

Communication to the market as per Art. 114 par. 5 Leg. Decree No. 58/98

Cagliari, June 28, 2019

In compliance with Consob request sent to the Company on July 14, 2009, pursuant to article 114, paragraph 5 of the Law Decree No. 58/98, the Company hereby provides to the market the following information concerning the Tiscali Group as at May 31, 2019.

<i>Eur (000)</i>	Note	Tiscali Group May 31, 2019	Of Which: Tiscali S.p.A. May 31, 2019
A. Cash and bank deposits		2,343	356
B. Other Cash Equivalent			
C. Securities held for trading			
D. Current Assets (A) + (B) + (C)		2,343	356
E. Current financial receivables			
F. Non-current financial receivables			
G. Current bank payables		6,872	
H. Current Portion of Issued Bonds	(1)	9,799	9,799
I. Current Portion of non-current debt	(2)	20,472	
J. Other current financial debt	(3)	18,184	434
K. Current financial debt (G) + (H) + (I) + (J)		55,327	10,233
L. Net current financial debt (K) – (E) – (D) – (F)		52,984	9,877
M. Non-current bank payables	(4)	79,097	
N. Issued Bonds			
O. Other non-current debts	(5)	4,419	
P. Non-current financial debt (M) + (N) + (O)		83,516	
Q. Net financial debt (L) + (P)		136,500	9,877

Tiscali S.p.A.

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Shareholders' Capital. 43.065.376,20 fully paid-up | VAT 02375280928 | R.E.A. 191784 | C.C.I.A.A. Cagliari | tiscali.com

Notes:

- (1) *The item relates to the Convertible Bond Loan issued on January 31, 2019 for a nominal value of EUR 10.6 million subscribed on the same date for a value of EUR 10.1 million by ICT Holding Limited and Sova Disciplined Equity Fund SPC in equal shares. These shares correspond to a total of EUR 9.7 million at amortized cost. For more information, please refer to the Illustrative Report on the convertible bond loan published by the Company on January 10, 2019.*
- (2) *Includes the following items: i) the component of EUR 20.2 million due within the current financial year of the Senior Lenders loan restructured on March 28, 2019 (portions of principal and interest repayable within 12 months), ii) short-term portions of other long-term bank loans for EUR 0.3 million.*
- (3) *Includes the following items: i) the debt of EUR 10 million for the compensation for the cancellation of the relative "Sale and Lease Back Sa Illetta" debt, as resulting from the restructuring agreement signed on March 28, 2019 ii) the short-term portion of finance lease payables related to investments in the network infrastructure for EUR 7.7 million, iii) the short-term portion of the loans granted by the Ministry for Education and University and by the Minister for Economic Development for EUR 0.1 million. iv) as for EUR 0.4 million per Euro the value of the convertible bond loan option, as better described in the previous note 1)*
- (4) *Includes the following items: i) the component of EUR 75.6 million originally due beyond the current financial year of the Senior Lenders loan on March 28, 2019; ii) long-term portions of other long-term bank loans for EUR 3.5 million.*
- (5) *This item includes the long-term portion of financial lease payables related to investments for the network infrastructure for EUR 4.4 million.*

It should be noted that the net financial position of the Group, as shown below, does not include the effects of the application of IFRS 16, effective as of 1 January 2019. The Directors expect that the application of IFRS 16 may have an impact on the amounts and on the related financial information of the Group. However, the analysis of the effects deriving from the application of this new accounting standard has not yet been completed.

OVERDUE DEBT POSITIONS OF THE TISCALI GROUP AS AT MAY 31, 2019

As at May 31, 2019, net overdue trade payables amounted to EUR 36 million (net of payment plans agreed with suppliers and net of credit amounts or claims against the same suppliers). This amount represents an improvement of EUR 2.5 million compared to the end of April.

As at the same date, overdue financial debts amounted to EUR 1.3 million (net of credit positions). This amount represents an improvement of EUR 0.2 million compared to the end of April.

There were also overdue tax debts for approximately EUR 22.3 million, with an increase of EUR 0.5 million compared to the end of April. There were also overdue debts towards social security institutions amounting to EUR 2 million (1.9 million at the end of April).

