

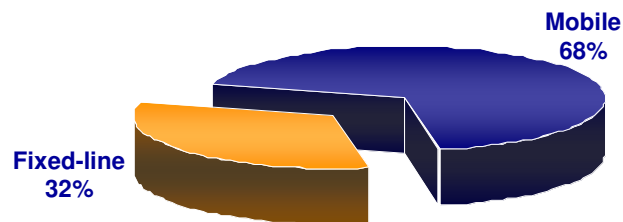
**BNP Paribas High Yield  
& Leveraged Finance  
Conference**

London - January 12, 2011



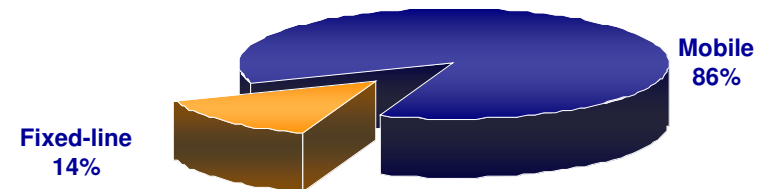
# WIND snapshot

2009 revenues  
€5,726 million



**4.7% revenue growth YoY**

2009 EBITDA  
€2,064 million



**2.7% growth YoY, 36.0% margin**

- Third largest Italian mobile operator with 19.6 million customers as of September 2010, market share increasing from 20.9% (YE 2009) to 21.8% (as of September 2010)
- Second largest alternative fixed-line operator with 2.9 mln voice subscribers and 1.8 mln broadband subscribers as of September 2010

# What we have achieved over the last year

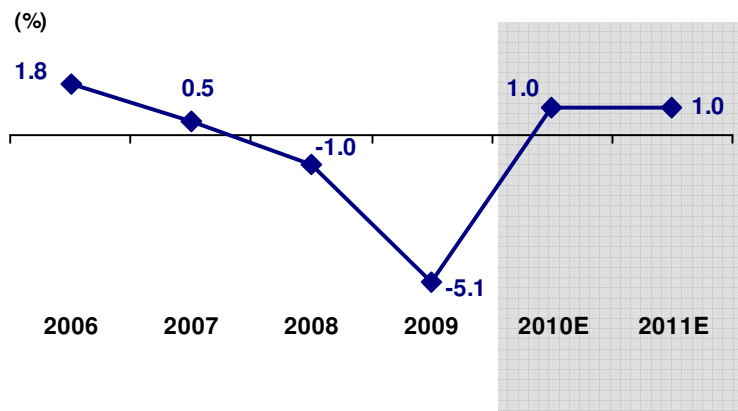
- Continued to outperform in a mature and declining market
- 21<sup>st</sup> quarter of consecutive growth
- Early debt repayment of tranche A loan for €336mln in January 2010
- Consent on change in control and refinancing approved with vast majority
- Successful refinancing of capital structure; previous senior loan, second lien and 2015 senior notes refinanced with €3.5bln new senior credit facility and €2.7bln new senior secured notes
- Outlook revised to positive from stable by Standard & Poor's

