

**Tiscali. Completed the disposal of Dutch assets to KPN.
Further reduction of indebtedness**

Cagliari, 19th June 2007

Following the clearance of the Dutch Antitrust authority, Tiscali announces the completion of the disposal of the Dutch assets to KPN B.V.. The total consideration is EUR 248.5 million. Net of the reimbursement of intercompany loans for ca EUR 12.5 million, the final consideration amounts to EUR 236 million. The capital gain following the disposal is over EUR 160 million.

As already announced, EUR 130 million have been utilised for the partial reimbursement of the Banca IntesaSanpaolo financing (EUR 280 million in total), thus further reducing indebtedness and strengthening the financial position of the Tiscali Group.

About Tiscali

Tiscali S.p.A. (Borsa Italiana, Milan: TIS) is one of the main independent European telecommunication companies. With one of the largest and most interconnected IP networks in the world, Tiscali is able to supply its customers, residential and business, with a full range of services: Internet access, both dial-up and ADSL, voice, VoIP, media, value added services (VAS), and other technologically advanced products.

As of 31st March 2007, Tiscali had 3.4 million active users in Italy and the UK. More than 1.9 million were ADSL customers, of which 700,000 received unbundled services.

Tiscali's corporate website can be found at www.tiscali.com.

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