

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

Cagliari, 29th January 2010

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 December 31st, 2009.

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

<i>EUR (000)</i>		Tiscali Group 31 December 2009	of which: Tiscali S.p.A. 31 December 2009
	<i>Note</i>		
A. Cash	(1)	16,369	2,431
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		16,369	2,431
E. Current financial receivables		-	-
F. Non-current financial receivables	(2)	6,450	484
G. Current bank payables	(3)	13,945	500
H. Current portion of non-current debt		-	-
I. Other current financial payables	(4)	5,599	-
J. Current financial debt (G) + (H) + (I)		19,544	500
K. Net current financial debt (J) - (E) - (D) - (F)		(3,275)	(2,325)
L. Non-current bank payables	(5)	163,908	-
M. Bonds issued		-	-
N. Other non-current payables	(6)	57,709	-
O. Non-current financial debt (L) + (M) + (N)		221,617	-
P. Net financial debt (K) + (O)		218,342	(2,325)

Notes:

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- (1) *Includes EUR 8.5 from the sale of the unexercised rights.*
- (2) *The entire amount represents the credit to the purchaser of TiNet Group (Talia) for the deferred component of the price.*
- (3) *Includes bank debt of Tiscali Italia S.p.A and Tiscali S.p.A. for EUR 13.9 million.*
- (4) *Includes EUR 5.6 million for short term Leasing in Italy.*
- (5) *Includes the amount of new debt to Senior Lenders, restored from 3rd July 2009, for an amount of EUR 158.5 million (inclusive of interest from 3rd August 2009 to 31st December 2009).*
- (6) *Includes the debt "Sale and Lease Back Sa Illetta" for EUR 57.7 million.*

The above net financial position refers to the Tiscali Group, without including the subsidiary Tiscali UK, sold to the Carphone Warehouse Group on 3rd July 2009.

As described in the Interim Report, the paragraph "Events after the end of the semester", on 3rd July, the Company sold its operations in the United Kingdom, for a consideration of GBP 236 million. The proceeds of the disposal were used for the partial repayment of financial debt to the Senior Lenders (ca GBP 180 million), in addition to the payment of debts to the management of Tiscali UK (ca GBP 8 million).

Net of the partial repayment of the debt to the Senior Lenders for EUR 207 million, outstanding debt, amounting to EUR 332.8 million has been restructured for a nominal amount of EUR 158.5 million (ca EUR 164 million including interest at 31st December 2009), and the remaining part, named Facility D1 and D2, amounting to nominal EUR 174.3 million (EUR 177.8 million inclusive of interest to 18th November 2009), reimbursed (Facility D1) and cancelled (Facility 2) after the capital increases, launched on October 12th 2009 and completed with 100% take-up from the market and the shareholder Renato Soru on November 11th 2009.

The capital increase ended with the underwriting of approximately 1,799,819,371 shares for a total value of EUR 179,981,937.

Net of the amount underwritten by the shareholder Renato Soru, through compensation of the existing debt towards the Company, amounting to EUR 31.4 million (including interest), the proceeds actually received by the capital increase amounted to EUR 148.5 million, in addition to EUR 8.5 million from the sale of the unexercised rights.

The proceeds of the capital increase have been used, on 1st December 2009, for the repayment of the Facility D1, for an amount equal to EUR 135.5 million (inclusive of interest until 18th November 2009), and for the reimbursement of outstanding debt towards the former minority shareholders VNIL for EUR 11.7 million.

The Facility D2, equal to EUR 42.3 million (inclusive of interest until 18th November 2009) has been written off by the Senior Lenders on 1st December 2009 as provided for under the debt restructuring agreement signed on 2nd and 3rd July 2009 and widely described in the Prospectus of the capital increase, available on the Company website www.tiscali.com, Investors section.

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It should be noted finally that, conservatively, the net debt does not include the escrow related to the UK assets disposal, amounting to EUR 40.9 million that could be released in two tranches in June and December 2010.

■ OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS OF 31ST DECEMBER 2009

On 31st December 2009, overdue trade payables, net of payment plans negotiated with suppliers, amounted to ca EUR 49.8 million, improving of ca EUR 14.2 million compared to the same data at 30th June 2009, thanks to the cash normalization actions undertaken.

There were also overdue tax debts for approximately EUR 6.5 million. There were no overdue debts towards the employees or the social security system.

■ POSSIBLE REACTION OF THE CREDITORS OF THE GROUP AT 31ST DECEMBER 2009

On 31st December 2009, there were not solicitations for payment, outside of those 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 1.57 million, while the injunctions for payment totally received amounted to a total of EUR 2.92 million.

No actions were taken to suspend supplies.

■ 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 December 2009 arising from transactions with related parties.

INCOME STATEMENT VALUES	Note	Tiscali Group 31 December 2009	Of which: Tiscali S.p.A. 31 December 2009
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	146	-
Studio Racugno	2	(2)	-
TOTAL		144	-

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BALANCE SHEET VALUES	Note	Tiscali Group 31 December 2009	Of which: Tiscali S.p.A. 31 December 2009
<i>EUR (000)</i>			
Nuove Iniziative Editoriali S.p.A.	1	225	-
Studio Racugno	2	(2)	-
TOTAL RECEIVABLES		223	-

- (1) *Nuove Iniziative Editoriali S.p.A.: company investee by the majority Shareholder Renato Soru. The relationships are related to exchanges in advertising between the two companies and the supply of telecommunication. The stake of Renato Soru has been addressed through a blind trust to Gabriele Racugno, who has been appointed Director of the board of Tiscali S.p.A from 21 December 2009.*
- (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 Luca Scano, 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.

Luca Scano



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 largest telecommunications companies in Italy. Tiscali supplies a wide range of services to its customers, both private individuals and companies: internet access through dial-up and ADSL, as well as voice, VoIP, media, and added-value services and other technologically advanced products.

At 30 September 2009 Tiscali had over 708 thousand customers in Italy, of which about 553 thousand were ADSL customers.

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

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