Deutsche Bank
High Yield Conference 2010
London

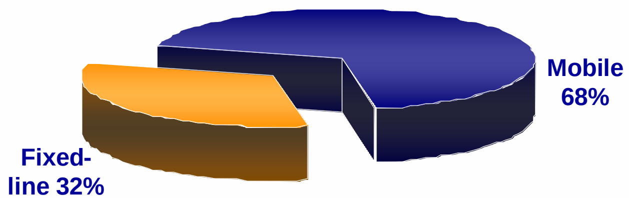
June 10, 2010

WIND

WIND at a glance

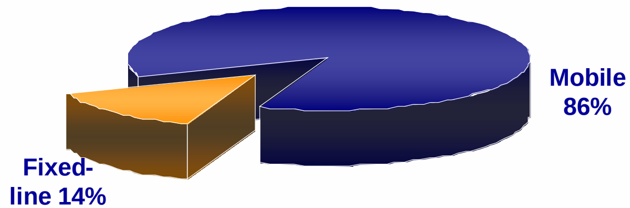
2009 Revenues

€5,726 million



2009 EBITDA

€2,064 million



Q1 2010 Revenues €1,385 mln, +1.2% YoY

Q1 2010 EBITDA +2.0% YoY, 35.9% margin

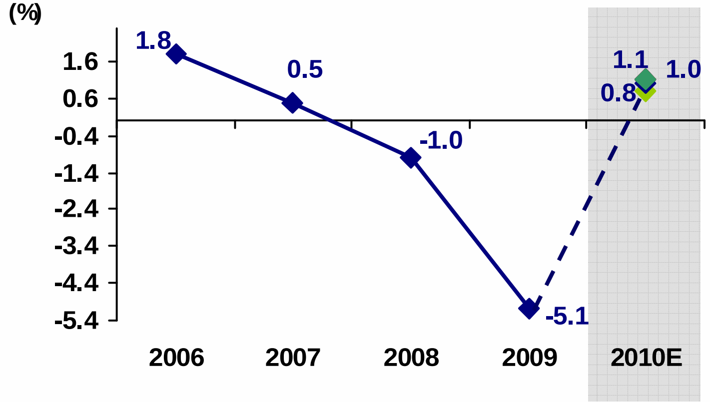
- 9.3% growth in mobile customer base, market share in Q1 2010 reaches 21.3% from 19.1%; Mobile churn rate improving further to below 23%
- 14.2% growth in fixed-line direct customer base, 21.2% increase in Broadband subs; second largest OLO after the incumbent
- Largest Italian portal, Libero, with 1.1 bln pageviews/month and with more e-mail unique visitors in Italy than Hotmail, Gmail and Yahoo[1]

Source: Nielsen data for March 2010 published by Il Sole 24 Ore, April 15 2010

Operating Scenario

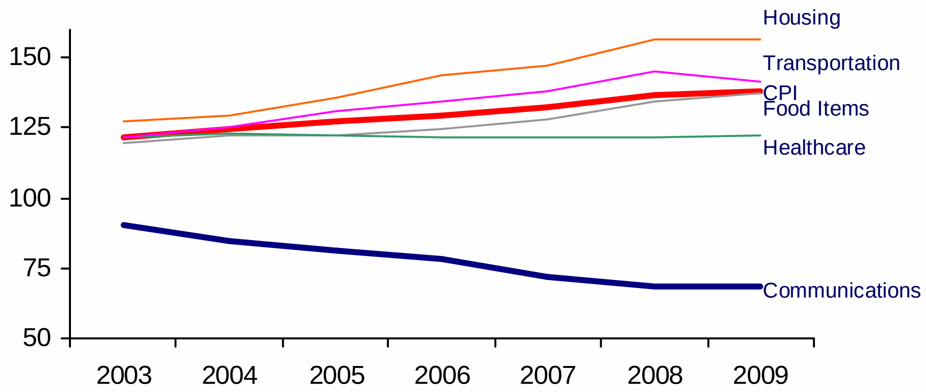
Weak macro but expected to improve in 2010

Italian GDP growth

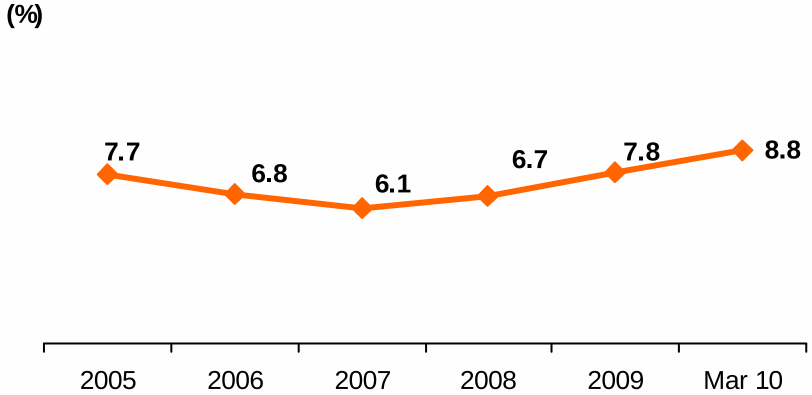


- Sharp decline (-5.1%) in GDP growth in '09
- 2010 GDP growth forecasts range from +0.8% (EU Commission) to 1% (Confindustria, IMF) and to 1.1% (Italian Government, OECD)
- Deflationary pressure on Communications services in counter tendency vs other sectors
- No major spikes in unemployment trends vs significant swings in other EU countries

