

## Consolidated financial report as at 31 March 2015

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Issue date: 31 March 2015

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**TISCALI S.P.A.**

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

Share Capital EUR 92,052,029.67

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


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## 1 Highlights

<b>Income statement</b> (EUR mln)	<b>31 March 2015</b>	<b>31 March 2014</b>
· Revenues	53.0	53.2
· Adjusted Gross Operating Result (EBITDA)	12.8	13.5
· Gross Operating Result (EBITDA)	10.0	11.0
· Operating result	1.1	1.9
<b>Statement of financial position</b> (EUR mln)	<b>31 March 2015</b>	<b>31 December 2014</b>
· Total assets	211.9	207.9
· Net Financial Debt	(184.5)	(192.6)
· Net Financial Debt as per Consob	(191.5)	(199.5)
· Shareholders' equity	(172.6)	(168.8)
· Investments	8.5	20.8
<b>Operating figures</b> (000)	<b>31 March 2015</b>	<b>31 March 2014</b>
<b>Total Customers</b>	578.3	559.7
<i>of which: ADSL</i>	466.7	492.8
<i>of which MOBILE (Voice and Data)</i>	99.8	50.2
<i>of which OTHER</i>	11.7	16.7
<i>(*) of which Voip (Dual Play)</i>	343.7	363.1



## 2 Alternative performance indicators

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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 (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

### **Gross Operating Result (Adjusted EBITDA)**

### 3 Directors and Auditors

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#### Board of Directors

**Chairman and Chief Executive Officer:** Renato Soru

#### Directors

Franco Grimaldi

Gabriele Racugno

Luca Scano

Assunta Brizio

#### Board of Statutory Auditors

##### Chairman

Paolo Tamponi

##### Statutory Auditors

Rita Casu

Andrea Zini

##### Alternate Auditors

Piero Maccioni

Valeria Secchi

#### Executive in charge of drawing up the corporate accounting documents

Pasquale Lionetti

#### Independent Auditing Firm

Reconta Ernst & Young S.p.A.

**Consolidated financial report as at 31 March 2015**

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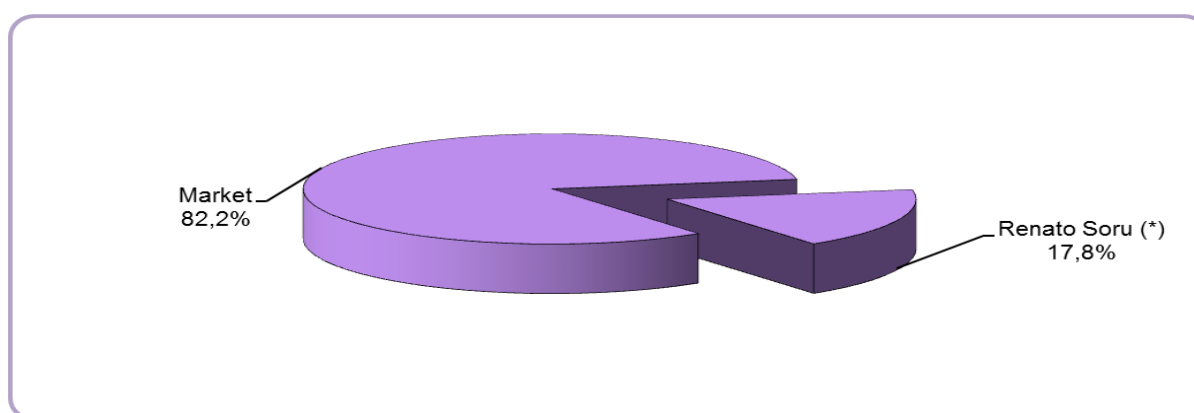
4.1 Tiscali shares

Tiscali shares have been listed on the Italian Stock market (Milan: TIS) since October 1999. At 31 March 2015, market capitalisation came to EUR 121.7 million, calculated on the value of EUR 0.0654 per share as at that date.

At 31 March 2015, the number of shares representing the Group's share capital amounted to 1,861,535,343.

Tiscali's shareholder base at 31 March 2015 is illustrated below:

**Fig. 1 Tiscali shares**



Source: Tiscali

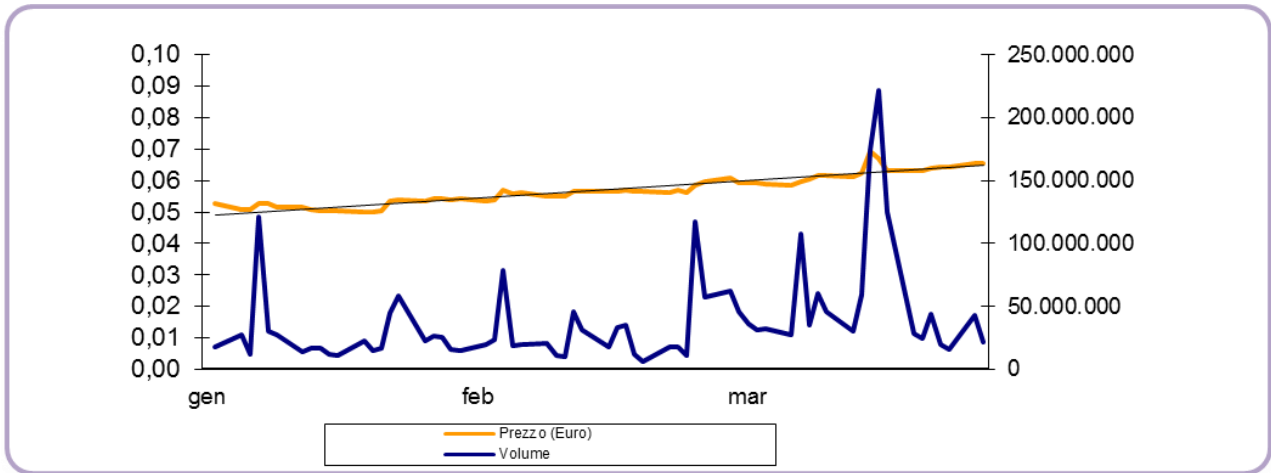
(\*) Directly for around 15% and, indirectly through the investee companies Monteverdi Srl (0.9%), Cuccureddus Srl (1.8%) and Andalus Ltd (0.1%).

