

Tiscali:

- **The Board of Directors of Tiscali approves results as of September 30, 2009**
- **New Chairman and CEO following the success of the restructuring process and of the Rights Issue:**
 - o **Renato Soru succeeds to Mario Rosso as Chairman and CEO of Tiscali SpA**
 - o **Resignation of the Board Members Massimo Cristofori and Francesco Bizzarri**
 - o **The Board of Directors of Tiscali will be renewed by the Shareholders' Meeting scheduled for 20, 21, 22 December to decide, inter alia, the adoption of measures under Art. 2446**

Results for the nine months ended at 30 September 2009

- o **Tiscali Group revenues at EUR 221.6 million, in line with Business Plan targets (-9.5% YoY).**
- o **Group's Adjusted EBITDA at EUR 69.9 million (+15% YoY), Italy Adjusted EBITDA at EUR 69.1 million (+49% YoY) with an improving trend compared to 2009 targets of the Business Plan.**
- o **Positive EBIT of EUR 5.3 million, including non-recurring restructuring charges of EUR 10 million.**
- o **Net income of Tiscali Italy in 9M09 at EUR 10.5 million**
- o **Net debt of EUR 413.5 million. Reduction to EUR 200 million pro-forma net debt including the write-off of EUR 43 million of long-term debt by Senior Lenders.**
- o **ADSL customers at 553 thousand, increasing compared to 30 June 2009. Increase in new customers' registrations, thanks to the launch of new products and to the new marketing and commercial initiatives.**
- **Right Issue of EUR 180 million**
 - o **93% subscriptions at the end of the option period.**
 - o **Auction for the unsubscribed rights successfully concluded on 11th November. All the 4,354,152 rights were sold. Definitive results for the subscription of the share capital increase expected on Monday, 16 November.**

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- **Suspension of the exercise period for the "Warrants Tiscali SpA 2009 - 2014 from November 13, 2009, until the day following that on which the Shareholders Meeting will take place.**

Cagliari, 13 November 2009

The Tiscali Board of Directors has approved the Interim Report as of 30th September 2009.

The quarterly results coincide with the closing of the process of redefinition of the Group's indebtedness implemented since the early months of the year and aimed at achieving a capital structure more consistent with the outlook of the Group in Italy.

In particular, the capital increase for ca EUR 180 million, launched on 12 October 2009, has been completed with large subscriptions by the market, allowing the Company to reduce the indebtedness of the Group by further EUR 220 million, also including the debt write-off for about EUR 43 million.

Equita SIM has acted as advisor and placement agent of the Rights Issue.

Also taking into account the proceeds from the sale of the UK subsidiary cashed in at closing for EUR 220 million, and utilised for debt reimbursement, Tiscali Group will reduce the total debt (financial and non-financial, including commissions and accessory costs) for approximately EUR 440 million.

As a result of the restructuring process and debt repayment, financial debt held by Senior Lenders amounts to a total of EUR 158.5 million, divided into three tranches:

- a. Tranche A amounting to EUR 100 million with a 5-year maturity
- b. Tranche B amounting to EUR 38.5 million with a 6-year maturity
- c. Tranche C amounting to EUR 20 million with a 7-year maturity, to be repaid with funds released from the escrow account related to the UK sale, or through a rights issue object of a delegation already approved by the Shareholders' Meeting in June 2009.

Pro-forma net financial debt after the Rights Issue which has just concluded is equal to EUR 200 million. A further reduction (to approximately EUR 160 million) may result from the full release of the escrow related to the disposal of Tiscali UK for EUR 40 million by June/December 2010, for which the procedure of verification is still ongoing.

■ Change in the Group's Board of Directors

After the successful conclusion of the restructuring process and of the Capital Increase and the re-established financial equilibrium of the Group, the Chairman of the Board of Directors of Tiscali Mario Rosso has put his mandate; the Directors, Francesco Bizzarri and Massimo Cristofori, considering an important cycle has ended, have resigned re-attributing their mandate to the Shareholders' Meeting, scheduled for 20, 21 and 22 December, in order to allow the

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beginning of a new phase of management of the Group. The same Shareholders Meeting will be called to renew the whole Board of Directors.

