

## Press Release

### Tiscali's EGM approves capital increase for M&C convertible bonds issuance

Cagliari, 21st December 2007

Tiscali's EGM has resolved today upon a capital increase with waiver of pre-emption rights for up to 10% of the existing share capital of Tiscali.

The capital increase will be utilised for the conversion of the EUR 60 million convertible bonds maturing in December 2012, to be subscribed by Management&Capitali by December 2007.

The number of shares underlying the bonds, in case of early conversion, is ca 22.2 million (5% of today's share capital).

At maturity, if the bonds will not have been converted, M&C will receive a number of new Tiscali shares – at a price equal to the 20-day average of the official price ("Prezzo Ufficiale") prior to maturity – to reimburse the par value (EUR 60 million) plus accrued interests. In any case, the number of share to be issued will not be higher than 10% of today's share capital (ca 42.4 million shares).

The convertible bonds will be issued by a Luxembourg subsidiary controlled by Tiscali SpA who will also act as guarantor. The coupon - set at 6.75% per annum - will be paid at maturity or upon early conversion, also partial. The conversion price has been set at EUR 2.7 per share.

#### About Tiscali

Tiscali S.p.A. (Borsa Italiana, Milan: TIS) is one of the main independent European telecommunication companies. With one of the largest and most interconnected IP networks in the world, Tiscali is able to supply its customers, residential and business, with a full range of services: Internet access, both dial-up and ADSL, voice, VoIP, IPTV, media, value added services (VAS), and other technologically advanced products.

As of 30 September 2007, Tiscali had ca 4 million active users in Italy and the UK. More than 2.4 million of these were ADSL customers, of which more than 1 million received unbundled services.

Tiscali's corporate website can be found at [www.tiscali.com](http://www.tiscali.com).

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