Market scenario



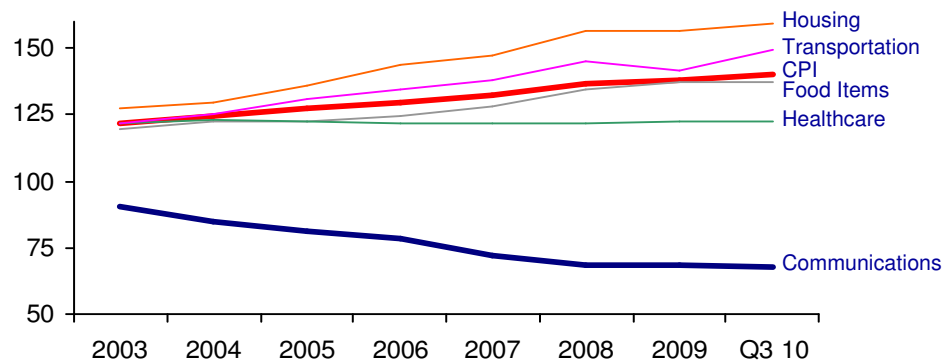
# Macroeconomic scenario

## Italian GDP growth

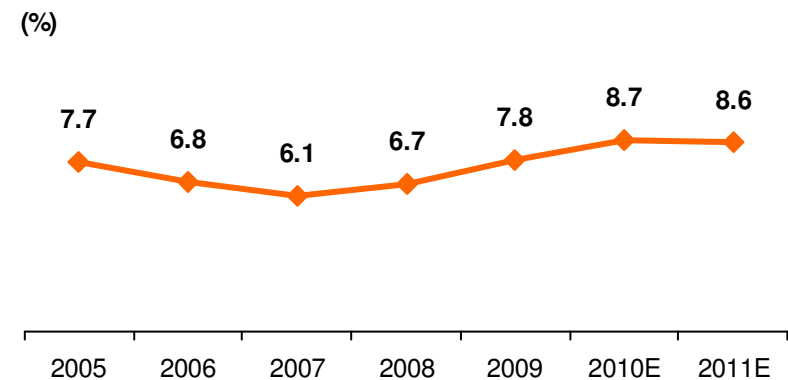


- Sharp decline (-5.1%) in GDP growth in '09 followed by expected anaemic recovery in 2010-2011
- Very low expected inflation (below ECB target of 2%)
- Unemployment trend relatively stable after increase in 2010
- Telecommunication price index continues to decline in countertendency vs. all other sectors

## Consumer Price Index



## Unemployment trend (%)

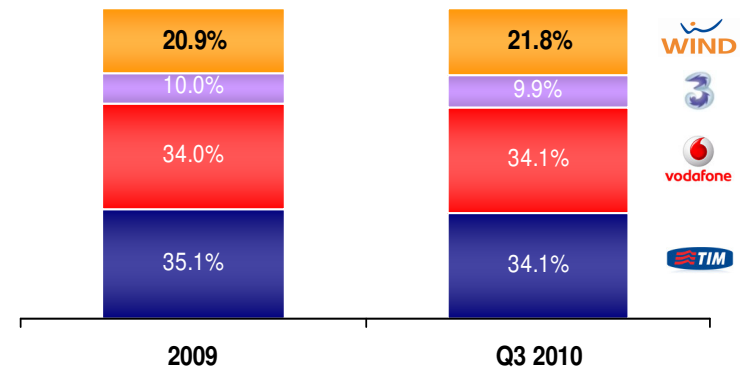


Sources: Banca d'Italia, ISTAT, Confindustria, IMF, OECD, Italian Government's *Relazione previsionale e programmatica*, Eurostat

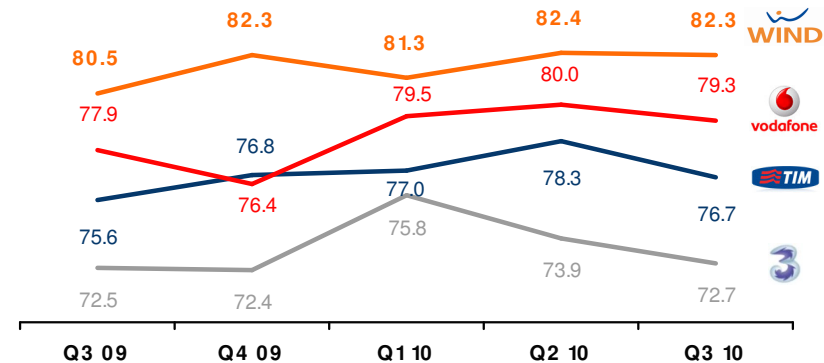
# WIND positioning – mobile

- WIND is Italy's third largest mobile operator with a subscriber base of 19.6m and a market share of 21.8%
- WIND has achieved an impressive growth in subscriber base through
  - Strong brand perception as the "value for money provider"
  - Growing on-net Noi community of over 10m customers
  - Strong focus on high value products and services, such as mobile internet
- WIND has consistently achieved market leading customer satisfaction performance
- WIND has a nationwide sales and distribution network comprised of owned & franchised shops, online portal and non-exclusive sales channels

## Competitive landscape evolution (a)



## Customer satisfaction index



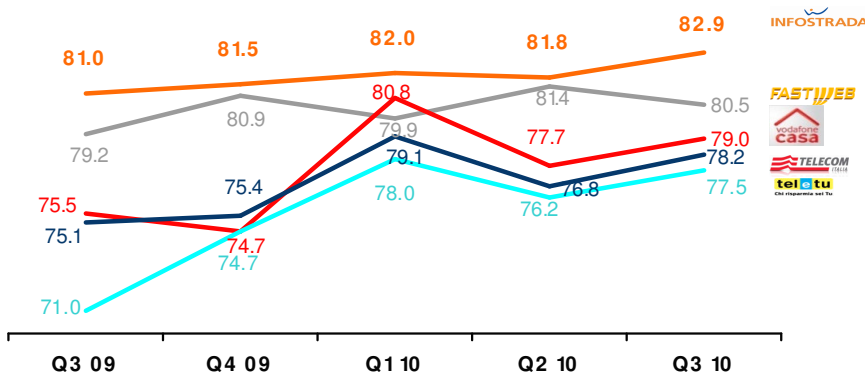
(a) Excluding MVNOs  
Source: Company data and GN research