The Chairman and CEO Mario Rosso had beforehand re-assigned his powers to the Board of Directors, who assigned them to Mr. Renato Soru, who has been appointed Chairman and CEO of Tiscali SpA.

Tiscali wish to thank the Chairman and CEO Mario Rosso and the former Directors Cristofori and Bizzarri for the work done and their valuable contributions to the Company in a particularly delicate phase for the Group.

■ Statutory Auditors

The Board of Directors has also acknowledged the resignation of the Chairman of Statutory Auditors of Tiscali SpA, Professor Aldo Pavan, due to the incompatibility with the office held by him at the University of Cagliari. The Company wishes to thank Professor Pavan warmly for his work in several years of fruitful collaboration.

The Chairman of the Statutory Auditors is now Dr. Piero Maccioni. Dr. Rita Casu, former deputy auditors, becomes effective auditor.

■ Financial performance during the nine months ended 30th September 2009

Tiscali Group's revenues in the first nine months of 2009 stood at EUR 221.6 million, 9.5% lower than the EUR 244.9 million achieved in the corresponding period of 2008. The slowdown is primarily due to the reduction in revenue narrowband and media, as well as in the "Other income" item, which included non-recurring revenue. However, there was a significant increase in profitability for the Italian subsidiary, with the Gross Operating Result growing 49.8% compared to the corresponding period in the previous year.

In the first nine months of 2009 internet access and voice – the Group's core business – accounted for around 78.3% of total turnover.

The Gross Operating Result (Adjusted EBITDA) before provisions was EUR 69.9 million, with a margin of 31.6% of revenues, compared to the Adjusted EBITDA of EUR 60.9 million for the first nine months of 2008; +14.8% YoY.

Tiscali Italia had a better performance with a growth in adjusted EBIDTA of 48.8% on an annual basis.

At 30 September 2009, ADSL users in Italy were 553 thousand, an increase customer compared to June 30, 2009. 386.6 thousand were direct customers (LLU). Dual Play customers were around 270 thousand.

Registrations of new customers increased after the launch of the product Tiscali Unica (convergent offer for internet, voice and mobile integrating WiPhone service), reaching 17,000 in September and 19,000 in October 2009.

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■ Revenues by business segment

Access

This, including the broadband (ADSL) and narrowband (dial-up) revenues and the flat part of offers bundled with voice have generated revenues in the nine months until 30 September 2009 of EUR 103.2 million, representing 46.6% of total Group revenue, a slight decrease compared to the corresponding period in 2008 (117.1 million euros), mainly due to the contraction of narrowband revenues.

The third quarter of 2009 saw a growth in the Italian customer base, due to increase in ADSL customers' new registrations, which were 17 thousand in September and 18 thousand in October 2009, reflecting the regained momentum of commercial offer for the Tiscali Tuttoincluso and Tiscali Unica offers.

Voice: dual play revenues + 27.2%

The voice segment includes both the traditional telephone service and a component of the variable traffic generated by voice services on IP offered in bundled mode with internet access. Revenues for 2009 are essentially in line with the same period in the prior year. In absolute terms, voice revenues as of September 2009 amounted to EUR 70.3 million, compared to EUR 69.3 million for the same period in 2008. Of total voice revenues, EUR 47.6 million related to the components of voice traffic generated by VoIP services, up by 27.2% compared to the EUR 37.4 million of dual play revenue in 2008, as a result of the success of the Tiscali "Tuttoincluso" offer.

Business services: area for potential development

Revenues from business services, which exclude those from access and voice products for the same customer base included in their respective business segments, at 30 September 2009 amounted to EUR 20.2 million, a 55.4% increase over the EUR 13.0 million for the same period in 2008. The business services segment is undergoing an intense strategic refocusing, which involved the development of a dedicated sales force with agents throughout the country and the redefinition of the product portfolio. It is strongly believed that the potential of the business services segment for Tiscali Italy has been so far unexpressed.

Media and value added services: record number of visitors to Tiscali.it portal

At September 2009, revenues from the media and value added services segment (resulting from direct and indirect advertising through commercial contracts with search engines) amounted to EUR 15.5 million, lower than the corresponding period of the prior year (EUR 24.1 million) due to decrease of the advertising revenues and to the loss of personnel in the advertising agency during the period, a trend recently inverted thanks to the hiring of new human resources, including the head of the Tiscali Advertising agency.