Consumer Price Index



Stabilizing unemployment trend (%)



Sources: Banca d'Italia, ISTAT, Confindustria, IMF, OECD, Italian Government's *Relazione previsionale e programmatica,* Eurostat

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Regulatory Evolution

- LLU tariffs for 2010 and beyond to be calculated according to the results of a BULRIC model; AGCOM proposal in April 2010 currently under consultation
- WLR and bitstream monthly access fee will be calculated on a cost plus basis instead of a retail minus basis according to the results of the BULRIC model developed for LLU

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WIND, Fastweb, Vodafone NGN initiative

- Objective is to provide Italian citizens, companies and public sector with an infrastructure that will guarantee efficiency, productivity and innovation bringing Italy at par with leading European countries
- The future network is envisioned to be unique, FTTH, open, efficient and future proof
- Developing a NGN in fibre will cost less than maintaining the current copper network as long as full migration to the NGN is ensured
- It is envisioned that the initial roll-out will involve the 15 largest Italian cities (approx 10 mln inhabitants) over a period of 5 years with a corresponding investment of €2.5 bln; project is economically sustainable and scalable based on availability of financial resources
- WIND, Fastweb and Vodafone are prepared to play their part, both financially and in terms of customer migration, as long as there are clear rules for the market and for the regulatory aspects

WIND

Our Strategy

From Good to Great

WIND

Strategy Guidelines

From Good to Great

Grow	Optimize	Defend
Acquire valuable customers	Increase efficiency	Defend critical success factor
Increase spending of existing customers	Improve image	Monitor regulatory environment
Improve quality		

Focus on acquiring valuable customers

- Enhance take up on post-paid and high value customer base, segments typically held by TIM and Vodafone
- Focus on providing a higher end proposition that ties in the customer with the following characteristics:
  1. A Post-paid offering
  2. A bundle of services at a fixed monthly cost including:
     - Voice minutes
     - Messages
     - Unlimited minutes towards another WIND mobile
     - Mobile browsing
  3. Includes a smartphone at a preferential rate payable in monthly instalments

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Increase spending of existing customers

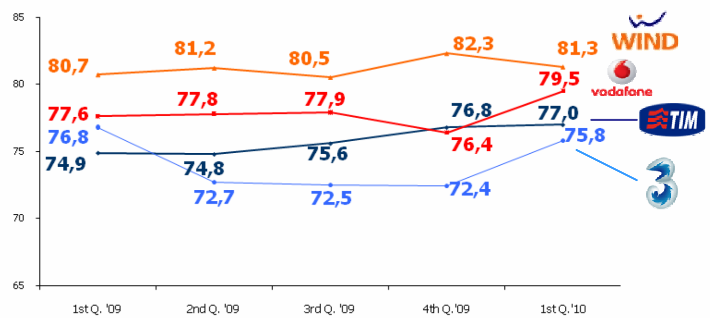
- Exploit Mobile Internet strong growth
  - Simplified service offering tailored to specific devices:
    - Mobile phone - “always on” offers to browse (Internet No Stop, unlimited traffic for 9 €/month)
    - PC/dongles - time based bundles for a fixed monthly fee (Mega Ore, 50 hours for 9 €/month or Mega 100 Ore, 100 hours for 15 €/month), also including the Internet key offered at a very competitive price

  - Enriched terminals portfolio with focus on smart phone/Blackberry
- Enhance VAS & portal usability through increased user interface personalisation, develop innovative VAS
- Increase cross-selling between Wind, Infostrada and Libero
- Increase web browsing revenues from our customers through “Naviga Libero”, which allows all customers to browse the web from the mobile phone with no configuration needs

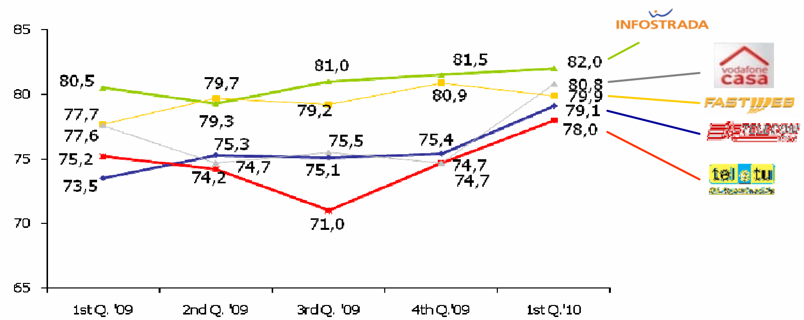
Strive to maintain excellence in quality