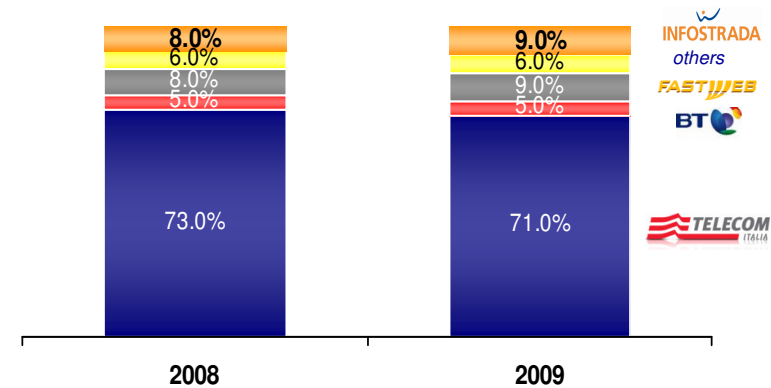
# WIND positioning – fixed-line and broadband

- WIND is Italy's second largest fixed-line operator with over 2.9m fixed line and 1.8m broadband customers
- WIND has improved its subscriber base through successfully executing indirect-to-direct and narrowband-to-broadband customer migration
  - Wind's LLU network provides direct access to 54% of Italy's population
  - WLR where no LLU footprint
- WIND has consistently delivered market leading customer satisfaction performance

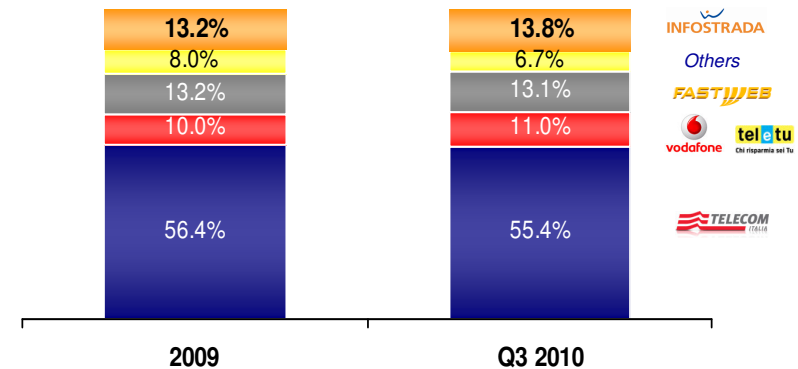
## Customer satisfaction index



## Fixed market share on revenues



## Broadband market shares



Source: Company data and GN research



# Continuing to invest on brand & distribution

## New Concept Store

- Concept store in Milan opened in June 2010, in top location and high-end image next to Abercrombie & Fitch
- All Inclusive area inside
- Top service 155
- Improved devices visual merchandising
- Events plan to attract opinion leaders



# Required network deployment accomplished

## National coverage



## Mobile network

- GSM 900/1800: **99.7% population coverage**, GPRS/EDGE nationwide coverage
- HSDPA: **75.2% population coverage**, 14.4 Mbps available in all major Italian cities
- Acquisition of 5MHz of UMTS spectrum in 2009

## Fixed network

- **1,141 ULL sites**: c. 54% direct population coverage in all major Italian cities
- Nationwide indirect coverage