**Share capital structure at 31 March 2015**

SHARE CAPITAL STRUCTURE		
	No. of shares	As % of share capital
Ordinary shares	1,861,535,343	100%

The graph below illustrates Tiscali's share trend during the first three months of 2015, characterised by sustained trading volumes, particularly in the month of March.

**Fig. 4.2 - Tiscali's share performance during the first three months of 2015**



Source: Bloomberg data processing

The average monthly price in the first three months stood at EUR 0.057. The maximum price for the period was EUR 0.0695, while the minimum came to EUR 0.05. Trading volumes stood at a daily average of about 38.8 million items, with a daily average trade value of EUR 2.2 million.

Average exchanges of Tiscali share on Borsa Italiana (Italian Stock Exchange) in the first quarter of 2015		
	Price (EUR)	No. of shares
January	0.052	27,217,956
February	0.056	30,335,421
March	0.062	58,710,939
<b>Average</b>	<b>0.057</b>	<b>38,754,772</b>

Source: Bloomberg data processing



## 4.2 Analysis of the Group economic, equity and financial position

### Introduction

Tiscali is one of the main alternative suppliers of telecommunications services in Italy.

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.

In order to respond to competitive pressure and the growing demand for bandwidth from the market, the range of products offered to the public must be expanded, through an increase in the transmission capacity offered.

Along these lines, Tiscali introduced ultra-wideband offers in 2015 based on FTTC and FTTH technology, through the subscription to Telecom Italia's Virtual Unbundling Local Access offer.

## Economic position

*(EUR mln)*

CONSOLIDATED INCOME STATEMENT	31 March 2015	31 March 2014	Change
Revenues	53.0	53.2	(0.2)
Other income	1.1	0.5	0.5
Purchase of materials and outsourced services	32.2	31.5	0.7
Payroll and related costs	9.0	8.7	0.3
Other operating costs / (income)	0.0	0.0	0.0
<b>Adjusted Gross Operating Result (EBITDA)</b>	<b>12.8</b>	<b>13.5</b>	<b>(0.7)</b>
Write-downs of receivables from customers	2.8	2.5	0.3
<b>Gross Operating Result (EBITDA)</b>	<b>10.0</b>	<b>11.0</b>	<b>(1.0)</b>
Restructuring costs, provisions for risk reserves and write-downs	0.3	0.0	0.3
Amortisation/depreciation	8.6	9.1	(0.5)
<b>Operating result (EBIT)</b>	<b>1.1</b>	<b>1.9</b>	<b>(0.8)</b>
Net financial income (charges)	(4.6)	(3.7)	(0.9)
<b>Pre-tax result</b>	<b>(3.5)</b>	<b>(1.8)</b>	<b>(1.7)</b>
Income taxes	(0.1)	(0.4)	0.3
<b>Net result from operating activities (ongoing)</b>	<b>(3.6)</b>	<b>(2.2)</b>	<b>(1.4)</b>
Result from assets disposed of and/or destined for disposal	0.0	0.0	0.0
Net result	(3.6)	(2.2)	(1.4)
Minority interests	0.0	0.0	0.0
<b>Group Net Result</b>	<b>(3.6)</b>	<b>(2.2)</b>	<b>(1.4)</b>

Tiscali Group revenues during the first three months of 2015 came to EUR 53 million, down slightly with respect to the balance of EUR 53.2 million recorded in the first three months of 2014. The revenue mix by business line changed, as described below:

- an increase of EUR 0.6 million (1.5%) in revenues for the "Access, VOIP and MVNO" segment, mainly due to the MVNO segment, which recorded growth of 123.3%, up from EUR 1 million in the first three months of 2014 to EUR 2.1 million in the first three months of 2015, thanks to the significant increase of active and operating SIMs, compared to the corresponding period in the previous year;
- slight increase in BTB revenues with respect to the corresponding figure recorded in the first quarter of 2014 (+1.7%);
- analogue voice revenues decreased by EUR 0.4 million (drop of 12.9%) mainly due to the reduction in the volume of wholesale services for EUR 0.3 million;
- Media revenues dropped by EUR 0.3 million (down 6.7%).

In the first three months of 2015 internet access and voice services – the Group's core business – represented around 80% of turnover.

Costs for purchases of materials and services totalling EUR 32.2 million, decreased by EUR 0.7 million with respect to the first three months of last year.

The adjusted Gross Operating Result (EBITDA) before provisions, totalling EUR 12.8 million (24.2% of revenues), was down 4.8% when compared with the EBITDA of EUR 13.5 million reported as at 31 March 2014.

The net operating result (EBIT) in the first three months of the year, net of provisions, write-downs and restructuring costs, was a positive EUR 1.1 million, down compared to the comparable figure of 2014, a positive EUR 1.9 million.

The result from operating activities (ongoing), a loss of EUR 3.6 million, worsened with respect to the same figure in the first three months of the previous year, presenting a negative balance of EUR 2.2 million.

The result from assets disposed of and/or destined for disposal was nil.

The Group's net result was a loss of EUR 3.6 million, a worse figure than the comparable figure in the first three months of the previous year, a loss of EUR 2.2 million.

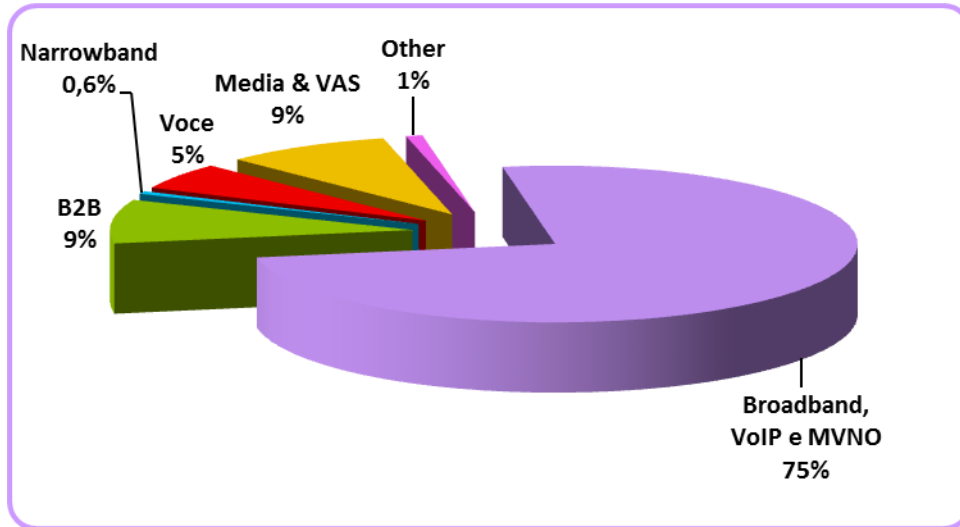
**Operational income statement - Group**

