

Cagliari, 31st August 2007

Tiscali's extraordinary Shareholders' meeting empowers the Board of Directors to increase the share capital up to a maximum of EUR 220 million

Tiscali's shareholder's meeting, held today in an extraordinary session, has empowered the Board of Directors to execute, by 31st December 2008, a capital increase for a maximum of Euro 220 million, thus increasing the maximum amount of EUR 200 million originally proposed by the Board of Directors.

The capital increase may be carried out in one or more tranches through the issuance of ordinary shares to be offered in pre-emption to shareholders and ranking pari passu with the currently traded ones. The capital increase could alternatively be used to service, in whole or in part, a convertible loan through the issuance of bonds convertible in ordinary share of the Company, ranking pari passu with the currently traded ones, to be offered in pre-emption to shareholders.

The Board of Directors will establish each time the conditions as well as the number of shares to be issued and the issue price. The Board of Directors will also establish the possible destination of the capital increase to service bond conversion as well as the terms and conditions of the convertible bonds.

This resolution provides the Company with a flexible tool to obtain from the market new equity to be utilised for the optimisation of the financing related to the acquisition of the broadband and voice division of Pipex Communications Plc. The new funding might also be deployed to pursue further development and expansion opportunities with a view of accelerating the implementation of the 2007-2010 business plan, approved by the Company in October 2006, and aimed at the creation of value.

After the acquisition of Homechoice, followed in the UK by the launch of the new IPTV service, Tiscali TV (to be launched also in Italy by the end of the year), the Company announced other important agreements such as the above mentioned acquisition of Pipex in UK and the signing in Italy of an agreement with Telecom Italia that will allow Tiscali to become a Mobile Virtual Network Operator, offering mobile and integrated telecommunication services to its customers.

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, media, value added services (VAS), and other technologically advanced products.

As of 31st March 2007, Tiscali had 3.4 million active users in Italy and the UK. More than 1.9 million were ADSL customers, of which 700,000 received unbundled services.

Tiscali's corporate website can be found at www.tiscali.com

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