## Backbone

- 4,252 km of fibre optic MANs in 39 cities
- 19,548 km fibre optic backbone

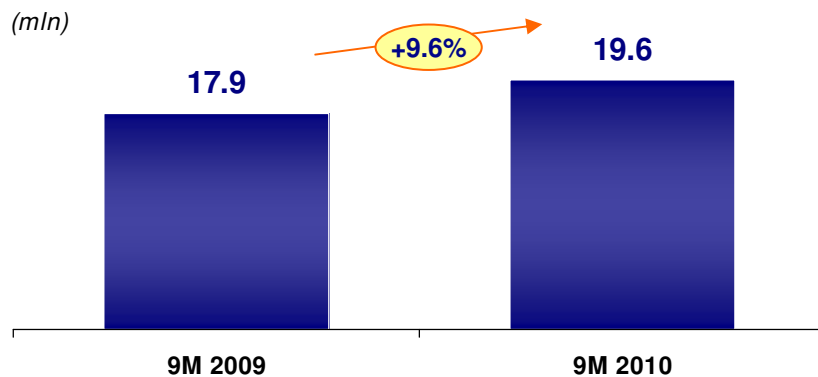
As of September 2010

9M 2010  
Operational  
Performance



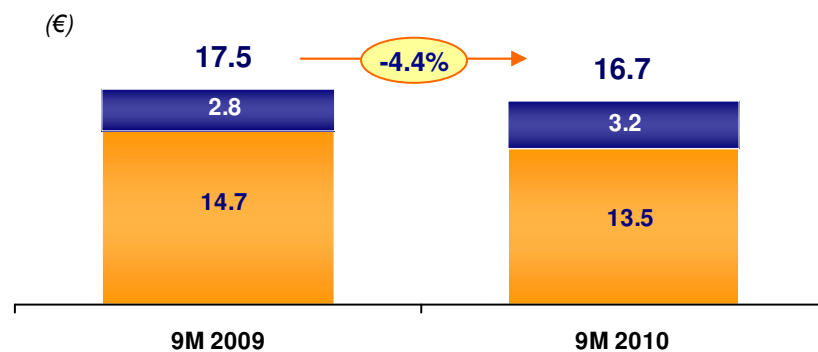
# Mobile Performance

## Solid Growth in Customer Base



- Solid trend of acquisitions continuing in quarter with 360k net adds
- Impressive growth of Mobile Internet (+59.2%) driven by simple and intuitive tariff structure

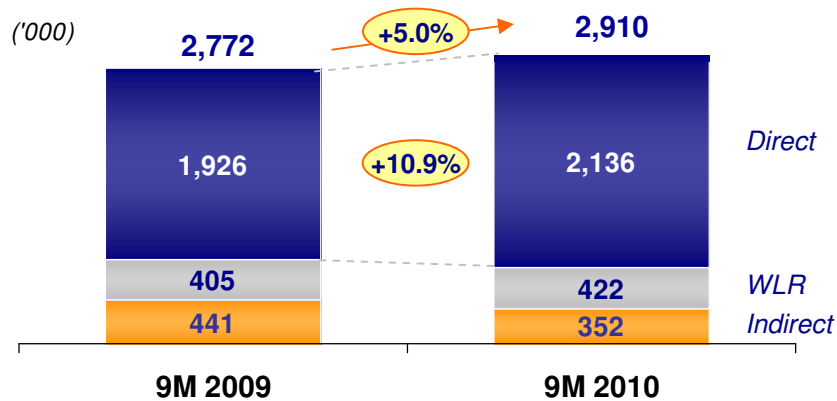
## Voice ARPU decline



- Voice ARPU declines as a result of termination rate cut (est. impact of -€0.4) coupled with significant growth of mobile internet subscribers with data only SIMs
- Data ARPU increases to 19.1% of total ARPU (€3.2), driven by strong growth in traditional data and mobile Internet boom

# Fixed-line Performance

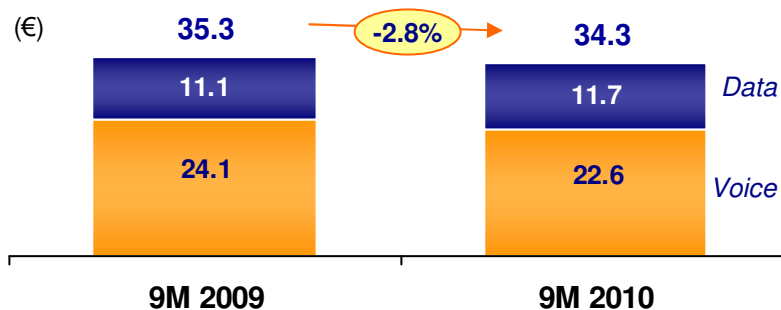
## Voice subscribers



- Total subscriber base grows 5.0% to over 2.9 million driven by success of direct, bitstream and WLR offerings only partially offset by decrease in traditional indirect

