


Quarterly report at 31 March 2009

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This report is available on the website www.tiscali.com

TISCALI S.P.A.

Registered offices: SS195 Km 2.3, Sa Illetta, Cagliari, Italy

Share Capital EUR 308,272,742.50

Cagliari Companies' Register and VAT No. 02375280928 Econ. & Admin. Roster - 191784

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1 Highlights

Income statement (EUR mln)	1st quarter 2009	1st quarter 2008
· Revenues	202.6	269.0
· Adjusted Gross Operating Result (EBITDA)	41.0	47.7
· Gross Operating Result (EBITDA)	34.4	40.2
· Operating result	(7.2)	(15.9)
Balance sheet (EUR mln)	At 31 March 2009	At 31 March 2008
· Total assets	1,186.2	1,205.8
· Net Financial Debt	629.8	601.1
· Net financial debt as per "Consob"	645.0	616.5
· Shareholders' equity	(18.6)	4.8
· Investments	16.1	174.3
Operating figures (000)	At 31 March 2009	At 31 March 2008
Internet Access and Voice users	2,740	3,418
ADSL (broadband) users	2,229	2,456
of which: Direct ADSL users (LLU)	1,160	1,134

2 Alternative performance indicators

In this report on operations, in addition to the conventional indicators envisaged by the IFRS, a number of alternative performance indicators are present (EBITDA and Adjusted EBITDA) used by Tiscali Group management for monitoring and assessing the operational performance of the same and which not having been identified as an accounting measure within the sphere of the IFRS, must not be considered as alternative measures for the assessment of the performance of the Tiscali Group's result. Since the composition of the EBITDA and Adjusted EBITDA is not regulated by the reference accounting standards, the calculation criteria applied by the Tiscali Group might not be the same as that adopted by others and therefore may not be comparable.

The Gross Operating Result (EBITDA) and the operating result before the writedown of receivables and costs for the stock option plans (Adjusted EBITDA) are economic performance indicators not defined by the reference accounting standards and are formed as indicated below:

Pre-tax result and result deriving from assets destined to be disposed of

- + Financial charges
- Financial income
- +/- Income/Charges from equity investments in associates


Operating result

- + Restructuring costs
- + Amortisation/depreciation
- +/- Atypical charges/income

Gross Operating Result (EBITDA):

- + Writedowns of receivables from customers
- + Stock option plan costs

Gross Operating Result (Adjusted EBITDA)

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3 Directors and Auditors

Board of Directors

Chairman and Chief Executive Officer: Mario Rosso

Directors

Francesco Bizzarri

Massimo Cristofori

Umberto De Iulio

Renato Soru

Board of Statutory Auditors

Chairman

Aldo Pavan

Board of Statutory Auditors

Piero Maccioni

Andrea Zini

Deputy Auditors


Rita Casu

Executive appointed to draw up the accounting and corporate documents


Romano Fischetti

Independent Auditing Firm

Reconta Ernst & Young S.p.A.

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**Intermediate management report
at 31 March 2009**

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4 Intermediate management report at 31 March 2009

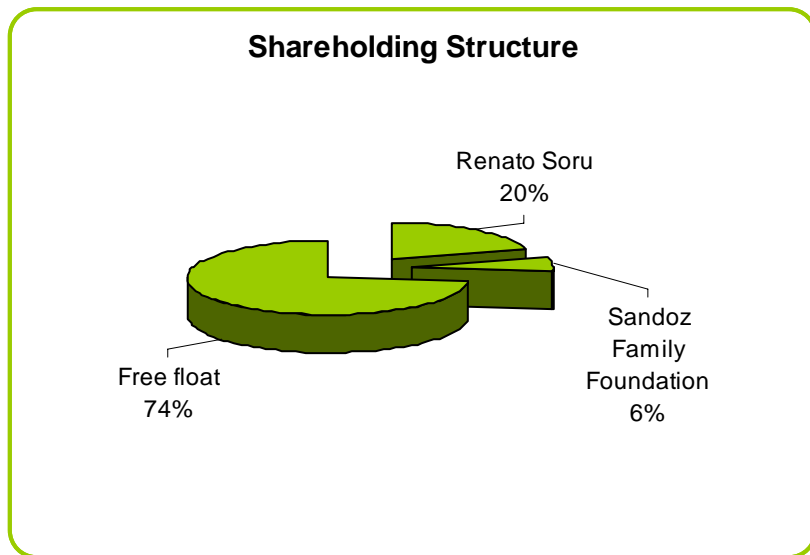
4.1 Tiscali shares

Tiscali shares have been listed on the Italian Stock Exchange (Milan: TIS) since October 1999. At 31 March 2009, market capitalization came to EUR 230.3 million, calculated on the value of EUR 0.3735 per share as of that date.

On 31 March 2009, the number of shares representative of the Group’s share capital came to 616,545,485.

Tiscali’s shareholder base at 31 March 2009 is illustrated below:

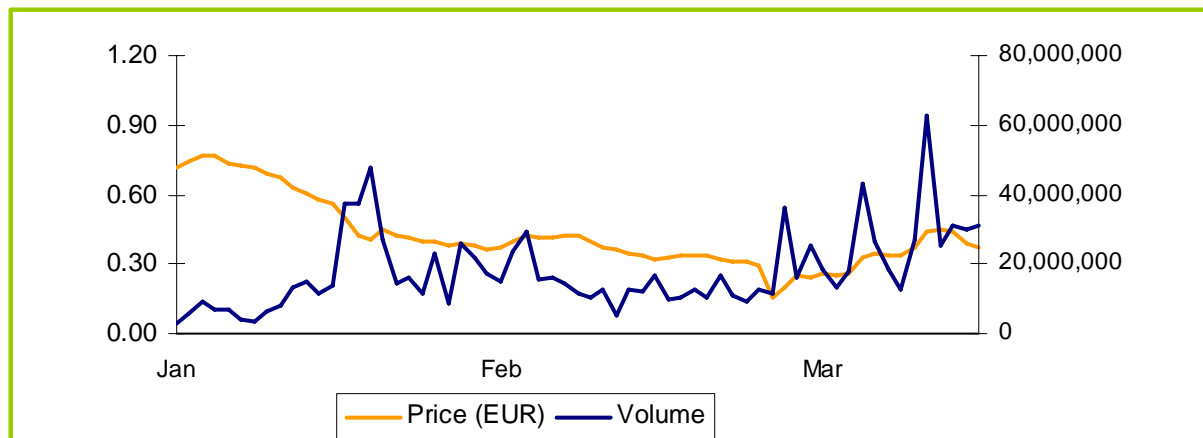
Fig. 4.1 – Tiscali shares



Source: Tiscali

The graph below illustrates the Tiscali stock trend during the first quarter of 2009, characterized by sustained trading volumes, in particular in March.

Fig. 4.2 – Tiscali stock trend during the first quarter of 2009



Source: Bloomberg data processing

The average monthly price for the quarter was EUR 0.427. The maximum price of EUR 0.771 for the period was recorded on 6 January, and the minimum of EUR 0.156 on 9 March, following the announcement by the Company that the negotiations with BSkyB were interrupted and a suspension was requested to lending banks with regard to debt restructuring.

Trading volumes stood at a daily average of about 17.8 million items, with a daily average trade value of EUR 7.6 million.

Average Tiscali stock trading on the Italian Stock Exchange in the first quarter of 2009

	Price (EUR)	N° of shares
January	0.586	15,316,727
February	0.376	15,038,347
March	0.318	22,983,637
Average	0.427	17,779,571

4.2 Analysis of the Group economic, equity and financial position

Foreword

On 8 May 2009, the Board of Directors of Tiscali approved the cash disposal of 100% of Tiscali UK Ltd shares to Carphone Warehouse Group plc, for a total amount (Enterprise Value) of GBP 255.5 million (of which approximately GBP 20 million made up of the acquisition of some financial payables). The transaction was carried out subject to the usual regulatory approvals and to the finalisation of the total debt restructuring agreements of the Group (see section “Subsequent events”).

In this quarterly report, Tiscali UK is included in the consolidation area as “continued operations”, since the disposal transaction shall be considered as part of the wider debt renegotiation process, which has not been defined in full yet.


For the purposes of providing a correct view of accounting items, the effects of the disposal shall necessarily reflect the equity and economic structure arising from the debt restructuring plan, whose main objectives are: the decrease, rescheduling and review of debt conditions, also by using the income arising from the disposal of Tiscali UK, as well as the enhancement of the Group’s equity, which shall be carried out by means of a share capital increase under option for a total amount of up to EUR 210 million. Upon fulfilment of the said conditions, the disposal of Tiscali UK shall be recognised pursuant to the International Accounting Standards (IAS 5). To this end, it is envisaged that the agreements with financing institutions – which are currently being defined – will be formalised and notified to the market over the short-term.

