

Tiscali Group

Consolidated financial report as at 31 March 2012

Issue date: 31 March 2012

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

Tiscali S.p.A.

Registered office: SS 195 Km 2.3, Sa Illetta, Cagliari, Italy

Share Capital EUR 92,019,488.07

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

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1 Highlights

Income statement	31 March 2012	31 March 2011
(EUR mln)		
· Revenues	59.7	69.0
· Adjusted Gross Operating Result (EBITDA) adjusted	17.4	18.5
· Gross Operating Result (EBITDA)	14.0	11.2
· Operating result	4.1	(2.3)
Balance sheet	31 March 2012	31 December 2011
(EUR mln)		
· Total assets	296.2	307.1
· Net Financial Debt	(189.4)	(193.5)
· Net Financial Debt as per Consob	(195.8)	(200.0)
· Shareholders' equity	(129.7)	(130.0)
· Investments	6.4	28.3
Operating figures	31 March 2012	31 March 2011
(000)		
ADSL (broadband) users	478.7	540.6
Of which: Direct ADSL users (LLU)	337.6	370.2
Voice and Narrowband users	46.1	69.1

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 given they have not 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 write-down of receivables and costs for the stock option plans (Adjusted EBITDA) are economic performance indicators not defined by 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 associated companies

Operating result

+ Restructuring costs

+ Amortisation/depreciation

+/- Atypical income/charges

Gross Operating Result (EBITDA)

+ Write-downs of receivables from customers

+ Stock option plan cost

Gross Operating Result (Adjusted EBITDA)

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3 Directors and Auditors

Board of Directors

Chairman and Chief Executive Officer: Renato Soru

Directors

Franco Grimaldi

Gabriele Racugno

Luca Scano

Victor Uckmar

Board of Statutory Auditors

Chairman

Paolo Tamponi

Statutory Auditors

Piero Maccioni

Andrea Zini

Alternate Auditors

Rita Casu

Giuseppe Biondo

Executive in charge of drawing up the corporate accounting documents

Luca Scano

Independent Auditing Firm

Reconta Ernst & Young S.p.A.

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Consolidated financial report as at 31 March 2012

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4 Quarterly Report as at 31 March 2012

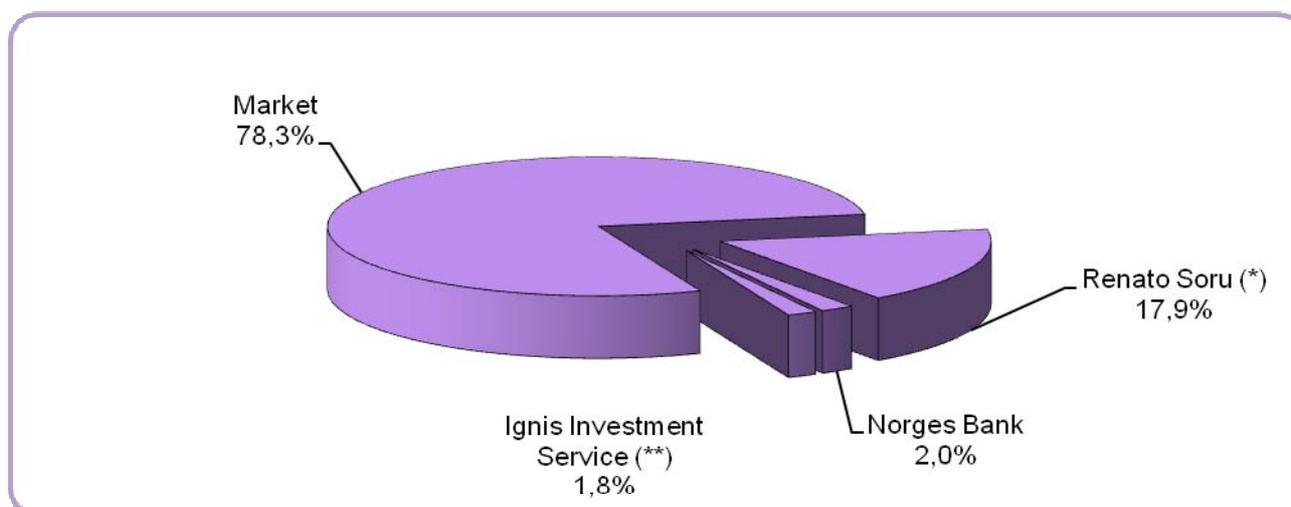
4.1 Tiscali shares

Tiscali shares have been listed on the Italian Stock market (Milan: TIS) since October 1999. At 31 March 2012, market capitalization came to around EUR 78.2 million, calculated on the value of EUR 0.04 per share as at that date.

At 31 March 2012, the number of shares representing the Group's share capital amounted to 1,861,494,666.

Tiscali's shareholder base at 31 March 2012 is illustrated below.

Fig. 4.1 Tiscali shares



Source: Tiscali

(*) Directly for around 15% and, indirectly through the investee companies Monteverdi Srl (1.8%), Cuccureddus Srl (0.9%) and Andalus Ltd (0.1%).

(**) On 7 February 2012, Ignis Investment Service reduced its equity investment under the threshold of 2%, with 32,684,177.

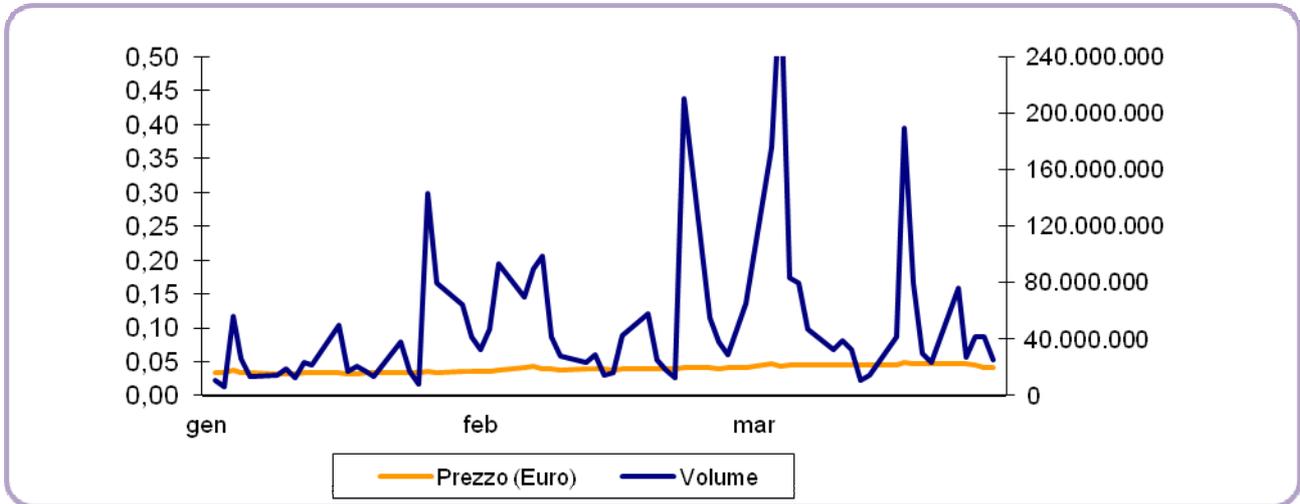
Share capital structure at 31 March 2012

SHARE CAPITAL STRUCTURE		
	No. of shares	As % of share capital
Ordinary shares	1,861,494,666	100%
OTHER FINANCIAL INSTRUMENTS		
	No. of warrants	Listing market
Tiscali 2009-2014 warrants ***	1,799,404,431	Organised Italian market

*** The warrants – combined free of charge with newly issued shares relating to the increase in share capital launched in October 2009 and concluded successfully on 11 November 2009 – assign the right to subscribe ordinary company shares at the ratio of 1 conversion share for every 20 warrants exercised at the price of EUR 0.80 for each new share.