- Growth continues in both incoming and outgoing traffic

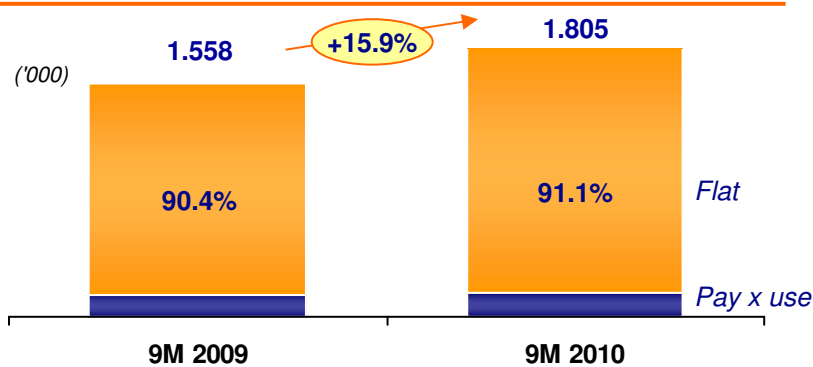
## Fixed-line ARPU



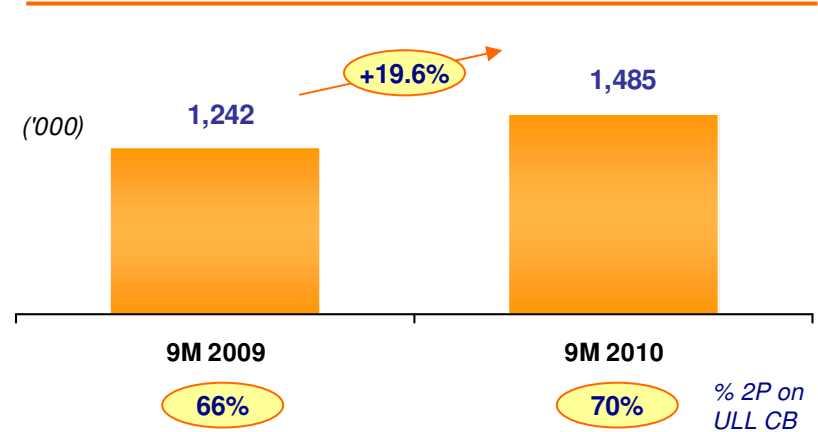
- Voice ARPU reduction due to interconnection rate decline coupled with increase in promotional activities, data ARPU increases 5.0%

# Broadband Performance

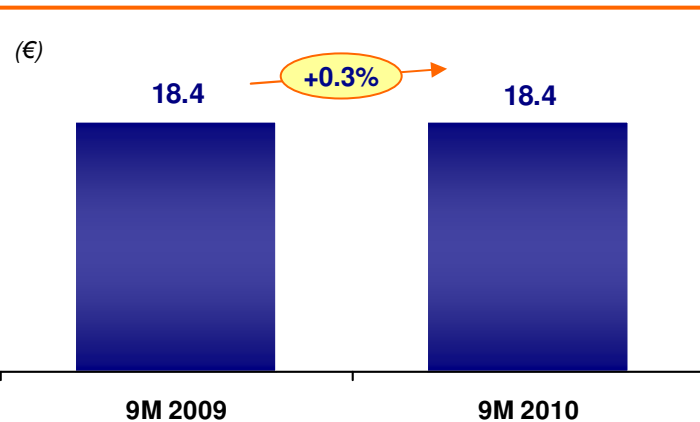
## Broadband Subscribers



## Dual-play CB



## Broadband ARPU



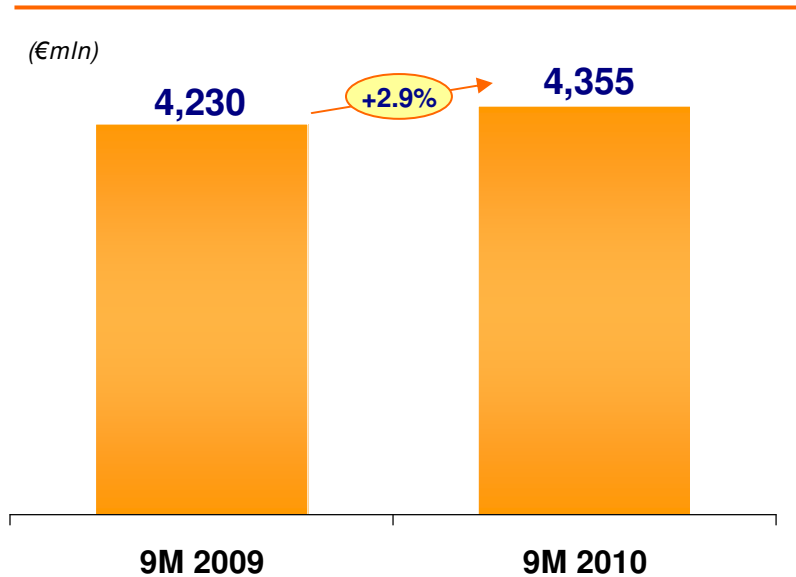
- Strong growth in customer base exceeding 1.8 million subscribers, with 41k net adds in Q3 2010
- Acquisition momentum remains strong driven by success of single play broadband and dual-play offerings
- BB ARPU stable over 9M 2009

