

Information for the market pursuant to Art. 144, paragraph 5 of Law Decree 58/98

Cagliari, 30th November 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 provides to the market the following additional information on the Tiscali Group, referred to October 31st, 2009.

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

EUR (000)		Tiscali Group 31st October 2009	of which: Tiscali S.p.A. 31st October 2009
	Note		
A. Cash	(1)	147,423	133,019
B. Other cash equivalents		-	-
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		147,423	133,019
E. Current financial payables		-	-
F. Non-current financial payables	(2)	6,410	481
G. Current bank payables	(3)	190,692	688
H. Current portion of non-current debt		-	-
I. Other current financial payables	(4)	6,940	-
J. Current financial debt (G) + (H) + (I)		197,632	688
K. Net current financial debt (J) - (E) - (D) - (F)		43,799	(132,812)
L. Non-current bank payables	(5)	162,095	-
M. Bonds issued		-	-
N. Other non-current payables	(6)	58,319	-
O. Non-current financial debt (L) + (M) + (N)		220,414	-
P. Net financial debt (K) + (O)		264,213	(132,812)

Notes:

(1) Includes ca EUR 131 million related to the proceeds from the capital increase for a nominal amount of EUR 180 million, which ended on 12 November 2009 (second tranche was collected in November). The total proceeds received amounted to EUR

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- 148.6 million, net of conversion of debt toward the company by the shareholder Renato Soru and equal to EUR 31.4 million.*
- (2) The entire amount represents the credit to the purchaser of TiNet Group (Talia) for the deferred component of the price*
 - (3) Includes the outstanding debt to Senior Lenders, amounting to EUR 177.4 million (inclusive of interest from 03.07.09 to 31.10.09), reclassified at short term and to be reimbursed from the proceeds of the capital increase and cancelled for about EUR 43 million, in addition to bank debt of Tiscali Italia S.p.A and Tiscali S.p.A. for EUR 13.3 million*
 - (4) Includes EUR 6,9 million for short term Leasing in Italy*
 - (5) Includes the amount of new debt to Senior Lenders, restored from 03/07/09, for an amount of EUR 158.5 million (inclusive of interest from 03.08.09 to 31.10.09)*
 - (6) Includes the debt "Sale and Lease Back Sa Illetta" for EUR 58.3 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 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) and to former minority shareholders 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 162.1 million including interest at 31.10.09), and the remaining part, named Facility D1 and D2, amounting to nominal EUR 174.3 million (EUR 177.4 million inclusive of interest to 31.10.09), reimbursed (Facility D1) and cancelled (Facility 2) after the capital increases 1, launched on October 12th 2009 and completed with 100% take-up from the market and the shareholder Renato Soru on November 12th 2009.

The capital increase 1 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 148.6 million, for the repayment of the debt towards the Senior Lenders and the outstanding debt towards VNL.

In October 2009 Tiscali SpA has cashed in and accounted for the part of the capital increase resulting from the exercise of rights during the option period (ended on October 30th 2009) for ca EUR 131 million.

A second part (resulting from the exercise of option rights resulting from the auction of unexercised rights), equivalent to EUR 17.6 million, will be accounted for in November 2009.

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2

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The proceeds of the capital increase have been targeted to the repayment of the Facility D1, for a nominal amount equal to EUR 132.8 million (EUR 135.5 million inclusive of interest until 18 November 2009), and for the reimbursement of outstanding debt towards the former minority shareholders VNIL for ca EUR 11.7 million.

The Facility D2, equal to EUR 41.5 million (EUR 42.3 million inclusive of interest until 18 November 2009) is however to be written off by the Senior Lenders 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.

It should be noted finally that, conservatively, the net debt does not include the escrow related to the UK 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 OCTOBER 2009

On 31st October 2009, overdue trade payables, net of payment plans negotiated with suppliers, amounted to ca EUR 45.1 million, improving of ca EUR 19 million compared to the same data at 30 June 2009, thanks to the cash normalization policies undertaken by Tiscali Italia S.p.A..

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 OCTOBER 2009

On 31st October 2009, there were not 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 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 the economic and assets values for the Group Tiscali as of 31st October 2009 arising from transactions with related parties are summarised.

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3

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INCOME STATEMENT VALUES	Note	Tiscali Group 31 October 2009	Of which: Tiscali S.p.A. 31 October 2009
<i>EUR (000)</i>			
Shardna	1	-	-
Interoute	2	(591)	-
TOTAL SUPPLIERS OF MATERIALS AND SERVICES		(591)	-

BALANCE SHEET VALUES	Note	Tiscali Group 31 October 2009	Of which: Tiscali S.p.A. 31 October 2009
<i>EUR (000)</i>			
Shardana	1	331	-
Interoute	2	(1,522)	-
TOTAL SUPPLIERS OF MATERIALS AND SERVICES		(1,191)	-

(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.

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4

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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 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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