The graph below illustrates Tiscali's share trend during the first three months of 2012, characterised by sustained trading volumes, particularly in the month of March.

Fig. 4.2 - Tiscali's share performance during the first three months of 2012



Jan Feb Mar
Price (EUR) Volume

Source: Bloomberg data processing

The average monthly price in the three months stood at EUR 0.039. The maximum price for the period was EUR 0.0494, while the minimum came to EUR 0.032. Trading volumes stood at a daily average of about 50.6 million items, with a daily average trade value of EUR 1.9 million.

Average exchanges of Tiscali share on Borsa Italiana (Italian Stock Exchange) in the first quarter of 2012

	Price (EUR)	No. of shares
January	0.034	32,534,652
February	0.039	51,211,429
March	0.045	68,137,627
Average	0.039	50,627,902

Source: Bloomberg data processing

4.2 Analysis of the Group economic, equity and financial position

Foreword

Founded in 1998, Tiscali is one of the leading alternative telecommunications operators in Italy. With 524.7 thousand customers (of which 46.1 thousand represented by voice and narrowband users), as at 31 March 2012, Tiscali is one of the main providers of Broadband services with xDSL technology (478.7 thousand customers) and voice and Narrowband services. Thanks to a cutting edge network based on IP technology, Tiscali provides its customers with a wide range of services, from broadband and narrowband internet access, together with more specific and hi-tech products. This offer also includes voice services (VoIP and CPS), and portal and mobile telephone services, thanks to the service supply agreement reached with Telecom Italia Mobile (MVNO).

The Group offers its products to consumer and business customers on the Italian Market, mainly via five business lines:

- (i) "Access", in Broadband modes (LLU, Bitstream), inclusive of VoIP and mobile telephone services (so-called MVNO);
- (ii) Narrowband;
- (iii) "Voice", inclusive of traditional telephone traffic services (CS and CPS) and Wholesale;
- (iv) Business services (so-called B2B), which include VPN, Hosting, domain connection and leased line services, provided to companies and, lastly,
- (v) Media and value added services, which include media, advertising and other services.

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Economic position

(EUR mln)

CONSOLIDATED INCOME STATEMENT	31 March 2012	31 March 2011	Change
Revenues	59.7	69.0	(9.3)
Other income	0.5	2.8	(2.3)
Purchase of materials and outsourced services	32.9	42.8	(9.9)
Payroll and related costs	8.9	9.5	(0.6)
Other operating costs / (income)	1.0	1.0	(0.0)
Adjusted Gross Operating Result (EBITDA)	17.4	18.5	(1.0)
Write-downs of receivables from customers	3.4	7.3	(3.9)
Stock option plan cost	0.0	0.0	0.0
Gross Operating Result (EBITDA)	14.0	11.2	2.9
Restructuring costs, provisions for risk reserves and write-downs	0.1	0.5	(0.4)
Amortisation/depreciation	9.8	13.0	(3.2)
Operating result (EBIT)	4.1	(2.3)	6.5
Net financial income (charges)	(3.5)	(3.6)	0.1
Pre-tax result	0.7	(5.9)	6.6
Income taxes	(0.3)	(0.5)	0.2
Net result from operating activities (on-going)	0.3	(6.4)	6.7
Result from assets disposed of and/or destined for disposal	-	-	-
Net result	0.3	(6.4)	6.8
Minority interests	-	-	-
Group Net Result	0.3	(6.4)	6.8

Tiscali Group revenues during the first quarter of the year came to EUR 59.7 million, down by 13.4% with respect to the balance of EUR 69 million in 2011. The change, EUR 9.3 million, is essentially attributable to the following factors:

- a reduction of EUR 3.9 million (-7.7%) in revenues from the "Access and VoIP" segment due to the drop in the number of customers, mainly as a result of the massive disconnections carried out in 2011 (24,000 lines ceased as between 1 April 2011 and 31 March 2012), as well as the increase in the cost for promotions necessary for dealing with rising competition on the telecommunications market;
- a reduction of EUR 0.5 million (-35%) in revenues for "narrowband" internet access which, in line with the market trend, is being progressively replaced with the broadband access method (ADSL);
- a reduction of around EUR 4.7 million (-57.8%) in voice revenues, mainly attributable to the decrease in the volume of wholesale services (supplied to other sector operators) for EUR 3.8 million. It should be noted that this reduction was a precise strategic choice dictated by the fact that the margins on wholesale services are minimal and down with respect to 2011;

- a rise of EUR 0.6 million (+11.6%) in revenues for the Media segment thanks to the additional volumes of traffic registered on the Tiscali.it portal;
- a drop of EUR 0.4 million (-10.9%) in the revenues of the “Business” segment essentially due to the cessation of revenues relating to the subsidiary Tiscali UK.

During the first three months of 2012, internet access and voice services – the Group’s core business – represented around 83% of total turnover.

Costs for purchases of materials and services totalling EUR 32.9 million, decreased EUR 9.9 million with respect to last year. This decrease was attributable in part to the reduction in volumes determined by the decrease in the number of customers (and consequent reduction in Telecom line rental costs), and in part to the positive effect of the commercial agreements entered into with the main network and traffic suppliers in the second half of 2011, which made it possible to achieve a saving of around EUR 1 million a month.

The Gross Operating Result (EBITDA) adjusted before provisions, totalling EUR 17.4 million, reported a decrease of 5.6% with respect to 31 March 2011.

The net operating result (EBIT), net of provisions, write-downs and restructuring costs, was a positive balance of EUR 4.1 million, registering an increase with respect to the negative balance of EUR 2.3 million recorded in the first quarter of 2011.

The improvement was attributable to both the factors described above and the minor incidence of provisions made to the allowance for doubtful receivables (EUR 3.4 million in the first quarter of 2012, compared with EUR 7.3 million in the first quarter of 2011), thanks to the positive effects in terms of quality of the client base deriving from the strategy for rationalising and controlling the customer base started up in 2010 and continued during 2011, as well as the minor incidence of amortisation/depreciation.

The reduction in amortisation/depreciation (EUR 3.2 million when compared with the first quarter of 2011) includes EUR 2.9 million attributable to the extension of the duration of the amortisation of customer activation costs, extended from 24 to 36 months (as described in the section “Format and content of accounting statements”) and the transmission equipment, extended from 5 to 7 years (in relation to internal studies carried out by the Company on the effective obsolescence of such machinery).

As a result of the above, the “Result from operating activities”, a positive balance of EUR 0.3 million, clearly improved with respect to the same figure in the first quarter of 2011, presenting a negative balance of EUR 6.4 million.

The Net result was a profit of EUR 0.3 million (a loss of EUR 6.4 million in the first quarter of 2011).