Furthermore, Tiscali.it portal has been relaunched with a new user interface and enriched content, making it one of the main information portals in Italy, reporting a record number of

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visitors in August 2009: 14,167,246 unique users (unique browser) connected to the Tiscali Group information portal. During the month of August, the portal reached a peak of 1,151,611 unique users in one day, confirming Tiscali among the primary sites in Italy in the Audiweb rankings. In October 2009 unique users increased to 15.5 million (Source: Webtrends).

These results, also due to a successful advertising campaign, evidence the appreciation of the Italian internet users to the innovations that were made to the portal in recent months. In particular, the home page and a section devoted to news has recently been enriched with content and editorial insights, and have enjoyed strong optimization of the space devoted to advertising.

■ **Gross Operating Result (EBITDA): Tiscali Italia EBITDA +53%, with 25% of revenues**

The Adjusted Gross Operating Result (EBITDA) for the period, before provisions for risks, write-downs, depreciation and amortisation, was EUR 69.9 million, an increase of 14.8% compared to the EUR 60.9 million for the same period in 2008.

For the first nine months of 2009, EBITDA net of write-downs of receivables and other provisions was EUR 54.6 million (24.6% of revenues), an increase of 12.2% on the figure for the comparable period of 2008 (EUR 47.8 million, 19.5% of revenues).

In Italy, Adjusted EBITDA in the first nine months of the period stood at EUR 69.1 million, an increase of 48.8% compared to EUR 46.4 million, with a margin of 32% of revenues, up by 12 percentage points over the first nine months of 2008. EBITDA of Italy, net of the receivable write-down provision and other provisions stood at EUR 54.5 million, up to 52.6% compared to the nine months of 2008. The bad debt provision level was affected by the termination of customers defaulting as a result of recovery claims.

In the first nine months of 2009, **indirect operating costs** stood at EUR 64.6 million (29.1% of revenues), with a significant reduction in terms of percentage of revenues compared to the same period of last year (EUR 97.5 million, 39.8% of revenues).

Within indirect operating costs, **personnel costs** for the nine months ending September 2009 amounted to EUR 30.5 million, lower than the same period in 2008 (EUR 40.1 million), in contraction of approximately two and a half percentage points in terms of percentage of revenues (16.4% in September 2008 compared to 13.8% in September 2009). This reduction is due to the outcome of the incentivised resignations offered by Tiscali Italia in the initial months of the year.

Marketing costs, amounting to EUR 14.3 million for the nine months ending September 2009 were also declining compared to 30 September 2008. However, there was an increase of EUR 5 million in the third quarter of 2009 mainly related to the campaign for the product launch of the convergent offer Tiscali Unica.

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■ **Operating result (EBIT): impact of non-recurring charges**

The Operating Result (EBIT) in September 2009, net of provisions, write-downs and restructuring costs, was positive for EUR 5.3 million, lower than the EUR 7.5 million for the same period in 2008. However, the figures at 30 September 2009 included debt restructuring costs of EUR 9.9 million, against restructuring costs at 30 September 2008 of EUR 885 thousand. Net of said non-recurring restructuring costs, the Group EBIT at 30 September 2009 would have been EUR 15.2 million, an increase over the nine months ended 30 September 2008.

■ **Result from continuing operations: impact of financial charges on the debt prior to restructuring**

The result from continuing operations, which was negative for EUR 56.1 million, reflected financial charges of EUR 49.6 million (related to the full amount of the debt being restructured) and income taxes of EUR 11.8 million primarily related to the reversal of deferred tax assets recognised at 31 December 2008 for Tiscali International BV.

Following the restructuring process, it is expected a significant reduction in financing costs of the Tiscali Group.

■ **Group net result: impact of loss on the sale of Tiscali UK and restructuring charges. Net income for Tiscali Italia**

The net result was negative at EUR 419.4 million, worse than the net loss of EUR 98.2 million during the same period of 2008, due to the impact of financial charges on debt pre-restructuring for 49.6 million and the capital loss on the sale of the UK subsidiary for EUR 365 million.

Tiscali Italy in 9M09 recorded a net income for EUR 10.5 million (5% of revenues) compared to the loss of EUR 14.5 million in 9M08.