Moreover, it should be underlined that the figures at 31 March 2009 and – for comparative purposes – 2008 figures include the subsidiaries Quinary and TiNet as assets destined to be disposed of.

Tiscali Group revenues during the first quarter of 2009 totalled EUR 202.6 million, down 24.7% compared to EUR 269.0 million in the same period last year. The decrease was mainly due to the reduction in the customer base of the English subsidiary, which is subject to the disposal transaction described above, as well as to a significant write-down of the Euro/Sterling exchange rate (the exchange effect is equal to approximately 50% of the total variance of revenues compared to the first quarter of 2008). The subsidiary Tiscali Italia showed stable revenues on an annual basis, thanks to the stable result of Internet access and voice services, as well as a strong increase in profitability.

In the first quarter of 2009, Internet access and voice services – the Group’s core business – represented 90.4% of the turnover.

The Gross Operating Result (adjusted EBITDA) before provisions was equal to EUR 41.0 million – with a profitability of 20.3% of revenues – compared to the adjusted EBITDA equal to EUR 47.7 million in the first quarter of 2008. Also the adjusted EBITDA should be interpreted differently with regard to the Italian and English subsidiaries. More specifically, the Italian subsidiary showed an increase in adjusted EBITDA on an annual basis of approximately 81%, while the English subsidiary showed a decrease of approximately 19% at constant rates. At the end of the first quarter of 2009, ADSL users amounted to more than 2.2 million, of which 1.2 million direct customers (LLU) and around 1.3 million customers who acquire voice services via VoIP and CPS.

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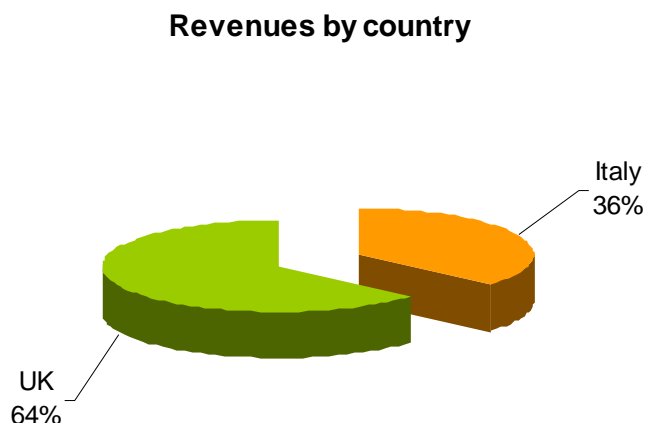
Note that the reclassified income statement shown below can be reconciled with the consolidated income statement included in these financial statements.

Economic position

<i>EUR 000</i>				
CONSOLIDATED INCOME STATEMENT	1st quarter 2009	1st quarter 2008	Change	% Change
Revenues	202,603	268,991	(66,389)	-24.7%
Other income	1,165	1,161	3	0.3%
Purchase of materials and outsourced services	141,651	198,444	(56,793)	-28.6%
Payroll and related costs	19,929	22,807	(2,878)	-12.6%
Other operating costs	1,146	1,192	(46)	-3.9%
Gross Operating Result (Adjusted EBITDA)	41,041	47,709	(6,668)	-14.0%
Writedowns of receivables from customers	6,505	5,996	510	8.5%
Stock option plan cost	162	1,542	(1,379)	-89.5%
Gross Operating Result (EBITDA)	34,374	40,172	(5,798)	-14.4%
Restructuring costs, provisions for risk reserves and writedowns	3,331	12,954	(9,623)	-74.3%
Amortisation/depreciation	38,281	43,020	(4,739)	-11.0%
Operating result	(7,238)	(15,802)	8,563	54.2%
Share of results of equity investments carried at equity	(66)	-	(66)	-
Net financial income (charges)	(7,734)	(22,456)	14,722	65.6%
Other net financial income (charges)	-	-	-	-
Pre-tax result	(15,039)	(38,258)	23,219	60.7%
Income taxes	(491)	(90)	401	444.4%
Net result from operating activities (on-going)	(15,530)	(38,348)	22,818	59.5%
Result from assets disposed of and/or destined to be disposed of	(1,880)	(1,625)	(255)	-15.7%
Net result	(17,410)	(39,973)	22,563	56.4%
Minority interests	(214)	(2,472)	2,258	91.3%
Group Net Result	(17,196)	(37,501)	20,305	54.1%

Revenues by country

Fig. 4.3 – Revenues by country



Source: Tiscali

Italy

In the first quarter of 2009, Tiscali Italia S.p.A. generated revenues of EUR 75.0 million, substantially in line with the amount of EUR 75.2 million in the same period of 2008.

Revenues pertaining to ADSL access services amounted to EUR 31.6 million, up by 10.3% when compared with EUR 28.6 million in the first quarter of 2008. It is appropriate to specify that, following the launch of the bundled voice and data proposals, ADSL revenues include all the "flat" components of the proposals (including therein access fees). The traffic generated, on the other hand, is included in the "Voice" revenue line.

Voice revenues amounted to EUR 24.8 million in the quarter, an increase of 13.7% compared to the first quarter of 2008 (EUR 21.8 million).

At 31 March 2009, Tiscali Italia S.p.A. had a total of 554 thousand ADSL customers, 373 thousand customers with unbundled access and 262 thousand customers who subscribed to dual play services. Active ADSL customers at 31 March 2009 amounted to 542 thousand, substantially in line with 545 thousand active customers at 31 December 2008.

The customer base using dial-up access (narrowband) and CPS voice services stood at around 237 thousand users. The reduction in the narrowband customer base follows the market trend which sees progressive replacement with broadband services in the proposals to customers.

Unbundled network coverage in Italy at 31 March 2009 came to 486 sites.

The average ARPU for access and voice services in Italy amounted to EUR 31 per month, an increase compared to the average of EUR 30 for the year 2008 and in line with corporate targets.

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United Kingdom

During the first quarter of 2009, Tiscali UK generated revenues of EUR 131.3 million, down 33.6% compared to the first quarter of 2008 (i.e. EUR 198.0 million).

In the first quarter of 2009, revenues pertaining to ADSL access services amounted to EUR 69.2 million (52.7% of total revenues), compared to EUR 116.0 million in the same period last year.

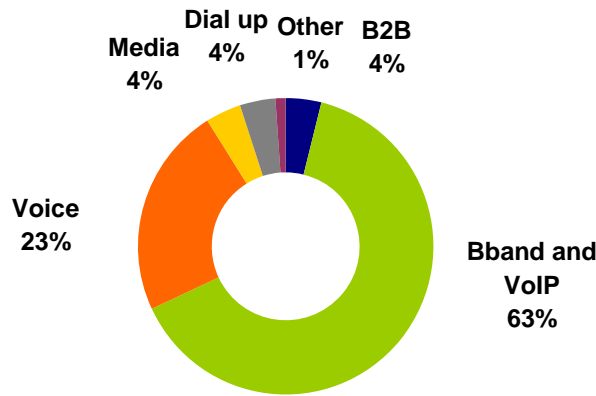
Voice services, which also include analogue products sold alongside ADSL services, generated revenues of EUR 49.5 million (equal to 37.7% of total revenues), a decrease of 18.8% compared to the same period last year (i.e. EUR 60.9 million).

ADSL users at 31 March 2009 amounted to approximately 1.7 million. These include around 787 thousand direct customers (LLU), and around 806 thousand customers who subscribed to dual play services.

The unbundling network coverage in the United Kingdom at 31 March 2009 amounted to 958 sites. The average ARPU of the access and voice services in the UK came to GBP 21 a month, slightly down with respect to GBP 22 in 2008 due to greater competitive pressure and the negative impact of the Euro/Sterling exchange rate, which also had a negative impact on revenues.

Revenues by business segment

Fig. 4.4 - Breakdown of revenues by business line and access mode¹



Source: Tiscali

¹ The graph shows a division by business line which combines dual play and broadband revenues.