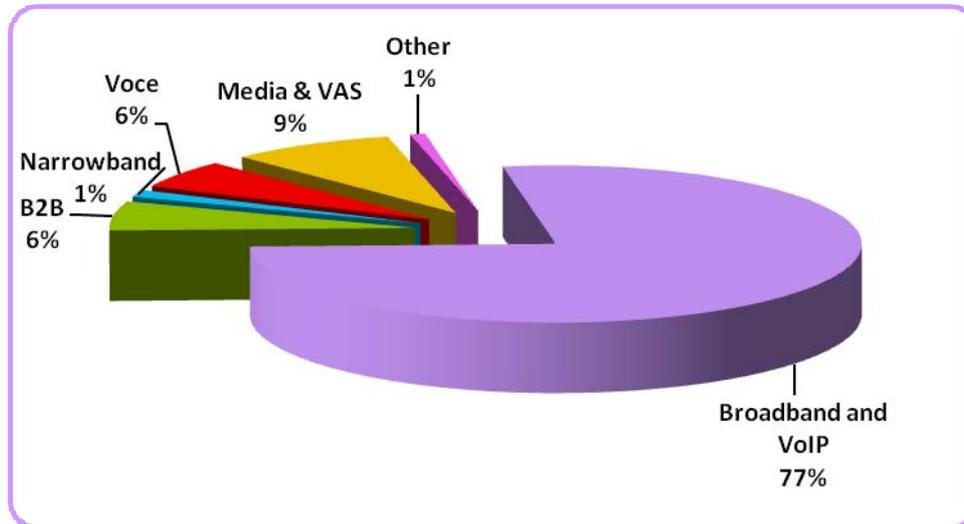
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Operational income statement - Group

<i>(EUR mln)</i>	31 March 2012	31 March 2011
Revenues	59.7	69.0
Access revenues (including VoIP)	46.1	50.0
<i>of which: ADSL</i>	26.6	30.0
<i>of which VoIP</i>	18.5	19.1
Dial Up revenues (narrowband)	0.9	1.3
Voice revenues	3.4	8.1
Business service revenues	3.6	4.0
Media and value added service revenues	5.2	4.7
Other revenues	0.5	0.8
Gross operating margin	31.3	31.9
Indirect operating costs	14.3	16.3
Marketing and sales	2.1	2.5
Payroll and related costs	8.9	9.5
Other indirect costs	3.2	4.2
Other (income) / expense	(0.4)	(2.8)
Adjusted Gross Operating Result (EBITDA)	17.4	18.5
Write-down of receivables and other provisions	3.4	7.3
Gross Operating Result (EBITDA)	14.0	11.2
Amortisation/depreciation	9.8	13.0
Gross result (EBIT) before restructuring costs and provisions for risks	4.3	(1.8)
Operating result (EBIT)	4.1	(2.3)
Group Net Result	0.3	(6.4)

Revenues by business segment

Fig. 4.5 - Breakdown of revenues by business line and access mode¹



Source: Tiscali

Access

The segment in question, which includes revenues from Internet access services via broadband (ADSL), the flat component of the bundled ranges (access fees) and VoIP services, in the first three months of 2012 generated revenues of EUR 46.1 million, down by 7.7% with respect to the figure in the same period in 2011 (EUR 50 million). A decrease in revenues is essentially due to the drop in the number of customers, mainly as a result of the massive disconnections carried out in 2011 (24,000 lines ceased between 1 April 2011 and 31 March 2012), as well as the increase in the cost for promotions necessary for dealing with rising competition on the telecommunications market.

Revenues pertaining to ADSL Access services came to EUR 26.6 million, down with respect to the same period last year (EUR 29.9 million), while VoIP revenues amounted to EUR 18.5 million, down EUR 0.6 million when compared with the EUR 19.1 million in the first quarter of 2011.

As at 31 March 2012, direct ADSL customers decreased by around 61.9 thousand with respect to the comparable figure in the previous year (figure inclusive of the 24 thousand line cancellations relating to customers in default during the period).

Dual Play customers (data and voice via internet) decreased by around 27 thousand taking the total of double play customers to around 339 thousand. It can also be observed that during the first three months of 2012, the Group reported a decrease in the number of narrowband and voice customers of around 23 thousand when compared with the previous year, essentially in line with the market trend which saw a progressive replacement with broadband services.

¹ The chart shows a breakdown by business segment which classifies dual play revenues with Broadband.

Total ADSL customers as at 31 March 2012 amounted to around 478.7 thousand, of which more than 337.5 thousand linked under unbundling.

Evolution of the customer base

(000)	31 March 2012	31 March 2011
ADSL customers	478.7	540.6
<i>of which LLU</i>	337.6	370.2
Narrowband and Voice customers (*)	46.1	69.1
Dual play customers	339.0	366.0

(*) As from the third quarter of 2011, this segment also included "Dual Play Voice" customers who were previously excluded.

The unbundling network coverage at 31 March 2012 amounted to 687 sites.

Narrowband

The Narrowband segment reported revenues for EUR 0.9 million as at 31 March 2012, disclosing a natural reduction with respect to the first quarter of 2011, equating to EUR 1.3 million.

Voice

The Voice segment includes traditional telephone services (CS and CPS) and wholesale services.

During the first three months of 2012, there was a significant decrease in revenues relating to voice services, equating to 57.8% (EUR 3.4 million in the first quarter of 2012 with respect to EUR 8.1 million in the same period last year), essentially attributable to the reduction in volumes of wholesale services (-80.2%) due to a precise strategic choice, determined by the fact that the margins on this type of services are progressively decreasing and of an irrelevant overall value.

Business services

Revenues from business services (VPN, housing, hosting services, domains and leased lines), excluding those from access and/or voice products for the same customer base already included in their respective business segments, amounted in the first three months of 2012 to EUR 3.6 million, down 10.9% with respect to the EUR 4 million in the same period of 2011. The decrease was mainly due to the drop in the volumes of the outsourcing IT contract with Tiscali UK.

Media

During the first three months of 2012, revenues for the Media and value added services segment (mainly concerning sales of advertising space) amounted to around EUR 5.2 million and were up with respect to the same period in the previous year (EUR 4.7 million).

Indirect operating costs during the first three months of 2012 came to EUR 14.3 million (23.9% of revenues), a reduction in absolute terms compared with the figure in 2011 (EUR 16.3 million, 23.6% of revenues). Within indirect operating costs, **payroll and related costs** amounted to EUR 8.9 million (15% of revenues), down with respect to 2011 (EUR 9.5 million, 13.8% of revenues). This improvement was

essentially attributable to the savings deriving from the implementation of the Solidarity pact, an agreement signed with the employees in 2011 which came into force as from 7 November 2011.

The **adjusted Gross operating result (EBITDA)**, before provisions for risks, write-downs and amortisation/depreciation, amounted to EUR 17.4 million (29.2% of revenues) as at 31 March 2012, down 5.6% with respect to the figure of EUR 18.5 million reported at 31 March 2011 (26.8% of revenues).

The **Gross operating result (EBITDA)**, net of write-downs of receivables and other provisions came to EUR 14 million in the first three months of 2012 (23.5% of revenues), an increase of 25.5% on the comparable figure for 2011 (EUR 11.2 million, 16.2% of revenues).

Provisions to risk reserves, write-downs of receivables and other provisions in the first three months of 2012 totalled EUR 3.4 million (EUR 7.3 million in the same period of 2011).

Amortisation/depreciation in the first three months of 2012 came to EUR 9.8 million (EUR 13 million in the same period of 2011).

