

# Deutsche Bank

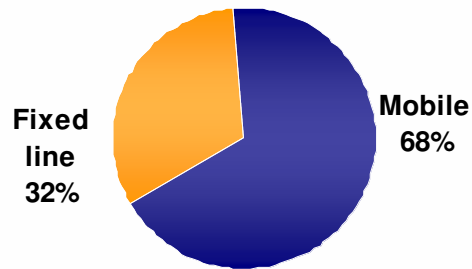
## 16<sup>th</sup> Annual Leveraged Finance Conference

Scottsdale, AZ - September 24, 2008



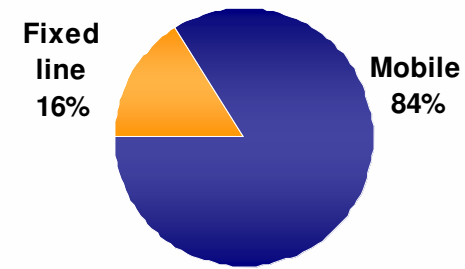
# Wind H1 2008 highlights

## H1 2008 Revenues €2,694 million



**5.4% Revenue growth YoY\***

## H1 2008 EBITDA €974 million



**9.7% growth YoY\*, 36.2% margin**

- Third largest Italian mobile operator ⇒ *16.1 million customers*
- Second largest Italian fixed line operator ⇒ *over 1.64 million direct customers*
- Leading Italian internet portal: Libero ⇒ *over 28 million registered users*

\* Excluding Tellas

# What we have achieved over the past year...

- Consistent growth in revenues, EBITDA and ARPU in a stable and mature market
- Strong growth in mobile business with growing customer base and revenues
- Fixed-line steadily on growth path
- Early debt repayments of approximately €1.9 billion since the acquisition by Weather through strong cash generation and financial discipline
- Continuing investments in new technologies benefiting from synergies within the Weather group (launch of HSDPA, launch of IPTV, etc.)
- Corporate rating upgrades from Standard & Poor's in February 2008 to BB-, outlook raised to stable by Fitch in March 2008

