

Tiscali: sale of Dutch operations to KPN

Cagliari, September 15, 2006

Tiscali announces that it has reached an agreement for the disposal of its Dutch operations to KPN Telecom. The total consideration is EUR 255 million (enterprise value) payable in cash at closing. The value per ADSL users as of 30th June 2006 is 923 Euros. The final equity value would be determined taking into account the net financial and working capital positions and broadband customers' number at closing. On the basis of the book value the capital gain is estimated in ca EUR 180 million. The transaction is subject to completion of the consultation procedure with the relevant works councils, who have been informed today, and to the approval of the Dutch antitrust authorities.

As of 30th June 2006 Tiscali Netherlands had 276,000 DSL and 126,000 dial-up users. 1H2006 revenues were EUR 52.2 million (13% to the Group's turnover), the Operating Result was positive for EUR 9.7 million.

"This transaction represents a very important component of the new strategic plan which will be presented to the market the second week of October. The disposal of Tiscali Netherlands, which is one of the most successful operations of the Tiscali Group but in a mature and highly competitive market, will allow us to focus our operations and financial resources in the markets with the highest potential for value creation", says Tommaso Pompei, CEO of the Tiscali Group.

PRESS RELEASE

Investor Relations

Ph. +39 02 309011 - Email: ir@tiscali.com

Ufficio Stampa

Image Building

Mara Baldessari, Simona Vecchies
T. 0289011300 Email: info@imagebuilding.it

Tiscali S.p.A.
Sa Illetta
09122 Cagliari
Italy

www.tiscali.com