

Tiscali: the Board of Directors sets the reverse stock split ratio and the terms of the capital increases in option

Cagliari, 22 June 2009

The Board of Directors of Tiscali S.p.A which has met today, has, among other things, taken some resolutions regarding the Extraordinary Shareholders' Meeting convened on 28, 29 and 30 June 2009 respectively in first, second and third call.

In particular:

- (i) in relation to the proposal to redefine the number of shares outstanding by regrouping them, the Board of Directors of Tiscali **has determined in n. 1 ordinary share every 10 shares the reverse stock split ratio. Following the reverse stock split, the number of shares will therefore be reduced from the current 616,545,485 shares to 61,654,548 shares.** The starting day and the conditions for the reverse stock split will be established in consultation with the competent authorities and, in particular, with Borsa Italiana S.p.A. and will be communicated to the market in due course;
- (ii) the Board of Directors has also determined the subscription price of the newly issued ordinary shares arising from the First and, if executed, from the Second Capital Increase, as described in the report prepared by the Board of Directors under art. 72 of Consob Regulation 11971/99, as amended ("Issuers' Market Rules") and art. 3 of D.M. 437/98, made available to the public on 12th June 2009.

In particular, for the determination of the subscription price, the Board of Directors has taken into account the characteristics and the content of the debt restructuring plan currently being implemented, the agreements therein contemplated, the market practice for similar operations as well as the willingness that the conditions of the First and, if executed, the Second Capital Increase are favourable to the market.

The Board of Directors therefore proposes that **the subscription price for both the First Capital Increase (up to maximum EUR 190 million) and, if executed, the Second Capital Increase (up to maximum EUR 46.5 million) is equal to EUR 0.01 per share (implicitly, EUR 0.10 after the reverse stock split);**

- (iii) in relation to the warrants to be allocated free of charge in the ratio of 1 warrant for each ordinary share of Tiscali issued as part of the First Capital Increase, the

Investor Relations

Chiara Dorigotti / Lisa Nanu
+390230901 253/209
ir@tiscali.com

Press Office Image Building
Mara Baldessari, Simona Vecchies
+39 0289011300 Email: tlc@imagebuilding.it

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

www.tiscali.com

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Board of Directors has also determined **the ratio of conversion in n. 1 ordinary share every 20 warrants exercised. Holders of warrants will be entitled to subscribe for the underlying shares at a price of EUR 0.08 (implicitly, EUR 0.80 after the reverse stock split).**

As already communicated to the market, it is foreseen that the capital increases referred to above will be fully guaranteed by the *senior lenders*, by the shareholder Mr. Renato Soru and by the minority shareholders of the subsidiary Tiscali UK Ltd. (VNIL).

Information about Tiscali

Tiscali S.p.A. (Italian Stock Market. Milan: TIS) is one of the principal alternative telecommunications companies in Europe. With one of the broadest and most interconnected networks based on IP technology in the world Tiscali furnishes its clients, privates and companies, with a wide array of services: dial-up and ADSL Internet access, voice, VoIP, media, value added services and other technologically advanced products.

At 31 March 2009, Tiscali registered in Italy and in the UK a total of about 2.7 million active users. Of these, over 2.2 million subscribe to ADSL.

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