

Consolidated financial report as at 31 March 2011

Issue date: 31 March 2011

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TISCALI S.P.A.

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

Share Capital EUR 92,018,562.47

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

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1 Highlights

Income statement (EUR mln)	31 March 2011	31 March 2010	% change
· Revenues	69.0	68.6	0.6%
· Adjusted Gross Operating Result (EBITDA)	18.5	18.0	2.6%
· Gross Operating Result (EBITDA)	11.2	14.4	(22.3%)
· Operating result	(2.3)	3.8	(161.0%)
Balance sheet (EUR mln)	As at 31 March 2011	As at 31 December 2010	% change
· Total assets	359.1	366.9	(2.1%)
· Net Financial Debt	(196.0)	(197.6)	0.8%
· Net Financial Debt as per Consob	(202.4)	(204.3)	0.9%
· Shareholders' equity	(98.4)	(92.0)	(7.0%)
· Investments	8	35.7	(77.9%)
Operating figures (000)	As at 31 March 2011	As at 31 March 2010	% change
Internet Access and Voice users	607.7	608.4	(0.1%)
ADSL (broadband) users	540.6	571.9	(5.5%)
Of which: Direct ADSL users (LLU)	370.2	389.5	(5.0%)

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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Quarterly Report as at 31 March 2011

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4 Quarterly Report as at 31 March 2011

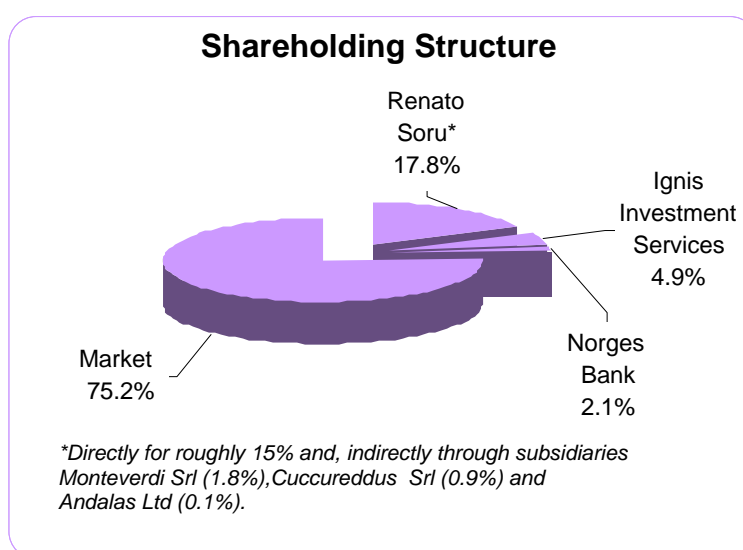
4.1 Tiscali shares

Tiscali shares have been listed on the Italian Stock market (Milan: TIS) since October 1999. At 31 March 2011, market capitalization came to around EUR 141.5 million, calculated on the value of EUR 0.076 per share as at that date.

At 31 March 2011, the number of shares representing the Group's share capital amounted to 1,861,493,509.

Tiscali's shareholder base at 31 March 2011 is illustrated below.

Chart 4.1 Tiscali shares



Source: Tiscali

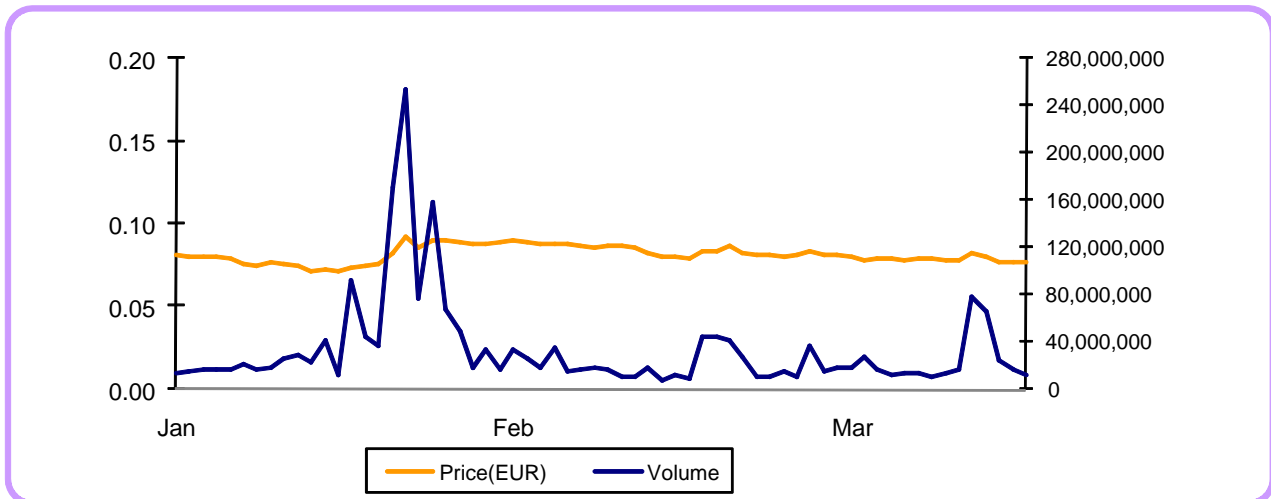
Share capital structure as at 31 March 2011