<i>(EUR mln)</i>	<b>31 March 2015</b>	<b>31 March 2014</b>
<b>Revenues</b>	<b>53.0</b>	<b>53.2</b>
Access revenues (including VoIP)	39.8	39.2
<i>of which: ADSL</i>	22.4	23.3
<i>of which VOIP</i>	15.2	14.9
<i>of which MVNO</i>	2.1	1.0
Dial Up revenues (narrowband)	0.3	0.4
Voice revenues	2.9	3.3
Business service revenues	4.8	4.7
Media and value added service revenues	4.7	5.1
Other revenues	0.5	0.5
<b>Gross operating margin</b>	<b>25.9</b>	<b>27.0</b>
<b>Indirect operating costs</b>	<b>14.1</b>	<b>14.0</b>
Marketing and sales	1.9	2.0
Payroll and related costs	9.0	8.7
Other indirect costs	3.2	3.3
Other (income) / expense	(1.0)	(0.5)
<b>Adjusted Gross Operating Result (EBITDA)</b>	<b>12.8</b>	<b>13.5</b>
Write-down of receivables	2.8	2.5
<b>Gross Operating Result (EBITDA)</b>	<b>10.0</b>	<b>11.0</b>
Amortisation/depreciation	8.6	9.1
<b>Gross result (EBIT) before restructuring costs and provisions for risks</b>	<b>1.4</b>	<b>1.9</b>
<b>Operating result (EBIT)</b>	<b>1.1</b>	<b>1.9</b>
<b>Group Net Result</b>	<b>(3.6)</b>	<b>(2.2)</b>



Revenues by business segment

Fig. 4.5 - Breakdown of revenues by business line and access mode<sup>1</sup>



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 mobile telephone revenues, generated revenues of around EUR 39.8 million in the first three months of 2015, up by 1.5% with respect to the figure in the same period in 2014 (EUR 39.2 million). The increase in revenues is mainly due to the MVNO segment, which recorded growth of 123.3%, up from EUR 1 million in the first three months of 2014 to EUR 2.1 million in the first three months of 2015, thanks to the significant increase in active and operating SIMs as at 31 March 2014 (+98.8%).

A slight rise was also recorded by the VOIP segment (EUR 15.2 million as at 31 March 2015, compared to EUR 14.9 million as at 31 March 2014), while revenues from ADSL access services fell by 3.6% (down from EUR 23.3 million as at 31 March 2014 to EUR 22.4 million as at 31 March 2015).

As at 31 March 2015, Total Active Customers totalled 578.3 thousand, an increase of 18.5 thousand with respect to the comparable figure as at 31 March 2014 (559.7 thousand), of which ADSL customers of 466.7 thousand, down by around 26 thousand, MOBILE customers of 99.8 thousand, up considerably (+49.6 thousand) compared to the comparable figure as at 31 March 2014 and OTHER customers of 11.7 thousand.

<sup>1</sup> The above pie chart shows a breakdown by business segment which classifies dual play revenues with broadband.

The reduction in direct ADSL customers with respect to the comparable figure in the corresponding period in 2014 is partly due to the mass termination of around 10,650 customers by the company due to default in the first quarter of 2015.

Total ADSL customers connected in unbundled mode as at 31 March 2015 came to 346.4 thousand.

The customer base using dial-up access (narrowband) and analogue voice services stood at around 43.2 thousand users. More specifically, the customers using WLR showed a 6 thousand unit increase, from 27.1 thousand units as at 31 March 2014 to 33 thousand units as at 31 March 2015.

#### Evolution of the customer base

(000)	31 March 2015	31 March 2014
<b>Total Customers</b>	<b>578.3</b>	<b>559.7</b>
<i>of which ADSL (*)</i>	466.7	492.8
<i>of which MOBILE (Voice and Data)</i>	99.8	50.2
<i>of which OTHER</i>	11.7	16.7
<i>(*) of which Voip (Dual Play)</i>	343.7	363.1

The unbundling network coverage at 31 March 2015 amounted to 688 sites.

#### Narrowband

The Narrowband segment reported revenues of EUR 0.3 million as at 31 March 2015, disclosing a natural reduction with respect to the first three months of 2014, equating to EUR 0.4 million.

#### Voice

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

During the first three months of 2015, there was a decrease in revenues relating to voice services of 12.9%, down from EUR 3.3 million as at 31 March 2014 to EUR 2.9 million as at 31 March 2015.

#### 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 three months of 2015 to EUR 4.8 million, up 1.7% with respect to the corresponding balance as at 31 March 2014 (EUR 4.7 million).

#### Media

In the three nine months of 2015, revenues from the media and value added services segment (mainly relating to the sale of advertising spaces) amounted to roughly EUR 4.7 million, down over the same period in the previous year (EUR 5.1 million).

The decrease is primarily linked to the fall recorded by the on-line advertising segment which, bucking the trend observed in the recent past, suffered from the effects of the recessionary macroeconomic context and the reduction in advertising investments by advertisers.

**Indirect operating costs** during the first three months of 2015 came to EUR 14.1 million (26.5% of revenues), a slight increase with respect to 31 March 2014 of EUR 14 million (26.3% of revenues). Indirect operating costs included **payroll and related costs** of EUR 9 million (17% of revenues), up over the corresponding period in the previous year (EUR 8.7 million, 16.4% of revenues).

The **adjusted Gross operating result (EBITDA)**, before provisions for risks, write-downs and amortisation/depreciation, amounted to EUR 12.8 million (24.2% of revenues) as at 31 March 2015, down 4.8% with respect to the figure of EUR 13.5 million reported at 31 March 2014 (25.4% of revenues).

