

**Tiscali: preliminary results in line with the Business Plan
Over EUR 340 million financing**

Cagliari, 15th February 2007

Tiscali Group announces pro-forma preliminary results for the year ending December 31st 2006, which confirm the financial targets delivered to the market last October 2006.

In detail, full year 2006 revenues of the Group stood at EUR 678,5 million, up 28% on equal perimeter versus full year 2005 and broadly consistent with the business plan targets. Revenues for ca EUR 445 million are coming from the UK subsidiary, up 37% compared to 2005. In 2006 revenues in Italy stood at EUR 217 million, up 15% compared to 2005.

The Gross Operating Result (EBITDA) of the Group for 2006 outperformed the business plan targets and stood at EUR 100,1 million, up 44% compared to 2005.. Ebitda margin increases from 13% to 15% of revenues.

Tiscali Italy closed year end 2006 with Gross Operating Result (EBITDA)* at EUR 39,7 million, up 40% compared to 2005 (EUR 28,4 million)

Tiscali UK's Gross Operating Result (EBITDA)* for year end 2006 stood at EUR 80,8 million, up 14% compared to 2005 (EUR 70,6 million). Profitability of the UK subsidiary is also affected by Video Networks consolidation, whose synergies will have an impact starting from year 2007.

As of 31st December 2006, Tiscali Group had around 3,5 million active users, of which 1,9 million were broadband customers (up 50% compared to 2005), in line with the targets of the business plan. Total direct customers (ULL) were five fold the same period, reaching about 584,000 unbundling customers.

Investments during 2006, over EUR 200 million, allowed to reach and activate about 420 sites in the United Kingdom (34% of the market) and about 440 sites in Italy (30% of the market).

The reported figures are preliminary results still subject to potential changes by Tiscali's Board of Directors called to approve the draft of the 2006 Annual Financial Statement on March 20th.

** Value calculated before the allocation of the intercompany costs.*

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As announced during the business plan presentation, Tiscali UK revealed its IPTV commercial offer, available from the 1st of March and on Tiscali UK's entire unbundled local loop network by the end of 2008. The offer - 19.99 pounds per month for the 'triple play' package - reflects Tiscali's philosophy, which considers the TV offer as complementary to the broadband, access and voice services, with the chance for users to choose premium contents in addition to the base package.

New financing

After conclusion of the disposal process with the sale of Germany assets for over EUR 48 million, and after payment of all existing bonds with the reimbursement last September of the Equity-Linked bond, Tiscali Group has signed the credit line agreement granted by Banca Intesa Sanpaolo for EUR 280 million, which will be mostly used to repay the existing Silver Point financing. Initial rate, at Euribor + 250 base points, and the other conditions of the credit line granted by Banca Intesa Sanpaolo, substantially improve the terms of the current facility granted by Silver Point. Drawdown is scheduled by the end of February 2007.

Moreover, Tiscali Group has completed the operation of "sale and lease back" of the building located in Cagliari ("Sa Illetta"), headquarter of the Group. On the bases of this operation, Tiscali Group gives property of its headquarter in Cagliari to a pool of lenders, including Centro Leasing, Intesa Leasing and Locat, for a total consideration of EUR 61 million, keeping its use and paying an annual rent for 15 years, calculated at about Euribor rate +140 base points. Tiscali Group at the end of the 15-year period can buy back the building. After the mortgage re-payment and other costs, the operation generates net cash for the Group of ca EUR 27 million. Consultbank and Kyberlease srl acted as advisers to Tiscali.

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 cautious assumptions. This press release also contains unaudited pro forma 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.

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