

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

Cagliari 30th June 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 31st May 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 31 May 2014	of which: Tiscali S.p.A. 31 May 2014
A. Cash		8.142	2.473
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		8.142	2.473
E. Current financial receivables		91	-
F. Non-current financial receivables		-	-
G. Current bank payables	(1)	12.887	-
H. Current portion of non-current debt	(2)	134.660	-
I. Other current financial payables	(3)	4.761	-
J. Current financial debt (G) + (H) + (I)		152.308	-
K. Net current financial debt (J) - (E) - (D) - (F)		144.075	(2.473)
L. Non-current bank payables		-	-
M. Bonds issued		-	-
N. Other non-current payables	(4)	53.684	-
O. Non-current financial debt (N) + (L) + (M)		53.684	-
P. Net financial debt (K) + (O)		197.758	(2.473)

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 10.9 million;*
- (2) *Includes the total amount of the debt to Senior Lenders;*
- (3) *Includes EUR 4.4 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 53.5 million.*

As noted, the Company is engaged in a long process of negotiations aimed at restructuring the debt arising from the GFA. The negotiating process has seen the submission to the creditors of the loans granted under the GFA (Lenders) a preliminary and non-binding proposal, relating to a restructuring of the group's financial debt and which involves, among other things, a partial recapitalization of the Group, a rescheduling of the residual debt and a reset of the financial covenants currently provided by the GFA. The above mentioned proposal has recently obtained by all the lenders a preliminary consent subject to, among other things, the completion of the authorization of the competent deliberant bodies of some of the Lenders and the definition of the necessary contractual documentation, thus enabling the Group to pursue a case of debt restructuring under the consensual GFA.

In relation to what is described above, the Company has reclassified to short the full amount of the debt to the financial institutions, amounting to EUR 134.7 million as at May 31, 2014 (similar approach has been adopted for the net financial position reported in Annual Report 2013, published on June 27, 2014).

■ **OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS OF 31 MAY 2014**

On 31st May 2014, overdue trade payables, net of payment plans negotiated with suppliers, amounted to EUR 29.2 million. There were also overdue tax debts for approximately EUR 15.2 million. There were no overdue debts towards the employees.

■ **POSSIBLE REACTION OF THE CREDITORS OF THE GROUP AT 31 MAY 2014**

As of 31st May 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 0.4 million.

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 assets values for the Group Tiscali as of 31st May 2014 arising from transactions with related parties.

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INCOME STATEMENT VALUES	Note	Tiscali Group 31 May 2014	Of which: Tiscali S.p.A. 31 May 2014
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	10	-
Studio Racugno	2	(30)	-
TOTAL		(20)	-

BALANCE SHEET VALUES	Note	Tiscali Group 31 May 2014	Of which: Tiscali S.p.A. 31 May 2014
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	12	-
Studio Racugno	2	(26)	-
TOTAL RECEIVABLES		(14)	-

(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 21st 2009, offers to Tiscali Italia S.p.A legal assistance, judicial and extrajudicial.*

■ **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

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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 31 March 2014 Tiscali reported around 493 thousand ADSL customers. Of these, more than 363 thousand are Dual Play customers.

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

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