SHARE CAPITAL STRUCTURE		
	No. of shares	As % of share capital
Ordinary shares	1,861,493,509	100%
OTHER FINANCIAL INSTRUMENTS		
	No. of warrants	Listing market
Tiscali 2009-2014 warrants ***	1,799,427,571	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 quarter of 2011, characterised by sustained trading volumes, particularly in the month of January.

Chart 4.2 - Tiscali's share performance during the first three months of 2011



Source: Bloomberg data processing

The average monthly price in the first three months stood at EUR 0.082. The maximum price for the period was EUR 0.092, while the minimum came to EUR 0.071. Trading volumes stood at a daily average of about 34 million items, with a daily average trade value of EUR 2.8 million.

Average exchanges of the Tiscali share on the Italian Stock Exchange in the 1st quarter of 2011

	Price (EUR)	Number of shares
January	0.079	55,782,460
February	0.086	22,943,973
March	0.080	22,967,900
Average	0.082	33,898,111

Source: Bloomberg data processing

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

Introduction

Tiscali is one of the leading alternative telecommunications companies in Italy. With 608 thousand customers, as at 31 March 2011, Tiscali is one of the main providers of Broadband services with xDSL

technology (around 541 thousand customers) and voice and narrowband services (roughly 38 thousand customers). Thanks to a cutting edge network based on IP technology, Tiscali can offer its customers a wide range of services, from broadband and narrowband internet access, together with more specific and hi-tech products to meet the needs of the market. 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).

Following a major re-focus on the scope of consolidation, the Group concentrated its operations in Italy, offering its products to consumers and business customers, mainly via five business lines: (i) the "Access" line, under Broadband (LLU; Wholesale/bitstream) and Narrowband; (ii) the "Voice" line, inclusive of both traditional (CS and CPS) and VoIP telephone tariff services; (iii) the "Mobile Telephone" line (so-called MVNO); (iv) the "Business Services" line (so-called B2B), which among other aspects includes VPN, Hosting, domain concession and Leased Line services, provided to businesses and, in conclusion, (v) the "Media and value added services" line, which covers media, advertising and other services.

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Income statement

(EUR mln)				
CONSOLIDATED INCOME STATEMENT	31 March 2011	31 March 2010	Change	% change
Revenues	69.0	68.6	0.4	0.6%
Other income	2.8	0.6	2.2	388.2%
Purchase of materials and outsourced services	42.8	41.8	1.0	2.4%
Payroll and related costs	9.5	11.1	(1.6)	(14.3%)
Other operating costs / (income)	1.0	(1.8)	2.8	(157.8%)
Adjusted Gross Operating Result (EBITDA)	18.5	18.0	0.5	2.6%
Write-downs of receivables from customers	7.3	3.6	3.7	103.5%
Stock option plan cost	-	-	-	n.a.
Gross Operating Result (EBITDA)	11.2	14.4	(3.2)	(22.3%)
Restructuring costs, provisions for risk reserves and write downs	0.5	0.1	0.4	304.0%
Amortisation/depreciation	13.0	10.4	2.6	24.9%
Operating result (EBIT)	(2.3)	3.8	(6.2)	(161.0%)
Share of results of equity investments valued using the equity method	-	-	-	n.a.
Net financial income (charges)	(3.6)	(4.1)	0.5	(12.4%)
Pre-tax result	(5.9)	(0.3)	(5.7)	n.a.
Income taxes	(0.5)	-	(0.5)	n.a.
Net result from operating activities (on-going)	(6.4)	(0.2)	(6.2)	n.a.
Result from assets disposed of and/or destined for disposal	-	(0.1)	-	(69.1%)
Net result	(6.4)	(0.3)	(6.2)	n.a.
Minority interests	-	-	-	n.a.
Group Net Result	(6.4)	(0.3)	(6.2)	n.a.

