

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

Cagliari 30th January 2016

Introduction

On 22 December 2015, with the receipt by Consob of equivalence opinion on the disclosure document relating to the merger of Aria Italia S.p.A. (the holding company for the Aria Group's activities) in Tiscali S.p.A., Tiscali has successfully completed the process that led to the merger of the two groups. The merger (including for legal, accounting and tax) is operative from 24 December 2015. Therefore, the data presented hereby refer to the Tiscali Group's consolidated data including Aria Group.

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 2015.

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

EUR (000)	Note	Tiscali Group 31 December 2015	of which: Tiscali S.p.A. 31 December 2015
A. Cash		4.760	71
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		4.760	71
E. Current financial receivables		8	-
F. Non-current financial receivables			-
G. Current bank payables	(1)	12.178	-
H. Current portion of non-current debt	(2)	14.696	-
I. Other current financial payables	(3)	3.611	-
J. Current financial debt (G) + (H) + (I)		30.486	-
K. Net current financial debt (J) - (E) - (D) - (F)		25.718	(71)
L. Non-current bank payables	(4)	91.872	-
M. Bonds issued		-	-
N. Other non-current payables	(5)	51.279	-
O. Non-current financial debt (N) + (L) + (M)		143.151	(71)
P. Net financial debt (K) + (O)		168.869	(71)

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Notes:

- (1) *Includes bank debt of Tiscali Italia S.p.A., Veesible and Aria for ca EUR 12.2 million;*
- (2) *Includes the short term amount of the debt to Senior Lenders, restored on 23rd December 2014; for EUR 11.6 million;*
- (3) *Includes EUR 3.1 million for short term Leasing of Sa Illetta of Tiscali Italia S.p.A.;*
- (4) *Includes the long term amount of the debt to Senior Lenders, restored on 23rd December 2014, equal to EUR 72.6 million, and the amount of EUR 15 million relating to the financing agreement with Rigensis Bank signed on 22 October 2015;*
- (5) *Includes the long term debt "Sale and Lease Back Sa Illetta" for EUR 50.6 million.*

The Company informs that, on December 24, with the financial resources deriving from the merger, Tiscali has paid the Tranche A1 of the Senior Loan, amounting to EUR 42.4 million. In addition, on the same date, EUR 0.7 million of interest on the same Tranche A1 were paid, accrued from 30 September 2015 to 24 December 2015.

Regarding the debt relating to the contract of Sale and Lease Back Sa Illetta, the Company informs that, in December 2015, Tiscali has taken steps to fully use the security deposit of EUR 6.1 million (recorded until the month of November 2015 in Current financial Receivables) to provide for the payment of past fees (as defined in the Modifying Agreement of the contract signed on October 2, 2015).

■ **OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS OF 31ST DECEMBER 2015**

On 31 December 2015, overdue trade payables, net of payment plans negotiated with suppliers, amounted to EUR 44.7 million. There were also overdue tax debts for approximately EUR 11.4 million. There were overdue debts towards the employees for EUR 1 million.

■ **POSSIBLE REACTION OF THE CREDITORS OF THE GROUP AT 31ST DECEMBER 2015**

As of 31st December 2015, 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 2.1 million, while the total orders received amounted to EUR 2.2 million.

There have been no suspensions of supply relationships which affected 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 31st December 2015 arising from transactions with related parties.

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INCOME STATEMENT VALUES	Note	Tiscali Group 31 December 2015	Of which: Tiscali S.p.A. 31 December 2015
<i>EUR (000)</i>			
Studio Racugno	1	(72.0)	-
Monteverdi s.r.l.	2	(36.0)	-
TOTAL		(108.0)	-

BALANCE SHEET VALUES	Note	Tiscali Group 31 December 2015	Of which: Tiscali S.p.A. 31 December 2015
<i>EUR (000)</i>			
Studio Racugno.	1	(59.4)	-
Monteverdi s.r.l.	2	()	-
TOTAL RECEIVABLES		(59.4)	-

- (1) *Racugno Law Firm: the director Gabriele Racugno, member of the Board of Directors of Tiscali S.p.A since December 21st 2009, offers to Tiscali Italia S.p.A legal assistance, judicial and extrajudicial;*
- (2) *Monteverdi s.r.l. company owned by the majority shareholder Renato Soru. The report in question refers to a lease of space used for the storage of business documentation.*

■ **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, ADSL and Fiber Optic technology, as well as voice, VoIP, media, and added-value services and other technologically advanced products.

As at 30 September 2015 Tiscali reported around 573.1 active customers, of which 449.8 thousand were ADSL customers and over 113.7 thousand are mobile customers.

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

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