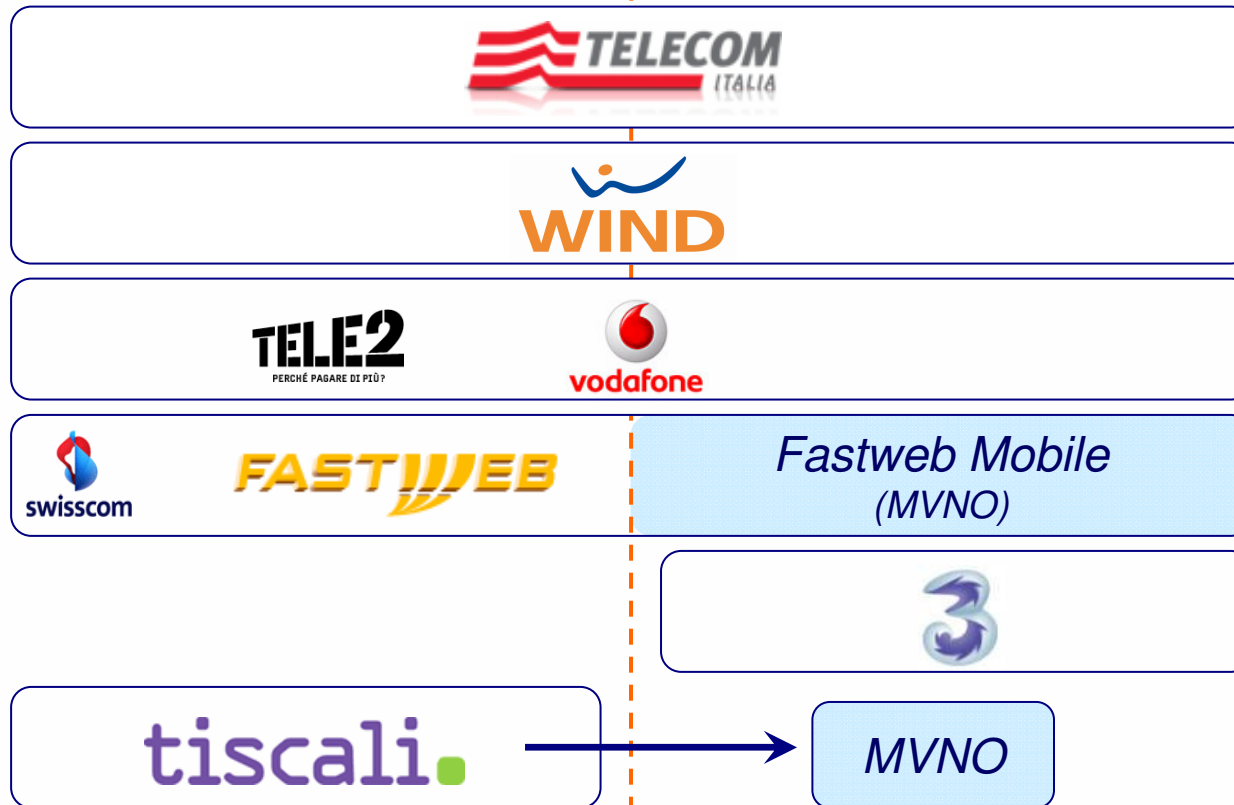
## ...in a challenging scenario

- Bersani decree and international roaming EU regulation
- Mobile interconnection rate cut as of July 1, 2008
- Ongoing shift to towards symmetric termination rates amongst operators both in fixed (by July 2010) and mobile (regulator proposal by July 2011)
- Launch of mobile services by MVNO's/ESP's
- Increasingly competitive market, with generalised slowdown of service revenue growth in Italian telecommunications market

# Industry evolution leads to consolidation

**Fixed / Internet**

**Mobile**



- All operators moving towards integrated / convergent services
- Scale is relevant
- Potential consolidation in fixed
- Consolidation in mobile currently unlikely