Tiscali Group revenues during the first three months of the year came to EUR 69 million, slightly higher than the balance of EUR 68.6 million recorded in the same quarter of 2010, while the mix by business line changed, as described below:

- natural reduction in the narrowband/dial-up segment, of EUR 1.3 million;
- reduction in BTB revenues of EUR 2.4 million, mainly due to the decrease in the volumes of the outsourcing contract with former Tiscali UK;
- significant increase in revenues relating to voice services amounting to EUR 4 million, due to the increase in wholesale revenues and the rise in dual play customers and the related traffic, a factor which offset the reduction in remuneration from incoming traffic as from 1° July 2010;
- increase in the average revenues of EUR 1.6 million following the rise in traffic volumes.

During the first three months of 2011, internet access and voice services – the Group's core business – represented around 86.2% of total turnover.

Costs for purchases of materials and services totalling EUR 42.8 million, increased EUR 1 million with respect to last year. This increase was mainly attributable to additional costs associated with VOIP Bitstream services and the rise in fixed costs associated with the development of the LLU network by means of the activation of new sites.

The Group's gross profitability increased, with an adjusted Gross operating result (EBITDA) before provisions of EUR 18.5 million (26.8% of revenues), up 2.6% with respect to the adjusted Gross operating result (EBITDA) of EUR 18 million reported as at 31 March 2010.

The net operating result (EBIT) for the first three months of the year, net of provisions, write-downs and restructuring costs, was a loss of EUR 2.3 million, a decrease with respect to the positive comparable balance of EUR 3.8 million recorded in 2010. The deterioration is mostly due to the increase in amortisation/depreciation and the sharp rise in the receivable write-down provision, a direct consequence of the debt collection policies and write-downs of unrecoverable positions dating back to previous years undertaken in 2010 and the first quarter of 2011.

As a result of the above, the result from operating activities (on-going), a loss of EUR 6.4 million, clearly worsened with respect to the same figure in the previous year, presenting a negative balance of EUR 0.2 million. However, there was a drop in net financial income and charges, which fell from EUR 4.1 million in 2010 to EUR 3.6 million in 2011, consequent to the reduction in the amounts due to financial institutions.

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

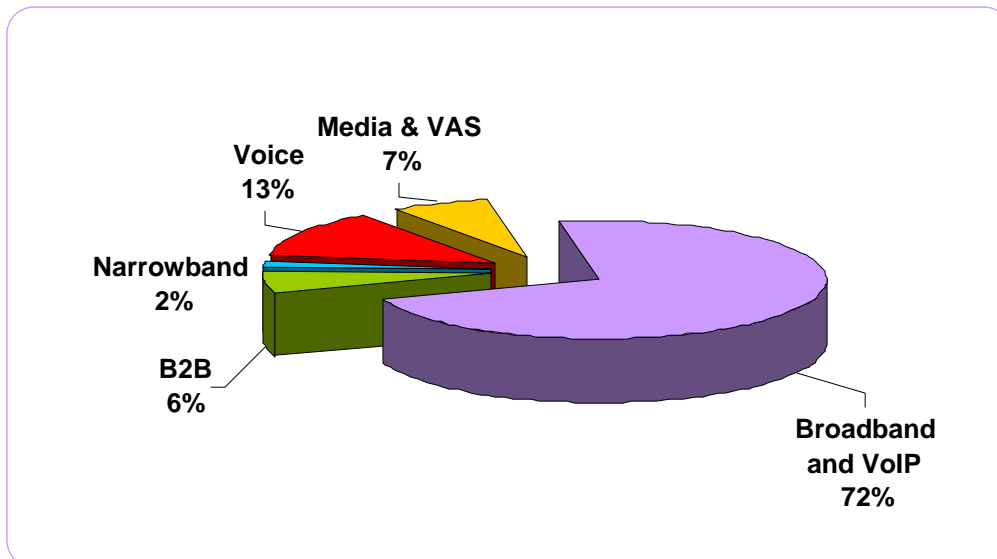
The Group's net result was a loss of EUR 6.4 million, down with respect to the comparable figure for 2010, a loss of EUR 0.3 million.