Access

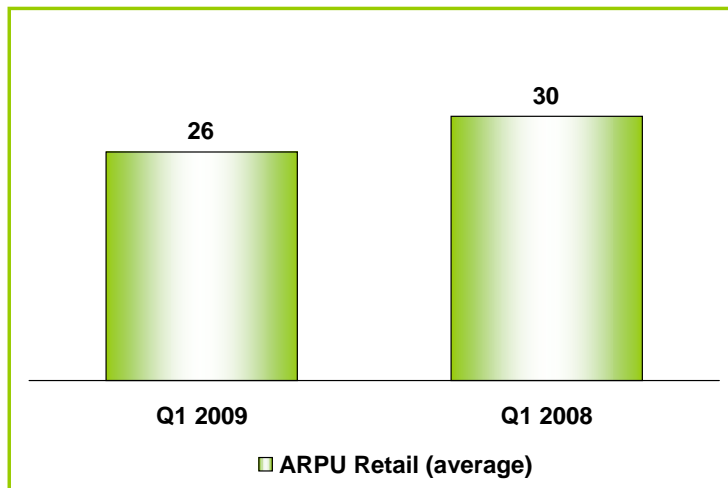
This segment, which includes revenues from broadband (ADSL) and narrowband (dial-up) internet access services and the flat component of the bundled proposals, generated revenues during the quarter of EUR 108.9 million, representing around 53.8% of the Group's total revenues during the year, down compared to the figure for the same period in 2008 (EUR 159.8 million).

The customer base for ADSL services, relating to the first quarter of 2009 numbered more than 2.2 million users (of which over 1.2 million direct and 1.1 million dual play).

Evolution of the customer base– Group

000	31 March 2009	31 December 2008
ADSL customers	2,228.6	2,354.0
<i>of which: LLU</i>	1,159.7	1,292.1
Narrowband and voice customers	511.4	589.9
Dual play customers	1,067.8	1,072.8

Fig. 4.5 - Group retail ARPU



Source: Tiscali

Voice

The voice segment includes both the traditional telephone service and the component of the variable traffic generated by voice services on IP offered in joint mode with internet access. In


terms of revenues, during the first quarter of 2009, these services generated around 10.1% less than in the same period of 2008. This decrease in revenues was mainly due to the English subsidiary. The voice revenues for the first quarter of 2009 totalled EUR 74.3 million, compared to EUR 82.7 million for the first quarter of 2008. The total voice revenues included EUR 28.0 million for the voice traffic components generated by the VoIP services.

Business services

Revenues from business services (VPN, housing, hosting services, domains and leased lines), excluding those pertaining to access and/or voice products for the same customer base which are included in their respective business segments, amounted to EUR 8.9 million in the first quarter of 2009 (a 13.7% decrease over the EUR 10.3 million of the first quarter of 2008).

Media and value added services

In the first quarter of 2009, the revenues of the media and value added services segment (deriving from direct and indirect advertising by means of commercial agreements with search engines) amounted to EUR 8.6 million, down with respect to the same period last year (EUR 12.9 million) due to the reduction in the advertising market. This business line does not include the revenues deriving from the sale of contents (such as video on demand in the IPTV services) classified in the 'access' line.

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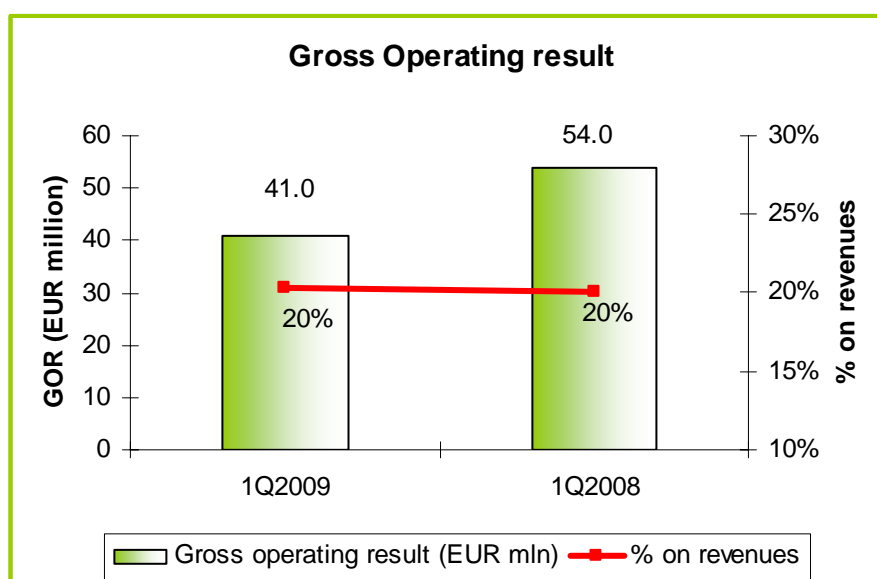
Gross Operating Result (EBITDA)**Operational Income Statement - Group**

<i>EUR mln</i>	1 st quarter 2009	1 st quarter 2008
Revenues	202.6	269.0
Gross Operating Margin (Gross Margin)	87.5	124.9
Indirect operating costs	47.6	78.2
Marketing and sales	8.4	31.0
Payroll and related costs	19.9	22.8
Other indirect costs	19.3	24.4
Other income/charges	(1.1)	(1.0)
Gross Operating Result (adjusted EBITDA)	41.0	47.7
Writedown of receivables and other provisions	6.7	7.5
Gross Operating Result (EBITDA):	34.4	40.2
Amortisation/depreciation	38.3	43.0
Gross result (EBIT) before restructuring costs and provisions Risk provision	(3.9)	(2.8)
Gross Result (EBIT)	(7.2)	(15.8)
Group Net Result	(17.2)	(37.5)

The adjusted Gross Operating Result (EBITDA) for the year, before provisions for risks, writedowns, depreciation and amortisation, was EUR 41.0 million, a decrease of 14% compared to the EUR 47.7 million in the first quarter of 2008, also due to the write-down of the Euro/Sterling exchange rate.

In the first quarter of 2009, EBITDA net of write-downs of receivables and other provisions was EUR 34.4 million (17.0% of revenues), a decrease of 14.4% on the figure for the first quarter of 2008 (EUR 40.2 million, i.e. 15% of revenues).

Fig. 4.6 - Evolution of the Gross operating result (adjusted EBITDA) EUR Mln



Source: Tiscali

In the first quarter of 2009, **indirect operating costs** stood at EUR 47.6 million (23.5% of revenues), significantly down in terms of proportion of revenues when compared with the figure for the same period last year (EUR 78.2 million, 29.1% of revenues), due to a more efficient use of marketing costs and the launch of the corporate reorganisation plan in Italy.

Within indirect operating costs, **payroll and related costs** during the first quarter of 2009 amounted to EUR 19.9 million, lower when compared to the same period last year (EUR 22.8 million), down approximately 1% in terms of incidence on revenues (8.5% in the first quarter of 2008 compared to 9.8% in the first quarter of 2009).

To illustrate the matter more clearly, here are the details of the operating costs/revenues making up the Gross Operating Result, as shown in the income statement table. In particular, the reconciliation between “purchase of materials and outsourced services” and “other operating costs” with the indirect operating costs described in this paragraph is highlighted.

<i>EUR mln</i>	1 st quarter 2009	1 st quarter 2008
Revenues		
	202.6	269.0
Other revenues		
	1.2	1.2
Purchase of materials and services, of which:		
	141.7	198.4
- marketing		
	8.4	31.0
- indirect costs (*)		
	18.2	23.3
- other direct costs		
	115.1	144.1
Payroll and related costs		
	19.9	22.8
Other operating costs, of which:		
	1.1	(0.9)
- other indirect costs (*)		
	1.1	1.1
- other operating costs		
	0.1	(0.2)
Gross Operating Result		
	41.0	47.7
(*) Total Indirect Costs		
	19.3	24.4

Operating result (EBIT)

The operating result (EBIT) for the first quarter of 2009, net of provisions, writedowns and restructuring costs, was negative for EUR 7.2 million, up with respect to the comparable figure in the first quarter of 2008, equating to EUR 15.8 million, due to a decrease in restructuring costs.

Provisions for risks and writedown of receivables in the first quarter of 2009 amounted in total to EUR 6.7 million (EUR 7.5 million in the same period in 2008). **Amortisation/depreciation** in the first quarter of 2009 totalled EUR 38.3 million (EUR 43.0 million in the first quarter of 2008).

Operating result by country

The gross operating result (EBITDA) by country presented below is net of infraGroup costs (mainly services rendered by the parent company and Information Technology services by Italian operations to other subsidiaries). The figure commented on also does not include receivable writedowns by country.

Operational Income Statement – Italy

Tiscali Italia S.p.A. ended the first quarter of 2009 with a gross operating result (adjusted EBITDA) of EUR 21.3 million (28.4% of revenues), up compared to the amount of EUR 11.8 million (15.7% of revenues) in the first quarter of 2008.

