalment:

- EUR 5 million + interests, done on December, 24th 2014;
- EUR 10 million + interests in 2015 and EUR 10 million in 2016;
- The remaining in 2017.

It is noted that for accounting, the net financial position does not include the effects of that agreement.

However, for clarity of information, it is stated, that if incorporated, the effects of the agreement, the GFA debt, amounting to EUR 139.4 million at 30.11.2014, recorded in the short term items in the net financial position above stated, it should be divided amongst short term and long term part in the following way:

- EUR 24,5 million in the short term;
- EUR 114,9 million in the long term.

It is to be noted also that, at the definition of the above mentioned agreements with the senior lenders, the company accepted the offer received by a leading Italian real estate fund in relation to the sale of the Sale & Leaseback contract concerning the company headquarters in Cagliari, Sa Illetta, which could be finalized between the parties if certain conditions are in line with market standards. The proposed operation would allow, once finalized, the breakdown of Tiscali net financial position for EUR 50 million and the arising of an income company of about EUR 15 million.

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■ **OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS OF 30TH NOVEMBER 2014**

On 30th November 2014, overdue trade payables, net of payment plans negotiated with suppliers, amounted to EUR 25.4 million. There were also overdue tax debts for approximately EUR 19.3 million. There were no overdue debts towards the employees.

■ **POSSIBLE REACTION OF THE CREDITORS OF THE GROUP AT 30TH NOVEMBER 2014**

As of 30th November 2014, there were solicitations for payment only within the ordinary course of business. On that date the injunctions for payment received by the Company and not paid off because still in negotiation or opposition, amounted to a total of EUR 1.8 million, similarly to the total orders received.

There have been no suspensions of supply relationships which affect the course of business.

■ **RELATIONSHIPS WITH RELATED PARTIES OF TISCALI S.p.A. AND TISCALI GROUP**

The Tiscali Group holds relationships with related parties on terms deemed customary in the respective reference markets, taking into account the characteristics of goods and services provided.

In the table below are summarised the economic and asset values for the Group Tiscali as of 30th November 2014 arising from transactions with related parties.

INCOME STATEMENT VALUES	Note	Tiscali Group 30 November 2014	Of which: Tiscali S.p.A. 30 November 2014
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	6	-
Studio Racugno	2	(66)	-
TOTAL		(60)	-

BALANCE SHEET VALUES	Note	Tiscali Group 31 October 2014	Of which: Tiscali S.p.A. 31 October 2014
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	11	-
Studio Racugno	2	(8)	-
TOTAL RECEIVABLES		3	-

(1) *Nuove Iniziative Editoriali S.p.A.: company investee by the majority Shareholder Renato Soru. The relationships are related to exchanges in advertising and the supply of telecommunication services; it should be noted that the supply relationship with NIE entertained by Tiscali Italy and Vevisible ceased with effect from August 31, 2013;*

(2) *Racugno Law Firm: the director Gabriele Racugno, member of the Board of Directors of Tiscali S.p.A since December 2^{1st} 2009, offers to Tiscali Italia S.p.A legal assistance, judicial and extrajudicial.*

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

I, the undersigned Pasquale Lionetti, 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.

Pasquale Lionetti



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 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 around 484 thousand ADSL customers. Of these, around 360,7 thousand are Dual Play customers.

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

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