The **operating result (EBIT)** for the first three months of 2012, net of provisions, write-downs and restructuring costs, was a profit of EUR 4.1 million (6.9% of revenues), a clear increase with respect to the comparable balance for 2011, a loss of EUR 2.3 million (-3.4% of revenues).

The result from operating activities (on-going), profit of EUR 0.3 million as at 31 March 2012, clearly improved with respect to the same balance in the previous year, negative for EUR 6.4 million.

The **Group's net result** was a profit of EUR 0.3 million, compared with a loss in the first three months of 2011 of EUR 6.4 million.

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Equity and financial position

CONSOLIDATED BALANCE SHEET (in abridged form) <i>(EUR mln)</i>	31 March 2012	31 December 2011
Non-current assets	191.1	194.4
Current assets	105.1	112.7
Total Assets	296.2	307.1
Group shareholders' equity	(129.7)	(130.0)
Shareholders' equity pertaining to minority shareholders	-	-
Total Shareholders' equity	(129.7)	(130.0)
Non-current liabilities	198.4	197.4
Current liabilities	227.5	239.6
Total Liabilities and Shareholders' equity	296.2	307.1

AssetsNon-current assets

Non-current assets at 31 March 2012, amounted in total to EUR 191.1 million and were down with respect to the closing balance as at 31 December 2011 (EUR 194.4 million). The net change is essentially attributable to the amortisation and depreciation charge on intangible and tangible fixed assets in the first three months of 2012, in addition to the extension of the duration of the amortisation period for customer activation costs, as described in the section "Form and content of the accounting statements", and the extension of the useful life of the transmission equipment (from 5 to 7 years).

Current assets

Current assets at 31 March 2012, amounted in total to EUR 105.1 million, down with respect to 31 December 2011 (EUR 112.7 million). Receivables from customers as at 31 March 2012 amounted in total to EUR 82.6 million, compared with EUR 88.6 million at 31 December 2011. Other receivables and other current assets, amounting to EUR 16.4 million, include accrued income on access services provided, prepaid expense for service costs, together with sundry receivables, of which VAT credits.

LiabilitiesNon-current liabilities

Non-current liabilities at 31 March 2012 amounted in total to EUR 198.4 million, compared with EUR 197.4 million at 31 December 2011. The balance includes both the items pertaining to the financial position, with reference to which please see the following section, the provision for risks and charges for EUR 3.4 million, payables to suppliers for the purchase of long-term rights for the use of transmission capacity (IRU) for EUR 4.7 million, along with the provision for taxation and the provision for employee severance indemnities.

Current liabilities

Current liabilities amounted to EUR 227.5 million as at 31 March 2012 (compared with EUR 239.6 million as at 31 December 2011) and mainly include the current portion of financial payables, payables to suppliers, together with accrued expenses pertaining to the purchase of access services and line rental.

Financial position

As at 31 March 2012, the Tiscali Group held cash, cash equivalents and bank deposits totalling EUR 5.4 million, against net financial debt, at the same date, of EUR 189.4 million (EUR 193.5 million as at 31 December 2011).

<i>(EUR mln)</i>	Notes	31 March 2012	31 December 2011
A. Cash and Bank deposits		5.4	6.6
B. Other cash equivalents		0.1	0.1
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		5.5	6.7
E. Current financial receivables		-	-
F. Non-current financial receivables	(1)	6.3	6.3
G. Current bank payables	(2)	8	14
H. Current portion of non-current debt	(3)	8.2	9.6
I. Other current financial payables (*)	(4)	0.4	0.6
J. Current financial debt (G) + (H) + (I)		16.6	24
K. Net current financial debt (J) – (E) – (D) - (F)		4.8	11.0
L. Non-current bank payables	(5)	126.3	124.4
M. Bonds issued		-	-
N. Other non-current payables (**)	(6)	58.4	58.1
O. Non-current financial debt (N) + (L) + (M)		184.6	182.5
P. Net Financial Debt (K) + (O)		189.4	193.5

Notes:

- (1) Includes the interest-bearing restricted deposit relating to the financial Sale & lease-back transaction on Sa Illetta;
- (2) Includes the bank payables of Tiscali Italia S.p.A. and Tiscali S.p.A.;
- (3) Includes the short-term component equal to EUR 8.2 million relating to payables to Senior Lenders (principal and interest portions repayable within 12 months);
- (4) Includes EUR 0.4 million of short-term leasing of the subsidiary Tiscali Italia S.p.A.;
- (5) The entire amount of EUR 126.3 million relates to the long-term component of the debt due to Senior Lenders;
- (6) Includes the "Sale and Lease Back Sa Illetta" debt for EUR 57.6 million.

It should be noted that the net financial position drawn up by the Company in accordance with the matters requested by the specific Consob Communication by contrast amounts to EUR 195.8 million.

A statement of reconciliation between the two net financial positions is presented below:

<i>(EUR mln)</i>	31 March 2012	31 December 2011
Consolidated net financial debt	189.4	193.5
Other cash equivalents and non-current financial receivables	6.4	6.4
Consolidated net financial debt prepared on the basis of Consob communication No. DEM/6064293 dated 28 July 2006	195.8	200

4.3 Significant events during the first three months of 2012

Payment of interest on the Senior Loan

On 3 January 2012, interest on the principal was paid for EUR 1.5 million.

Merger via incorporation of Tiscali Contact S.r.l.

With effect as from 1 January 2012, Tiscali Contact S.r.l. was absorbed within Tiscali Italia S.p.A..

Tiscali S.p.A.: 2011 draft financial statements approved

On 30 March 2012, Tiscali's Board of Directors approved the 2011 draft financial statements.

4.4 Significant events after the end of the first quarter of 2012

On 26 April 2012, the new Streamago Premium service was launched, one of the first services on the market which permits the live streaming of events with a plug & play low cost solution, a service targeted at businesses, entities and associations.

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4.5 Business continuity

This quarterly Report as at 31 March 2012 was drawn up with a view to the business as a going-concern. With regard to the assessments of the Board of Directors in relation to the business continuity, reference should be made to the section “Assessment of the business as a going-concern and business outlook”, in Note 3.7 to the Consolidated Financial Report as at 31 December 2011.

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Financial Statements and Explanatory Notes as at 31 March 2012

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5 Consolidated Financial Statements and Explanatory Notes as at 31 March 2012

5.1 Income statement

	Notes	31 March 2012	31 March 2011
<i>(EUR 000)</i>			
Revenues		59,740	69,015
Other income		527	2,812
Purchase of materials and outsourced services		32,852	42,781
Payroll and related costs		8,946	9,541
Other operating (income) charges		1,021	1,023
Write-downs of receivables from customers		3,408	7,299
Restructuring costs and other write-downs		146	498
Amortisation/depreciation		9,784	13,029
Operating result		4,110	(2,344)
Net financial income (charges)		(3,454)	(3,588)
Pre-tax result		656	(5,932)
Income taxes		(331)	(492)
Net result from operating activities (on-going)		325	(6,424)
Result from assets disposed of and/or destined for disposal		(8)	(19)
Net result for the period		318	(6,442)
Attributable to:			
- Result pertaining to the parent company		318	(6,442)
- Minority interests		-	-
Earnings (Losses) per share			
Earnings per share from operating activities and those disposed of:			
- Basic		0.00	(0.00)
- Diluted		0.00	(0.00)
Earnings per share from operating activities:			
- Basic		0.00	(0.00)
- Diluted		0.00	(0.00)