Operating costs went from EUR 30.4 million in the first quarter of 2008 to EUR 19.9 million in the first quarter of 2009, due to a reduction in marketing investments, in line with the sector trend.

With regard to the operating result (EBIT), in the first quarter of 2009 Tiscali Italia S.p.A. generated a profit of EUR 5.0 million compared to the loss of EUR 3.6 million in the first quarter of 2008.

Operational Income Statement – United Kingdom


The gross operating result (adjusted EBITDA) generated by the subsidiary **Tiscali UK** in the first quarter of 2009 came to EUR 19.0 million (14.5% of revenues) with respect to EUR 34.7 million (17.5% of revenues) in the first quarter of 2008. The decrease in the operating result was also due to the write-down of the Euro/Sterling exchange rate.

Operating costs went from EUR 48.4 million in the first quarter of 2008 to EUR 23.9 million in the first quarter of 2009, mainly due to a reduction in marketing investments.

With regard to the operating result (EBIT), in the first quarter of 2009 Tiscali UK generated a loss of EUR 12.4 million compared to the loss of EUR 8.1 million in the first quarter of 2008.

Consolidated net result

The net result for the first quarter of 2009 presented a loss of EUR 17.2 million, up with respect to the net loss of EUR 37.5 million in the first quarter of 2008, also thanks to the reduction in restructuring costs and financial charges.

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Equity and financial position


CONSOLIDATED BALANCE SHEET (in abridged form) (EUR 000)	31 March 2009	31 December 2008
Non-current assets	880,399	890,896
Current assets	249,821	258,125
Assets held for sale	55,993	56,795
Total Assets	1,186,213	1,205,817
Group shareholders' equity	(12,363)	10,823
Shareholders' equity pertaining to minority shareholders	(6,260)	(6,046)
Total Shareholders' equity	(18,623)	4,777
Non-current liabilities	232,002	229,690
Current liabilities	950,957	949,076
Liabilities directly related to assets held for sale	21,877	22,274
Total Liabilities and Shareholders' equity	1,186,213	1,205,817

AssetsNon-current assets

Non-current assets at 31 March 2009 – equal to EUR 880.4 million – were mainly represented by goodwill.

The operating investments relating to the connection and activation of new ADSL customers and the incremental investments to complete the developments on the unbundling network generated new investments during the quarter of around EUR 16.1 million, of which EUR 7.9 million for investments in intangible assets and around EUR 8.2 million for investments in tangible fixed assets.

Investments in Italy came to around EUR 6.3 million, while in the UK they totalled approximately EUR 9.8 million. At 31 March 2009, Tiscali's unbundling network included more than 486 sites in Italy and around 958 sites in the UK.

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Current assets


Current assets at 31 March 2009 totalled EUR 249.8 million. Receivables due from customers, at 31 March 2009, amounted to EUR 180.1 million and represented the most significant item in current assets. Other receivables and other current assets, amounting to EUR 52.4 million, in particular include accrued income on access services rendered, prepaid service costs, together with sundry receivables, including VAT credits.

LiabilitiesNon-current liabilities

Non-current liabilities at 31 March 2009 totalled EUR 232.0 million. The figure includes both the items pertaining to the financial position, in relation to which see the following section, and the other non-current liabilities, including the amount due to the former shareholders of VNIL for a total of EUR 74.3 million, the provision for risks and charges for EUR 23.8 million and payables to suppliers for the purchase of long-term usage rights on transmission capacity (IRU) for EUR 8.2 million. The amount due to minority shareholders of VNIL is subject to a settlement agreement as part of the debt restructuring process (see section "Subsequent events").

Current liabilities

Current liabilities amounted to EUR 951.0 million at 31 March 2009. They mainly include the current portion of the financial payables (including the payable to Intesa San Paolo and JPMorgan, reclassified over the short-term according to the information provided in the annual financial statements at 31 December 2008), payables to suppliers, together with accrued expenses pertaining to the purchase of access services and line rentals, the provision for staff severance indemnities, the provision for risks and charges and the provision for taxation.

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Financial position


At 31 March 2009, the Tiscali Group held cash and cash equivalents totalling EUR 8.7 million, against a net financial debt, at the same date, of EUR 629.8 million (EUR 601.1 million at 31 December 2008).

EUR mln	31 March 2009	31 December 2008
A. Cash	8.7	24.2
B. Other cash equivalents	13.0	12.7
C. Securities held for trading	-	-
D. Cash and cash equivalents (A) + (B) + (C)	21.7	36.9
E. Current financial payables	4.8	5.3
F. Non-current financial receivables	1.5	1.4
F. Current bank payables	520.7	510.0
G. Current portion of non-current debt	-	-
H. Other current financial payables (*)	22.7	21.4
I. Current financial debt (G) + (H) + (I)	543.4	531.4
J. Net current financial debt (J) – (E) – (F) – (D)	515.4	487.8
K. Non-current bank payables	-	-
M. Bonds issued	-	-
M. Other non-current payables (**)	114.5	113.4
O. Non-current financial debt (L) + (M) + (N)	114.5	113.4
P. Net financial debt (K) + (O)	629.8	601.1

(*) includes leasing payables

(**) includes leasing payables and payables due to shareholders

In order to ensure consistency with the data provided in former reports, the above table includes VAT receivables under current financial receivables and guarantee deposits under other cash equivalents. The table below provides a reconciliation of the above financial position with the same statement prepared in accordance with Consob resolution dated 28 July 2006.

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<i>EUR mln</i>	31 March 2009	31 December 2008
Consolidated net financial debt	629.8	601.1
Other cash, cash equivalents and current financial receivables	15.1	15.3
Consob consolidated net financial debt	645.0	616.5

With regard to the financial position, it should be noted that the first quarter of 2009 was characterised by the suspension period agreed with financing institutions, as described in Note 34 of the 2008 consolidated and annual financial statements and by the subsequent negotiations with the same financing institutions, aimed at defining a debt restructuring plan, as described in paragraph "Subsequent Events".

The decrease in current bank payables (equal to EUR 10.7 million) was mainly due to the interest provision on the Banca Intesa and JP Morgan payable, for approximately EUR 11 million.

The total change in cash is negative for approximately EUR 15.5 million, a figure which reflects investments for around EUR 16.1 million and charges for interest and other costs on debt amounting to approximately EUR 3 million. In the first quarter of 2009, the Italian subsidiary showed a positive operating cash generation equal to about EUR 5.9 million.

4.3 Significant events during the first quarter of 2009

Reduction of the interest holding by Management & Capitali


On 21 January 2009, M&C informed Consob that it had reduced its interest holding in Tiscali S.p.A.'s capital under the threshold of 2%.

Agreement for the disposal of Tiscali International Network (TiNet)

On 3 February 2009, Tiscali, BS Private Equity S.p.A. and BS Investimenti SGR announced that they had agreed the sale of the assets held by Tiscali International Network BV, a subsidiary of Tiscali S.p.A., for a total Enterprise Value of around EUR 47 million, inclusive of a potential earn-out of EUR 7 million. Also subsequent to the acquisition, TiNet will continue to be the IP services supplier for the Tiscali Group.

Request for suspension of interest and capital payment (standstill), preparation of a new business plan and launch of the financial debt renegotiation process

Following examination of the main preliminary results for 2008 and the Group's financial position, as well as in light of the deterioration of the macro-economic conditions and the worsening of the competitive context in the sector, the Board of Directors assessed the need to prepare a new Business Plan and an associated Financial Plan which will permit the Group to launch a process

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aimed at restructuring the debt and guaranteeing financial balance over the long-term. In consideration of this and for the purpose of being able to avail of the timescale necessary for the preparation of said Plans, the Company requested the leading financing institutions to grant a period of suspension for the payment of interest, principal and financial covenants (standstill). In light of this request, on 10 March 2009, the Company suspended said payments, including those falling due in the same month. The Company has also specified that the route taken has the aim of renegotiating the financial debt with leading lending institutions, who are willing to negotiate, and that the business activities in Italy and the UK are proceeding regularly vis-à-vis both customers and suppliers.

The 2009-2013 Business Plan is based on guidelines aimed at maximising the operating efficiency, reducing costs and investments and generating short/medium-term cash. Guidelines are customised according to each operating unit, based on the specific characteristics of the reference context/market.

Renato Soru as member of the Board of Directors

On 19 March 2009, the Board of Directors of Tiscali S.p.A. approved the appointment by co-option of Mr. Renato Soru – founder and shareholder of the Company – who was subsequently appointed by the Shareholders' Meeting on 30 April 2009.