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Operational income statement - Group

(EUR mln)	31 March 2011	31 March 2010
Revenues	69.0	68.6
Access revenues	31.3	33.4
<i>of which: ADSL</i>	30.0	30.8
Voice revenues	28.1	24.2
<i>Of which dual play (traffic component)</i>	19.1	17.5
Business service revenues	4.0	6.4
Media and value added service revenues	4.7	3.1
Other revenues	0.8	1.5
Gross operating margin	31.9	34.0
Indirect operating costs	16.3	18.5
Marketing and sales	2.5	3.3
Payroll and related costs	9.5	11.1
Other indirect costs	4.2	4.0
Other (income) / expense	(2.8)	(2.5)
Adjusted Gross Operating Result (EBITDA)	18.5	18.0
Write-down of receivables and other provisions	7.3	3.6
Gross Operating Result (EBITDA)	11.2	14.4
Amortisation/depreciation	13.0	10.4
Gross result (EBIT) before restructuring costs and provisions for risks	(1.8)	4.0
Operating result (EBIT)	(2.3)	3.8
Group Net Result	(6.4)	(0.3)

Revenues by business line

Chart 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 narrowband (dial-up) and broadband (ADSL) and the flat component of the bundled ranges (access fees), in the first three months of 2011 generated revenues of EUR 31.3 million, down by 6.2% with respect to the figure in the same period in 2010 (EUR 33.4 million). The reduction in revenues is mainly attributable to the natural reduction in the narrowband/dial-up segment (EUR 1.3 million as at 31 March 2011 compared with EUR 2.6 million at 31 March 2010, -49.2%). Revenues pertaining to ADSL Access services by contrast came to EUR 30 million, down with respect to the same period last year, EUR 30.8 million.

As at 31 March 2011, direct ADSL customers decreased by around 31.2 thousand with respect to the comparable figure in 2010, while Dual Play customers (data and voice via internet) increased by around 33.8 thousand taking the total of double play customers to around 366 thousand. It can also be observed that during the first three months of 2011, the Group reported a decrease in the number of narrowband and voice customers of around 46.5 thousand when compared with the end of 2010, essentially in line with the market trend which saw a progressive replacement with broadband services in the supply to customers.

Total ADSL customers as at 31 March 2011 amounted to around 540.6 thousand, of which more than 370.2 thousand linked under unbundling.

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

In January and March, the Company took steps to cancel around 13 thousand ADSL lines relating to customers whose service had been suspended due to default and ADSL customers with silent consumption. The cancellation of these lines will make it possible to achieve significant savings in the costs for line rental vis-à-vis the incumbent.

Evolution of the customer base

(000)	31 March 2011	31 March 2010
ADSL customers	540.6	571.9
<i>of which LLU</i>	370.2	389.5
Narrowband and Voice customers	67.1	113.6
Dual play customers	366.0	332.3

The unbundling network coverage at 31 March 2011 amounted to 687 sites.

Voice

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

During the first three months of 2011, there was an increase in revenues relating to voice services of 16.5 % due to the increase in wholesale services as well as the rise in customers and volumes developed by customers in VoIP mode, further to the up-selling action developed during 2010 and the first quarter of 2011.

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 2011 to EUR 4 million, down 37.3% with respect to the EUR 6.4 million in the same period of 2010. The decrease was mainly due to the drop in the volumes of the outsourcing contract with Tiscali UK.

Media

During the first three months of 2011, revenues for the Media and value added services segment (mainly concerning sales of advertising space) amounted to around EUR 4.7 million and were up with respect to the same period in the previous year (EUR 3.1 million).

Indirect operating costs during the first three months of 2011 came to EUR 16.3 million (23.6% of revenues), a reduction in absolute terms and as a proportion of revenues compared with last year's figure (EUR 18.5 million, 26.9% of revenues). Within indirect operating costs, **payroll and related costs** amounted to EUR 9.5 million (13.8% of revenues), down with respect to 2010 (EUR 11.1 million, 16.2% of revenues). This improvement was mainly attributable to the reduction in costs for recourse to outside call centres and temporary employment.

The **adjusted Gross operating result (EBITDA)**, before provisions for risks, write-downs and amortisation/depreciation, amounted to EUR 18.5 million (26.8% of revenues) as at 31 March 2011, up 2.6% with respect to the figure of EUR 18 million reported at 31 March 2010 (26.3% of revenues).

The **Gross operating result (EBITDA)**, net of write-downs of receivables and other provisions came to EUR 11.2 million in the first three months of 2011 (16.2% of revenues), a decrease of 22.3% on the comparable figure for 2010 (EUR 14.4 million, 21% of revenues).

