

Cagliari, 17 January 2004. In recent weeks unfounded rumours have been circulating in Sardinia with respect to Tiscali, which are aimed at discrediting the company's good name and image, and which pay no regard to the serious damage that is being done to the company and its shareholders, investors and employees.

In addition to unfounded speculation over the amounts and situation of Tiscali's bond issues, rumours have begun circulating in the last few days about the company's supposed difficulties in paying its employees and its suppliers, and about a supposed payment notice served by Telecom Italia, demanding a sum of more than EUR 300 million.

Tiscali would like to stress that:

- 1) The company does not have, has never had, and does not expect to have difficulties in paying either its staff or its suppliers.
- 2) The news published on the website Sassarisera.org and reported in the newspaper *L'Obiettivo*, relating to a supposed debt owed by Tiscali to Telecom Italia, is completely untrue. Tiscali not only has not received any demand for payment from Telecom Italia, but in fact has never incurred any debt with the group. The relationship between Tiscali and Telecom Italia is chiefly one whereby Tiscali provides services to Telecom Italia, and thus receives payment from Telecom every month, rather than the other way round.

Tiscali has therefore instructed its legal representatives to begin proceedings against Sassarisera.org and *L'Obiettivo*.

In future, Tiscali will be focusing strongly on safeguarding its image in the interests of all its shareholders, and will take action in both the civil and criminal courts against anyone attempting to damage the company by spreading, via any medium, false rumours that may harm the company or its shareholders, investors and employees.