5.2 Statement of comprehensive income

<i>(EUR 000)</i>	Notes	31 March 2012	31 March 2011
Result for the period		318	(6,442)
Total statement of comprehensive income result		318	(6,442)
Attributable to:			
<i>Shareholders of the parent company</i>		318	(6,442)
<i>Minority shareholders</i>		-	-
		318	(6,442)

5.3 Statement of financial position

<i>(EUR 000)</i>	Notes	31 March 2012	31 December 2011
<i>Non-current assets</i>			
Intangible assets		77,173	77,385
Properties, plant and machinery		103,764	106,932
Other financial assets		10,126	10,076
		191,064	194,393
<i>Current assets</i>			
Inventories		493	648
Receivables from customers		82,579	88,574
Other receivables and other current assets		16,414	16,750
Other current financial assets		184	168
Cash and cash equivalents		5,434	6,564
		105,103	112,704
Assets held for sale		-	-
Total Assets		296,166	307,097
<i>Share Capital and reserves</i>			
Share capital		92,019	92,019
Stock option reserve		-	-
Results from previous periods and Other reserves		(222,004)	(183,864)
Result pertaining to the Group		318	(38,140)

Group shareholders' equity	(129,667)	(129,985)
Minority interests	-	-
Shareholders' equity pertaining to minority shareholders	-	-
Total Shareholders' equity	(129,667)	(129,985)
<i>Non-current liabilities</i>		
Payables to banks and to other lenders	126,266	124,417
Payables for financial leases	58,371	58,068
Other non-current liabilities	6,140	7,373
Liabilities for pension obligations and staff severance indemnities	4,200	4,209
Provisions for risks and charges	3,379	3,379
	198,357	197,447
<i>Current liabilities</i>		
Payables to banks and other lenders	16,236	23,459
Payables for financial leases	380	581
Payables to suppliers	145,297	152,800
Other current liabilities	65,564	62,795
	227,477	239,634
Liabilities directly related to assets held for sale	-	-
Total Liabilities and Shareholders' equity	296,166	307,097

5.4 Statement of cash flows (in abridged form)

	31 March 2012	31 March 2011
<i>(EUR 000)</i>		
Net result from operating activities (on-going)	325	(6,424)
FLOWS GENERATED BY OPERATIONS (inclusive of the Result)	13,860	18,020
FLOWS GENERATED BY INVESTMENT ACTIVITIES	(6,478)	(6,223)
FLOWS GENERATED BY FINANCIAL ACTIVITIES	(8,512)	(6,147)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,130)	(1,410)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	6,564	10,326
CASH AND CASH EQUIVALENTS AT THE END OF THE FIRST QUARTER OF THE YEAR	5,434	8,916

5.5 Statement of changes in consolidated shareholders' equity

	Share capital	Share premium reserve	Stock option reserve	Accumulated losses and Other reserves	Group shareholders' equity	Minority interests	Total
Balance at 31 December 2011	92,019			(222,004)	(129,985)		(129,985)
Share capital increase Increases /(Decreases)							
<i>Result for the period</i>				318	318		318
As at 31 March 2012	92,019			(221,687)	(129,667)		(129,667)

EXPLANATORY NOTES TO THE INTERIM REPORT ON OPERATIONS AS AT 31 MARCH 2012

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 a wide range of services to its customers, both private individuals and companies, from dial-up and ADSL Internet access to more specific and hi-tech products to satisfy the needs of the market.

This offer, which also includes voice services (such as mobile telephony) and portal services, enables Tiscali to compete effectively with the major operators on the market.

Thanks to its unbundling network (ULL), its range of innovative services and its strong brand, Tiscali has achieved a strategic position in the market of telecommunications.

The financial statements are presented in Euro (EUR), which is the currency used to conduct most of the Group's operations. Foreign activities have been included in the consolidated financial statements according to the principles detailed below.

In preparing these financial statements, the directors have adopted the going-concern assumption and therefore have drafted the financial statements using the standards and policies that are applied to companies in operation.

Form and content of the accounting statements

Basis of presentation and consolidation

This interim report on operations as at 31 March 2012 has been drawn up by following both the International Accounting Standards ("IFRS") issued by the Accounting Standards Board ("IASB") and ratified by the European Union. 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 are compliant with the disclosure envisaged by International Accounting Standard No. 34 "Interim Financial Reporting" (IAS 34), in observance of Article 154 *ter* of Italian Legislative Decree No. 58 dated 24 February 1998 (TUF) and subsequent amendments and additions, also taking into account the other CONSOB communications and resolutions on this subject.

The notes have been drawn up in abridged form, applying the faculty envisaged by IAS 34 and therefore they do not include the information required for annual financial statements drawn up in accordance with the IFRS, since this interim report on operations within the logic of IAS 34, has the purpose of providing an update to the balance sheet and income statement situation when compared with the information provided by the consolidated financial statements as at 31 December 2010.

This interim report on operations, as permitted by applicable reference legislation, has been drawn up on a consolidated basis and has not been audited by Reconta Ernst & Young S.p.A..

The consolidation principles, the accounting standards and policies and the valuation estimates adopted for the preparation of the interim report on operations as at 31 March 2012, have been applied consistently at the time of preparation of the consolidated financial statements as at 31 December 2011, presented for comparative purposes, to which reference is made for the sake of thoroughness. In order to permit an improved comparison, the balances relating to comparative periods have been adjusted, where necessary.

Preparation of the interim report on operations and the related notes in accordance with the IFRS requires management to make a number of estimates and in certain cases adopt assumptions in the application of accounting standards. Within the sphere of the drafting of the half-year financial statements, the significant assessments made by company management regarding the application of the accounting standards and the main sources of uncertainty regarding the estimates, comply with those applied for the preparation of the consolidated financial statements for the year ended as at 31 December 2011.

Activation costs and customer acquisition costs

The costs incurred for customer activation (Subscriber Acquisition Costs – SACs), capitalised and amortised over a period of 24 months until 31 December 2011, were amortised over a period of 36 months as from 1 January 2012.

In fact, after having analysed the average life of the customer/consumer via internal studies and statistics, the Company deemed it appropriate to extend the amortisation period from 24 to 36 months, so as to more fully represent the long-term effective utility of this category of costs.

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Revenues

<i>(EUR 000)</i>	31 March 2012	31 March 2011
Revenues	59,740	69,015

Revenues decreased with respect to the balance for the first quarter of 2011, (for further details, please refer to section 4.2 "Analysis of the Group economic, equity and financial position").

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

<i>(EUR 000)</i>	31 March 2012	31 March 2011
Purchase of materials and outsourced services	32,852	42,781
Payroll and related costs	8,946	9,541
Other operating costs	1,021	1,023

The decrease in costs for the purchase of materials and outsourced services (in particular, relating to line rental/traffic and interconnection) with respect to the same period last year, is due to the decreased volumes and the savings obtained thanks to the commercial agreements entered into at the end of 2011 with leading traffic and line suppliers.

The decrease in payroll and related costs with respect to the first quarter of 2011 is, among other factors, attributable to the savings deriving from the enforcement of the Solidarity Pact at the end of 2011.

