

Tiscali: Disposal of B2C activities in Germany to Freenet

Cagliari, 31st January 2007

Tiscali S.p.A. announces today to have reached an agreement under which freenet.de AG will acquire Tiscali's narrowband and broadband customer base in Germany. At year-end 2006 Tiscali had around 380,000 active customers, of which approximately one third were wholesale broadband customers. The purchase price, to be paid in cash at closing, will be based on the number of actual customer at the time the transaction is completed and is expected to be approximately EUR30 million. The transaction is also subject to fulfilment of normal closing conditions, including German antitrust approval, and is expected to complete by first quarter 2007.

The activities being sold generated for the Tiscali Group in 2006 ca EUR 45 million of revenues and an EBITDA negative for ca EUR 3 million.

The disposal of Tiscali Germany's B2C activities and the consideration are consistent with Tiscali's business plan as presented to the market last October, announcing the refocusing of the Tiscali Group in the Italian the UK markets. Tiscali is also in the final stage of negotiation for the disposal of its B2B and ULL activities in Germany.

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 30th September 2006, Tiscali had 3.5 million active users in Italy and the UK. More than 1.7 million were ADSL customers, of which more than 440,000 received unbundled services.

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

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 cautious assumptions. 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.

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