

Tiscali's EUR 150 million capital increase 100% underwritten by the market

Cagliari, 21st February 2008

Tiscali has successfully completed the capital increase with pre-emption rights launched on January 14th 2008.

Following the auction of unsubscribed rights (corresponding to ca 2% of total), held on 11th, 12th, 13th, 14th and 15th February, a further 3,211,914 shares have been subscribed for, at the price of EUR 1 per share.

The rights issue has been therefore successfully completed, with the subscription of 100% of the 149,792,880 new ordinary shares offered for a total value of EUR 149,792,880, thus without activating the guarantee granted by Banca IMI S.p.A. and JP Morgan Securities Ltd.. The shareholder Renato Soru, pursuant to his underwriting commitment, has fully subscribed for his 25% pro rata share of the capital increase, corresponding to 37,448,220 new shares (ca EUR 37.5 million).

The new share capital of Tiscali consists of 574,206,043 ordinary shares with EUR 0.5 par value each.

The proceeds from the capital increase will be used to reimburse EUR 150 million of bridge financing provided by Intesa Sanpaolo and JPMorgan to finance the acquisition of Pipex in the UK, thus further strengthening the financial structure of the Group.

Following the capital increase, the conversion price of the convertible bonds issued by Tiscali Financial Services SA and underwritten by Management&Capitali has been adjusted to EUR 2.42 per share, corresponding to ca 24.8 million underlying shares.

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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, IPTV, media, value added services (VAS), and other technologically advanced products.

As of 30 September 2007, Tiscali had ca 4 million active users in Italy and the UK. More than 2.4 million of these were ADSL customers, of which more than 1 million received unbundled services.

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

PRESS RELEASE

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