In the first three months of 2015, the **Gross operating result (EBITDA)** net of write-downs of receivables and other provisions was EUR 10 million (19% of revenues), a decrease of 8.7% on the comparable figure of the previous year 2014 (EUR 11 million, 20.7% of revenues).

The **provision for the write-down of receivables** amounted to EUR 2.8 million, an increase of 12.3% over the corresponding period of 2014, totalling EUR 2.5 million.

**Amortisation/depreciation** in the first three months of 2015 came to EUR 8.6 million (EUR 9.1 million in the same period of 2014).

The **operating result (EBIT)** for the first three months of 2015, net of provisions, write-downs and restructuring costs, was a positive balance of EUR 1.1 million (2.1% of revenues), with respect to the comparable balance for 2014, a profit of EUR 1.9 million (3.6% of revenues).

**The result from operating activities (ongoing)**, a loss of EUR 3.6 million as at 31 March 2015, worsened with respect to the same balance in the previous period, negative for EUR 2.2 million.

The **Group's net result** was a loss of EUR 3.6 million, compared with a loss in the first three months of 2014 of EUR 2.2 million.

**Equity and financial position**

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in abridged form)</b> <i>(EUR mln)</i>	<b>31 March 2015</b>	<b>31 December 2014</b>
Non-current assets	147.9	147.9
Current assets	64.0	60.1
<b>Total Assets</b>	<b>211.9</b>	<b>207.9</b>
Group shareholders' equity	(172.6)	(168.8)
Shareholders' equity pertaining to minority shareholders	0.0	0.0
<b>Total Shareholders' equity</b>	<b>(172.6)</b>	<b>(168.8)</b>
Non-current liabilities	131.4	137.0
Current liabilities	253.1	239.8
<b>Total Liabilities and Shareholders' equity</b>	<b>211.9</b>	<b>207.9</b>

**Assets**Non-current assets

Non-current assets at 31 March 2015, amounted in total to EUR 147.9 million, in line with the closing balance as at 31 December 2014 (EUR 147.9 million).

In the first three months of 2015, investments of around EUR 8.5 million were made, relating mainly to the extension and development of the network, of IT services and the connection and activation of new ADSL customers, plus the purchase of equipment for the new Istella and Indoona projects.

Current assets

Current assets amounted to EUR 64 million as at 31 March 2015, higher than the EUR 60.1 million recorded as at 31 December 2014. Receivables from customers as at 31 March 2015 amounted in total to EUR 45.8 million, compared with EUR 43.5 million at 31 December 2014. Other receivables and other current assets, amounting to EUR 11.3 million, include in particular accrued income on access services provided, prepaid expense for service costs, together with sundry receivables.



**Liabilities**Non-current liabilities

Non-current liabilities at 31 March 2015 amounted in total to EUR 131.4 million, compared with EUR 137 million at 31 December 2014. 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 1.6 million, payables to suppliers for the purchase of long-term rights for the use of transmission capacity (IRU), along with the provision for taxation and the provision for employee severance indemnities.

Current liabilities

Current liabilities amounted to EUR 253.1 million as at 31 March 2015 (compared with EUR 239.8 million as at 31 December 2014) 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 2015, the Tiscali Group held cash, cash equivalents and bank deposits totalling EUR 5.8 million, against net financial debt, at the same date, of EUR 184.5 million (EUR 192.6 million as at 31 December 2014).

<i>(EUR mln)</i>	Notes	31 March 2015	31 December 2014
A. Cash and Bank deposits		5.8	4.8
B. Other cash equivalents		0.0	0.0
C. Securities held for trading		-	-
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>		<b>5.8</b>	<b>4.8</b>
<b>E. Current financial receivables</b>		<b>0.1</b>	<b>0.1</b>
F. Non-current financial receivables	(1)	6.9	6.9
G. Current bank payables	(2)	10.1	12.5
H. Current portion of non-current debt	(3)	52.5	52.8
I. Other current financial payables (*)	(4)	11.8	10.6
<b>J. Current financial debt (G) + (H) + (I)</b>		<b>74.4</b>	<b>75.9</b>
<b>K. Net current financial debt (J) – (E) – (D) - (F)</b>		<b>61.6</b>	<b>64.1</b>
L. Non-current bank payables	(5)	76.1	80.5
M. Bonds issued		-	-
N. Other non-current payables (**)	(6)	46.9	48.0
<b>O. Non-current financial debt (N) + (L) + (M)</b>		<b>123.0</b>	<b>128.5</b>
<b>P. Net Financial Debt (K) + (O)</b>		<b>184.5</b>	<b>192.6</b>

(\*) includes short-term financial leasing payables

(\*\*) includes long-term financial leasing payables

Notes:

- (1) Essentially 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., Tiscali S.p.A. and Vevisible S.r.l.;
- (3) Includes the short-term component equal to EUR 52.4 million relating to payables to Senior Lenders (principal and interest portions repayable within 12 months);
- (4) Essentially includes the short-term portion of the Sale and Lease Back – Sa Illetta payable;
- (5) Includes the long-term portion of EUR 76.1 million relating to payables to Senior Lenders.
- (6) Essentially includes the long-term portion of the Sale and Lease Back – Sa Illetta payable;

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, shown in Note 24 to the abridged quarterly consolidated financial statements, amounts to EUR 191.5 million.

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

<i>(EUR mln)</i>	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Consolidated net financial debt</b>	<b>184.5</b>	<b>192.6</b>
Other cash equivalents and non-current financial receivables	6.9	6.9
<b>Consolidated net financial debt prepared on the basis of Consob communication No. DEM/6064293 dated 28 July 2006</b>	<b>191.5</b>	<b>199.5</b>

#### 4.3 Significant events during the first three months of 2015

##### Payment of interest and principal on the Senior Loan

On 31 March 2015, EUR 5 million of the Senior Loan was repaid, reclassified under short-term financial liabilities, along with the payment of the interest on the principal for EUR 2.7 million. In addition, on the same date, around EUR 0.2 million of previous interest was paid, relating to the previous GFA loan agreement terminated on 23 December 2014.

