

The Shareholders' Ordinary and Extraordinary Meeting of Tiscali has approved all items in the agenda, in particular:

Ordinary Meeting

- **Approval of the financial statements at 31 December 2010;**
- **Amendments to the Shareholders' meeting regulations.**

Extraordinary Meeting

- **Amendments to the Articles of Association and, in particular, amendments of Articles 5, 6, 7, 8,11, 14, 18, 19 of the Articles of Association.**

Cagliari, 29 April 2011

The Ordinary Shareholders' Meeting of Tiscali S.p.A., which met today in second call in Cagliari, has approved all items in the agenda.

Approval of the financial statements at 31 December 2010

Approved the financial statements at 31 December 2010, which closed with an improved Net Result and Dual Play customers growth.

Confirmed the figures of the draft financial statements, approved by the Board of Directors' Meeting on 25 March 2011, as summarised in the following results:

- **Consolidated revenues at EUR 278.1 million;**
- **Group EBITDA before provisions of EUR 70.4 million and EBITDA after provisions of EUR 47.8 million;**
- **Group EBIT negative at EUR 1.8 million;**
- **Group Net Result negative at EUR 24.3 million, a net improvement (+93.7%) compared to the net loss in 2009 of EUR 384.8 million.**

Group **revenues** in 2010 stood at EUR 278.1 million, down by 4.2% compared to EUR 290.4 million in 2009.

Group profitability, with a **Gross Operating Result** (adjusted EBITDA), before provisions of EUR 70.7 million, was down by 20% compared to the Gross Operating Result (adjusted EBITDA) of EUR 88.1 million recorded in 2009. The decrease was mainly due to the impact of the natural reduction in the narrowband segment, increase in ULL tariffs and certain one-off revenues in 2009. Anyhow, the second half of 2010 highlights the positive impact of the restructuring process implementation, with an adjusted EBITDA in 4Q2010 up to 10% (EUR 20 million) compared to 4Q2009.

The **Operating Result** (EBIT) in 2010, net of provisions, write-downs and restructuring costs, was roughly a negative EUR 1.8 million, comparable with the 2009 figure of EUR 11.3 million.

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The difference from the previous year is due to the decline in gross profit for the reasons listed above, together with the greater impact of the provision to bad debt throughout the year. Again, the effects of the route taken by the company are reflected positively in 4Q2010, where it records compared to the previous quarter, an improvement in EBIT of around 31%.

The Group **Net Result** in 2010 was negative at EUR 24.3 million compared to a net loss of EUR 384.8 million in 2009; the latter figure includes the capital loss recorded by the sale of the UK subsidiary and TiNet.

At the end of 2010, **active ADSL users** in Italy numbered roughly 550 thousand (net of 40 thousand ADSL lines cancelled in 4Q2010 for silent or non paying customers), of which 375 thousand are direct customers (ULL) and 369 thousand are dual play customers.

Investments in 2010, entirely associated with Tiscali Italia S.p.A., were about EUR 35.7 million and concern the extension of the *unbundling* network and the consequent operating investments relating to the connection and activation of new ADSL customers.

As at 31 December 2010, the **Net Financial Position** was negative at EUR 197.6 million, an improvement over the negative EUR 211.2 million as at 31 December 2009 (relating solely to operating activities), while the Net Financial Position drawn up according to Consob communication n. DEM/6064293 is equal to EUR 204.3 million at 31st December 2010.

The Company declares, that in compliance with applicable laws and regulations, the Annual Financial Statements – including the annual report as at 31st December 2010, both for the Parent company Tiscali S.p.A. and for the Group and the respective audit reports - is made available to the public at the Company's head office and Tiscali's official website, investors' area (www.tiscali.it) and Borsa Italiana.

The minutes of the Annual Shareholders' meeting will be made available in compliance with Italian law.

Amendments to the Shareholders' Meeting regulations

The Ordinary Meeting has approved the proposed amendments to the Ordinary Shareholders' Meeting Regulations, aimed at updating and adjusting to the Legislative Decree 27 January 2010, N. 27.

The Shareholders' Extraordinary Meeting of Tiscali, held today in Cagliari in third call, approved all points in the agenda.

Amendments to the Articles of Association

The Extraordinary Meeting finally resolved to amend certain Articles of Association, in particular, has approved:

- to amend Art. 5 of the bylaws in order to reflect the update of the share capital;
- to amend the Articles. 6, 7, 8, 11 and 18 in order to adjust the forecasts to the Legislative Decree 27 January 2010 N.27 on Shareholder rights and to the Legislative Decree 24 February 1998 N.58;
- to amend the Art. 14, integrated with the period of office of the Manager in charge of drawing up the corporate accounting documents;
- the introduction of a new Art. 19, which regulates the circumstances in which is requested an action by the Shareholders' Meeting for approval of particular transactions with Related Parties.

STATEMENT OF THE APPOINTED MANAGER

I, the undersigned, Luca Scano, manager in charge of drawing up the corporate accounting documents of Tiscali S.p.A, declare – pursuant to paragraph 2, Article 154-bis of the Italian Finance Consolidation Act – that the annual results contained in this press release correspond to the documentary results, books and accounting records of the parent company and to the information provided by the companies included in the consolidation area

Luca Scano



This press release contains certain forward-looking statements based on current expectations and projections in relation to future events. These forward-looking statements may be affected by known or unknown risks, uncertain events and the assumptions made. This press release also contains unaudited pro forma data. Tiscali does not undertake to publish updates or modify any forward-looking statements, either to provide new information or in response to future events or other circumstances. In light of the aforementioned risks, uncertainties and assumptions, the forward-looking statements contained in this press release may not come to fruition. Any statement relating to past performance or activities should not be considered a guarantee of future performance or of such activities continuing in the future.

Information on Tiscali

Tiscali S.p.A. (Borsa Italiana Milan: TIS) is one of the leading alternative telecommunications companies in Italy. Tiscali provides its private and business customers with a wide range of services: internet access through dial-up and ADSL, as well as voice, VoIP, media, and added-value services and other technologically advanced products.

As at 31 December 2010 Tiscali had a total of roughly 709 thousand customers in Italy, which roughly 550 thousand are ADSL customers. Around 369 thousand of these are Dual Play customers.

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