4.4 Events subsequent to the end of the first quarter of 2009


Appointment of the Board of Statutory Auditors and its Chairman

On 30 April 2009, the ordinary shareholders' meeting of Tiscali appointed the new Board of Statutory Auditors, which will remain in office until the approval of the financial statements at 31 December 2011. Moreover, it approved the fees payable to its members. Based on the two lists submitted by the shareholders Renato Soru (majority list) and Haselbeech Holdings NV and Mallowdale Corporation NV (minority list), respectively, the following Auditors were appointed: Aldo Pavan (Chairman); Piero Maccioni (Statutory Auditor); Andrea Zini (Statutory Auditor); Rita Casu (Deputy Auditor); Giuseppe Biondo (Deputy Auditor). The curricula of the new members of the Board of Statutory Auditors are available on the Company's website www.tiscali.com, in the "Investors" section.

Writedown of equity investments and resolution pursuant to article 2446 of the Italian Civil Code

On 30 April 2009, the Board of Directors submitted to the Shareholders' Meeting a proposal for the partial settlement of the losses accrued by the Parent Company Tiscali SpA at 31 December 2008, by using the whole share premium reserve and carrying forward the residual part of losses equal to EUR 151.831 million. The Parent Company's loss for 2008 was almost entirely due to the writedown of equity investments, following annual impairment tests.

At present, the Board of Directors has not considered it advisable to propose any change to the share capital (neither increases, nor decreases). Moreover, it noted that the loss for the year was significantly determined by the writedown of equity investments due to the extraordinary market

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situation, as detailed in the Directors' Report on Operations to the financial statements at 31 December 2008.

Disposal of Tiscali UK to Carphone Warehouse Group plc

On 8 May 2009, the Board of Directors of Tiscali approved the cash disposal of 100% of Tiscali UK Ltd shares to Carphone Warehouse Group plc, for a total amount (Enterprise Value) of GBP 255.5 million (of which approximately GBP 20 million made up of the acquisition of some financial payables). The transaction was carried out subject to the usual regulatory approvals and to the finalisation of the total debt restructuring agreements of the Group. As part of the said transaction, a settlement agreement with VNIL is also envisaged (minority shareholder and creditor of Tiscali UK), according to which the repurchase of the minority interest and the partial writing-off of the payable due to it are expected.

Approval of the guidelines for debt restructuring


On 8 May 2009, the Board of Directors approved the guidelines of the Group's debt restructuring plan, in compliance with the funding and equity needs of Tiscali Italia's business plan, that the lending institutions are willing to finance. The objectives of the restructuring plan are the decrease, rescheduling and review of debt conditions, also by using the income arising from the disposal of Tiscali UK, as well as the enhancement of the Group's equity, which shall be carried out by means of one or more share capital increases – also under option – for a total amount of up to EUR 210 million, which will be fully guaranteed and executed by the end of the current financial year. The debt restructuring plan will be presented to the market as soon as all its elements will be defined.

4.5 Going-concern basis and new Business Plan


This Quarterly Report at 31 March 2009 has been prepared on a going-concern basis. With regard to the valuations of the Board of Directors concerning the going-concern basis, reference should be made to paragraph "Assessment of the business as a going-concern and business outlook and prospects", contained in Note 6.7 of the annual financial statements at 31 December 2008.

It should be noted that the transactions carried out by the Company up to now and the agreements signed with financing institutions – currently being defined and formalised – confirm and support the evidence provided by the Board of Directors to the shareholders, the market and the independent auditing firm with regard to the going-concern basis and, more specifically, to the statement that *"the Board of Directors believes that, at present, there is a reasonable probability that the financial debt restructuring of the Tiscali Group could be carried out coherently with cash flows and suitably so as to support the new Business Plan"*.

The new Business Plan will be presented to the market following the signing of binding agreements related to debt restructuring and completion of Tiscali UK's disposal.

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Financial statements and explanatory notes at 31 March 2009

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5 Consolidated financial statements and explanatory notes at 31 March 2009

5.1 Consolidated income statement

	31 March 2009	31 March 2008
<i>(EUR 000)</i>		
Revenues	202,603	268,991
Other income	1,165	1,161
Purchase of materials and outsourced services	141,651	198,444
Payroll and related costs	19,929	22,807
Stock option plan cost	162	1,542
Other operating charges (income)	1,146	1,192
Writedowns of receivables from customers	6,505	5,996
Restructuring costs and other writedowns	3,331	12,954
Amortisation/depreciation	38,281	43,020
Operating result	(7,238)	(15,802)
Share of results of equity investments carried at equity	(66)	-
Net financial income (charges)	(7,734)	(22,456)
Other net financial income (charges)	-	-
Pre-tax result	(15,039)	(38,258)
Income taxes	(491)	(90)
Net result from operating activities (on-going)	(15,530)	(38,348)
Result from assets disposed of and/or destined to be disposed of	(1,880)	(1,625)
Net result	(17,410)	(39,973)
Attributable to:		
- Result pertaining to the Parent Company	(214)	(2,472)
- Minority interests	(17,196)	(37,501)

5.2 Consolidated balance sheet

	31 March 2009	31 December 2008
<i>(EUR 000)</i>		
<i>Non-current assets</i>		
Goodwill	445,309	438,824
Intangible assets	177,440	191,931
Properties, plant and machinery	229,298	232,288
Equity investments	-	33
Other financial assets	17,844	17,313
Deferred tax assets	10,507	10,507
	880,399	890,896


<i>Current assets</i>		
Inventories	5,726	6,880
Receivables from customers	180,078	176,819
Other receivables and other current assets	52,409	46,794
Other current financial assets	2,953	3,430
Cash and cash equivalents	8,656	24,202
	249,821	258,125
Assets held for sale	55,993	56,795
Total Assets	1,186,213	1,205,817
<i>Share capital and reserves</i>		
Share capital	308,273	308,273
Share premium reserve	990,857	990,857
Stock option reserve	4,008	3,840
Equity bond reserve	-	-
Accumulated losses and Other reserves	(1,298,306)	(1,049,424)
Loss for the period	(17,196)	(242,724)
Group shareholders' equity	(12,363)	10,823
Minority interests	(6,260)	(6,046)
Shareholders' equity pertaining to minority shareholders	(6,260)	(6,046)
Total Shareholders' equity	(18,623)	4,777
<i>Non-current liabilities</i>		
Bonds	-	-
Payables to banks and to other lenders	30,932	30,743
Payables for finance leases	67,584	73,118
Other non-current liabilities	105,103	95,444
Liabilities for pension obligations and staff severance indemnities	4,589	5,001
Provisions for risks and charges	23,795	25,384
Provision for deferred taxation	-	-
	232,002	229,690
<i>Current liabilities</i>		
Payables to banks and other lenders	520,742	510,012
Payables for finance leases	22,688	21,399
Payables to suppliers	257,968	268,899
Other current liabilities	149,560	148,765
	950,957	949,076
Liabilities directly related to assets held for sale	21,877	22,274
Total Liabilities and Shareholders' equity	1,186,213	1,205,817

5.3 Consolidated cash flow statement (in abridged form)

	31 March 2009	31 March 2008
<i>(EUR 000)</i>		
Net result from operating activities (on-going)	(15,530)	(36,920)
NET CASH FROM OPERATIONS	8,707	14,978
NET CASH USED FOR INVESTMENT ACTIVITIES	(16,316)	(3,103)
NET CASH DERIVING FROM/(USED FOR) FINANCIAL ACTIVITIES	(8,453)	(53,887)
Result from assets disposed of and held for sale	-	(580)
NET INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS	(16,063)	(42,592)
NET INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS		
Cash and cash equivalents of operating assets at the beginning of the financial year	24,202	134,231
Cash and cash equivalents of assets disposed of and destined to be disposed of at the beginning of the financial year	1,435	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	25,637	134,231
Effect of changes in exchange rates for foreign currencies	516	-
Cash Flow generated from discontinuing operations	(969)	-
Cash and cash equivalents of operating assets at the end of the quarter	8,655	91,369
Cash and cash equivalents of assets disposed of and destined to be disposed of at the end of the quarter	466	-
CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	9,122	91,639

5.4 Statement of changes in consolidated shareholders' equity

<i>(EUR 000)</i>	Share capital	Share premium reserve	Stock option reserve	Accumulated losses and other reserves	Group shareholders' equity	Minority interests	Total
Balance at 1 January 2009	308,273	990,857	3,840	(1,292,147)	(10,823)	(6,046)	4,777
Increases/(Decreases)	-	-	168	-	168	-	168
Exchange differences arising on the translation of the financial statements of foreign companies	-	-	-	(6,158)	(6,158)	-	(6,158)
Net profit (loss) for the period	-	-	-	(17,196)	(17,196)	(214)	(17,410)
Balance at 31 March 2009	308,273	990,857	4,008	(1,315,502)	(12,363)	(6,260)	(18,623)

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EXPLANATORY NOTES TO THE INTERMEDIATE MANAGEMENT REPORT AT 31 MARCH 2009

Tiscali S.p.A. is a limited company incorporated under the laws of the Republic of Italy at the Cagliari Companies' Register. The Tiscali Group provides telecommunications services on the fixed network in the UK and in Italy. Tiscali provides integrated internet access, telephone and multi-media services and, in particular, is positioned in the IP technology services segment which makes it possible to provide voice, Internet and video services using the same technological platform.

