

Tiscali: Concluded with a large take up from the market the rights issue of Tiscali shares with warrants totalling ca EUR 180 million

- **Underwritten ca 93% of total offered shares with warrants**
- **5, 6, 9, 10 e 11 November 2009 offer in the Stock Exchange of n. 4,352,152 option rights not exercised equal to ca 7% of the total offered shares with warrants**
- **Commencement of trading of the "Warrants Tiscali S.p.A 2009 - 2014 "**
- **Reduction of the Group's debt for approximately EUR 220 million, with the write off by Senior Lenders of approximately EUR 43 million of long-term Senior debt**

Cagliari, 3rd November 2009

Tiscali announces that the option period of the rights issue offer has been concluded with a large take up from the market. Through this rights issue, Tiscali offered n. 1,799,830,945 ordinary shares with a combined Tiscali n. 1,799,830,945 warrants in the period between 12 October 2009 and October 30, 2009 included.

During the offer period n. 57,226,378 option rights have been exercised for the subscription of n. 1,672,570,957 new ordinary shares of Tiscali, representing approximately 92.93% of total shares offered, for a total of EUR 167,257,095. Combined with the n. 1,672,570,957 ordinary shares of Tiscali which have been subscribed there are n. 1,672,570,957 free "Warrants Tiscali S.p.A. 2009-2014".

Of these option rights, n.10,950,730 (for the subscription of n. 318,744,745 newly issued ordinary share of Tiscali, equal to 17.71% of the shares offered, for a consideration of EUR 31,874,474) have been exercised, directly and indirectly, by Renato Soru also pursuant to his underwriting commitment.

Under the mechanism of write off, as widely described in the Information Prospectus, the Senior Lenders will cancel ca EUR 43 million of financial indebtedness in addition to the one which will be repaid in cash with the proceeds of the capital increase. The Group's indebtedness (considering the Senior Debt, the Andalus loan and the VNIL debt) following the capital increase will be therefore reduced by a total of ca EUR 220 million of capital and interest.

"The capital increase which has recorded, at the end of the option period, subscriptions from the market and from shareholders of approximately 93 per cent of total, represents the positive conclusion of the process of redefinition of the Group's indebtedness commenced in March 2009. Thanks to the write-off mechanism, related to the success of the capital increase, the banks will cancel ca EUR 43 million of Senior debt of the Group, including interests. Tiscali can now restart with a financial structure which is sound and consistent with the Group's prospects", said Mario Rosso, Chairman and CEO of Tiscali SpA.

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- **Offer on the Stock Exchange of the unsubscribed rights**

After the offer period, **n. 4,354,152 option rights have not been subscribed**, equal to **ca 7%** of the total offer; these rights will be offered on the Stock Exchange, on behalf of Tiscali, by Equita Sim SpA, pursuant to Art. 2441, third paragraph of the Civil Code, on 5, 6, 9, 10 and 11 November 2009. Each day, a fifth of the total number of unexercised rights will be offered, plus, in the days following the first one, any residual amount from the previous meetings.

Please note that these option rights can be utilized for the subscription of new issued ordinary shares of Tiscali, without par value and ranking *pari passu* with those already in circulation, at a price of EUR 0.1 per share in the ratio of n. 643 new shares for every n. 22 option rights exercised. Each of the new shares will be combined with a free warrant. The subscription of the new ordinary shares of Tiscali with warrants, shall be made through authorized intermediaries participating in the centralized management system of Monte Titoli SpA no later than **November 12, 2009, subject to expiration of the rights.**

The shares subscribed by the end of the offer on the Stock Exchange will be made available to beneficiaries through authorized intermediaries participating in the centralized management system managed by Monte Titoli SpA within the tenth Stock Exchange trading day following the end of the offer on the stock market.

In view of the results of the offer - which have seen an amount resulting from cash subscriptions in the market exceeds the amount of total credits claimed by the Senior Lenders (equal to ca EUR 136 million including interests) and in view of the expected payment date it is to be noted that, as described in the Prospectus, the underwriting commitment by the Senior Lenders would not operate, given the fact that the debt owed by them against Tiscali S.p.A would be extinguished through the utilisation, for the same amount, of the proceeds from the capital increase. Consequently, the Senior Lenders would not subscribe, even partially, the capital increase of Tiscali. Moreover, it is also to be noted that in view of the above and as described, the Senior Lenders would cancel EUR 43 million of senior debt and that, under the write-off mechanism fully described in the Prospectus the second capital increase approved on 30 June 2009 would not be executed.

Following the offer on the Stock Exchange of the unsubscribed rights, if necessary, the underwriting commitment by Video Networks International Ltd would be activated through compensation, in whole or in part, of the relevant credit (equal to approximately EUR 11.7 million). The final amounts will be communicated to the market after the offer period of the unsubscribed rights.

- **Commencement of trading of the "Tiscali S.p.A. Warrants 2009 - 2014 "**

Tiscali announces that the trading of the "Warrants Tiscali S.p.A 2009 -2014" is expected to commence from November 5th 2009. It is recalled that the holders of warrants will be entitled to subscribe at any time (from the first trading day of the first month following the issuance of warrants - that is, from 1st December 2009 - and until the deadline of 15 December 2014) ordinary shares of the Company by reason of n. 1 underlying share for every 20 warrants exercised.

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Warrants which will not be presented for the exercise by December 15, 2014 will lapse becoming invalid for all purposes.

Holders of the warrants will be entitled to subscribe underlying shares at a price of EUR 0.8, inclusive of surcharge of EUR 0.7, in the manner and within the time specified in the regulation of the warrants contained in the Information Prospectus and which will be published also separately on the website of the Company www.tiscali.com, under the investor sections.

The Prospectus is available at the headquarters of Tiscali S.p.A (Cagliari, Località Sa Illetta, SS 195 km. 2.3), and at the Italian Stock Exchange (Milan, Piazza degli Affari, 6) and on the website of the Company, www.tiscali.com and on the website of the Italian Stock Exchange, www.borsaitaliana.it.

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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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