- Continue to invest in capacity and GSM coverage (currently 99.66%), improve indoor coverage on par with TIM and Vodafone
- Expand UMTS/HSDPA coverage to >75% of population by YE, from 67.21% as of March 31, 2010
- 1,137 LLU sites for direct population coverage; investments going forward driven by new customer acquisition
- Enhance customer care efficacy, in order to maintain high level of customer satisfaction, both in fixed and mobile

Customer satisfaction index – Mobile *



Customer satisfaction index – Fixed *



- Improve web usability on mobile through launch of “Libero Tutti”, which allows all websites to be easily read on the mobile phone

LIBERO TUTTI
WEB GOES EVERYPHONE

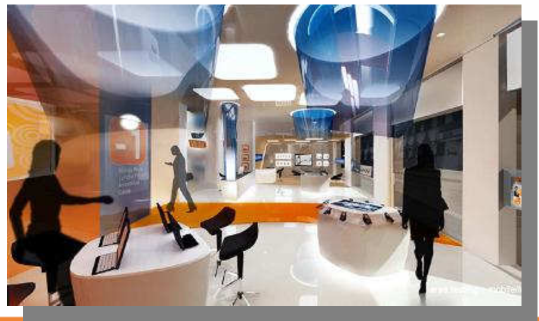
* Source: GN Research

Differentiate our image and distribution paradigm vs. our competitors

- Effective communication, to enhance perception of Wind and to sustain Wind's image evolution

New Concept Stores: Rome and Milan

- Top location and high-end image (e.g. next to Abercrombie & Fitch store in Milan)
- All Inclusive area inside
- Top service 155
- Improved devices visual merchandising
- Events plan to attract opinion leaders



Focus on direct and uniform retail chain

- Acquired 126 Wind-own shops in 2009, mainly located in shopping malls
- Restyling of all franchised points of sale and of 535 top dealers, which allows WIND to achieve a significant increase in the visibility of its brand as seen by the customers
- Increasing distribution presence in Northern Italy
- Significant growth in quality of the sales through a systematic use of mystery shopping

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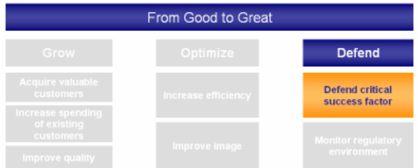
Defend critical success factors



- Pursue community growth and expand on-net offerings

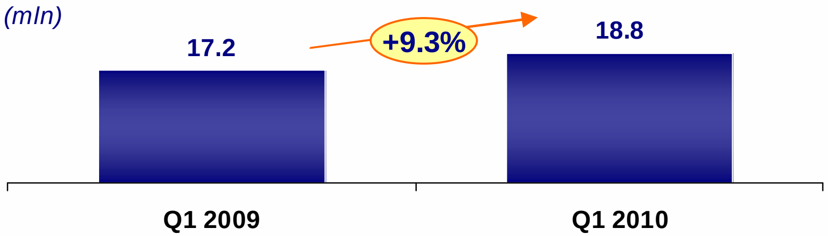
- Retain ethnic communities through tailored offerings

- Focus on direct fixed acquisitions and up-sell customers to double-play
- Remain best in customer satisfaction
- Enhance loyalty and maintain low churn rate level

Q1 2010
Operational KPIs

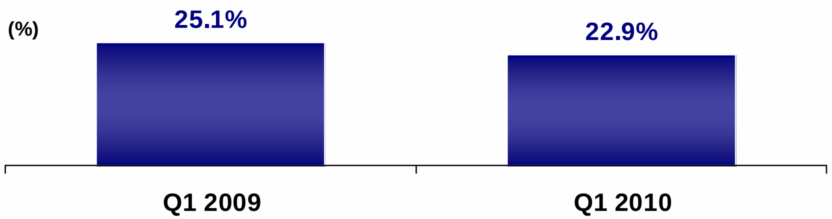
Mobile performance

Solid Growth in Customer Base



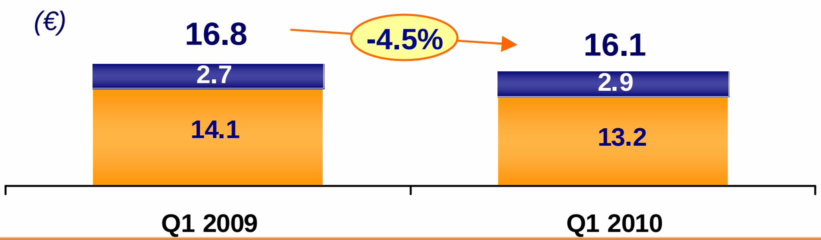
- Market share increase from 19.1% to 21.3%
- Impressive growth of Mobile Internet
- Solid trend of acquisitions continuing in quarter with 431k net adds