■ Financial position

At 30 September 2009, Tiscali Group held cash and cash equivalents totalling EUR 22 million, against a negative net financial debt at the same date of EUR 413.5 million, compared to the EUR 601.1 million at 31 December 2008. Operating cash flow in the first nine months of 2009 was positive for EUR 3.8 million. This figure reflects the absorption of ca EUR 36 million in net working capital related to the reduction in the commercial debt exposure and investments in the period of EUR 14.8 million.

EUR Millions	30 September 2009	31 December 2008
A. Cash	22.0	24.2
B. Other cash equivalents	6.9	12.7
C. Securities held for trading	-	-
D. Cash and cash equivalents (A) + (B) + (C)	28.9	36.9
E. Current financial payables	5.2	5.3
F. Non-current financial payables	6.4	1.4
G. Current bank payables	190.0	510.0
H. Current portion of non-current debt	-	-
I. Other current financial payables (*)	44.2	21.4
J. Current financial debt (G) + (H) + (I)	234.2	531.4
K. Net current financial debt (J) – (E) – (F) – (D)	193.7	487.7
L. Non-current bank payables	161.2	-
M. Bonds issued	-	-
N. Other non-current payables (**)	58.7	113.4
O. Non-current financial debt (L) + (M) + (N)	219.9	113.4
P. Net financial debt (K) + (O)	413.5	601.1

(*) includes leasing payables and payables to Shareholders (Andalas)

(**) includes leasing payables and payables due to shareholders

Note that the net financial debt of Tiscali Group at 30 September 2009 reflects the impact of the sale of the Tiscali UK subsidiary to the Carphone Warehouse Group on 3 July 2009.

As described in the Half-year Report, in the *Significant events after the half-year end* section, the Company sold the UK business for GBP 236 million on 3 July 2009. Income from the sale

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was used to partially reimburse the financial debt to Senior Lenders (about GBP 180 million) as well as for payables to Tiscali UK management (about GBP 8 million) and payables to former minority shareholders of VNIL (about GBP 7 million).

Net of the partial reimbursement of the debt to the Senior Lenders of EUR 207 million, the residual debt of EUR 332.8 million was restructured for a nominal amount of EUR 158.5 million (EUR 161.2 million including interest at 30 September 2009), and the remainder, EUR 174.3 million (EUR 176.6 million including interest at 30 September 2009), was used for reimbursement/compensation the share capital increase initiated on 12 October 2009.

The restructured debt, amounting to a nominal value of EUR 158.5 million was accounted for under the amortised cost criteria (IAS 23). Note that, consistent with IAS 39, section 40-41, accessory charges related to the debt restructuring (ca EUR 10 million) were not capitalised, given that the principle provides that they must be fully expensed in the income statement.

Finally, note that the net financial debt does not include the escrow account related to the UK sale, amounting to EUR 40.9 million and classified under current assets.

Net of the impact of the share capital increase being closed and the liquidation of the debt by Senior Lenders, the pro-forma debt will be EUR 200 million.

■ Significant events during the third quarter of 2009

Completion of the disposal of the subsidiary Tiscali UK Carphone Warehouse Group and all contractual arrangements relating to the process of debt restructuring

On 6 July 2009, Tiscali announced the finalization of the sale of 100% stake in Tiscali UK to Carphone Warehouse Group for an Enterprise Value of approximately 255 million pounds (236 million pounds, net of certain financial debt). The sale of the subsidiary has been accompanied to the restructuring of the outstanding debt of the Tiscali Group in respect of Senior Lenders, certain minority shareholders of Tiscali UK and shareholder Dr. Renato Soru.

Reverse stock split

On September 14, 2009, pursuant to the resolution passed by the Extraordinary Shareholders' Meeting on 30 June 2009 and that the Board of Directors of 28 August 2009, Tiscali completed the reverse stock split of 616,545,485 ordinary shares of Tiscali SpA into 61,654,548 new shares with no par value in the ratio of n. 1 (one) ordinary share Tiscali no par value (ISIN code IT0004513666, coupon No. 1), regular enjoyment, every 10 ordinary shares Tiscali no par value (ISIN code IT0001453924, coupon No. 2) with regular rights.

