

**Tiscali: Clarifications**

Cagliari, 17<sup>th</sup> May 2004

The Chairman of the Board of Tiscali will call an EGM by June 2004 with a view of increasing the financial flexibility to fund the growth and to refinance the bonds due 2005.

The EGM will be called to authorise a capital increase – to be placed with institutional investors – with the waiver of pre-emption rights of existing shareholders, for up to 10% of the existing share capital pursuant to article 2441, comma four, second period of the Italian Civil Code which also states that the price has to correspond to the “market value”.

The request for authorisation is part of a plan which will also benefit from the disposals of Switzerland, South Africa, Norway and Sweden already ongoing. Such disposal are expected to be concluded in the next months and the proceeds, at the current stage, are estimated in ca. Euro 100 million.

The decision to execute the capital increase, once approved, will be therefore taken by the Board of Directors also on the basis of market conditions and on the development plans of the Group.

*This press release includes forward-looking statements. These forward-looking statements are based on current expectations and projections about future events and are subject to certain risks, uncertainties and assumptions. This press release also contains unaudited proforma figures.*

*Tiscali undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this press release might not occur. Any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.*

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