

Information for the market pursuant to Art. Legislative Decree No. 114, paragraph 5 58/98

Cagliari, 30th September 2009

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 is providing to the market the following additional information on the Tiscali Group, referred to August 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 31st August 2009	of which: Tiscali S.p.A. 31st August 2009
	<i>Note</i>		
A. Cash	(1)	23,158	4,532
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		23,158	4,532
E. Current financial payables	(2)	2,619	2,619
F. Non-current financial payables	(3)	6,369	478
G. Current bank payables	(4)	190,028	673
H. Current portion of non-current debt		-	-
I. Other current financial payables	(5)	38,588	
J. Current financial debt (G) + (H) + (I)		228,616	673
K. Net current financial debt (J) - (E) - (D) - (F)	(6)	196,470	(6,956)
L. Non-current bank payables		160,281	-
M. Bonds issued	(6)	-	-
N. Other non-current payables	(7)	59,028	-
O. Non-current financial debt (L) + (M) + (N)		219,309	-
P. Net financial debt (K) + (O)		415,779	(6,956)

Notes:

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- (1) *Includes parts of the proceeds from the sale of TiNet collected at closing*
- (2) *The full amount is relative to deposits held by Tiscali SpA, which are expected to be released in the short time.*
- (3) *The entire amount represents the credit to the purchaser of TiNet Group (Talia) for the deferred component of the price*
- (4) *Includes the outstanding debt to Senior Lenders, amounting to EUR 175.8 million (inclusive of interest from 03.07.09 to 31.08.09), in addition to bank debt of Tiscali Italia SpA and Tiscali S.p.A. for EUR 14.2 million*
- (5) *Includes the debt to the shareholder Andalus for EUR 31.1 million and EUR 7.5 million, short-term debts for leasing in Italy*
- (6) *Includes the amount of new debt to the Senior Lenders, restored from 03/07/09, for an amount of EUR 160.3 million (inclusive of interest from 03.08.09 to 31.08.09)*
- (7) *Includes the debt "Sale and Lease Back Sa Illetta" for EUR 59.1 million*

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

As described in the Interim Report, the paragraph Events after the end of the semester, on 3rd July, the Company disposed the 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) and of debts to former minority shareholders of VNIL (ca GBP 7 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 (EUR 160.3 million including interest at 31.08.09), and the remaining part, amounting to nominal EUR 174.3 million (EUR 175.8 million inclusive of interest to 31.08.09) will be reimbursed, compensated or cancelled after the capital increases 1 and 2 (expected by 31st of December 2009 and 28th of February, 2010).

The restructured debt, amounting to nominal EUR 158.5 million was accounted under the amortized cost (IAS 23). It should be noted that, consistently with the requirements of IAS 39, par 40-41, charges related to debt restructuring (approximately EUR 10.2 million) were not capitalized on the debt itself, since the principle requires that they should be fully expensed in the Income Statement.

This method of recording was verified and agreed with the External Auditors following notification under Article 114 of the net financial position at 31.07.2009, in which, otherwise, we have assumed the capitalization of the same charges on debt.

In August 2009, the debt towards Andalus was reclassified from other non-current liabilities to other current financial debts, by virtue of the commitment of underwriting by the shareholder Renato Soru as part of the Capital Increase 1, scheduled by 31.12 .2009.

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This commitment of underwriting, formalized on July 2nd 2009 between the Company, its subsidiary Tiscali Finance SA, Renato Soru and the company controlled by him, Andalus Ltd, will be fully met by the mechanism of compensation of claims of Andalus Ltd against Tiscali SpA as a result of acceptance by Tiscali SpA itself, under certain conditions (including the effective execution of the capital increase reported above), the Tiscali Finance SA's debt of approximately EUR 30.8 million at 30.06.09.

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

On 31st August 2009, overdue trade payables, net of payment plans negotiated with suppliers, amounted to ca EUR 60 million.

There were also overdue tax debts for approximately EUR 5,5 million.

There are no overdue debts towards the employees or the social security system.

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

On 31st August 2009, there were nor solicitations for payment, outside of those within the ordinary course of business.

The injunctions for payment received by the Company, which are still being negotiated or opposed to, amounted to a total of EUR 1.7 million.

No actions were taken to suspend supply.

■ 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.

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In the table below the economic and assets values for the Group Tiscali as of 31st August 2009 arising from transactions with related parties are summarised.

INCOME STATEMENT VALUES	Note	Tiscali Group 31 August 2009	Of which: Tiscali S.p.A. 31 August 2009
<i>EUR (000)</i>			
Shardna	1	-	-
Interoute	2	(462)	-
Leadsatz GmbH	3	-	-
Studio Racugno	4	(48)	-
TOTAL SUPPLIERS OF MATERIALS AND SERVICES		(510)	-
Andalas SA	5	(1,210)	-
TOTAL		(1,720)	-

BALANCE SHEET VALUES	Note	Tiscali Group 31 August 2009	Of which: Tiscali S.p.A. 31 August 2009
<i>EUR (000)</i>			
Shardana	1	331	-
Interoute	2	(1,572)	-
Leadsatz GmbH	3	(30)	-
Studio Racugno	4	(28)	-
TOTAL SUPPLIERS OF MATERIALS AND SERVICES		(1,299)	-
Andalas SA	5	(31,088)	-
TOTAL		(32,387)	-

- (1) *Shardna S.p.A.*: company invested held by the shareholder Renato Soru. The dealings, maintained by the Parent Company, relate to the sub-letting of the Tiscali offices in the suburbs of Cagliari.
- (2) *Interoute*: group entirely owned by the Sandoz Family Foundation, shareholders of Tiscali. The costs incurred during the year relate to purchases made by Tiscali SpA Italy related to dark fiber and its maintenance.
- (3) *Leadsatz GmbH*: company with which it was entered into an outsourcing agreement of the portal of German companies sold. Mr. J. Maghin, administrator of Leadsatz GmbH has also been, in 2007, the minority shareholder of Ishtar GmbH (a company owned by Tiscali Deutschland GmbH).
- (4) *Studio Racugno*: member of the Board of Directors of Tiscali SpA until 29th February 2008, gives to Tiscali Italia SpA and Tiscali Service S.p.A. judicial and extrajudicial assistance mainly in the field of financial contracts and intellectual property.
- (5) The shareholder Andalas Limited granted, in fiscal year 2004, an interest-bearing loan at market rates.

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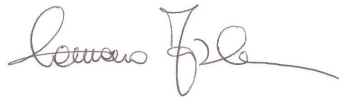
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■ **DECLARATION OF THE EXECUTIVE IN CHARGE OF DRAWING UP THE COMPANY'S ACCOUNTING DOCUMENTS**

I, the undersigned Romano Fischetti, 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.

Romano Fischetti



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

At 30 June 2009, Tiscali had 750 thousands customers in Italy, of which over 549 thousands using ADSL.

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

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