Restructuring costs, provisions for risk reserves and write-downs

<i>(EUR 000)</i>	31 March 2012	31 March 2011
Write-downs of receivables from customers	3,408	7,299
Restructuring costs and other write-downs	146	498
Total	3,554	7,797

The write-down of receivables from customers represents around 5.7% of revenues, down with respect to the percentage in the same period of 2011 (10.6%). The strategy for the rationalisation and control of the customer base started in 2010 and continued in 2011 in fact began to produce its effects in terms of an improved quality of the data base and consequently a minor impact of the write-down of receivables.

The item "Restructuring costs and other write-downs" essentially includes charges relating to the deactivation of suspended customers.

Financial income and charges

Financial charges and the related trends are linked to the Group's debt structure. The balance for the first three months of 2012, EUR 3.5 million, was down slightly with respect to that in the same period last year totalling EUR 3.6 million.

Result from assets disposed of and/or destined for disposal

The "Result from operating assets disposed of and/or assets held for sale" presented a zero balance as at 31 March 2012.

Non-current assets

<i>(EUR 000)</i>	31 March 2012	31 December 2011
Goodwill	-	-
Intangible assets	77,173	77,385
Properties, plant and machinery	103,764	106,932
Equity investments	-	-
Other financial assets	10,126	10,076
Deferred tax assets	-	-
Total	191,064	194,393

Non-current assets include other intangible fixed assets and tangible fixed assets relating to properties, plant and machinery, recorded with a total value at 31 March 2012 of EUR 180.9 million (EUR 184.3 million at 31 December 2011).

Non-current assets also include other financial assets for EUR 10.1 million (EUR 10 million as at 31 December 2011), of which guarantee deposits per EUR 6.4 million (including EUR 6.3 million in deposits recorded by the Italian subsidiary Tiscali Italia S.p.A. relating to the "Sale and Leaseback" transaction on the Sa Illetta property) and the value of the equity investment held by Tiscali Italia S.p.A. in Janna for EUR 2.3 million.

Current assets

<i>(EUR 000)</i>	31 March 2012	31 December 2011
Inventories	493	648
Receivables from customers	82,579	88,574
Other receivables and other current assets	16,414	16,750
Other current financial assets	184	168
Cash and cash equivalents	5,434	6,564
Total	105,103	112,704

Current assets mainly include "Receivables from customers", EUR 82.5 million at 31 March 2012, compared to a balance of EUR 88.6 million as at 31 December 2011.

Other receivables and other current assets, amounting to EUR 16.4 million, include accrued income on access services provided for EUR 2 million, prepaid expense for service costs for EUR 10.6 million, advances to suppliers for EUR 0.9 million, VAT credits for EUR 1.9 million (essentially relating to the German subsidiaries) and other receivables for the remaining balance.

Non-current liabilities

<i>(EUR 000)</i>	31 March 2012	31 December 2011
Payables to banks and to other lenders	126,266	124,417
Payables for financial leases	58,371	58,068
Other non-current liabilities	6,140	7,373
Liabilities for pension obligations and staff severance indemnities	4,200	4,209
Provisions for risks and charges	3,379	3,379
Total	198,357	197,447

Non-current liabilities at 31 March 2012 amounted in total to EUR 198.4 million (EUR 197.4 million at 31 December 2011).

Non-current liabilities include the long-term portion of the debt due to Senior Lenders, restructured as from 3 July 2009, amounting to EUR 126.3 million (inclusive of interest up until 31 March 2012) and the debt recorded by the Italian subsidiary Tiscali Italia S.p.A. relating to the "Sale and Lease Back" transaction on the Sa Illetta property totalling EUR 57.6 million.

Other non-current liabilities amounting to EUR 6.1 million as at 31 March 2012 (EUR 7.4 million as at 31 December 2011), included medium/long-term payables to suppliers for the purchase of long-term rights for the use of transmission capacity (IRU) for EUR 4.7 million.

The balance of non-current liabilities also includes both the provisions for employee severance indemnities of the Italian companies (EUR 4.2 million as at 31 March 2012) and provisions for risks and charges (EUR 3.3 million).

Current liabilities

<i>(EUR 000)</i>	31 March 2012	31 December 2011
Payables to banks and other lenders	16,236	23,459
Payables for financial leases	380	581
Payables to suppliers	145,297	152,800
Other current liabilities	65,564	62,795
Total	227,477	239,634

Current liabilities amounted in total to EUR 227.5 million, compared with EUR 239.6 million at 31 December 2011.

The item "Payables to banks and to other lenders", totalling EUR 16.2 million (EUR 23.5 million as at 31 December 2011) mainly included the short-term component of the amount due to Senior Lenders, totalling EUR 8.2 million and the bank debt of Tiscali Italia S.p.A. and Tiscali S.p.A. for EUR 8 million.

"Financial lease payables" amounting to around EUR 0.4 million mainly include short-term payables for the leasing of the Italian subsidiary Tiscali Italia S.p.A.

The non-financial items concern amounts due to suppliers (EUR 145.3 million as at 31 March 2012, compared with a balance of EUR 152.8 million at the end of the previous year).

The item "Other current liabilities" includes accrued expenses pertaining to the purchase of access and line rental services for EUR 0.3 million, deferred income of EUR 41.1 million, payables due to employees for EUR 5.2 million, amounts due to the tax authorities and to social security and welfare institutions for around EUR 15.2 million and other payables totalling Euro 3.6 million.

Shareholders' equity

(EUR 000)	31 March 2012	31 December 2011
Share capital	92,019	92,019
Share premium reserve	-	-
Stock Options reserve	-	-
Accumulated losses and other reserves	(222,004)	(183,864)
Result for the period	318	(38,140)
Minority interests	-	-
Total Shareholders' equity	(129,667)	(129,985)

Changes in the various shareholders' equity items are detailed in the relevant table. At 31 March 2012, the share capital amounted to EUR 92 million corresponding to 1,861,494,666 ordinary shares.

Segment reporting (by geographic area)

Under Regulation (EC) No. 1358/2007 dated 21 November 2007, the European Commission approved the introduction of IFRS 8 "Operating Segments" to replace IAS 14 "Segment Reporting". IFRS 8 lays down the information to provide in the financial statements concerning the operating segments where the company operates.

Operating segment means the unit of an entity:

that undertakes business activities that generate revenues and costs (including revenues and costs related to transactions with other units of the same entity);

whose operating results are regularly reviewed by upper level management in order to make decisions on the resources to allocate to the segment and assess results;

who has separate financial statements.

Unlike the provisions of IAS 14, this standard essentially requires one to determine and report the results of operating segments according to the "management approach", i.e., according to methods used by management for internal reporting to assess performance and allocate resources to the various segments.

The application of this standard did not have an impact on the segment report since the operating segments in which the Group's activities are segmented are the same as when IAS 14 "Segment Reporting" was applied.

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. The geographic areas are represented in particular by:

- Italy

- Corporate e Other business: minor Italian companies and corporate activities.