Churn Rate declines further



- Churn rate falls 2.2 p.p. over Q1 2009 as a result of:
  - successful retention strategy on key segments
  - Market leading customer satisfaction
  - Simple and clear tariff plans and options easily adaptable to all requirements

Voice ARPU pressure



- Voice ARPU declines as a result of termination rate decline and promotional pressure
- Data ARPU increases to 18.2% of total ARPU (+2 p.p.) driven by strong growth in traditional data and mobile Internet boom

Impact of interconnection rate cut on Voice ARPU is ~€0.3 in Q1 2010

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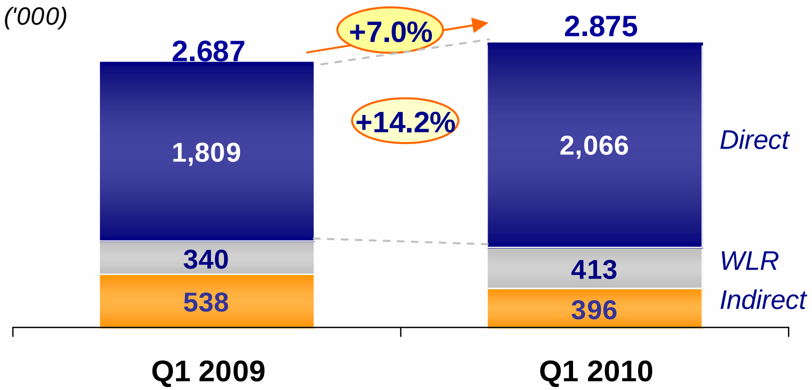
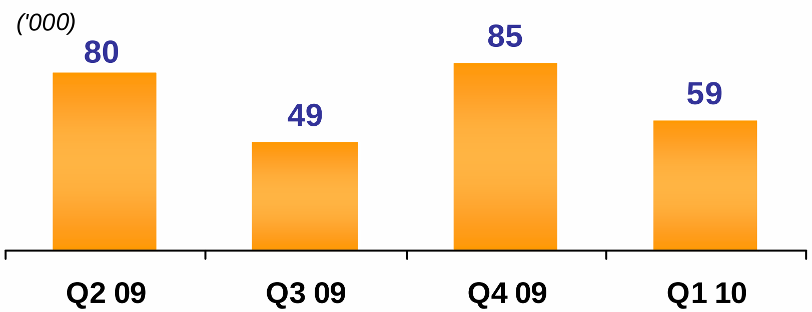
Fixed-line performance

Voice subscribers

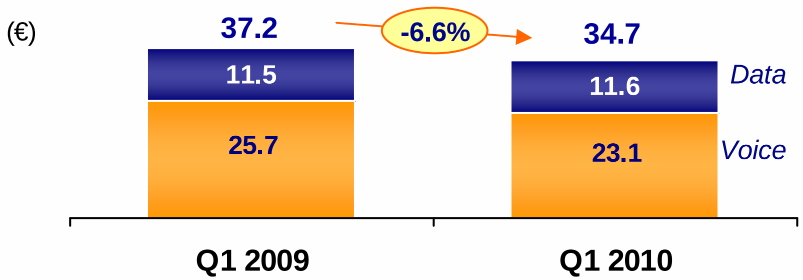


- Total subscriber base grows 7.0% driven by success of direct and bitstream offerings
- Growth trend continues in Q1 2010 with stable ULL net adds over the last 12 months
- ARPU under pressure due to interconnection rate decline coupled with increase in promotional activities

