

Tiscali Group - Data on the last quarter of 2000

Consolidated Income Statement (thousands of Euro) (*)

	31/12/2000 (3 months)	31/12/2000 (12 months)	31/12/1999 (12 months)	31/12/1999 (3 months)
Internet revenues	18.740	72.936	12.672	6.142
Voice revenues	14.246	61.868	19.977	9.583
Other revenues	19.380	38.914	151	65
Total revenues	52.366	173.718	32.800	15.790
Production costs	(65.411)	(215.983)	(38.480)	(18.634)
Gross operating margin	(13.045)	(42.265)	(5.680)	(2.844)

(*) data on subsidiary company World Online is not consolidated

Consolidated revenues for the last quarter of 2000, without taking into consideration the results of the newly acquired World Online International N.V., totalled Euro 52.4 million, a 232% increase compared with the same period in 1999.

Subsidiary companies STS srl, Motorcity srl and Informedia Srl were included in the area of consolidation this time.

Revenues from the Internet area increased by 205% and those for the voice area by 49%. In detail, revenues from the Internet area included revenues from access of Euro 20.7 million (+237% compared with the last quarter of 1999), revenues from portal services of Euro 2.9 million and revenues from business services of Euro 12.2 million. Neither revenues from portal services or revenues from business services were present to any great extent in the last quarter of 1999. Voice revenues totalled Euro 13.5 million, with a 40% increase over the last quarter of 1999.

The EBITDA for the last quarter stood at a negative balance of Euro 13 million, compared with a similar figure for the last quarter of 1999 (Euro -2.8 million). The percentage incidence on revenues of the EBITDA was 25%, basically in line with the third quarter of 2000.

On an annual basis, the Tiscali group registered total revenues of Euro 173.7 million, an increase of 430% compared with the same figure for 1999. In particular, revenues from Internet access totalled Euro 65.6 million (38% of the total), voice revenues Euro 61.8 million (36% of the total) and business revenues Euro 25.9 million (15% of the total). Revenues from portal services, which totalled Euro 7.3 million and derived almost entirely from advertising, are becoming an increasingly important component of the Tiscali business model.

The EBITDA for 2000 stood at a negative balance of Euro 42.3 million, against a negative balance of Euro 5.7 million for 1999.

Net financial situation of the Group at 31 December 2000

(thousands of Euro)

31/12/2000

30/09/2000

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	(12 months)	(9 months)
Short-term indebtedness with banks	(13.638)	(3.686)
Long-term indebtedness with third parties	(250.000)	(250.000)
Liquidity	161.269	195.988
	(102.369)	(57.698)

The net financial position, excluding liquidity of the subsidiary company, World Online, stood at a negative balance of Euro 102.4 million at 31 December, 2000, with Euro 250 million thereof relating to the bonded loan issued by subsidiary company, Tiscali Finance, during 2000.

Data on the parent company

Income statement (thousands of Euro)

(thousands of Euro)

	31/12/2000	31/12/2000	31/12/1999	31/12/1999
	(3 months)	(12 months)	(12 months)	(3 months)
Internet revenues	22.160	59.379	12.672	6.142
Voice revenues	8.733	45.387	19.977	9.612
Other revenues	6.115	17.017	152	36
Total revenues	37.008	121.783	32.801	15.790
Production costs	42.422	146.188	39.734	19.887
Gross operating margin	(5.414)	(24.405)	(6.933)	(4.097)

During the last quarter of 2000, the parent company registered revenues of Euro 37 million, a 134% increase compared with the last quarter of 1999 and a 15% increase compared with the third quarter of 2000. Revenues from the Internet area increased by 261% compared with the same period in 1999. Voice revenues of Euro 8.7 million constituted a 9% decrease compared with the last quarter of 1999.

The registered and active Internet user base totalled 2.5 million and 1.15 million respectively at 31/12/00. Growth over the last quarter was around 40% and 20% respectively. The positive trend in growth was also confirmed by performance in January, 2001, which registered a 23% increase in total Internet traffic compared with December, 2000, thereby reaching a total of over 720 million minutes. The Tiscalinet portal registered a total number of pages visited of over 140 million in December and this positive trend was also confirmed by the figure of 175 million reached in January, 2001. The recent acquisition of a 70% stake in Excite.it will allow Tiscali to further strengthen its position among the Italian portals, reaching 300 million pages visited in January, 2001.

The EBITDA for the last quarter of 2000 stood at a negative balance of Euro 5.4 million, against Euro -4,1 million for the last quarter of 1999. Compared with the third quarter of 2000, the EBITDA registered an improvement of Euro 3.2 million, while the percentage incidence on revenues decreased from 27% to 15%, a sign of gradual progress towards operating profitability. The results for 2000 for Tiscali S.p.A. were revenues of Euro 121.8 million, an increase of 671% compared with 1999, with a negative EBITDA of Euro 24.4 million, against Euro 6.9 million in 1999.

Net financial situation of the parent company at 31 December 2000

(thousands of Euro)

31/12/2000

30/09/2000₃

	(12 months)	(9 months)
Short-term indebtedness with banks	(11.127)	(547)
Long-term indebtedness with third parties		
Liquidity	10.663	54.164
	(464)	53.617

Data on the subsidiary company World Online.

In the last quarter of 2000, subsidiary company World OnLine International NV registered consolidated revenues of Euro 66.9 million, an increase of 18% compared with the third quarter of 2000. Particularly significant was the growth in revenues from access of Euro 49.8 million, a 16.4 % increase compared with the third quarter of 2000. Business services registered revenues of Euro 11.8 million, an increase of 41% compared with the third quarter. In the last quarter, consolidated EBITDA stood at a negative balance of Euro 126.5 million, against Euro -94.9 million during the previous quarter. This figure was influenced by the presence of non-recurring costs of around Euro 20 million for the reorganisation process currently in progress.

World Online International N.V. ended 2000 with total turnover of Euro 219.7 million, a 243 % increase compared with Euro 64 million for 1999. These revenues included revenues from Internet access of Euro 165.4 million, a 337% increase compared with 1999, business revenues of Euro 35.2 million, a 123% increase compared with 1999 and portal revenues of Euro 15.1 million, a 109% increase compared with the previous year.

The EBITDA stood at a negative balance of Euro 400.6 million. The impact of sales and marketing costs, which exceeded Euro 208 million in 2000, was particularly significant.

Pro-forma data on the Tiscali Group

Pro-forma revenues of the Tiscali Group for 2000, calculated on the assumption of consolidation of all subsidiary companies on a line-by-line basis starting from 1 January, 2000, including World Online International N.V. (acquired in December, 2000) were approximately Euro 407 million.

Overall revenues from access constituted 58% of the total, voice revenues 16% and business service revenues 15%, while revenues from portal services constituted 5.5%. The pro-forma EBITDA for 2000 stood at a negative balance of approximately Euro 452 million, 11% of which is attributable to the Tiscali Group and the remainder to subsidiary company, World Online. The total number of active users at 31/12/2000 was around 4 million.

The total number of pages visited at Group level, including the properties of World Online International N.V. in December, 2000, was approximately 240 million.

The growth trend is confirmed by the data for January, 2001, which registered total Internet traffic of 1.98 billion minutes, an 18.7% increase compared with September, 2000. The total number of pages visited, including the recent acquisition of Excite Italia, exceeded 400 million per month.

The net financial position at 31/12/2000 was Euro 1,172 million.