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

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Income statement as at 31 March 2012

31 March 2012 (EUR 000)	Italy	Other	Corporate	HFS/ Discontinued	Cancellation adjustments	Total
Revenues						
From third parties	59,718	-	22	-	-	59,740
Intra-group	119	-	1,219	-	(1,338)	-
Total revenues	59,837	-	1,242	-	(1,338)	59,740
Operating result	3,888	(29)	252	-	-	4,110
Portion of results of equity investments carried at equity						-
Net financial income (charges)						(3,454)
Pre-tax result						656
Income taxes						(331)
Net result from operating activities (on-going)						325
Result from assets disposed of and/or destined for disposal						(8)
Net result						318

Income statement as at 31 March 2011

31 March 2011 (EUR 000)	Italy	Other	Corporate	HFS/ Discontinued	Cancellation adjustments	Total
Revenues						
From third parties	68,993	-	21	-	-	69,015
Intra-group	269	1,506	1,396	-	(3,170)	-
Total revenues	69,262	1,506	1,417	-	(3,170)	69,015
Operating result	(2,720)	(14)	387	-	-	(2,347)
Portion of results of equity investments carried at equity						-
Net financial income (charges)						(3,588)
Pre-tax result						(5,932)
Income taxes						(492)
Net result from operating activities (on-going)						(6,424)
Result from assets disposed of and/or destined for disposal						(19)
Net result						(6,442)

Disputes, contingent liabilities and commitments

The Tiscali Group is involved in a number of legal proceedings, a description can be found in the identical section of the Consolidated financial report as at 31 December 2011. Under the terms specified in the description as per the Consolidated financial report as at 31 December 2011, the Group's management does not believe that these proceedings may give rise to significant liabilities or that, in any event, an unfavourable outcome in the proceedings pending could have a significant negative effect on the financial, equity and economic position of the Tiscali Group or on the future results of the business activities. Furthermore, it is also hereby specified that, unless explicitly indicated in the identical section of the consolidated financial report as at 31 December 2011, no provisions have been made for risks in the absence of known and objective elements or if the negative outcome of the dispute is deemed unlikely.

Cagliari, Italy 10 May 2012



Chairman and Chief Executive Officer:

Renato Soru

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6 Statement of the appointed executive

Luca Scano, Executive in charge of drawing up the corporate accounting documents, hereby declares – pursuant to Article 154 *bis*, paragraph 2, of the Consolidated Finance Law – that the accounting information contained in this Interim report on operations of the Tiscali S.p.A. Group as of 31 March 2012 corresponds to the documentary results, books and accounting records.

Cagliari, Italy 10 May 2012



Executive in charge of drawing up the Company's accounting documents

Luca Scano

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7 Appendix - Glossary

Shared access	Technique for shared access to a local network in which a former monopoly operator rents part of the capacity to other operators: in that portion of the bandwidth the operator can provide Broadband services, whilst the former monopoly operator on the portion of the bandwidth not hired out, continues to provide telephony services.
ADSL	Acronym for Asymmetric Digital Subscriber Line, (the available bandwidth in reception is greater than that available for transmission) to enable internet access at high speed.
ADSL2+	An ADSL technology that extends the ADSL base capacity by doubling the download bit flow. The bandwidth can reach 24 Mbps in download and 1.5 Mbps in upload and depends on the distance between the DSLAM and the customer's location.
Uncovered Areas	Also called "indirect access areas" to identify the geographic areas which are not directly served by the network owned by Tiscali (see also Bitstream and Wholesale).
ARPU	Average returns for fixed and mobile telephony for the user calculated over a given period for an average number of active (for other operators) or Tiscali Group customers in the same period.
Bitstream	Bitstream (or digital flow) services: service consisting of the supply by an operator of access to the fixed public telephone network of the transmission capacity between an end user workstation and the point of presence of an operator or an ISP that wants to provide broadband services to the end user.
Broadband	Data transmission system in which lots of data is sent simultaneously to increase the actual speed of transmission with a data flow equal to or greater than 1.5 Mbps.
Broadcast	Simultaneous transmission of information to all nodes on a network.
Access fee	This is the amount debited by national operators for each minute of use of their network by the operators of other networks. This is also called the "interconnection fee".
Carrier	Company that physically makes a telecommunications network available.

Capex	Acronym for Capital Expenditure. Identifies the outgoing cash flows generated by the investments in an operating structure.
Co-location	Dedicated spaces in the machine rooms of an incumbent operator for the installation by Tiscali of its own network devices.
CPS	Acronym for Carrier Pre Selection, a system for preselecting an operator. This enables an operator/supplier of local services to automatically route calls on the network of the carrier selected by a client who no longer has to enter special selection codes.
CS	Acronym for Carrier Selection, a system for selecting an operator. Enables a client to select, by entering a special code, a long distance national or international operator other than that with whom he/she has a network access subscription.
Business customers	SoHos, small medium and large businesses.
Consumer customers	Customers who subscribe to an offer intended for households.
Dial Up	Narrowband internet connection by means of a normal telephone call, usually charged on a time basis.
Digital	This is the way of representing a physical variable in a language that uses only the figures 0 and 1. The figures are transmitted in binary code as a series of impulses. Digital networks, which are rapidly replacing the old analogue networks, allow greater capacities and greater flexibility by using computerised technologies for the transmission and handling of calls. Digital systems offer less noise interference and can include encryption as protection from outside interference.
Double Play	Combined offer of access to the Internet and fixed telephony.
DSL Network	Acronym for Digital Subscriber Line Network, which is a network built from existing telephone lines using DSL technology instruments that, by using sophisticated modulation mechanisms, enable data packets to be sent along copper wires and thus the linking of a telephone handset to a modem at a home or in an office.
DSLAM	Acronym for Digital Subscriber Line Access Multiplexer, a device used in DLS technologies, to multiply the transmission of data at high capacities on telephone wires, where a multiplexer means a device that enables the transmission of information (voice, data, videos) in flows by means of direct and continuous connections between two different points on a network.

Fibre Optic

Thin fibres of glass, silicon or plastic that form the basis of a data transmission infrastructure. A fibre optic cable contains various individual fibres, each capable of carrying a signal (light impulses) over a virtually limitless band length. They are usually used for long distance transmissions, for the transmission of "heavy data" so that the signal arrives protected from interference which it might encounter along its own path. A fibre optic cable's carrying capacity is considerably greater than that of traditional cables and copper wire twisted pairs.

GigaEthernet

Term used to describe the various technologies that implement the nominal speed of an Ethernet network (the standard protocol for cards and cables for high speed connections between a computer and a local network) of up to 1 gigabit per second.

Home Network

Local network made up from various kinds of terminals, devices, systems and user networks, with related applications and services including all the apparatus installed at user premises.

Hosting

Service that consists of allocating on a web server the pages of a website, thus making it accessible from the internet network.

Incumbent

Former monopoly operator active in the telecommunications field.

IP

Acronym for Internet Protocol, a protocol for interconnecting networks (Inter-Networking Protocol), created for interconnecting ungrouped networks by technology, services and handling.

IPTV

Acronym for Internet Protocol Television, a technology suited for using the IP transport technology to carry television content in digital form, using internet connections.

IRU

Acronym for Indefeasible Right of Use, long term agreements that guarantee the beneficiary the option of using for a long period the grantor's fibre optic network.

ISDN

Acronym for Integrated Service Digital Network, a telecommunications protocol in Narrowband able to carry in an integrated form various kinds of information (voice, data, texts, and images) coded in digital form on the same transmission line.

Internet Service Provider or ISP

Company that provides Internet access to single users or organisations.

Leased lines

Lines whose transmission capacity is made available through leasing contracts for the transmission capacity.