Provisions to risk reserves, write-downs of receivables and other provisions in the first three months of 2011 totalled EUR 7.8 million (EUR 3.7 million in the same period of 2010).

Amortisation/depreciation in the first three months of 2011 came to EUR 13 million (EUR 10.4 million in the same period of 2010). The increase was mainly attributable to the change in the method for accounting for sales costs.

The **Operating result (EBIT)** for the first three months of 2011, net of provisions, writedowns and restructuring costs, was a loss of EUR 2.3 million (3.4% of revenues), with respect to the comparable balance for 2010, income of EUR 3.8 million (5.6% of revenues).

The **result from operating activities (on-going)**, a loss of EUR 6.4 million as at 31 March 2011, decreased with respect to the same balance in the previous year, negative for EUR 0.2 million.

The **Group's net result** was a loss of EUR 6.4 million, compared with a loss in the first three months of 2010 of EUR 0.3 million.

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Equity and financial position

CONSOLIDATED BALANCE SHEET (in abridged form) (EUR mln)	31 March 2011	31 December 2010
Non-current assets	216.0	221.4
Current assets	143.1	145.5
Assets held for sale	-	-
Total Assets	359.1	366.9
Group shareholders' equity	(98.4)	(92.0)
Shareholders' equity pertaining to minority shareholders	-	-
Total Shareholders' equity	(98.4)	(92.0)
Non-current liabilities	207.8	206.9
Current liabilities	248.8	251.1
Liabilities directly related to assets held for sale	0.9	0.9
Total Liabilities and Shareholders' equity	359.1	366.9

AssetsNon-current assets

Non-current assets at 31 March 2011, amounted in total to EUR 216 million and were down with respect to the closing balance as at 31 December 2010 (EUR 221.4 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 2011.

Current assets

Current assets at 31 March 2011, amounted in total to EUR 143.1 million, down with respect to 31 December 2010 (EUR 145.5 million). Receivables from customers as at 31 March 2011 amounted in total to EUR 109.8 million, compared with EUR 108.4 million at 31 December 2010. Other receivables and other current assets, amounting to EUR 23.9 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 2011 amounted in total to EUR 207.8 million, compared with EUR 206.9 million at 31 December 2010. 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 totalling EUR 5.6 million, long-term payables to suppliers for EUR 2.3 million and payables to suppliers for the purchase of long-term rights for the use of transmission capacity (IRU) for EUR 10.3 million, along with the provision for taxation and the provision for employee severance indemnities.

Current liabilities

Current liabilities amounted to EUR 248.8 million as at 31 March 2011 (compared with EUR 251.1 million as at 31 December 2010) 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 2011, the Tiscali Group held cash, cash equivalents and bank deposits totalling EUR 8.9 million, against net financial debt, at the same date, of EUR 196 million (EUR 197.6 million as at 31 December 2010).

(EUR mln)	Notes	31 March 2011	31 December 2010
A. Cash and Bank deposits		8.9	10.3
B. Other cash equivalents		0.1	0.4
C. Securities held for trading		-	-
D. Cash and cash equivalents (A) + (B) + (C)		9.0	10.8
E. Current financial receivables		-	-
F. Non-current financial receivables	(1)	6.3	6.3
G. Current bank payables	(2)	10.5	12.8
H. Current portion of non-current debt	(3)	15.6	17.0
I. Other current financial payables (*)	(4)	1.2	1.5
J. Current financial debt (G) + (H) + (I)		27.3	31.2
K. Net current financial debt (J) – (E) – (D) – (F)		11.9	14.2
L. Non-current bank payables	(5)	125.6	124.7
M. Bonds issued		-	-
N. Other non-current payables (**)	(6)	58.5	58.7
O. Non-current financial debt (N) + (L) + (M)		184.1	183.4
P. Net Financial Debt (K) + (O)		196.0	197.6

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 15.6 million relating to payables to Senior Lenders (principal and interest portions repayable within 12 months);
- (4) Includes EUR 1.2 million of short-term leasing of the subsidiary Tiscali Italia S.p.A.;
- (5) The entire amount of EUR 125.6 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 58.5 million.

In March 2011, the third portion of the restricted deposit ("Escrow") relating to the sale of the UK activities was collected, for a total of GBP 1.250 million. In pursuance of the GFA agreements, this amount was intended to partially repay the Senior Loan, on 22 March 2011 (for details see section 4.3 Significant events during the first three months of 2011).