Presentation to CONSOB and Borsa Italiana of the authorisation request to publish the information prospectus and for the listing related to the share capital increase under option for EUR 180 million

On 22 September 2009, Tiscali S.p.A. has filed to CONSOB and Borsa Italiana, respectively, an authorisation request to publish the prospectus relating to the offering and listing as an option to shareholders of 1,800,000,000 Tiscali ordinary shares combined to 1,800,000,000 "Warrant

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Tiscali 2009 – 2014” (for which has been simultaneously filed an application for admission to trading on the MTA).

In particular, the information prospectus included the rights issue pursuant to Article 2441, first paragraph, cod. Civ., of about No Tiscali 1,800,000,000 ordinary shares newly issued in proportion to the number of shares held, arising from a capital increase resolved by the Extraordinary Shareholders’ Meeting on June 30, 2009 at a price of Euro 0.1 for each share, for a total of EUR 180 million .

■ Significant events after the end of the third quarter 2009

Renouncement by the former Chief Executive Officer Tommaso Pompei to the stock option plan approved in 2007

On 1 October 2009, the former Chief Executive Officer of Tiscali S.p.A., Tommaso Pompei, renounced to N. 359,314 options to purchase an equal number of ordinary shares Tiscali S.p.A. These options were assigned to Mr. Pompei as part of the stock option plan approved with the resolution of the Tiscali S.p.A. Shareholders’ Meeting on 3 May 2007 and would have been exercisable in the period between 4 May 2010 and 3 November 2010 at a unit price of EUR 24.77.

Therefore, the Company has undertaken the sale, over several tranches, of the 260,000 treasury shares that were previously purchased and allotted for the incentive plan.

Execution of share capital increase of 1,799,830,945 Tiscali ordinary shares with 1,799,830,945 free Warrants

On 9 October 2009, following CONSOB approval, the information Prospectus and listing was published related to the options in offer (the “Offer”) and 1,799,830,945 ordinary shares of Tiscali were admitted for listing on the Electronic Stock Market linked to 1,799,830,945 “Warrant Tiscali S.p.A. 2009-2014” (the “Prospectus”).

The following table summarises the Offer timeline:

Beginning of the Offer period and trading period of the option rights	12 October 2009
First day (included) of trading of option rights	23 October 2009
Last day (inclusive) of the Offer period and end of subscription period for the Shares	30 October 2009

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Communication of the Offer results	03 2009	November
Initiation of the Offer in the Auction Market of unsubscribed rights	05 2009	November
End of the Offer in the Auction Market of unsubscribed rights	11 2009	November

During the option offer period, 57,226,378 options rights were exercised for the subscription of 1,672,570,957 Tiscali ordinary shares of new issue, equivalent to 92.93% of all offered shares, for a total value of about EUR 167,257,095. 1,672,570,957 "Warrant Tiscali S.p.A. 2009 – 2014" were attached to the 1,672,570,957 Tiscali ordinary shares subscribed.

Of these option rights, 10,905,730 were exercised, directly and indirectly, by Renato Soru as part of his subscription commitment (for the subscription of 318,744,745 Tiscali ordinary shares of new issue, equal to 17.71% of the shares offered, for a total value of EUR 31,874,474).

Due to the write off mechanism, described in detail in the Information Prospectus, the Senior Lenders will cancel a further EUR 43 million of financial debt in addition to the debt reimbursed for cash with the Rights Issues proceeds.

Group debt (including Senior debt, Andalus debt and VNIL debt) following the share capital increase will be reduced to EUR 220 million of debt including interest.

At the end of the offer period, 4,354,152 option rights were exercised, equal to 7% of the offer. These rights have been offered on the stock market, on behalf of Tiscali, by Equita Sim S.p.A., pursuant to Article 2441, third paragraph, Italian Civil Code, in the Exchange sessions of 5, 6, 9, 10 and 11 November 2009.

In each meeting, one fifth of the total unsubscribed rights were offered. The Tiscali ordinary share subscription with warrants of new issue must be carried out at authorised brokers adhering to the centralised management system of Monte Titoli S.p.A. by and not after 12 November 2009, under penalty of forfeiture.

The shares subscribed at the end of the offer on the Stock Exchange will be made available to those having the right through the authorised brokers adhering to the centralised management system of Monte Titoli S.p.A. by the tenth market day following the end of the offer on the Stock Exchange.