9M 2010  
Financials

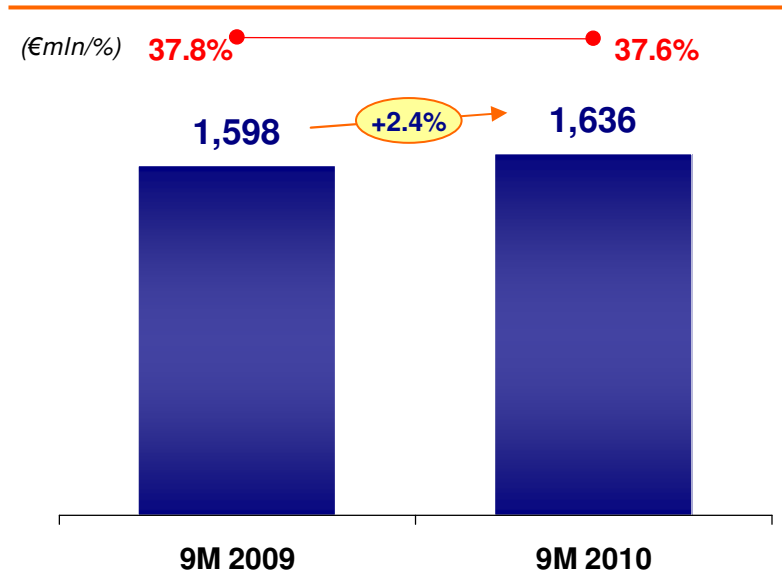


# Revenue and EBITDA Performance

## Total Revenues



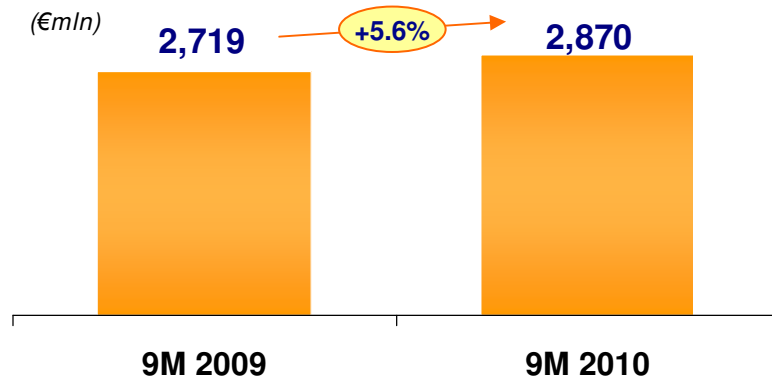
## EBITDA / margin



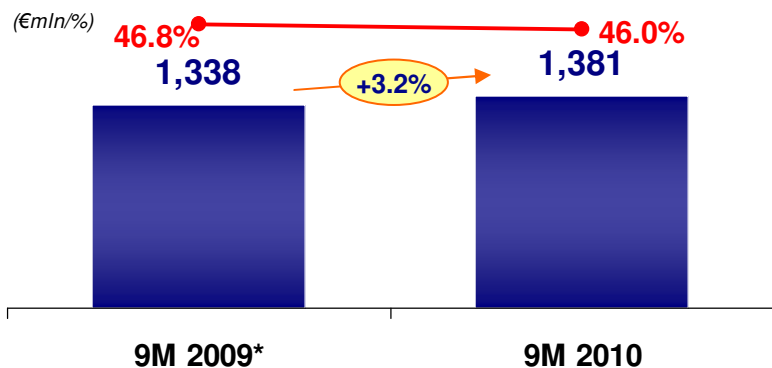
- Starting from January 1, 2010, WIND has revised its approach to certain customer acquisition costs, which are now capitalised over a period of 18 months, in line with best market practice; 9M 2009 reported EBITDA was €1,538mln, with an increase of +6.4% in 9M 2010