In March 2011, the first portion of the total payment of EUR 3.6 million was also made, in accordance with the agreement entered into with West Hugo (former Sambrosan) settling the transaction relating to a claim on the building of a German subsidiary. The amount paid in March came to EUR 1.190 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, shown in Note 24 to the abridged quarterly consolidated financial statements, amounts to EUR 202.4 million.

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

(EUR mln)	31 March 2011	31 December 2010
Consolidated net financial debt	196.0	197.6
Other cash equivalents and non-current financial receivables	6.4	6.7
Consolidated net financial debt prepared on the basis of Consob communication No. DEM/6064293 dated 28 July 2006	202.4	204.3

4.3 Significant events during the first three months of 2011

Collection of the last portion of the Tiscali UK Escrow

On 17 March 2011, the last portion of the escrow was collected, deriving from the sale of Tiscali UK Ltd for a total of GBP 1.250 million. In pursuance of the GFA agreements, this amount was intended to partially repay the Senior Loan, on 22 March 2011.

Tiscali S.p.A.: 2010 draft financial statements approved

On 25 March 2011, Tiscali's Board of Directors approved the 2010 draft financial statements.

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4.4 Significant events after the end of the first quarter of 2011

The Shareholders' meeting approves the 2010 financial statements

On 29 April 2011, Tiscali S.p.A.'s ordinary Shareholders' meeting, held in Cagliari in second calling, approved the 2010 financial statements. The figures from the draft financial statements were confirmed, as approved by the Board of Directors on 25 March 2011.

Partial repayment of the Senior Loan

On 10 May 2011, EUR 5.5 million was repaid with regard to the Senior Loan already reclassified under short-term financial liabilities.

4.5 Business continuity

This quarterly Report as at 31 March 2011 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 2010.

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**Financial Statements and Explanatory Notes
as at 31 March 2011**

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5 Consolidated Financial Statements and Explanatory Notes as at 31 March 2011**5.1 Income statement**

	Notes	31 March 2011	31 March 2010
<i>(EUR 000)</i>			
Revenues		69,015	68,574
Other income		2,812	576
Purchase of materials and outsourced services		42,781	41,772
Payroll and related costs		9,541	11,137
Stock option plan cost		-	29
Other operating (income) charges		1,023	(1,769)
Write-downs of receivables from customers		7,299	3,586
Restructuring costs and other write-downs		498	123
Amortisation/depreciation		13,029	10,432
Operating result		(2,344)	3,840
Share of results of equity investments valued using the equity method		-	-
Net financial income (charges)		(3,588)	(4,094)
Pre-tax result		(5,932)	(254)
Income taxes		(492)	22
Net result from operating activities (on-going)		(6424)	(231)
Result from assets disposed of and/or destined for disposal		(19)	(60)
Net result for the period		(6,442)	(292)
Attributable to:			
- Result pertaining to the parent company		(6,442)	(292)
- Minority interests		-	-

5.2 Statement of comprehensive income

<i>(EUR 000)</i>	Notes	31 March 2011	31 March 2010
Result for the period		(6,442)	(292)
		-	-
Total statement of comprehensive income result		(6,442)	(292)
Attributable to:			
<i>Shareholders of the parent company</i>		(6,442)	(292)
<i>Minority shareholders</i>		-	-
		(6,442)	(292)

5.3 Statement of financial position

<i>(EUR 000)</i>	Notes	31 March 2011	31 December 2010
<i>Non-current assets</i>			
Intangible assets		86,443	86,808
Properties, plant and machinery		119,658	124,369
Other financial assets		9,908	10,217
		216,009	221,394
<i>Current assets</i>			
Inventories		343	557
Receivables from customers		109,794	108,403
Other receivables and other current assets		23,920	24,722
Other current financial assets		101	1,540
Cash and cash equivalents		8,915	10,326
		143,073	145,548
Assets held for sale		-	-
Total Assets		359,082	366,942
<i>Share Capital and reserves</i>			
Share capital		92,019	92,017
Stock option reserve		4,388	4,388
Results from previous periods and Other reserves		(188,373)	(164,097)