Strong trend in ULL Net Adds

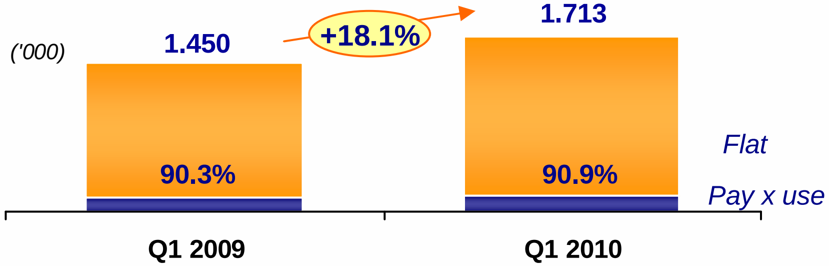


Fixed-line ARPU

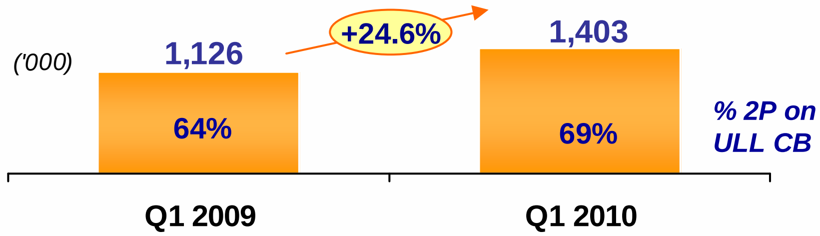


Broadband performance

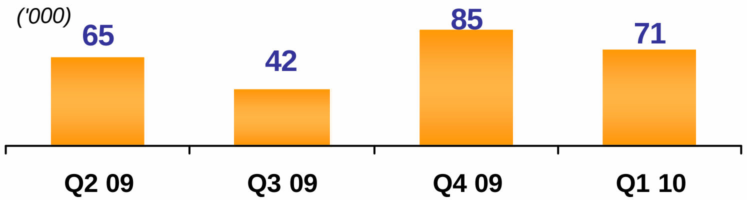
Broadband Subscribers



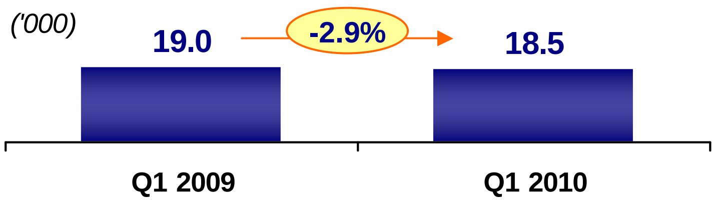
Dual-play CB



Strong trend in BB Net Adds



Stable Broadband ARPU

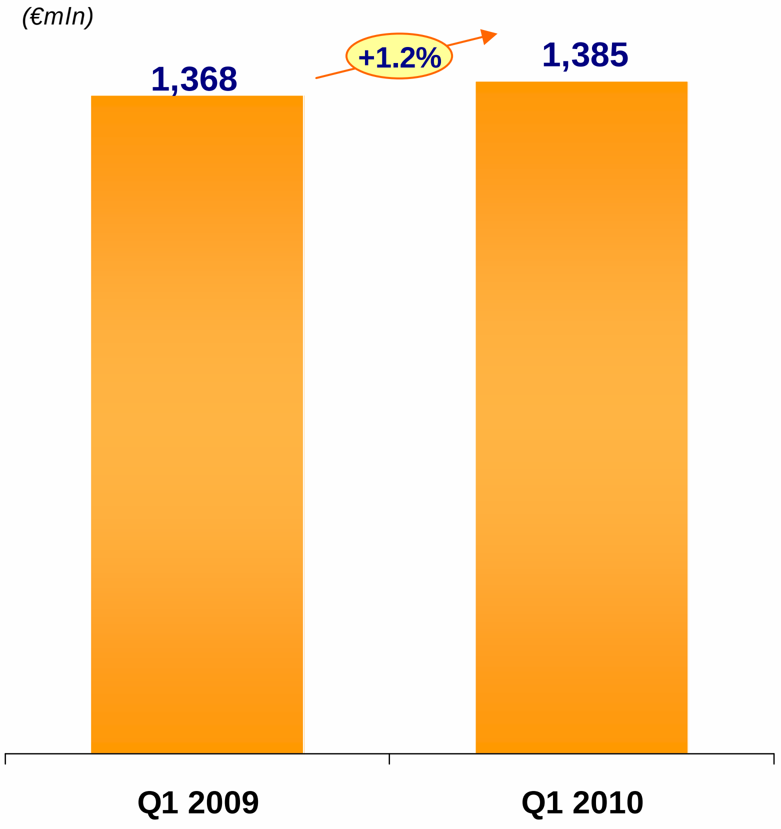


- Strong trend in customer base growth reaching 1.7 million subscribers
- Acquisition momentum remains strong driven by success of single play broadband and dual-play offerings
- ARPU marginally down over Q1 2009, increasing over last three quarters of 2009