##### Share capital increase power conferred by Tiscali's shareholders' meeting to the Board of Directors

In execution of the Restructuring Agreements and the SEF agreement, on 30 January 2015, Tiscali's extraordinary shareholders' meeting conferred the company's Board of Directors with the power to increase share capital in tranches, through the issuing of up to 1,000,000,000 ordinary company shares, excluding option rights pursuant to art. 2441, paragraph 5 of the Italian Civil Code.

##### Approval of the share capital increase by Tiscali's Board of Directors

On 16 February 2015, Tiscali's Board of Directors approved the share capital increase reserved to Société Générale pursuant to the SEF Agreement. The Company is continuing with the preliminary activities prior to the start of said share capital increase, whose proceeds will be used to repay Facility A1 pursuant to the Senior Loan expiring on 30 November 2015. In this regard, provision is made, as the market is aware, for the possibility for the company, by assessing other forms of financing, to avail itself of further share capital increases and to negotiate with the lenders, pursuant to Facility A1, any conversion to equity – on the initiative of the company itself and subject to the occurrence of certain specific conditions – of the residual portion of said credit line. In this regard, it should be noted that the company is awaiting acknowledgement from the lenders regarding the extension of the term for the satisfaction of one of these conditions.

Tender for the supply of connectivity services to the Public Administration Authorities (BTB Services)

On 17 February 2015, CONSIP informed the Tiscali Group that, in consideration of the acceptances received, based on the tender mechanism, Tiscali must provide services for a supply share equal to 60% of the total maximum amount, while the other two companies that expressed their acceptance will be awarded 20% each.

Preliminary non-binding agreement for a business combination with Aria S.p.A.

A non-binding agreement letter was signed on 19 March 2015 for a business combination with Aria S.p.A., an Italian provider which offers Broadband services in wireless mode, based on the licence achieved at the 2008 auction for the use of 3.5 GHz bandwidth throughout all of Italy. The potential operation, which also makes provision for a capital contribution by Aria S.p.A.'s shareholders, will make it possible to strengthen the company's industrial and financial position, consolidating Tiscali's coverage in the area of fixed and mobile broadband access and creating a single operator in the national market potentially capable of offering high-capacity broadband services throughout Italy thanks to the combination of the two network infrastructures.

Approval of the 2014 annual report

On 19 March 2015, Tiscali S.p.A.'s Board of Directors approved the 2014 draft financial statements.

Acceptance of Fondo Castello SGR's offer to acquire the leasing contract for the Sa Illetta property

On 30 March 2015, Fondo Castello SGR requested a further extension of three months to the term initially set for 31 March 2015, in order to allow the conditions precedent to be satisfied. Tiscali stated its willingness to grant said three-month extension and subsequently informed the grantors of this circumstance, asking the latter for a corresponding extension of the term for the adoption of the alternative measures agreed in the case of the non-completion of the transfer of the leasing contract (especially the redefinition of the repayment plan and the non-application of the remedies set forth in said leasing contract). At the current state of play, the company is awaiting formal acceptance by said grantors.

**4.4 Business continuity**

This quarterly Report as at 31 March 2015 was drawn up with a view to the business as a going-concern. As regards assessments of the Board of Directors concerning the going concern assumption, please refer to paragraph "Evaluation of the company as a going concern and future outlook", in the Consolidated Financial Report as at 31 December 2014.

**4.5 Events subsequent to the end of the first three months of 2015**Tiscali launches Streamago Social

In the first week of April, Tiscali presents Streamago Social, the iOS app which, for the first time ever, makes it possible to transmit video and audio live to your Facebook profile and pages, an app for enriching social communication with a new powerful live broadcasting tool.

Tender for the supply of connectivity services to the Public Administration Authorities (BTB Services)

On 29 April 2015, Tiscali was awarded the tender called by Consip for the assignment of the connectivity services of the Public Administration as part of the Public Connectivity System (PCS), by offering the best total weighted price. After being judged the most advantageous in May 2014, the bid presented by Tiscali successfully passed all economic and technical adequacy checks, confirming the company in first place in the standings compiled by Consip. The object of the tender is a “multi-supplier” framework agreement for the provision of data transport services, advanced communication, security and specialist consulting throughout Italy for an overall duration of 7 years.

The shareholders’ meeting approves the 2014 financial statements

On 30 April 2015, Tiscali S.p.A.’s ordinary shareholders’ meeting, held in Cagliari in sole calling, approved the 2014 financial statements.

Confirmation of independence requirements of the directors Assunta Brizio and Franco Grimaldi

On 15 May 2015, Tiscali S.p.A.’s Board of Directors deemed directors Brizio and Grimaldi to be independent, based on the parameters and application criteria recommended by the Code of Conduct, which Tiscali has adopted. The Board of Statutory Auditors verified the proper application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

**Financial Statements and Explanatory Notes as at 31 March  
2015**

## 5 Consolidated Financial Statements and Explanatory Notes as at 31 March 2015

## 5.1 Income statement

	31 March 2015	31 March 2014
<i>(EUR 000)</i>		
Revenues	53,008	53,219
Other income	1,059	528
Purchase of materials and outsourced services	32,174	31,512
Payroll and related costs	9,022	8,729
Other operating (income) charges	23	5
Write-downs of receivables from customers	2,800	2,493
Restructuring costs and other write-downs	331	18
Amortisation/depreciation	8,619	9,090
<b>Operating result</b>	<b>1,099</b>	<b>1,900</b>
Net financial income (charges)	(4,565)	(3,708)
<b>Pre-tax result</b>	<b>(3,467)</b>	<b>(1,808)</b>
Income taxes	(115)	(394)
<b>Net result from operating activities (ongoing)</b>	<b>(3,582)</b>	<b>(2,202)</b>
Result from assets disposed of and/or destined for disposal	-	-
<b>Net result for the period</b>	<b>(3,582)</b>	<b>(2,202)</b>
<b>Attributable to:</b>		
- Result pertaining to the parent company	<b>(3,582)</b>	<b>(2,202)</b>
- Minority interests	0.00	0.0
<b>Earnings (Losses) per share</b>		
Earnings per share from operating activities and those disposed of:		
- Basic	(0.00)	<b>(0.00)</b>
- Diluted	(0.00)	<b>(0.00)</b>
Earnings per share from operating activities:		
- Basic	(0.00)	<b>(0.00)</b>
- Diluted	(0.00)	<b>(0.00)</b>