# Weather Investments today



\* Ownership % post OTH first tender offer

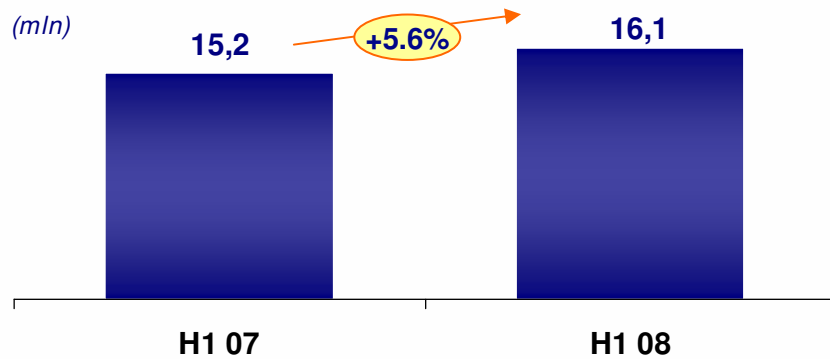


Mobile

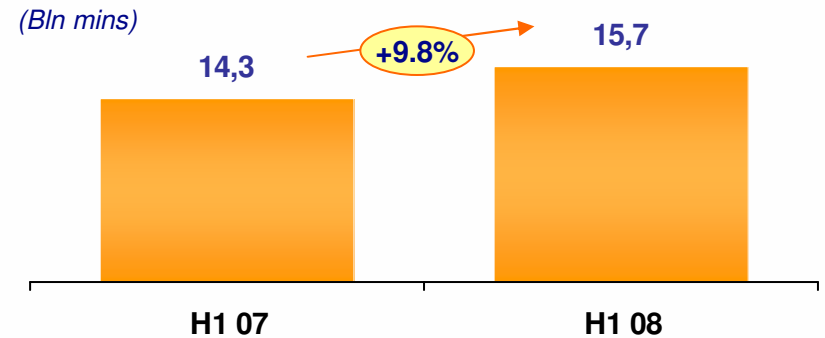


# Growth driven by usage and data

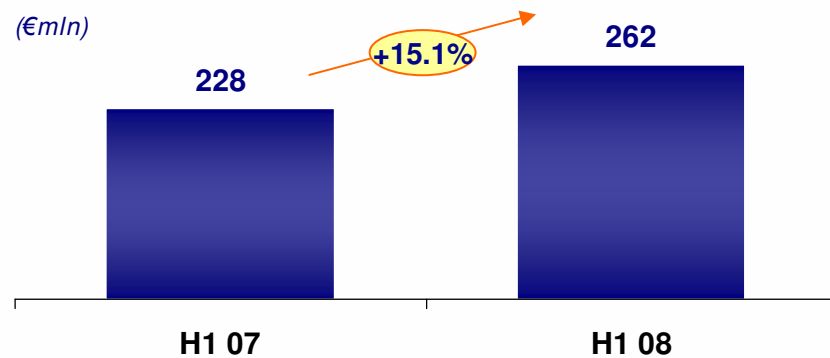
## Customer base



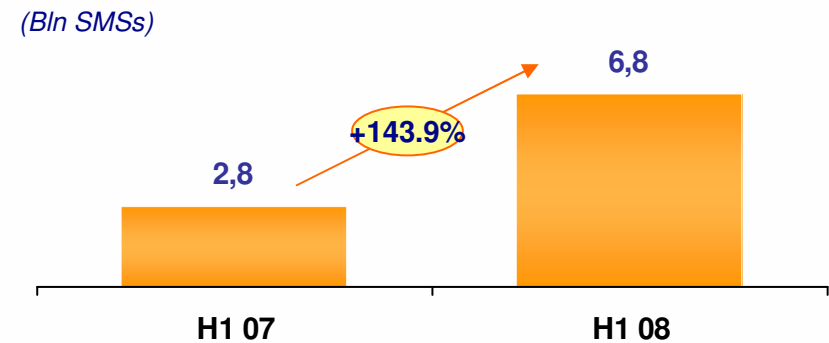
## Voice Traffic



## Mobile Internet & Data revenues

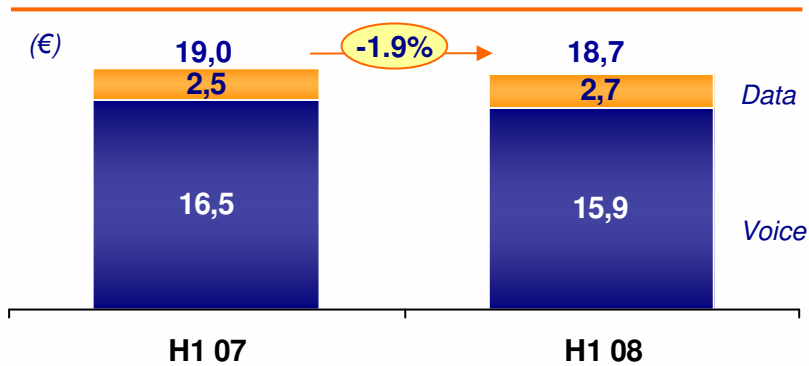


## SMS Traffic



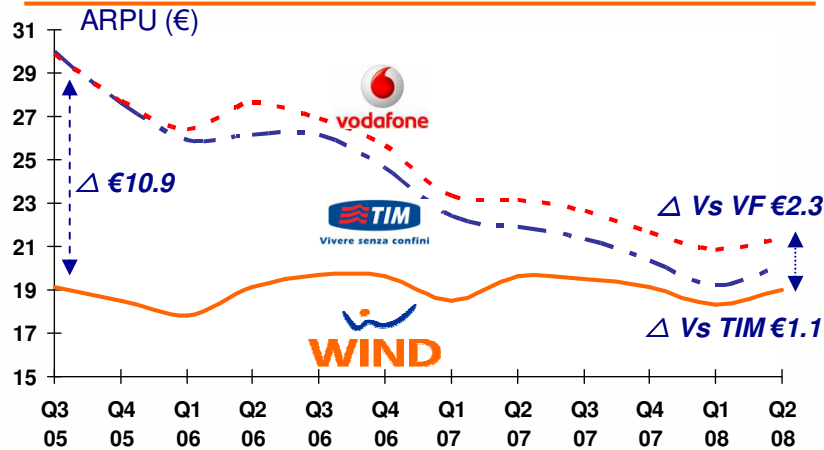
# Focus on value growth

## ARPU

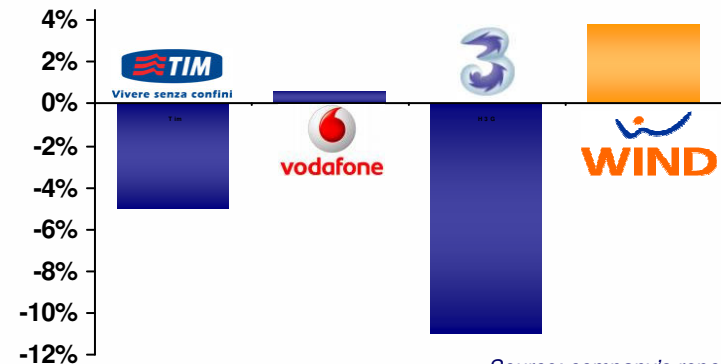


- Wind is increasing its market share both in term of revenues and number of SIMs
- Wind is closing the ARPU gap vs. main competitors
- Voice ARPU declines as a result of recharge fee abolishment and termination rate cut