Result pertaining to the Group	(6,442)	(24,276)
Group shareholders' equity	(98,409)	(91,968)
Minority interests	-	-
Shareholders' equity pertaining to minority shareholders	-	-
Total Shareholders' equity	(98,409)	(91,968)
<i>Non-current liabilities</i>		
Payables to banks and to other lenders	125,602	124,691
Payables for financial leases	58,476	58,721
Other non-current liabilities	13,881	13,299
Liabilities for pension obligations and staff severance indemnities	4,271	4,250
Provisions for risks and charges	5,560	5,977
	207,790	206,939
<i>Current liabilities</i>		
Payables to banks and other lenders	26,109	29,789
Payables for financial leases	1,714	1,461
Payables to suppliers	154,293	153,092
Other current liabilities	67,268	66,772
	248,844	251,114
Liabilities directly related to assets held for sale	856	856
Total Liabilities and Shareholders' equity	359,081	366,942

5.4 Cash flow statement (in abridged form)

	31 March 2011	31 March 2010
<i>(EUR 000)</i>		
Net result from operating activities (on-going)	(6,424)	(231)
FLOWS GENERATED BY OPERATIONS (inclusive of the Result)	18,020	(1,684)
FLOWS GENERATED BY INVESTMENT ACTIVITIES	(6,223)	(6,348)
FLOWS GENERATED BY FINANCING ACTIVITIES	(6,147)	(1,881)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,410)	(9,913)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	10,326	16,220
CASH AND CASH EQUIVALENTS AT THE END OF THE THIRD QUARTER OF THE YEAR	8,915	6,307

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 1 January 2011	92,017		4,388	(188,374)	(91,968)		(91,968)
Share capital increase	1				1		1
Increases /(Decreases)							
<i>Period result</i>				(6,442)	(6,442)		(6,442)
As at 31 March 2011	92,019		4,388	(194,816)	(98,409)		(98,409)

EXPLANATORY NOTES TO THE INTERIM MANAGEMENT REPORT AS AT 31 MARCH 2011

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.

This interim management report 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 statementsBasis of presentation and consolidation

This interim management report as at 31 March 2011 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 statements" (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 management report 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 management report, 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 management report as at 31 March 2011, have been applied consistently at the time of preparation of the consolidated financial statements as at 31 December 2010, 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 management report 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 2010.

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Revenues

<i>(EUR 000)</i>	31 March 2011	31 March 2010
Revenues	69,015	68,574

Revenues were more or less in line with the balance for the first quarter of 2010, despite having undergone a significant change in the mix (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 2011	31 March 2010
Purchase of materials and outsourced services	42,781	41,772
Payroll and related costs	9,541	11,137
Other operating costs	1,023	(1,769)

The increase 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 mostly due to the increased number of customers, especially under Bitstream mode, and the rise in dual play customers.

The increase in payroll costs with respect to the first quarter of 2010 is essentially attributable to the reduction in costs for recourse to outside call centres and temporary employment.

Stock option plan cost and other provisions

<i>(EUR 000)</i>	31 March 2011	31 March 2010
Stock option plan cost and other provisions	-	29

The provision made for charges relating to the stock option plan of the Italian companies, Tiscali S.p.A. and Tiscali Italia S.p.A., is zero, since the total cost of the plan was absorbed in full in 2010.

Restructuring costs, provisions for risk reserves and write downs

<i>(EUR 000)</i>	31 March 2011	31 March 2010
Write-downs of receivables from customers	7,299	3,586
Restructuring costs and other write-downs	498	123

The write-downs of receivables from customers represents around 10.6% of revenues, up with respect to the percentage in the same period of 2010 (5.2%). This increase is attributable to the application of more stringent policies relating to the handling of credit provided to consumers and business customers and the higher write-downs applied to receivables subject to greater ageing.

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, EUR 3.6 million, down slightly with respect to that in the same period last year totalling EUR 4.1 million, should be looked at in relation to the drop in the principal component of the debt, following the significant repayments during 2010.

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 2011.

Non-current assets

<i>(EUR 000)</i>	31 March 2011	31 December 2010
Goodwill	-	-
Intangible assets	86,443	86,808
Properties, plant and machinery	119,658	124,369
Equity investments	9,908	10,217
Other financial assets	9,908	10,217
Deferred tax assets		
Total	216,009	221,394

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 2011 of EUR 206.1 million (EUR 211.2 million at 31 December 2010).

Non-current assets also include other financial assets for EUR 9.9 million (EUR 10.2 million as at 31 December 2010), 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 2011	31 December 2010
Inventories	343	557
Receivables from customers	109,794	108,403
Other receivables and other current assets	23,920	24,722
Other current financial assets	101	1,540
Cash and cash equivalents	8,915	10,326
Total	143,073	145,548

Current assets mainly include "Receivables from customers", EUR 109.8 million at 31 March 2011, compared to a balance of EUR 108.4 million as at 31 December 2010.