In consideration of the results of the offer – to which the amount of cash subscriptions by the market were greater than the total debt due to the Senior Lenders under facility D1 (equal to about EUR 136 million including estimated interest) – and the estimated payment timing, it

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results that, as described in detail in the Information Prospectus, the subscription commitment assumed by the Senior Lenders will not be carried out, given the fact that their debt due from Tiscali S.p.A. will be reimbursed through the cash proceeds of the share capital increase. As such, the Senior Lenders will not subscribe, even partially, to the Tiscali share capital increase. Furthermore, in consideration of the above, the Senior Lenders will write-off EUR 43 million of Senior debt, based on the write-off mechanism fully described in the Information Prospectus, and the second share capital increase resolved on 30 June 2009 will not be executed.

The subscription commitment of Video Networks International Ltd would be activated, if needed, by compensating, all or in part, of the related loan equal to EUR 11.7 million. Such underwriting commitment will not operate if the options rights purchased during the auction will be exercised. The final amounts will be disclosed upon conclusion of the subscription of the rights sold during the Auction for the unsubscribed shares.

2009-2013 Business Plan

On 12 October 2009, Tiscali presented the 2009-2013 Business Plan. As part of the capital and financial restructuring plan undertaken by Tiscali Group, the sale of the business belonging to Tiscali UK, completed 3 July 2009, resulted in a significant reduction in the Group's scope of operations, currently primarily consisting of the Italian business.

The 2009-2013 Business Plan ("Business Plan") reflects this new operation and was subject to the appropriate certification, provided for in Article 67, paragraph 3, letter d) Royal Decree 16 March 1942 no. 217, by an independent expert who then issued the certification report on 1 July 2009.

The forecast data from the Business Plan ("Forecast Data") and the independent auditors' report by Reconta Ernst & Young S.p.A. concerning the review of Forecast Data, in reference to i) the reasonability of assumptions and their underlying elements, and ii) the accounting standards applied in their preparation, are contained in the Information Prospectus published on 9 October 2009, available at Tiscali S.p.A. headquarters (SS195 Km 2.3, Sa Illetta, Cagliari) and at Borsa Italiana S.p.A. (Piazza degli Affari no. 6, Milan), as well as on the company's internet site, www.tiscali.com, and on the site of Borsa Italiana S.p.A., www.borsaitaliana.it, to which the reader is referred for more information.

■ Outlook for the business

Tiscali plans to implement the Business Plan 2009-2013 described above, the guidelines of which foresee to strengthen the Group's position in the Italian market.

The Company has put in place and is implementing commercial and organisational actions that can enable the realization of the Business Plan's objectives including, in particular:

- 1) Italian profitability (Gross Operating Result) is higher than 2009 forecast. Specifically, customer acquisition trend is accelerating with 17 thousand and 19 thousand new ADSL customers registrations in September and October, respectively;

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- 2) Launch of the Tiscali UNICA fixed-mobile convergent product and of the Tiscali WiPhone product that represent a tool for the fidelisation of the existing customer base as well as to accelerate new acquisitions, confirming, at the same time, the positioning of Tiscali as a strongly innovative operator;
- 3) Relaunch of the business services segment, with the establishment of a network of agents throughout the country and the redefinition of the product portfolio;
- 4) Development of physical sales channels through agreements with distributors and store networks;
- 5) Relaunch of the Tiscali advertising agency following the success of the Tiscali.it portal and the new management team;
- 6) Reduction of commercial debt and improvement in working capital. Potential reduction of financial debt with the possible release of the escrow account related to the sale of Tiscali UK.

■ Financial position of the holding company Tiscali SpA

The quarterly results at 30 September 2009 reported negative shareholders' equity of EUR 90.5 million for the holding company Tiscali SpA. Following the discussion in the Half-year Report at 30 June 2009 in point 4.7 section "Assessment of business continuity, business outlook and prospects", the Board of Directors, having implemented the Company's restructuring plan following the increase in share capital initiated 12 October 2009 and concluded 30 October 2009, with subsequent auction for the unsubscribed rights from 5 November through 12 November 2009, has assessed the equity deficit at 30 September 2009 and concluded that it does not require the application of the regulations provided for in Article 2447 of the Italian Civil Code but that it requires the adoption of measures under Article 2446 of the Italian Civil Code.