# Mobile Financials

## Mobile TLC service revenue



## Mobile EBITDA / margin

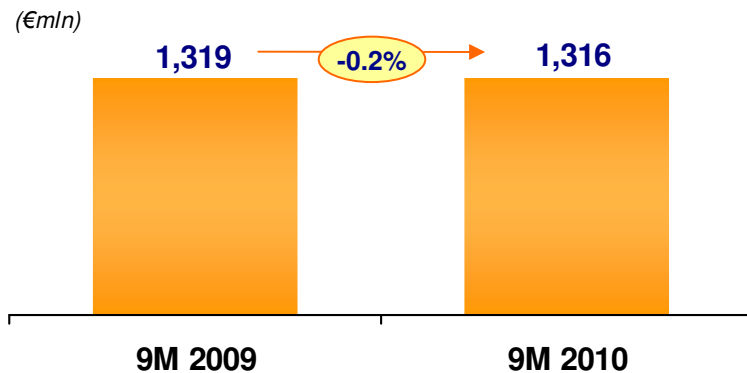


- Mobile service revenue grew +5.6% over 9M 2009, driven by:
  - Increase in voice revenues (+2.6% YoY) mainly driven by outgoing traffic
  - Solid performance in Internet & Data revenues (+25.7% YoY)
- EBITDA growth of 3.2% driven by solid top line performance coupled with commercial push on selected market segments (HVC post-paid)

\* 9M 2009 Mobile reported EBITDA was €1,324 mln, 9M 2010 growth over 9M 2009 4.3%

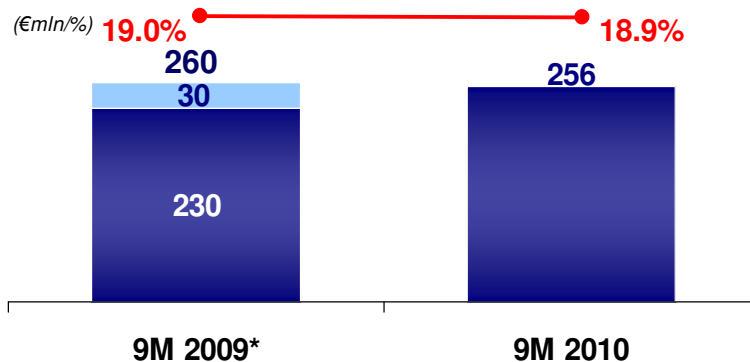
# Fixed-line Financials

## Fixed TLC service revenue



- Fixed-line service revenues stable over 9M 2009, with strong results in fixed-line consumer service revenues, increasing by 4.1% over 9M 2009, driven by ULL and Broadband customers, offset by decline in revenues from International traffic and wholesale activity with negligible impact on EBITDA

## Fixed EBITDA / margin

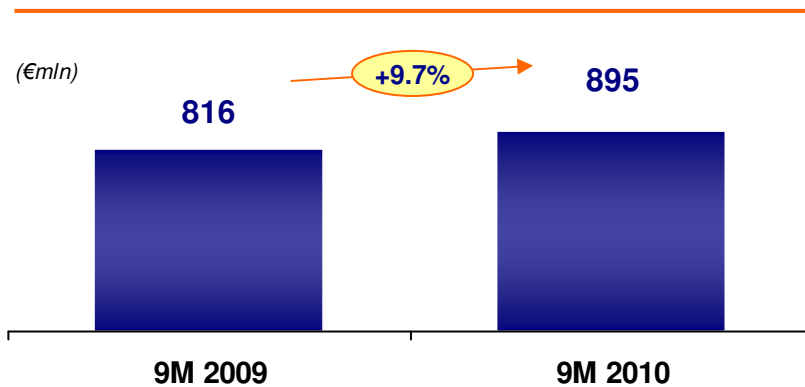


- EBITDA stable including €30 mln of non recurring revenues for settlements in 9M 2009. Net of this impact underlying EBITDA growth is 11%

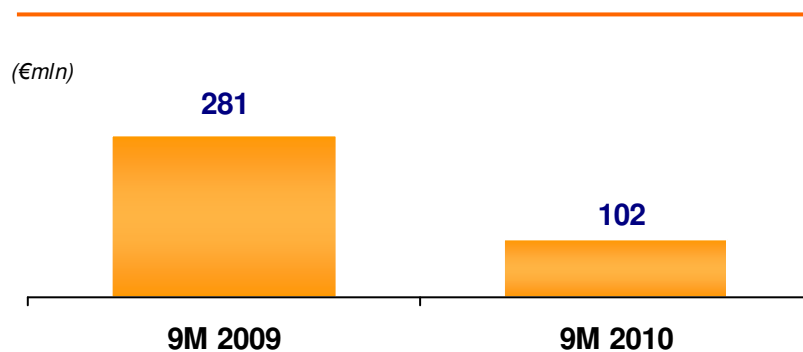
\* 9M 2009 Fixed-line reported EBITDA was €213 mln, 9M 2010 grows 19.7% over 9M 2009