Tiscali has a network that is mainly made up of fibre optic (hereinafter referred to as the "Network") which extends through different countries and is locally connected to national networks in the countries in which the Tiscali Group is present. The Tiscali Group disposes of the supranational and national Network as a result of indefeasible rights of use (IRU) or lease agreements. The supranational IP Network infrastructure is managed by the subsidiary Tiscali International Network (hereinafter referred to as "TiNet"), which provides connectivity services to the Tiscali Group and, wholesale, also to other telephone operators.

The intermediate management report at 31 March 2009 is presented in thousands of euro (EUR) which is the currency used to conduct most of the Group's operations.

Form and content of accounting statements


This intermediate management report at 31 March 2009 was prepared in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and ratified by the European Union. The IFRS also include all the reviewed international accounting standards ("IAS") and all the interpretations by the International Financial Reporting Interpretations Committee ("IFRIC") previously called the Standing Interpretations Committee ("SIC").

The form and content comply with the disclosure required by the International Accounting Standard no. 34 "*Interim financial reporting*" (IAS 34), in compliance with article 154-ter of the Italian Legislative Decree no. 58 of 24 February 1998 (Italian Finance Consolidation Act) and subsequent amendments and additions, also taking into account the other CONSOB communications and resolutions on the matter.

The notes were drawn up in abridged form, by making use of the possibility envisaged by IAS 34. Therefore, they do not include the information required for the annual financial statements prepared pursuant to the IFRS, since – in accordance with the provisions set out in IAS 34 – this intermediate management report aims at providing an update of the equity, economic and financial situation compared to the information contained in the consolidated financial statements at 31 December 2008.

As set out by the reference regulations, this intermediate management report was prepared on a consolidated basis and is not subject to auditing by Reconta Ernest & Young S.p.A..


The consolidation and accounting standards, the criteria and valuation estimates adopted for the preparation of the report – and for the periods under comparison – comply with those used for

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drawing up the financial statements at 31 December 2008, to which reference is made for completeness purposes.

It should be noted that – as from 1 January 2009 – the following changes were made to the international accounting standards, for which no significant effects are expected on the consolidated Group accounts in case of adoption:

- IFRS 8 (Operating segments), which replaces IAS 14 (Segment reporting) and requires that an entity prepares (quantitative and qualitative) information on reportable segments. The reportable segments are components of an entity (operating segments or aggregation of operating segments) for which financial information are available, which are subject to periodic assessment by the so-called Chief Operating Decision Maker (CODM), in order to allocate resources to the segment and assess results. The financial disclosure shall be presented using the same methods and criteria adopted for the internal reporting addressed to the CODM.
- Amendments to IAS 23 (Borrowing costs) related to the elimination of the option included in the previous version of the standard, according to which borrowing costs could be booked to the income statement in the financial year in which they were incurred, as an alternative to their capitalisation (allowed treatment).
- Amendments to IAS 1 (Presentation of financial statements) include: the presentation in the statement of changes in shareholders' equity of all changes arising from transactions with shareholders, as well as the disclosure of the other changes in shareholders' equity (other than those with shareholders).
- Amendments to IFRS 2 (Share-based payment) in terms of "accrual conditions" (vesting); moreover, it specifies the cases in which failure to achieve a condition implies the recognition of the cancellation of the right assigned.

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Revenues

	31 March 2009	31 March 2008
Revenues	202,603	268,991

The decrease in revenues was mainly due to the reduction in revenues of the access and voice segment.


Segment reporting (by country)

The activities of the Tiscali Group and the related strategies, as well as the underlying activities linked to head office control, are structured and defined by geographic area, which therefore represents the primary segment for the purposes of information by business sector, as required by IAS 14. The geographic areas are represented in particular by:

- Italy
- UK
- Corporate and other business: minor Italian companies and corporate activities.

Lines of business (Access, Voice, Business services / Business, Media) represent the secondary reporting segment, at sector information level.

31 March 2009 (EUR 000)	Italy	United Kingdom	Other	Corporate	HFS/Disc ontinued	Cancellati on adjustme nts	Total
Revenues							
From third parties	70,930	129,054	28	2,591	8,726	(8,726)	202,603
Intra-group	4,112	2,294	-	3,594	1,671	(11,671)	-
Total revenues	75,042	131,348	28	6,185	10,397	(20,397)	202,603
Operating result	4,978	(12,435)	(215)	(968)	(7)	1,408	(7,238)
Portion of results of equity investments carried at equity							(66)
Net financial income (charges)							(7,734)
Pre-tax result							(15,039)
Income taxes							(491)
Net result from operating activities (on-going)							(15,530)
Result from assets disposed of and/or destined to be disposed of							(1,880)
Net result							(17,410)

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31 March 2008 (EUR 000)	Italy	United Kingdom	Other	Corporate	HFS/Di scontin ued	Cancellat ion adjustme nts	Total
Revenues							
From third parties	70,978	194,255	-	3,758	7,445	(7,445)	268,991
Intra-group	4,242	3,634	-	3,244	1,639	(12,720)	-
Total revenues	75,220	197,889	-	7,002	9,085	(20,205)	268,991
Operating result	(3,583)	(8,067)	-	(5,122)	(6,276)	7,247	(15,802)
Portion of results of equity investments carried at equity							-
Net financial income (charges)							(22,456)
Pre-tax result							(38,258)
Income taxes							(90)
Net result from operating activities (on-going)							(38,348)
Result from assets disposed of and/or destined to be disposed of							(1,625)
Net result							(39,973)

Purchase of materials and outsourced services, payroll and related costs and other operating costs

EUR 000	31 March 2009	31 March 2008
Purchase of materials and outsourced services	141,651	198,444
Payroll and related costs	19,929	22,807
Other operating costs	1,146	1,192

The decrease in costs with respect to the same period last year reflects the reduction in revenues.

Stock option plan cost and other provisions

EUR 000	31 March 2009	31 March 2008
Stock option plan costs and other provisions	162	1,542

The amount reflects the provision made for charges relating to the stock option plan of the UK and Italian subsidiaries.


Restructuring costs, provisions for risk reserves and writedowns

EUR 000	31 March 2009	31 March 2008
Writedowns of receivables from customers	6,505	5,996
Restructuring costs and other writedowns	3,331	12,954
	9,836	18,950

As illustrated in the table, the costs of this item for the first quarter of 2009 totalled EUR 9.8 million. The balance includes EUR 6.5 million of costs for the writedowns of receivables (EUR 6.0 million in the same period of 2008).

Financial income and charges

Financial charges and their performance are linked to the Group's borrowing structure. The figure for the first three months of the year (EUR 7.7 million) compared to the figure for the same period last year (EUR 22.5 million) reflects the different composition and the related cost of borrowing. More specifically, the interests set aside on the Banca Intesa San Paolo and JP Morgan loan totalled EUR 11 million in the first quarter of 2009.

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This cost is almost entirely offset by a positive exchange effect on the loan, equal to about EUR 11 million. Operating assets disposed of and/or assets held for sale

EUR 000	31 March 2009	31 March 2008
Quinary S.p.A.	-	(235)
TiNet	(1,781)	(1,390)
Other minor Italian companies	(99)	-
	(1,880)	(1,625)

(Results net of infraGroup revenues/costs)

Non-current assets

EUR 000	31 March 2009	31 December 2008
Goodwill	445,309	438,824
Intangible assets	177,440	191,931
Properties, plant and machinery	229,298	232,288
Equity investments	-	33
Other financial assets	17,844	17,313
Deferred tax assets	10,507	10,507

Non-current assets include a goodwill value of EUR 445.3 million (EUR 438.8 million at 31 December 2008). This item mainly refers to operating activities in the United Kingdom. The change compared to 31 December 2008 was only due to the exchange difference.