POSSIBLE REACTIONS OF THE CREDITORS OF THE GROUP AS AT MAY 31, 2019

There have been no suspensions of relationships with suppliers capable of affecting the course of business.

As at May 31, 2019, the group received reminders for payment only within the ordinary course of business. As at that date, the total main injunctions for payment received amounted to EUR 20.9 million (EUR 22.9 million at the end of April), of which the residual not paid off as still in negotiation, opposition or subject to an installment scheme amounted to EUR 10.9 million (EUR 17.5 million at the end of April).

RELATIONSHIPS WITH TISCALI S.P.A. AND THE TISCALI GROUP RELATED PARTIES

The Tiscali Group holds relationships with related parties on terms deemed as customary in the respective reference markets, taking into account the characteristics of the goods and services provided.

The table below summarizes the income statement and balance sheet for the Tiscali Group as at May 31, 2019, arising from transactions with related parties.

INCOME STATEMENT		Notes	TISCALI GROUP		Of which:
(EUR 000)			May 31, 2019		Tiscali S.p.A. May 31, 2019
Monteverdi S.r.l.	1		(12.1)		
Istella	2		134.1		
Convertible bond	3		(76.9)		(76.9)
TOTAL			45.1		(76.9)
BALANCE SHEET		Notes	TISCALI GROUP		Of which:
(EUR 000)			May 31, 2019		Tiscali S.p.A. May 31, 2019
Monteverdi S.r.l.	1		(49.5)		
Istella	2		242		
Convertible bond	3				
TOTAL			(192.6)		

(1) Monteverdi S.r.l.: company participated by the Chief Executive Officer and reference shareholder Renato Soru. The relationship concerned refers to a leasing contract for a space used for the storage of business documentation.

(2) Istella: company owned 64% by Chief Executive Officer and reference shareholder Renato Soru. The relationship concerned refers to supply, by Tiscali, of IT services (hosting of network equipment) from October 2018.

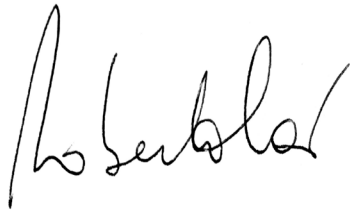
(1) Convertible Bond Loan: issued on January 31, 2019 for a nominal value of EUR 10.6 million subscribed on the same date by ICT Holding Limited and Sova Disciplined Equity Fund SPC in equal shares. The share subscribed by ICT, equal to EUR 5.3 million of nominal value (EUR 4.9 million as amortized cost) is shown in the table above, due to the fact that ICT was a related party until it held its 20.79% stake in Tiscali. This investment was sold on May 16, 2019. From this date, ICT ceases to be a related party. For completeness of information, the table above includes the economic effect of the transaction up to the date of sale of the investment, while the debt is not represented in the balance sheet.

It shall be noted that the income statement and the balance sheet values reported in the table above do not include fees paid to Directors, Statutory Auditors and Top Managers tasked with strategic responsibilities.

STATEMENT OF THE EXECUTIVE IN CHARGE OF DRAWING UP THE COMPANY'S ACCOUNTING DOCUMENTS

I, the undersigned Roberto Lai, Executive in charge of drawing up the Company's accounting documents of Tiscali S.p.A., certify that, pursuant to Art. 154-bis, paragraph 2, of the Legislative Decree No. 58/98 and subsequent amendments, that the accounting information contained in this press release is consistent with the official documents, books and accounting records.

Roberto Lai



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

Information on Tiscali

Tiscali S.p.A. (Borsa Italiana. Milan: TIS) is one of the leading alternative telecommunications companies in Italy and provides its private and business customers with a wide range of services: Broadband internet access through Wireless Fiber To The Home (WFTTH) and Fiber technology, as well as VoIP, MVNO, media and other technologically advanced products (mail, web streaming, security services etc). As at December 31, 2018, Tiscali recorded a customer portfolio of about 640,100 units. The Tiscali website may be accessed at www.tiscali.it