

*2007 Group net profit reaches €198 million (vs € 23 million in 2006)*

## **A YEAR OF GROWTH FOR WIND IN 2007, EBITDA ABOVE €1.8 BILLION**

- **Total revenues €5,271 million, up 6.8%<sup>1</sup> over 2006**
- **EBITDA at €1,811 million, up 9.9% over the previous year; margin at 34.4% (32.8% in 2006)**
- **EBIT reached €730 million, growing 25.7% over €580 million recorded in 2006**
- **Group net profit of €198 million vs net profit of €23 million in 2006**
- **Net financial indebtedness reduced to €6,440 million from €7,057 million as of December 31, 2006**
- **Pre payment of € 491 million of senior debt in December 2007**
- **Rating upgrade by Standard & Poor's to BB-**
- **1.43 million direct fixed-line customers, up 43% over previous year**
- **15.6 million mobile customers (+6.4%), ARPU increasing to €19.2**

Wind Telecomunicazioni S.p.A.'s Board of Directors, chaired by Naguib Sawiris, met yesterday to analyze and approve the Group's financial results for the year ended December 31, 2007.

### **2007 Consolidated results**

In 2007 Wind continued to pursue its growth strategy in a challenging year for the telecommunications market. Wind generated total revenues of €5,271 million, with an organic growth of 6.8% (+4.4% including Tellas). Telecommunication service revenues reached €5,050 million, up 6.6% over the previous year. Mobile service revenues grew 8% over the prior year, notwithstanding the negative impact of the abolishment of mobile top-up fees as of March 5, 2007, and a further cut in interconnection rates in July 2007 while fixed-line and internet service revenues grew 3.8% on an organic basis.

The strong top-line growth coupled with a control on costs enabled Wind to grow its EBITDA to €1,811 million, up 9.9% over 2006 (+9.3% including Tellas), while the EBITDA margin improved by 1.6 p.p. to 34.4%.

EBIT in 2007 exhibited a strong growth reaching €730 million against €476 million in 2006 (€ 580 million including Tellas).

Wind reported consolidated group net profit of €198 million in 2007, against a profit of €23 million in 2006. The net profit figure includes the positive impact relative to the sale agreement of Tellas, and the negative impact of the write down of deferred tax assets partially offset by the change in IRES tax rate. In the absence of these events, net profit would have been €111 million.

Capital expenditure in 2007 increased over the prior year to €749 million, mainly invested in the deployment of our HSDPA coverage, the optimization of the GSM/GPRS and UMTS coverage, and the further expansion of our unbundling (LLU) access infrastructure.

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<sup>1</sup> Excluding the impact of Tellas, deconsolidated as of September 2007, and classified under Discontinued Operations.

Wind's net financial indebtedness as of December 31, 2007, was further reduced by €617 million to €6,440 million from €7,057 million recorded as of December, 31, 2006.

The continued strong cash generation in 2007 enabled Wind to prepay on December 10, 2007 €491 million of Senior debt tranche A1 maturities scheduled for the end of 2009 and mid-2010.

On February 5, 2008 Standard & Poor's raised Wind's corporate rating to BB- from B+ reflecting the group's continued strong performance and sustained cash flow generation; the rating of Wind's debt instruments was also raised by one notch.

Q4 2007 results confirmed the strong growth trend recorded in the previous quarters. Total revenues reached €1,413 million, with an organic growth of 6.8% over the same period of 2006. EBITDA in the fourth quarter of 2007 grew 15.5% over the same period of 2006, reaching €447 million. The Q4 2007 figure includes an accrual for restructuring costs of €18 million against an accrual of €46.3 million in Q4 2006. Wind's EBIT in Q4 2007 increased to €157 million from €60 million in Q4 2006.

### Commercial performance

#### **Mobile**

In 2007 Wind continued to pursue its mobile market growth strategy, reaching a subscriber base of 15.6 million, a 6.4% increase over 2006, and increasing its mobile ARPU to €19.2. The growth in value was achieved notwithstanding the challenging environment in 2007, characterised by the mobile top-up recharge fee abolishment, the termination rate cut in July and the EU regulatory intervention on international roaming tariffs.

During 2007, Wind's traffic volumes experienced a strong growth, reaching 29.1 billion minutes, up 24% over 2006, while the number of SMSs grew 83% over the previous year, to over 7.4 billion messages.

#### **Fixed-line and Internet**

In 2007 Infostrada confirmed its position as the main alternative operator to Telecom Italia. The full focus on its direct offerings enabled the company to record a strong growth in its direct customer base which reached 1.43 million as of December 31, 2007, up 43% over the previous year. Our direct voice customers grew 46% reaching 1.37 million with over 103 thousand net adds in the fourth quarter of 2007.

The success of our dual-play integrated offerings enabled Infostrada to maintain a leading role in the broadband internet services market, growing its broadband internet customer base to over 1.02 million as of December 31, 2007, up 34% over the previous year. Within our broadband customer base a growing proportion (87%) continue to select our flat rate tariff packages.

As of December 31, 2007, the group has completed its current target unbundling coverage which extends to 850 LLU sites or approximately 43% household coverage. In 2008, the unbundling coverage will be further extended to 50% household coverage.

<i>(€ mln)</i>	<b>2007</b>	<b>2006</b>	<b>Change</b>	
			<b>amount</b>	<b>%</b>
Revenue	5.139	4.941	198	4,0%
Other revenue	132	107	25	23,5%
<b>Total revenue</b>	<b>5.271</b>	<b>5.048</b>	<b>223</b>	<b>4,4%</b>
Total cost	(3.459)	(3.390)	(69)	(2,0)%
<b>EBITDA</b>	<b>1.811</b>	<b>1.657</b>	<b>154</b>	<b>9,3%</b>
<b>Operating Income</b>	<b>730</b>	<b>580</b>	<b>149</b>	<b>25,7%</b>
Financial income and expense	(522)	(447)	(76)	(16,9)%
<b>Profit before tax</b>	<b>207</b>	<b>134</b>	<b>74</b>	<b>55,2%</b>
Income tax	(154)	(117)	(36)	(31,1)%
<b>Profit from continuing operations</b>	<b>54</b>	<b>16</b>	<b>37</b>	<b>n.m.</b>
Gain (Loss) from discontinued operations	137	0	137	n.m.
<b>Profit for the year</b>	<b>191</b>	<b>16</b>	<b>174</b>	<b>n.m.</b>
Minority interests	(8)	(7)	(1)	(14,3)%
<b>Group's Profit for the year</b>	<b>198</b>	<b>23</b>	<b>175</b>	<b>n.m.</b>

*EBITDA includes restructuring costs of €18 million in 2007 and €46.3 million in 2006.*

*Rome, Italy - February 21, 2008*