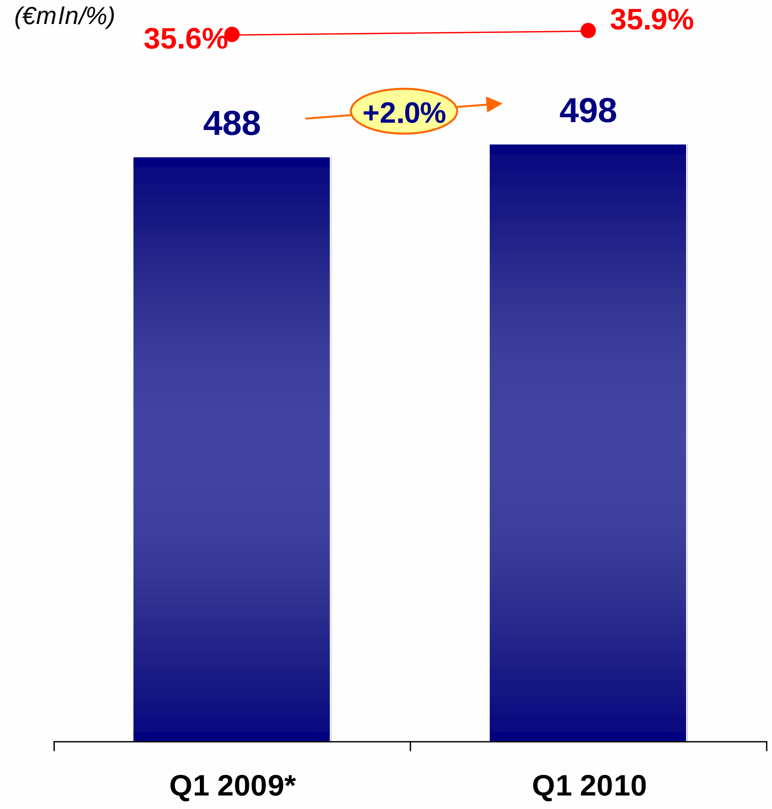
Q1 2010
Financials

Revenue and EBITDA performance

Total Revenues



EBITDA / margin



* As of Q1 2010 WIND has revised its approach to certain customer acquisition costs, which are now capitalised over a period of 18 months, in line with best market practice; Q1 2009 reported EBITDA was €468 mln, with an increase of +6.3% in Q1 2010

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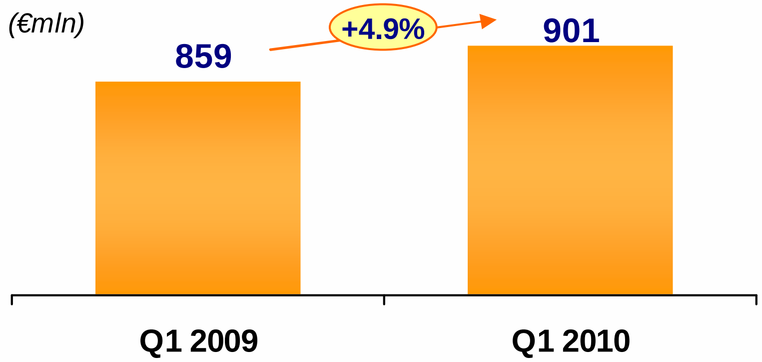
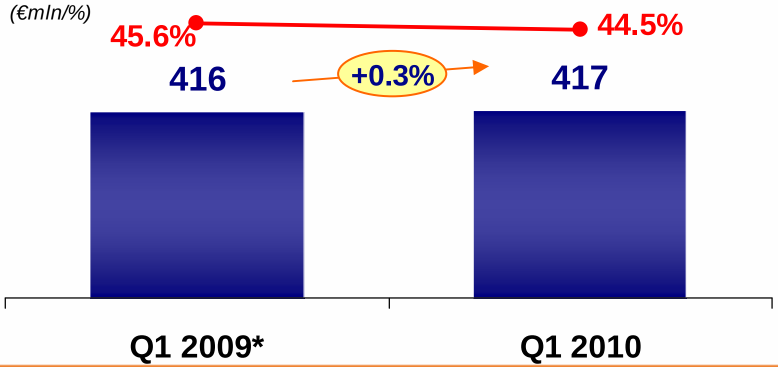
Mobile financials

Mobile TLC service revenue



Mobile EBITDA / margin



- Service revenue grew +4.9% over Q1 2009, driven by:
  - Increase in voice revenues (+3.1% YoY)
  - Solid performance in Internet & Data revenues (+18.5% YoY) driven by strong growth in mobile Internet (+65.4% YoY) and traditional data (+7.9%)
- Underlying EBITDA trend in line with revenue growth not reflected in actual figures due to certain releases of provisions in 2009 from previous years