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MAN	Acronym for Metropolitan Area Network, a fibre optic network that extends across a metropolitan area and links a Core Network to an Access Network.
Mbps	Acronym for megabit per second, a unit of measurement that states the capacity (and thus the speed) of data transmission along a computer network.
Modem	Modulator/demodulator. It is a device that modulates digital data in order to permit its transmission along analogue circuits, usually made up of telephone lines.
MNO	Acronym for Mobile Network Operator, an operator of proprietary telecommunications on a mobile network that offers its own services wholesale to all MVNOs (Mobile Virtual Network Operator).
MPF	Acronym for Metallic Path Facility, the pair of copper wires (unscreened twisted pair) that comes from an exchange (MDF -Main Distribution Frame) in an operator's telephone room and arrives at the user's premises (individual or corporate). Connections can be Full or Shared. A Full type connection enables the use of the data service (broadband) in addition to voice traffic. A Shared kind of connection only enables the use of the data service (broadband). In a "shared access" service, the LLU operator (in ungrouped access) provides the ADSL services to the end user, whilst the incumbent operator provides the analogue telephony service using the same access line.
MSAN	Acronym for Multi-Service Access Node, a platform able to carry a combination of traditional services on an IP network and that supports a variety of access technologies such as for example a traditional telephone line (POTS), and ADSL2+ line, a symmetric SHDSL line, VDSL and VDSL2 over a copper or fibre-optic network.
MVNO	Acronym for Mobile Virtual Network Operators: A party that offers mobile telecommunications services to the public, using its own mobile network interconnection structures, its own HLR, its own mobile phone network code MNC, Mobile Network Code), its own customer handling (marketing, invoicing and support) and issuing its own SIM cards, but does not have assigned frequencies and takes advantage, for access, of agreements negotiated or regulated via one or more licensed mobile network operators.

Narrowband	System for connecting to data networks, for example the Internet, by means of a telephone call. In this kind of connection all the bandwidth used for the means of transmission is used as a single channel. One single signal occupies all the available bandwidth. The bandwidth of a communications channel identifies the maximum quantity of data that can be carried by means of transmission of the unit over time. The capacity of a communication channel is limited by the frequency interval that the equipment can sustain and by the distance to be travelled. An example of a Narrowband connection is the common modem narrowband connection at 56 kbps.
OLO	Acronym for Other Licensed Operators, operators other than the dominant one that operate in a national telecommunications services market.
Opex	Acronym for Operating Expenses which are direct and indirect costs that are recorded in the income statement.
Pay-Per-View	System by which a spectator pays to view a single programme (such as a sporting event or a film or concert) at the time it is transmitted or broadcast.
Pay TV	TV channels on payment. To receive Pay TV or Pay-Per-view, you have to connect a decoder and have an access system subject to conditions.
Platform	It is the total of the inputs, including hardware, software and equipment for running and the procedures for production (production platform) or for the management (management platform) or for a special service (service platform).
POP	Acronym for Point of Presence, a site at which telecommunications apparatus is installed and that forms a node on the network.
Portal	Website that forms a point of departure or an entry point for a major group of Internet resources or an Intranet.
Router	Hardware or in some cases software instrument that identifies the next point on the network to which a data packet is to be sent, and routes that data packet towards the end destination.
Service Provider	Party that provides end users and content providers with a range of service, including that of an owned, leased or third party service centre.
Server	Computer component that provides services to other components (typically client calls) via a network.

<i>Set-top-box or STB</i>	Device able to handle and route data, voice and television connections, installed at the end user's premises.
<i>Syndication</i>	The sale of radio and TV transmissions wholesale by a media company that owns the rights and usually the delivery platform also.
<i>SoHo</i>	Acronym for Small office Home office, for small offices, mostly professional offices or small firms.
<i>SHDSL</i>	Acronym for Single-pair High-speed Digital Subscriber Line. SHDSL is a technology for telecommunications of the XDSL family and is made by using direct LLU interconnections and enables high speed connections to be made in a balanced way in both directions (transmission and reception).
<i>Single Play</i>	Service including only broadband data access, not combined with other multiplay components such as voice and IPTV services. Broadband access may be provided through LLU platforms, Wholesale or Bitstream.
<i>Single Play voice</i>	Service including only voice access, not combined with other multiplay components such as broadband and IPTV access. Voice service can also be provided by VoIP and CPS procedures.
<i>SMPF</i>	Acronym for Shared Metallic Path Facilities which is synonymous with Shared Access (ungrouped access).
<i>Triple Play</i>	A combined offering of fixed and/or mobile telephony, Internet and/or TV made by a single operator.
<i>Local loop unbundling or LLU</i>	Unbundled access to a local network, in other words, the possibility that telephone operators have had, since the telecommunications market was deregulated, to use existing physical infrastructures built by another operator to offer its own services to customers, paying a rental to the operator that is the actual owner of the infrastructure.

VAS

Acronym for Value-Added Services; services with added value provide a greater level of function compared with the basic transmission services offered on a telecommunications network for the transfer of information between terminals. These include switched analogue voice communications via cable or wireless, a direct digital point to point network "unrestricted" at 9,600 bits/s; packet switching (called virtual) service; analogue and direct broadband transmission of TV signals and extra services, such as closed user groups; call waiting; reverse charging; call announcement and identification of the number called. The value added services provided over a network, from terminals or specialist centres include exchange services, messaging (MHS) (which can also be used for commercial documents in accordance with a predetermined format); electronic user directories, network and terminal addresses; e-mail; fax, teletext, videotext and videophone. Value added services may also include voice telephony value added services such as free numbers or paid telephone services.

VISP

Acronym for Virtual Internet Service provision (sometimes also called Wholesale ISP). This is selling of Internet services purchased wholesale from an Internet Service Provider (ISP) that has the network infrastructure.

VoD

Acronym for Video On Demand. It is the supply of television programs on request by a user for payment of a subscription or of a sum for each programme (a film, or a football match) purchased. Broadcast in a special way by satellite TV and for cable TV.

VoIP

Acronym for Voice over internet Protocol, a digital technology that enables the transmission of voice packets through Internet, Intranet, Extranet and VPN networks. The packets are carried according to H.323 specifications, which are the ITU (International Telecommunications Union) standard that forms the basis for data, audio, video and communications on IP networks.

VPN

Acronym for Virtual Private Network, which can be realised on Internet or Intranet. Data between workstations and the server of the private network is sent along common public Internet networks, but using protection technologies against any interception by unauthorised persons.

Virtual local loop unbundling or VLLU

Procedure for accessing a local analogue network by which, even in the absence of physical infrastructures, the conditions and terms of access under LLU terms are replicated. This is a temporary access system that is usually replaced by LLU.

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xDSL

Acronym for Digital Subscriber Lines, a technology that, by means of a modem, uses the normal telephone twisted pair and transforms the traditional telephone line into a high speed digital connection for the transfer of data. ADSL, ADSL 2, and SHDSL etc. belong to this family of technologies.

WI-FI.

Service for connection to the internet at high speed wirelessly.

Wi-Max

Acronym for Worldwide Interoperability for Microwave Access: it is a technology that enables wireless access to broadband telecommunications networks. It has been defined by the WiMAX forum, a world-wide consortium made up of the largest companies in the fixed and mobile telecommunications field that has the purpose of developing, promoting and testing the interoperability of systems based on IEEE standard 802.16-2004 for fixed access and IEEE.802.16e-2005 for fixed and mobile access.

Wholesale

Services that consist of the sale of access services to third parties.

WLR

Acronym for Wholesale Line Rental, selling on by an operator of the telecommunications service for lines affiliated with an Incumbent.