**5.2 Statement of comprehensive income**

<i>(EUR 000)</i>	31 March 2015	31 March 2014
<b>Result for the period</b>	<b>(3,582)</b>	<b>(2,202)</b>
<b>Total statement of comprehensive income result</b>	<b>(3,582)</b>	<b>(2,202)</b>
Attributable to:		
Shareholders of the parent company	(3,582)	(2,202)
Minority shareholders	-	-
	<b>(3,582)</b>	<b>(2,202)</b>

**5.3 Statement of financial position**

<i>(EUR 000)</i>	31 March 2015	31 December 2014
<i>Non-current assets</i>		
Intangible assets	58,539	59,990
Property, plant and equipment	78,485	77,107
Other financial assets	10,863	10,775
	<b>147,887</b>	<b>147,871</b>
<i>Current assets</i>		
Inventories	973	1,129
Receivables from customers	45,805	43,457
Other receivables and other current assets	11,268	10,518
Other current financial assets	162	162
Cash and cash equivalents	5,805	4,801
	<b>64,012</b>	<b>60,066</b>
Assets held for sale	-	-
<b>Total Assets</b>	<b>211,899</b>	<b>207,938</b>
<i>Share Capital and reserves</i>		
Share Capital	92,052	92,052
Results from previous periods and Other reserves	(261,087)	(244,437)
Result pertaining to the Group	(3,582)	(16,434)
<b>Group shareholders' equity</b>	<b>(172,616)</b>	<b>(168,818)</b>
Minority interests	-	-



<b>Shareholders' equity pertaining to minority shareholders</b>	-	-
<b>Total Shareholders' equity</b>	<b>(172,616)</b>	<b>(168,818)</b>
<i>Non-current liabilities</i>		
Payables to banks and to other lenders	76,063	80,535
Payables for financial leases	46,923	47,975
Other non-current liabilities	1,335	1,323
Liabilities for pension obligations and staff severance indemnities	5,505	5,550
Provisions for risks and charges	1,600	1,600
	<b>131,426</b>	<b>136,982</b>
<i>Current liabilities</i>		
Payables to banks and other lenders	62,566	65,351
Payables for financial leases	11,732	10,464
Payables to suppliers	104,887	91,348
Other current liabilities	73,905	72,611
	<b>253,089</b>	<b>239,774</b>
Liabilities directly related to assets held for sale	-	-
<b>Total Liabilities and Shareholders' equity</b>	<b>211,899</b>	<b>207,938</b>

#### 5.4 Cash flow statement (in abridged form)

	31 March 2015	31 March 2014
<i>(EUR 000)</i>		
Net result from operating activities (ongoing)	(3,582)	(2,202)
<b>FLOWS GENERATED BY OPERATIONS (inclusive of the Result)</b>	<b>21,256</b>	<b>8,304</b>
<b>FLOWS GENERATED BY INVESTMENT ACTIVITIES</b>	<b>(8,635)</b>	<b>(4,339)</b>
<b>FLOWS GENERATED BY FINANCING ACTIVITIES</b>	<b>(11,617)</b>	<b>(1,938)</b>
<b>NET INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS</b>	<b>1,004</b>	<b>2,027</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>4,801</b>	<b>3,112</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FIRST QUARTER OF THE YEAR</b>	<b>5,805</b>	<b>5,139</b>





5.5 Statement of changes in consolidated shareholders' equity

	Share Capital	Share premium reserve	Stock option reserve	Reserves for employee benefits	Accumulated losses and Other reserves	Group shareholders' equity	Minority interests	Total
<b>Balance at 1 January 2015</b>	<b>92,052</b>			<b>(1,811)</b>	<b>(259,059)</b>	<b>(168,818)</b>		<b>(168,818)</b>
Share capital increase Increases /(Decreases)					(216)	(216)		(216)
Statement of comprehensive income result					(3,582)	(3,582)		(3,582)
<b>Balance at 31 March 2015</b>	<b>92,052</b>			<b>(1,811)</b>	<b>(262,857)</b>	<b>(172,616)</b>		<b>(172,616)</b>

	Share Capital	Share premium reserve	Stock option reserve	Reserves for employee benefits	Accumulated losses and Other reserves	Group shareholders' equity	Minority interests	Total
<b>Balance at 1 January 2014</b>	<b>92,023</b>				<b>(243,918)</b>	<b>(151,896)</b>		<b>(151,896)</b>
Share capital increase Increases /(Decreases)								
Statement of comprehensive income result					(2,202)	(2,202)		(2,202)
<b>Balance at 31 March 2014</b>	<b>92,023</b>				<b>(246,120)</b>	<b>(154,097)</b>		<b>(154,097)</b>

**EXPLANATORY NOTES TO THE INTERIM REPORT ON OPERATIONS AS AT 31 MARCH 2015**

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 voice services (including mobile telephone and portal services).

This combination enables Tiscali to compete effectively with the major operators on the market.

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

This interim report on operations is presented in thousands of Euro (EUR), which is the currency used to conduct most of the Group's operations.

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 preparation and consolidation

This interim report on operations as at 31 March 2015 has been drawn up by following both the International Accounting Standards ("IFRS") issued by the Accounting Standards Board ("IASB") and approved 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 is 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 statement of financial position and income statement situation when compared with the information provided by the consolidated financial statements as at 31 December 2014.

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 2015, have been applied consistently at the time of preparation of the consolidated financial statements as at 31 December 2014, 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 2014.

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Changes in the consolidation area

The consolidation area of the Group includes the financial statements of Tiscali S.p.A. (parent company) and the companies the latter directly or indirectly controls starting from the date on which it was acquired and until the date on which control ceases.

On 12 January 2015, the subsidiary Tiscali Business UK Limited was liquidated.

Changes in accounting estimates

The amortisation/depreciation rates for fixed assets are reviewed by the directors annually and are amended if the current useful life differs from that estimated previously. The effects of these changes are reflected in the income statement on a forecast basis.