Moreover, non-current assets include other intangible assets and the tangible fixed assets relating to properties, plant and machinery, for a total value at 31 March 2009 of EUR 406.7 million (EUR 424.2 million at 31 December 2008).

In addition, non-current assets include *Other financial assets* for EUR 17.8 million (EUR 17.3 million at 31 December 2008), together with *Deferred tax assets* for EUR 10.5 million. This latter amount refers to the Dutch tax unit headed up by Tiscali International BV. It should be underlined that the deferred tax assets recorded mainly arise from previous losses of the subsidiaries under review and were recorded in the financial statements since it is likely that they will be used in future financial years for positive taxable income.


Current assets

EUR 000	31 March 2009	31 December 2008
Inventories	5,726	6,880
Receivables from customers	180,078	176,819
Other receivables and other current assets	52,409	46,794
Other current financial assets	2,953	3,430
Cash and cash equivalents	8,656	24,202

Current assets mainly include Receivables from customers (EUR 180.1 million at 31 March 2009 compared to a balance of EUR 176.8 million at 31 December 2008). Other current assets include other receivables (including VAT receivables), accrued income and prepaid expense on services. Moreover, the balance includes some financial items, including cash and cash equivalents (EUR 8.7 million at 31 March 2009).

Non-current liabilities

EUR 000	31 March 2009	31 December 2008
Payables to banks and to other lenders	30,932	30,743
Payables for finance leases	67,584	73,118
Other non-current liabilities	105,103	95,444
Liabilities for pension obligations and staff severance indemnities	4,589	5,001
Provisions for risks and charges	23,795	25,384

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Non-current liabilities at 31 March 2009 amounted in total to EUR 232 million (EUR 229.7 million at 31 December 2008).

Moreover, in the item *Other non-current liabilities* (EUR 105.1 million at 31 March 2008 compared to the balance of EUR 95.4 million at 31 December 2008), non-current liabilities include medium/long-term payables to suppliers for the purchase of long-term usage rights on transmission capacity (IRU) for EUR 8.2 million and the amount due to the former shareholders of VNL for EUR 74.3 million.


Moreover, the balance of non-current liabilities includes – together with the staff severance indemnity for the employees of Italian companies (EUR 4.6 million at 31 March 2008) – the provisions for risks and charges (EUR 23.8 million) and the provision for deferred taxation. The decrease in risk provision equal to EUR 1.6 million was mainly due to the coverage of the Pipex Division restructuring charges.

Current liabilities

EUR 000	31 March 2009	31 December 2008
Payables to banks and other lenders	520,742	510,012
Payables for finance leases	22,688	21,399
Payables to suppliers	257,968	268,899
Other current liabilities	149,560	148,765

Current liabilities amounted in total to EUR 951.0 million, compared to EUR 949.1 million at 31 December 2008. Financial items include payables to banks and other lenders for EUR 520.7 million, when compared to the end of the previous financial year (balance of EUR 510 million). The change in the said current payables was mainly due to the interest provision on the Banca Intesa San Paolo & JP Morgan payable for about EUR 11 million.

Non-financial items refer, in particular, to payables to suppliers (EUR 257.9 million at 31 March 2009, compared to a balance of EUR 268.9 million at the end of the previous financial year), together with other current liabilities, including in particular accrued expenses pertaining to the purchase of access services, line rentals and other operating payables.


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Ongoing disputes, contingent liabilities and commitments

The Tiscali Group is involved in some legal proceedings, which are described in the financial statements at 31 December 2008. The Group Management does not believe that significant liabilities may emerge from the said proceedings or that a negative outcome may have a significant negative effect on the financial, economic and equity position of the Tiscali Group or on future operating results. Moreover, it should be underlined that – if not expressly specified – no allocations have been made to risk provisions without certain and objective elements, or in case it is probable that the ongoing dispute will have an unfavourable outcome.



The Chairman and Chief Executive Officer
 Mario Rosso


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6 Statement of the appointed manager

The Executive in charge of drawing up the corporate accounting documents, Mr. Romano Fischetti, hereby declares, pursuant to subsection 2 of article 154 bis of the Italian Finance Consolidation Act that the accounting information provided in this Intermediate management report of the Tiscali S.p.A. Group at 31 March 2009 corresponds to the documentary results, books and accounting records.



The Executive appointed to draw up the corporate accounting documents
Romano Fischetti


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7 Attachment - Glossary

- Shared access** unbundled access to the local network where the former monopolist operator rents part of the duplex cable spectrum to other operators: in this portion of spectrum, the operator can provide Broadband services, while the former monopolist operator continues to provide telephone services on the spectrum portion not rented out.
- ADSL** acronym for Asymmetric Digital Subscriber Line, an asymmetric DSL technology (the band available for receiving is greater than that available for transmission) which permits high-speed internet access.
- ADSL2+** ADSL technology which extends the basic ADSL capacity, doubling the bit download flow. The band width can reach 24 Mbps in download and 1.5 Mbps in upload and depends on the distance between the DSLAM and the customer's home.
- Uncovered areas** also known as "indirect access areas", they identify the geographic areas which are not served directly by Tiscali's network (also see Bitstream and Wholesale).
- ARPU** average revenue from land-line and mobile telephone services per user calculated over a specific period for the average number of Tiscali Group customers or active customers (for the other operators) in the same period.
- Bitstream** Bitstream (or numeric flow) service: service comprising the supply by the operator for access to the land-line based public telephone network of transmission capacity between the position of the end user and the point of presence of an operator or ISP which wishes to offer the broadband service to an end user.
- Broadband** data transmission system where several data is sent simultaneously to increase the effective transmission speed with a data flow equal to or greater than 1.5 Mbps.
- Broadcast** simultaneous transmission of information to all the nodes of a network.

Access Fee	this is the amount charged by the national operators for every minute of use of their network by the operators of other networks. It is also known as the 'interconnection fee'.
Carrier	company which physically makes the telecommunications network available.
Capex	acronym for Capital Expenditure (capital expenditures). It identifies outgoing cash flows generated by the investments in the operating structure.
Co-location	areas dedicated to the exchanges of the incumbent operator for the installation by Tiscali of its network equipment.
CPS	acronym for Carrier Pre Selection, the operator pre-selection system: it permits the operator/supplier of local services to automatically route the calls on the carrier network chosen by the customer who no longer has to dial special selection codes.
CS	acronym for Carrier Selection, operator selection system: it permits the customer to select, by dialling a specific code, a national and international long-distance operator, other than the one with whom they have entered into a contract with to access the network.
Business customers	the SoHo, small, medium and large companies.
Consumer customers	customers who subscribe to the range intended for households.
Dial Up	narrowband internet connection via a normal telephone call, normally subject to time-based tariffs.
Digital	this is the way of representing a physical variable by means of a language which only uses the figures 0 and 1. The figures are transmitted in binary form as a series of impulses. The digital networks, which are rapidly replacing the old analogue networks, permit greater capacity and increased flexibility by means of the use of computerized technology for the transmission and manipulation of the calls. Digital systems offer minor interference with regard to noise and may comprise cryptography as protection from outside interference.

- Double Play** combined internet access and land-line telephone product.
- DSL Network** acronym for Digital Subscriber Line Network: this is a network created starting off from the existing telephone lines using DSL technology instruments which, adopting sophisticated modulation mechanisms, makes it possible to package data on copper cables and thus connect a telephone switching station to a home or office.
- DSLAM** acronym for Digital Subscriber Line Access Multiplexer, the multiplexing equipment, used in DSL technologies, which provides high capacity data transmission on the telephone duplex, where multiplexing equipment is understood to be a device which permits the transmission of information (voice, data, video) in flows via direct and on-going connections between two different points of a network.
- Fibre Optics** thin fibres of glass, silicon or plastic which make up the base for an infrastructure for data transmission. A fibre cable contains various individual fibres, each capable of conveying the signal (light impulses) to a practically unlimited length of band. They are usually used for long-distance transmission, for the transfer of 'heavy' data so that the signal arrives protected from disturbance which it may meet along its route. The transport capacity of the fibre optic cable is considerably greater than traditional cables and the copper duplex cable.
- GigaEthernet** term used to describe the various technologies which implement the nominal speed of an Ethernet network (the standard protocol of boards and cables for speedy connection between computers on a local network) up to 1 gigabit per second.
- Home Network** local network comprising various types of terminals, apparatus, systems and user network, with related applications and services, including therein all the equipment installed at the user's.
- Hosting** service which involves allocating the pages of a website on a web server, thereby making it accessible to the internet.
- Incumbent** former monopolist operator active in the telecommunications sector.