# EBIT and Net Profit

## EBIT



## Net result



- EBIT grows 9.7% as a result of solid EBITDA performance coupled with reduction of D&A charges
- Net profit declines to €102 million from €281 million in 9M 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

# Refinancing

## **Refinance of existing:**

- senior bank debt including undrawn RCF
- second Lien
- 2015 unsecured HY Notes

## **With new:**

- €3.5bn Senior Credit Facilities + €400mln RCF (undrawn)
- €2.7bn Senior Secured Notes (7<sup>3</sup>/<sub>8</sub>% € tranche and 7<sup>1</sup>/<sub>4</sub>% USD tranche)

## **Obtained consents with vast majority from existing HY and PIK holders on:**

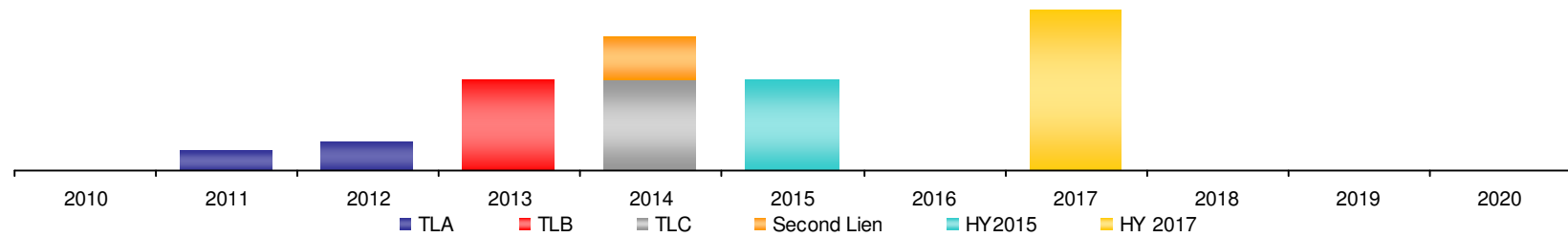
- Waiver of change of control
- Refinancing with senior debt

## **Benefits for WIND:**

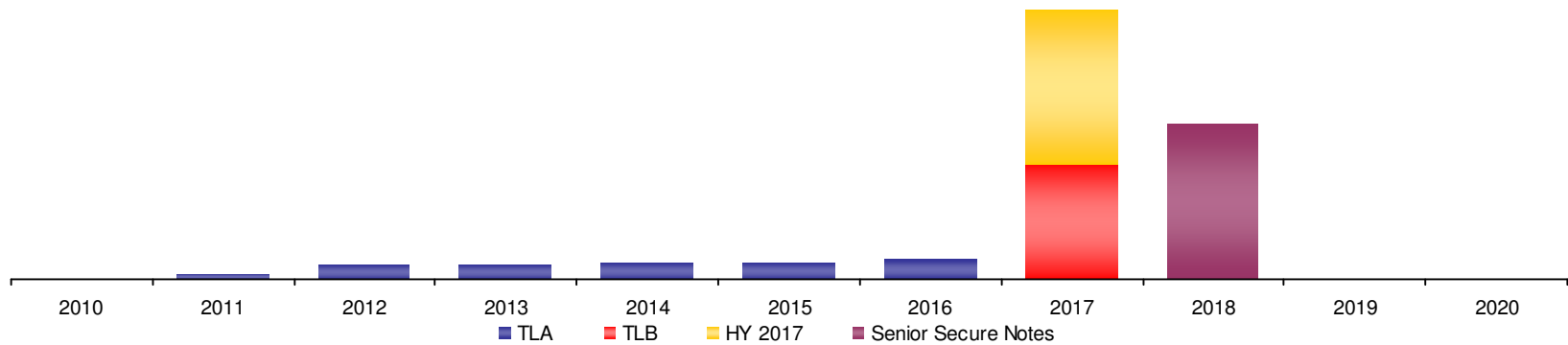
- Significant improvement of maturity profile
- Reduction in average cost of debt

# WIND debt maturity profile

## Maturity schedule pre refinancing



## Maturity schedule post refinancing



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