Accounting standards

With regard to the changes to the existing standards and the interpretations, relevant for the Group, adopted for the first time as from 1 January 2014, please see the matters described in the explanatory notes to the Consolidated financial report as at 31 December 2014.

**Revenues**

<i>(EUR 000)</i>	<b>31 March 2015</b>	<b>31 March 2014</b>
Revenues	53,008	53,219

Revenues fell slightly over the corresponding period in 2014. For more details refer to paragraph "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>	<b>31 March 2015</b>	<b>31 March 2014</b>
Purchase of materials and outsourced services	32,174	31,512
Payroll and related costs	9,022	8,729
Other operating costs	23	5



**Restructuring costs, provisions for risk reserves and write-downs**

<i>(EUR 000)</i>	31 March 2015	31 March 2014
Write-downs of receivables from customers	2,800	2,493
Restructuring costs and other write-downs	331	18
<b>Total</b>	<b>3,131</b>	<b>2,511</b>

The allocation to the receivable write-down provision in the first three months of 2015 refers to the amount pertaining to the period, and is equal to 5.3% of total turnover.

**Financial income and charges**

Financial charges and the related trends are linked to the Group's debt structure. These amounted to EUR 4.6 million in the first three months, up over the figure in the previous period (EUR 3.7 million).

**Result from assets disposed of and/or destined for disposal**

The "Result from operating assets disposed of and/or assets held for sale" was nil.

**Non-current assets**

<i>(EUR 000)</i>	31 March 2015	31 December 2014
Intangible assets	58,539	59,990
Property, plant and equipment	78,485	77,107
Other financial assets	10,863	10,775
<b>Total</b>	<b>147,887</b>	<b>147,871</b>

Non-current assets include intangible fixed assets and tangible fixed assets (mainly Property, plant and equipment) recorded with a total value at 31 March 2015 of EUR 147.9 million (EUR 147.9 million at 31 December 2014).

Non-current assets also include other financial assets totalling EUR 10.9 million (EUR 10.7 million as at 31 December 2014), which include guarantee deposits of EUR 6.9 million recorded for 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, amounting to EUR 2 million.

**Current assets**

(EUR 000)	31 March 2015	31 December 2014
Inventories	973	1,129
Receivables from customers	45,805	43,457
Other receivables and other current assets	11,268	10,518
Other current financial assets	162	162
Cash and cash equivalents	5,805	4,801
<b>Total</b>	<b>64,012</b>	<b>60,066</b>

Current assets mainly include "Receivables from customers", EUR 45.8 million at 31 March 2015, compared to a balance of EUR 43.5 million as at 31 December 2014.

Other receivables and other current assets, amounting to EUR 11.3 million, include accrued income and prepaid expenses for service costs for EUR 10 million, advances to suppliers of EUR 0.4 million, amounts due from the tax authorities for EUR 0.4 million, receivables for insurance indemnities (EUR 0.3 million) and other receivables for operating grants relating to Tiscali Italia S.p.A. (EUR 0.2 million).

**Non-current liabilities**

(EUR 000)	31 March 2015	31 December 2014
Payables to banks and to other lenders	76,063	80,535
Payables for financial leases	46,923	47,975
Other non-current liabilities	1,335	1,323
Liabilities for pension obligations and staff severance indemnities	5,505	5,550
Provisions for risks and charges	1,600	1,600
<b>Total</b>	<b>131,426</b>	<b>136,982</b>

Non-current liabilities at 31 March 2015 amounted in total to EUR 131.4 million (EUR 137 million at 31 December 2014).

The item Other non-current liabilities amounted to EUR 1.3 million as at 31 March 2015 (EUR 1.3 million as at 31 December 2014) and primarily includes amounts due to the associated company Janna of around EUR 0.9 million and EUR 0.4 million for guarantee deposits to customers.

The balance of non-current liabilities also includes, together with the staff severance indemnities of Italian companies (EUR 5.5 million as at 31 March 2015), provisions for risks and charges (EUR 1.6 million).

**Current liabilities**

(EUR 000)	31 March 2015	31 December 2014
Payables to banks and other lenders	62,566	65,351
Payables for financial leases	11,732	10,464
Payables to suppliers	104,887	91,348
Other current liabilities	73,905	72,611
<b>Total</b>	<b>253,089</b>	<b>239,774</b>

Current liabilities amounted in total to EUR 253.1 million, compared with EUR 239.8 million at 31 December 2014.

The item "Payables to banks and to other lenders", totalling EUR 62.6 million (EUR 65.3 million as at 31 December 2014) mainly included the amount due to Senior Lenders, totalling EUR 52.5 million and the bank debt of Tiscali Italia S.p.A. and Vevisible s.r.l. for EUR 10.1 million.

"Financial lease payables" 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 104.9 million as at 31 March 2015, compared with a balance of EUR 91.3 million at the end of the previous year).

The item "Other current liabilities" includes accrued expenses pertaining to personnel costs of EUR 4.3 million, deferred income of EUR 39 million, payables due to employees for EUR 1.5 million, the balance of VAT payable for around EUR 15 million, amounts due to the tax authorities and to social security and welfare institutions for around EUR 7 million, IRAP payables for EUR 2 million and other payables totalling Euro 4.9 million.

**Shareholders' equity**

(EUR 000)	31 March 2015	31 December 2014
Share capital	92,052	92,052
Accumulated losses and other reserves	(261,087)	(244,437)
Result for the period	(3,582)	(16,434)
<b>Total Shareholders' equity</b>	<b>(172,616)</b>	<b>(168,818)</b>

Changes in the various shareholders' equity items are detailed in the relevant table. At 31 March 2015, the share capital amounted to EUR 92 million corresponding to 1,861,535,343 ordinary shares.

**Segment reporting (by geographic area)**

Segment reporting is presented on the basis of the following segments:

- Italy (BTC and BTB connectivity);
- Vevisible (Media & Advertising);
- Corporate.