Specifically, with reference to the share capital increase, the subscriptions during the subscription period amounted to 93% of the amount offered. Furthermore, due to the subscription commitment by the former UK shareholder VNIL for EUR 11.7 million, to be activated if necessary, the share capital increase will be successful even if the market does not exercise in full the unsubscribed rights (which have been all acquired during the Auction of unsubscribed shares on the Stock Exchange completed on 11 November 2009).

The Board of Directors of Tiscali SpA has acknowledged that, following the share capital increase and the subsequent write-off of the amount related to the second share capital increase for ca EUR 42.3 million, the statutory net shareholders' equity of Tiscali SpA would be positive for EUR 130.4 million compared with a share capital of about EUR 334.6 million, which represents the situation provided for under Article 2446 of the Italian Civil Code.

■ Shareholders' Meeting

The Board of Directors has resolved upon the calling of a General Meeting of Shareholders (ordinary and extraordinary) for 20, 21 and 22 December 2009 in order to take appropriate measures in accordance with the effects of Article 2446 cod. Civ., to partially revoke the capital increase deliberation of 30 June 2009 for the part which will not be executed (approximately

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Euro 10 million), to approve statutory changes it deems necessary or opportune, to renew the Board of Directors and to take appropriate actions in relation to the Board of Statutory Auditors. .

■ **Suspension of the exercise period for the "Warrants Tiscali SpA 2009 - 2014"**

In view of the above, Tiscali hereby notifies the holders of "Warrants Tiscali SpA 2009 - 2014" that, pursuant to Article. 4.1 of the relevant regulations, from 13 November 2009 (inclusive) until the day following the shareholders' meeting (included), even if convened after the first call that the exercise Warrant is suspended .

Please note that requests to exercise of the Warrants, made before the Day of Convocation of the AGM will be effective before the date of the AGM and, in any case, in time to allow participation in the AGM itself.

CONSOLIDATED INCOME STATEMENT	30 September 2009	30 September 2008 Ridetermined*
<i>(EUR 000)</i>		
Revenues	221,589	244,938
Other income	2,394	2,566
Purchase of materials and outsourced services	119,647	155,335
Payroll and related costs	30,499	40,144
Costs for Stock options plans	339	2,740
Other net operating costs (income)	3,904	(8,907)
Bat debt provision	15,984	10,414
Other restructuring costs and provisions	11,641	996
Depreciation and amortizations	37,680	39,287
Operating result	5,288	7,495
Share of results of equity investments valued using the equity method	(33)	(15)
Net financial income (charges)	(49,576)	(58,539)
Pre-tax result	(44,321)	(51,059)
Income taxes	(11,832)	(1,775)
Net result from continued operations	(56,152)	(52,835)
Net result from held for sale operations	(364,397)	(56,993)
Group's net results	(420,550)	(109,827)
Minorities interest	(2,186)	(11,628)
Group's result net of minorities' interest	(418,364)	(98,199)

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CONSOLIDATED BALANCE SHEET (EUR million)	30 September 2009	31 September 2008
Non-current assets	225.3	890.9
Current assets	205.3	258.1
Assets held for sale	-	56.8
Total Assets	431.7	1.205.8
Group shareholders' equity	-287.7	10.8
Shareholders' equity pertaining to minority shareholders	-	-6.0
Total Shareholders' equity	-287.7	4.8
Non-current liabilities	250.9	229.7
Current liabilities	467.3	949.1
Liabilities directly related to assets held for sale	1.1	22.3
Total Liabilities and Shareholders' equity	431.7	1.205.8

■ DECLARATION OF THE EXECUTIVE IN CHARGE OF PREPARING THE COMPANY'S ACCOUNTING DOCUMENTS

I the undersigned, Romano Fischetti, Executive in charge of preparing the company accounting documents of Tiscali S.p.A., declare, pursuant to article 154-bis, subsection 2, of Italian Legislative Decree 58/98, as modified, that the accounting information contained in this press release corresponds to the documentary results, the books and the accounting records.

Romano Fischetti



Executive in charge of drawing up the Company's accounting documents

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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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