

## Tiscali: EGM

Cagliari, 22nd June 2004

The Extraordinary General Meeting of Tiscali in Cagliari has approved today the two capital increases in the agenda:

- **Authorisation to increase the capital of up to 10%, with waiver of pre-emption rights**

The EGM has voted in favour of authorising a capital increase, with the waiver of pre-emption rights of up to 10% of the existing share capital of Tiscali, to be placed with institutional investors, pursuant to Article 2441, forth comma, second period of the Italian Civil Code.

Today's resolution is consistent with Tiscali's strategy of achieving the financial flexibility of accessing all capital markets instruments (including shares, bonds – also equity-linked – and bank debt) to strengthen its capital structure and to support growth.

The EGM has therefore given mandate to the Board of Directors to define the opportunity, size, timing and form of the capital increase, also on the basis of market conditions.

The EGM has also indicated the criteria to determine the issue price, which will have to be set on the basis of the latest "Prezzo di Riferimento" for Tiscali shares available at the end of the bookbuilding, to which a discount of up to 10% may be applied. The capital increase may be executed by no later than 31<sup>st</sup> December 2004.

- **Capital increase in relation to a settlement with Jean Philippe Iliesco De Grimaldi. Over 21 million Euro of liquidity released**

The EGM has also approved the issuance of 919.378 shares of Tiscali S.p.A for the contribution in kind of a credit of 3.250.000 Euro by Jean Philippe Iliesco De Grimaldi.

Such capital increase is related to a settlement agreement of two outstanding claims between World Online International NV and Tiscali International BV, on one side, and Jean Philippe Iliesco De Grimaldi and the controlled companies, Globetrans Ltd e Interglobetrans Ltd, on the other side, as described in Tiscali 2003 annual report .

This settlement resolves claims for over Euro 90 million and releases over 21 million of liquidity from an escrow account.