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- IP** acronym for Internet Protocol, Inter-Networking Protocol, created to interconnect mixed networks with regard to technology, services, handling.
- IPTV** acronym for Internet Protocol Television, technology suitable for using the IP transport infrastructure so as to convey TV contents in digital format, using an internet connection.
- IRU** acronym for Indefeasible Right of Use, long-term agreements which ensure the beneficiary the possibility of use of the fibre optic network of the grantor for a long period.
- ISDN** acronym for Integrated Service Digital Network, Narrowband telecommunication protocol cable for transporting various types of information in an integrated manner (voice, data, text, images), coded in digital form, on the same transmission line.
- Internet Service Provider or ISP** a company which provides access to the Internet to individual issuers or organizations.
- Leased lines** lines of transmission capacity available under transmission capacity lease agreement.
- MAN** acronym for Metropolitan Area Network, the fibre optic network which extends within metropolitan areas and links the Core Network to the Access network.
- Mbps** acronym for megabit per second, unit of measurement which indicates the capacity (therefore the speed) of transmission of the data on the IT network.
- Modem** modulator/demodulator. It is a device which modulates the digital data so as to permit its transmission on analogue channels, generally comprising telephone lines.
- MNO** acronym for Mobile Network Operator, the telecommunications operator who owns the mobile network which offers its services wholesale to the MVNO (Mobile Virtual Network Operator).

MPF

acronym for Metallic Path Facility, the pair of copper cables (unshielded helicoidal pair) which starts off from the permutator (MDF -Main Distribution Frame) present in the telephone exchange of the operator and arrives at the premises of the user (private individual or business). The connections can be Full or Shared. A “Full” type connection enables both the fruition of the data service (wideband) and the voice service. A “Shared” type connection only enables the fruition of the data services (broadband). In the service under “shared access”, the LLU operator (under unbundled access) provides the ADSL service to the end user, while the incumbent operator provides the analogue telephone service using the same access line.

MSAN


acronym for Multi-Service Access Node, a platform capable of transporting a combination of traditional services on an IP network and which supports a variety of access technologies such as for example the traditional telephone lines (POTS), the ADSL2+ line, the SHDSL symmetrical lines, the VDSL and the VDSL2, both via copper and fibre networks.

MVNO

acronym for Mobile Virtual Network Operators: a party who offers mobile telecommunications services to the general public, using its mobile network switching structures, its own HLR, its own mobile network code (MNC, Mobile Network Code), its own activities for customer handling (marketing, invoicing, service) and issuing its own SIM card, but which does not have assigned frequential resources and avails itself, for access purposes, of agreements on a contractual or regulatory basis with one or more licensee mobile network operators.

Narrowband

method of connection to data networks, for example Internet, established by means of a telephone call. In this type of connection, all the band width of the transmission medium is used as a single channel: a sole signal occupies all the available band. The band width of a communication channel identifies the maximum quantity of data which can be transported by the transmission medium in a unit of time. The capacity of a communication channel is limited by both the interval of the frequencies which the medium can sustain and by the distance to be travelled. A Narrowband connection example is the common Narrowband connection via modem at 56 Kbps.

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- OLO** acronym for Other Licensed Operators, operators other than the dominant one who operates on the national market of telecommunications services.
- Opex** acronym for Operating Expenses (operating costs), these are direct and indirect costs which are recorded in the income statement.
- Pay-Per-View** system via which the viewer pays to see a single programme (such as a sporting event, film or concert) at the time it is transmitted or broadcast.
- Pay TV** Pay television channels. In order to receive Pay TV or Pay-Per-View channels, it is necessary to link up the television to a decoder and have a qualified access system.
- Platform** all the input, including the hardware, software, running equipment and procedures, in order to produce (production platform) or manage (management platform) a specific service (service platform).
- POP** acronym for Point of Presence, location where the telecommunications equipment is installed and which represents a network node.
- Portal** website which represents the point of departure or rather an entry port for a substantial group of Internet resources or an Intranet.
- Router** hardware instrument or in some cases software, which identifies the subsequent point of the network to which the bundle of data received is to be sent, routing this data bundle to its final destination.
- Service Provider** party which provides the end users and the content providers with a range of services, including an owned service centre, exclusive or third party.
- Server** IT component which provides services to other components (typically customer calls) via a network.
- Set-top-box or STB** equipment capable of handling and conveying the data, voice and television connection, installed at the end customer's.

- Syndication** the re-sale of radio and TV transmission to the wholesale trade by a media company who owns the rights and usually also the delivery platform.
- SoHo** acronym for Small office Home office, small offices, mainly professional studios and small businesses.
- SHDSL** acronym for Single-pair High-speed Digital Subscriber Line. The SHDSL is a technology for xDSL family telecommunications and is achieved by means of direct interconnection under LLU and permits a high-speed balanced data connection in both directions (transmission and receipt).
- Single Play** service comprising just broadband data access, not in combination with other multi-play components like the voice service and IPTV. Broadband access can be provided by means of LLU, Wholesale or Bitstream platforms.
- Single Play voice** comprises solely access to the voice service, not in combination with other multi-play components like broadband access and IPTV. The voice service can be provided by VoIP and CPS modes.
- SMPP** acronym for Shared Metallic Path Facilities, synonym of Shared Access (unbundled access).
- Triple Play** combined range of land-line and/or mobile telephone, Internet and/or TV services by a single operator.
- Local loop unbundling or LLU** unbundled access to the local network, or rather the possibility that the telephone operators have, since the telecommunications market was deregulated, of using the existing physical infrastructures created by another operator, so as to offer customers their own services, paying a fee to the operator who actually owns the infrastructures.

VAS

acronym for Value-Added Services, the value added services provide a greater level of functioning with respect to basic transmission services offered by a telecommunications network for the transfer of information between its terminals. They include the analogue voice communications switched via cable or wireless; direct point-to-point digital service “without restrictions” at 9,600 bit/s; package switching (virtual call); analogue and direct broadband transmission of TV signals and additional services, such as closed group of users; calls on hold; reverse charge calls; call forwarding and caller identification. The value added services provided by the network, terminals or specialized centres include the message switching services (MHS) (which can be used, among other things, for commercial documents according to a pre-determinate set of forms); electronic lists of users, network addresses and terminals; e-mail; fax; teletext; videotext and video-telephone. The value added services may also include voice telephone value added services such as free-phone numbers or pay telephone services.

VISP


acronym for Virtual Internet Service provision (sometimes also called Wholesale ISP). This is the re-sale of internet services acquired wholesale from an Internet Service Provider (ISP) which possesses a network infrastructure.

VoD


acronym for Video On Demand, this is the supply of television programmes on request to the user against payment of a subscription fee or an amount for each programme (a film, a football game) purchased. Broadcast in a special manner for satellite TV and cable TV.

VoIP

acronym for Voice over internet Protocol, digital technology which permits the transmission of voice packets via Internet, Intranet, Extranet and VPN networks. The packets are transported according to H.323 specifications, or the ITU standard (International Telecommunications Union) which represents the basis for the data, audio, video and communications services on IP-type networks.

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- VPN** acronym for Virtual Private Network, created on the Internet or Intranet. The data between workstation and server of the private network is forwarded via a common public Internet network, but using technologies for protection from any interception from unauthorized parties.
- Virtual Local Loop Unbundling or VLLU** method for accessing the local analogue network for which, despite the absence of physical infrastructures, the conditions and terms of access under LLU mode are re-produced. This is a temporary access method which, as a rule, is replaced by the LLU method.
- xDSL** acronym of Digital Subscribers Lines, a technology which, via a modem, uses the normal telephone duplex cable and transforms the traditional telephone line into a high-speed digital connection line for the transfer of data. The various ADSL, ADSL 2, SHDSL etc., belong to this family of technologies.
- WI-FI.** Service for connecting to Internet under high-speed wireless mode.
- Wi-Max** acronym for Worldwide Interoperability for Microwave Access: it is a technology which permits access without wires to broadband telecommunications networks. It was established by the WiMAX Forum, a global forum, made up of the most important companies in the field of land-based and mobile telecommunications which has the purpose of developing, promoting and testing the interoperability of systems based on the IEEE 802.16-2004 standard for land-line access and the IEEE.802.16e-2005 standard for land-line and mobile access.
- Wholesale** services which involve the re-sale to third parties of access services.
- WLR** acronym for Wholesale Line Rental, the re-sale by a telecommunications operator of the service for the rental of lines from the Incumbent.

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