* Q1 2009 Mobile reported EBITDA was €411 mln, Q1 2010 growth over Q1 2010 1.4%

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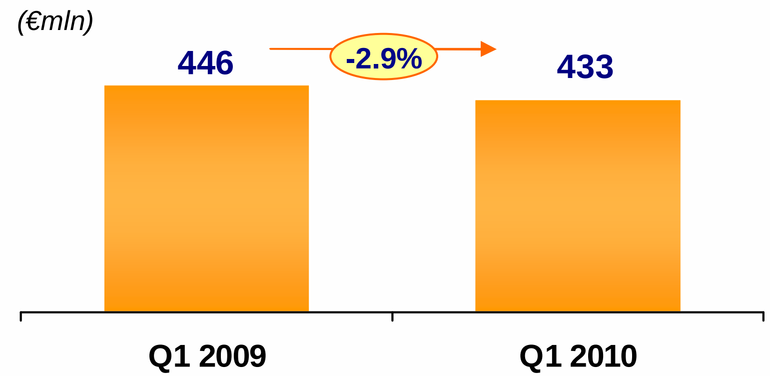
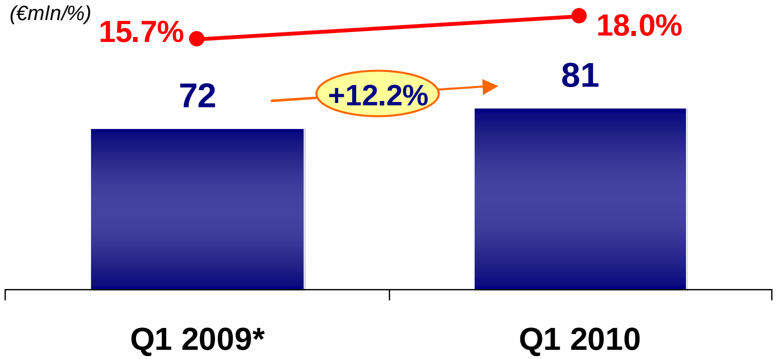
Fixed-line financials

Fixed TLC service revenue



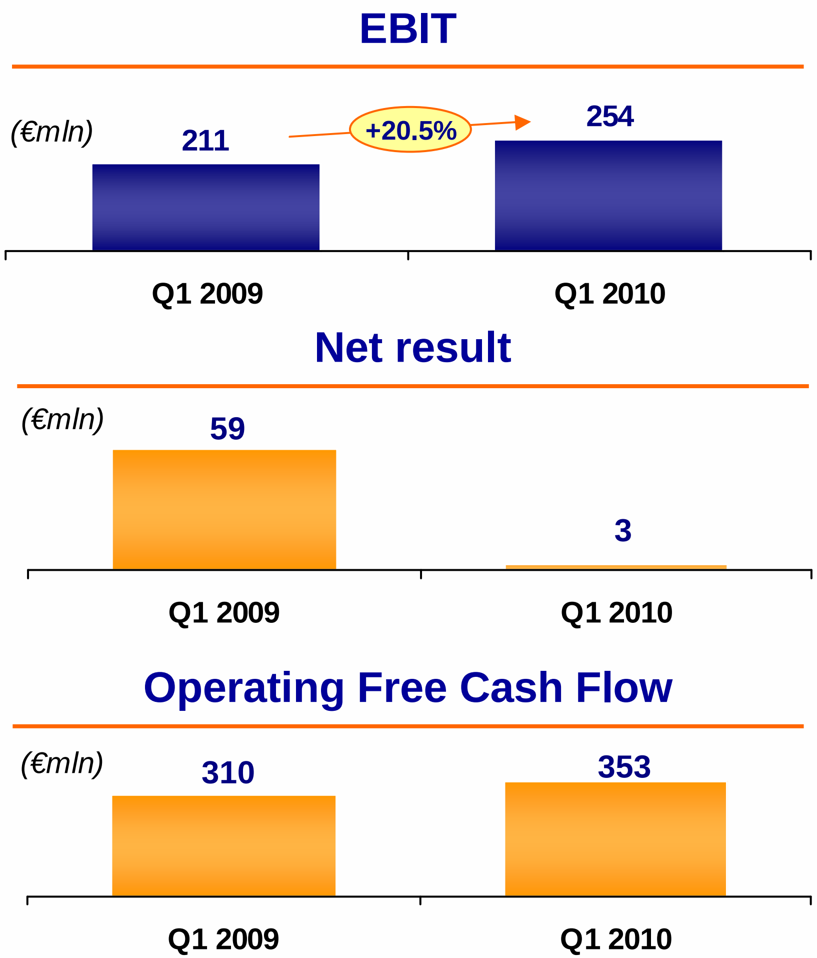
Fixed EBITDA / margin



- Fixed-line service revenues decrease marginally over Q1 2009, mainly as a result of decline in revenues from International activity, driven by reduction of volumes, more than offsetting performance in traditional fixed-line business:
  - Internet & Data revenues increase mainly driven by growth in broadband revenues (+16.7%)
  - Voice revenues flat over Q1 2009
- Growth in EBITDA, reaching €81 million, and increase in marginality driven by increase in Internet and Data business

* Q1 2009 Fixed-line reported EBITDA was €57 mln, Q1 2010 grows 41.9% over Q1 2009