## 2015 Income Statement

31 March 2015 (EUR 000)	Italy	Vevisible	Corporate	Other	Cancellation adjustments	Total
<b>Revenues</b>						
From third parties	48,336	4,644	29	-	-	53,008
Intra-group	1,275	488	987	-	(2,750)	-
<b>Total revenues</b>	<b>49,610</b>	<b>5,132</b>	<b>1,016</b>	<b>-</b>	<b>(2,750)</b>	<b>53,008</b>
<b>Operating result</b>	<b>999</b>	<b>140</b>	<b>(27)</b>	<b>(14)</b>	<b>-</b>	<b>1,099</b>
<b>Portion of results of equity inv. carried at equity</b>						<b>-</b>
<b>Net financial income (charges)</b>						<b>(4,565)</b>
<b>Pre-tax result</b>						<b>(3,467)</b>
<b>Income taxes</b>						<b>(115)</b>
<b>Net result from operating activities (ongoing)</b>						<b>(3,582)</b>
<b>Result from assets disposed of and/or destined for disposal</b>						<b>-</b>
<b>Net result</b>						<b>(3,582)</b>

## 2014 Income Statement

31 March 2014 (EUR 000)	Italy	Vevisible	Corporate	Other	Cancellation adjustments	Total
<b>Revenues</b>						
From third parties	48,296	4,907	17	-	-	53,219
Intra-group	1,471	466	1,070	-	(3,007)	-
<b>Total revenues</b>	<b>49,767</b>	<b>5,373</b>	<b>1,086</b>	<b>-</b>	<b>(3,007)</b>	<b>53,219</b>
<b>Operating result</b>	<b>1,576</b>	<b>96</b>	<b>241</b>	<b>(12)</b>	<b>-</b>	<b>1,900</b>
<b>Portion of results of equity inv. carried at equity</b>						<b>-</b>
<b>Net financial income (charges)</b>						<b>(3,708)</b>
<b>Pre-tax result</b>						<b>(1,808)</b>
<b>Income taxes</b>						<b>(394)</b>
<b>Net result from operating activities (ongoing)</b>						<b>(2,202)</b>
<b>Result from assets disposed of and/or destined for disposal</b>						<b>-</b>
<b>Net result</b>						<b>(2,202)</b>



**Disputes, contingent liabilities and commitments**

The Tiscali Group is involved in a number of legal proceedings, a description of which can be found in the identical section of the Consolidated financial report as at 31 December 2014.



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Chairman and Chief Executive Officer

Renato Soru



**6 Statement of the appointed executive**

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Pasquale Lionetti, Executive in charge of drawing up the corporate accounting documents, hereby declares – pursuant to Article 154 *bis*, section 2 of the Italian Finance Consolidation Act – that the accounting information contained in this Interim report on operations of the Tiscali S.p.A. Group as at 31 March 2015 corresponds to the documentary results, books and accounting records.



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

Pasquale Lionetti

## 7 Attachment - Glossary

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<b>Shared access</b>	Technique for shared access to a local network in which a former monopoly operator rents part of its 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.
<b>ADSL</b>	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.
<b>ADSL2+</b>	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.
<b>Uncovered Areas</b>	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).
<b>ARPU</b>	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.
<b>Bitstream</b>	Bitstream (or digital flow) services: a 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.
<b>Broadband</b>	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.
<b>Broadcast</b>	Simultaneous transmission of information to all nodes on a network.
<b>Unique browsers</b>	Number of different browsers that, in a specific time span, can visit a site one or more times.
<b>Access fee</b>	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".
<b>Capex</b>	Acronym for Capital Expenditure. Identifies the outgoing cash flows generated by the investments in an operating structure.

<b>Carrier</b>	Company that physically makes a telecommunications network available.
<b>Co-location</b>	Dedicated spaces in the exchanges of an incumbent operator for the installation by Tiscali of its own network devices.
<b>CPS</b>	Acronym for Carrier Pre Selection, a system for preselecting an operator: 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.
<b>CS</b>	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.
<b>Business customers</b>	SoHos, small medium and large businesses.
<b>Consumer customers</b>	Customers who subscribe to an offer intended for households.
<b>Dial Up</b>	Narrowband internet connection by means of a normal telephone call, usually charged on a time basis.
<b>Digital</b>	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.
<b>Double Play</b>	Combined offer of access to the Internet and fixed telephony.
<b>DSL Network</b>	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.
<b>DSLAM</b>	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.

<b>MAN</b>	Acronym for Metropolitan Area Network, a fibre optic network that extends across a metropolitan area and links a Core Network to an Access Network.
<b>Mbps</b>	Acronym for megabit per second, a unit of measurement that states the capacity (and thus the speed) of data transmission along a computer network.
<b>Modem</b>	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.
<b>MNO</b>	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).
<b>MPF</b>	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.
<b>MSAN</b>	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.
<b>MVNO</b>	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.

<b><i>Narrowband</i></b>	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: only one signal occupies the entire available band. 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.
<b><i>OLO</i></b>	Acronym for Other Licensed Operators, operators other than the dominant one that operate in a national telecommunications services market.
<b><i>Opex</i></b>	Acronym for Operating Expenses which are direct and indirect costs that are recorded in the income statement.
<b><i>Pay-Per-View</i></b>	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.
<b><i>Pay TV</i></b>	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.
<b><i>Platform</i></b>	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).
<b><i>POP</i></b>	Acronym for Point of Presence, a site at which telecommunications apparatus is installed and that forms a node on the network.
<b><i>Portal</i></b>	Website that forms a point of departure or an entry point for a major group of Internet resources or an Intranet.
<b><i>Router</i></b>	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.
<b><i>Service Provider</i></b>	Party that provides end users and content providers with a range of services including that of an owned, leased or third party service centre.
<b><i>Server</i></b>	Computer component that provides services to other components (typically client calls) via a network.

<b>Set-top-box or STB</b>	Device able to handle and route data, voice and television connections, installed at the end user's premises.
<b>Syndication</b>	The sale of radio and TV transmissions wholesale by a media company that owns the rights and usually the delivery platform also.
<b>SoHo</b>	Acronym for Small office Home office, for small offices, mostly professional offices or small firms.
<b>SHDSL</b>	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).
<b>Single Play</b>	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.
<b>Single Play voice</b>	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.
<b>SMPF</b>	Acronym for Shared Metallic Path Facilities which is synonymous with Shared Access (ungrouped access).
<b>Triple Play</b>	A combined offering of fixed and/or mobile telephony, Internet and/or TV made by a single operator.
<b>Local loop unbundling or LLU</b>	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: 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.



***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: 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.