Other receivables and other current assets, amounting to EUR 23.9 million, include accrued income on access services provided for EUR 3.9 million, prepaid expense for service costs for EUR 13 million, advances to suppliers for EUR 1.7 million, VAT credits for EUR 2.7 million (essentially relating to the German subsidiaries), amounts due from the tax authorities for the IRAP (regional business tax) advance for EUR 1.3 million and other receivables for the remaining balance.

Non-current liabilities

<i>(EUR 000)</i>	31 March 2011	31 December 2010
Payables to banks and to other lenders	125,602	124,691
Payables for financial leases	58,476	58,721
Other non-current liabilities	13,881	13,299
Liabilities for pension obligations and staff severance indemnities	4,271	4,250
Provisions for risks and charges	5,560	5,977
Total	207,790	206,939

Non-current liabilities at 31 March 2011 amounted in total to EUR 207.8 million (EUR 206.9 million at 31 December 2010).

Non-current liabilities include the amount of the debt due to Senior Lenders, restructured as from 3 July 2009, amounting to EUR 125.6 million (inclusive of interest up until 31 March 2011) 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 58.5 million.

Other non-current liabilities amounting to EUR 13.9 million as at 31 March 2011 (EUR 13.3 million as at 31 December 2010), included medium/long-term payables to suppliers for the purchase of long-term rights for the use of transmission capacity (IRU) for EUR 10.3 million and other long-term payables to suppliers for EUR 2.3 million.

The balance of non-current liabilities also includes both the provisions for employee severance indemnities of the Italian companies (EUR 4.3 million as at 31 March 2011) and provisions for risks and charges (EUR 5.6 million).

Current liabilities

<i>(EUR 000)</i>	31 March 2011	31 December 2010
Payables to banks and other lenders	26,109	29,789
Payables for financial leases	1,714	1,461
Payables to suppliers	154,293	153,092
Other current liabilities	67,268	66,772
Total	248,844	251,114

Current liabilities amounted in total to EUR 248.8 million, compared with EUR 251.1 million at 31 December 2010.

The item "Payables to banks and to other lenders", totalling EUR 26.1 million (EUR 29.8 million as at 31 December 2010) mainly included the short-term component of the amount due to Senior Lenders, totalling EUR 15.6 million and the bank debt of Tiscali Italia S.p.A. and Tiscali S.p.A. for EUR 10.5 million.

"Financial lease payables" amounting to EUR 1.2 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 154.3 million as at 31 March 2011, compared with a balance of EUR 153.1 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 0.2 million, deferred income of EUR 44.5 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 13.7 million and other payables totalling Euro 3.7 million.

Shareholders' equity

<i>(EUR 000)</i>	31 March 2011	31 December 2010
Share capital	92,019	92,017
Share premium reserve	-	-
Stock Options reserve	4,388	4,388
Accumulated losses and other reserves	(188,373)	(164,098)
Result for the period	(6,442)	(24,276)
Minority interests	-	-
Total Shareholders' equity	(98,409)	(91,969)

Changes in the various shareholders' equity items are detailed in the relevant table.

At 31 March 2011, the share capital amounted to EUR 92 million corresponding to 1,861,493,509 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, Voice, Business services / Business, Media) represent the secondary reporting segment, at sector information level.

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Income statement as at 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 profit (loss)						(6,442)

Income statement as at 31 March 2010

(EUR 000)	Italy	Other	Corporate	HFS/ Discontinued	Cancellation adjustments	Total
Revenues						
From third parties	68,468	-	106	-	-	68,574
Intra-group	466	948	1,873	-	(3,287)	-
Total revenues	68,935	948	1,979	-	(3,287)	68,574
Operating result	669	(30)	3,202	-	-	3,840
Portion of results of equity investments carried at equity						-
Net financial income (charges)						(4,094)
Pre-tax result						(254)
Income taxes						22
Net result from operating activities (on-going)						(231)
Result from assets disposed of and/or destined for disposal						(60)
Net profit (loss)						(292)

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 2010. Under the terms specified in the description as per the Consolidated financial report as at 31 December 2010, 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 2010, 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.



Chairman and CEO

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* of the Italian Finance Consolidation Act – that the accounting information contained in this Interim management report of the Tiscali S.p.A. Group corresponds to the documentary results, books and accounting records.

[signed]

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 24Mbps 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 VOPI 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 9600 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.