EBIT and Net Profit



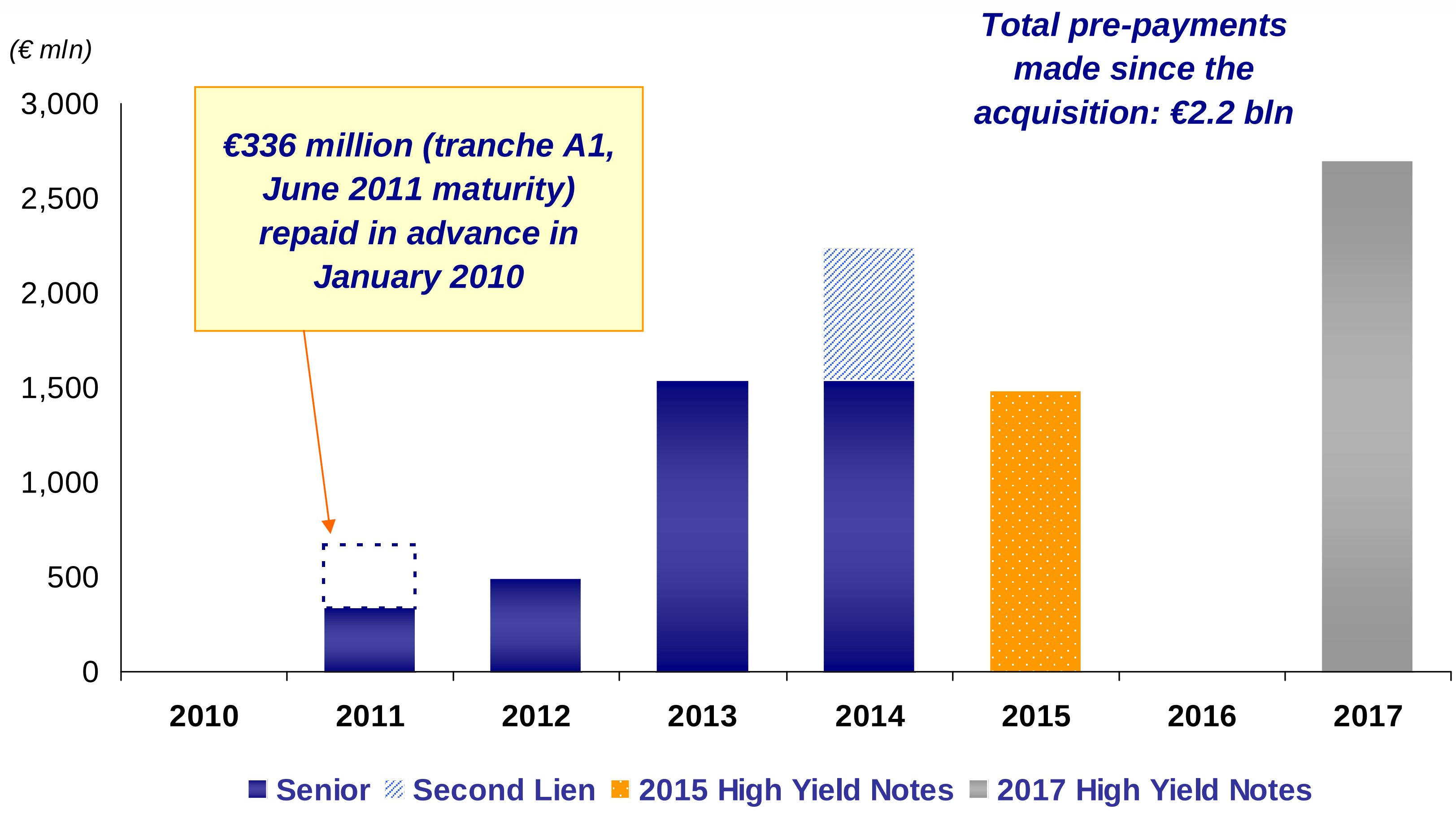
- EBIT grows 20.5% as a result of EBITDA performance coupled with reduction of D&A charges

- Net profit declines to €3 million from €59 million in Q1 2009 as a result of higher interest charges, in relation to HY bond transaction in July 2009, and higher impact of income taxes due to partial non-deductible interest costs

Capitalisation

(€mln)	**As of December 31, 2008**	**As of December 31, 2009**	**As of March 31, 2010**	**Mar 31, 2010/ LTM EBITDA**
Cash and Equivalents	(379)	(584)	(314)	(0.2x)
Other Net Debt	-	-	-	-
Senior Debt	4,241	4,150	3,829	1.8x
Total Senior Debt	**3,862**	**3,567**	**3,515**	**1.7x**
Second Lien	688	664	671	0.3x
Total Senior + Second Lien	**4,550**	**4,231**	**4,186**	**2.0x**
Senior Notes 2015	1,425	1,326	1,400	0.7x
Senior Notes 2017	-	2,693	2,712	1.3x
Derivatives	94	290	114	0.1x
Total Net Debt	**6,070**	**8,541**	**8,411**	**4.0x**
of which				
Cash Net Debt	*5,957*	*8,360*	*8,435*	
Interest Accrued	*116.04*	*175.2*	*126.2*	
Fees to be amortized	*(97)*	*(284.4)*	*(264.4)*	
Derivatives MTM	*94*	*290*	*114*	
LTM EBITDA				**2,093**

Debt maturity profile



Thank You

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