## Closing the ARPU gap



## H1 08 revenue growth rates



Source: company's reports

Wind estimates on companies' reported data



## Areas of focus - Mobile

- Stable ARPU
- Focus on Customer Satisfaction
- Focus on HSDPA
- Extend our distribution footprint
- Continue focus on churn reduction

# Competitor positioning

- All main competitors have launched HSDPA mobile internet offerings
- As of June 2008, 9 MVNOs launched their commercial services
- MVNOs to date have not had an impact in the market:
  - €13.9 mln\* cumulative revenues in the quarter ended June 30, 2008
  - Total subscribers approaching 700 thousand\* as of June 30, 2008 (0.8% of the market)
- WIND has signed a commercial agreement with Autostrade and Auchan for the launch of MVNO services

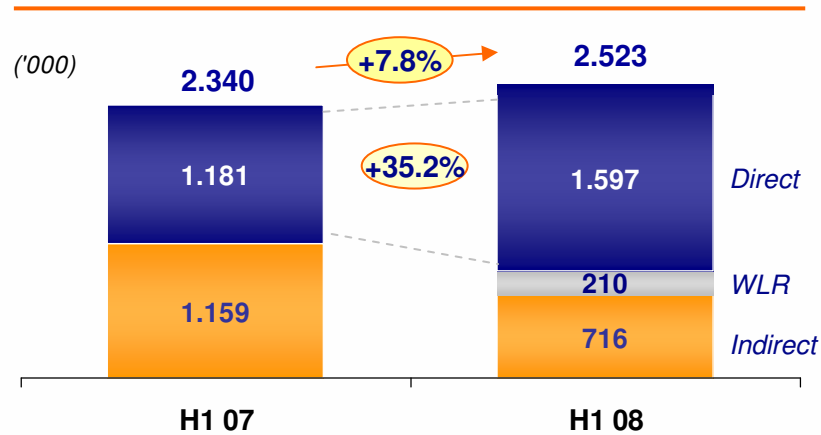
\* Company estimates

Fixed-line

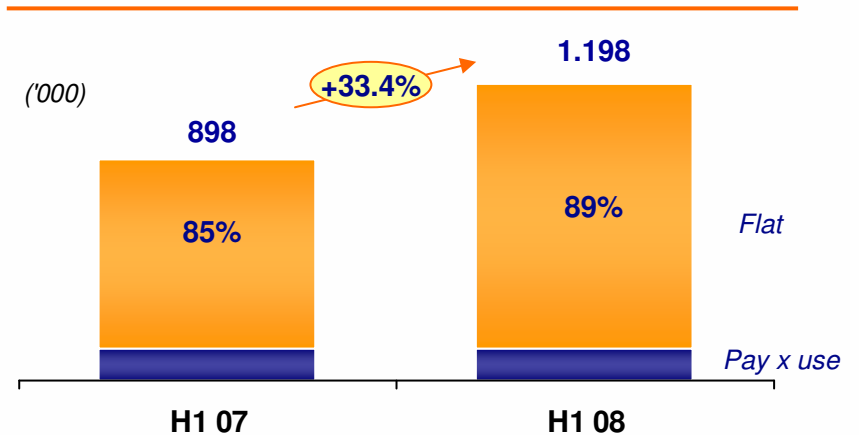


# Driving value growth through subscriber mix

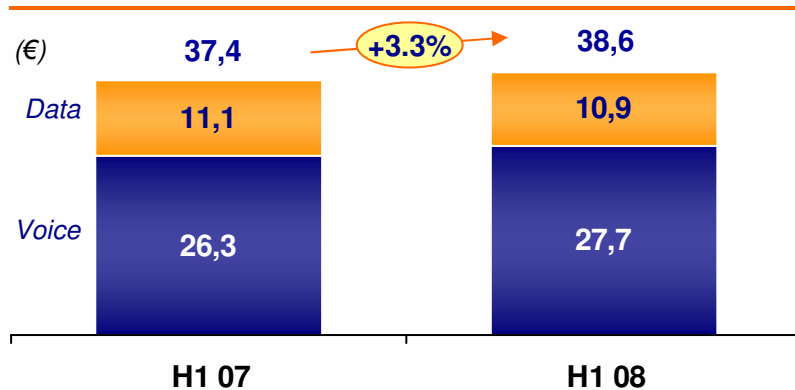
## Voice subscribers



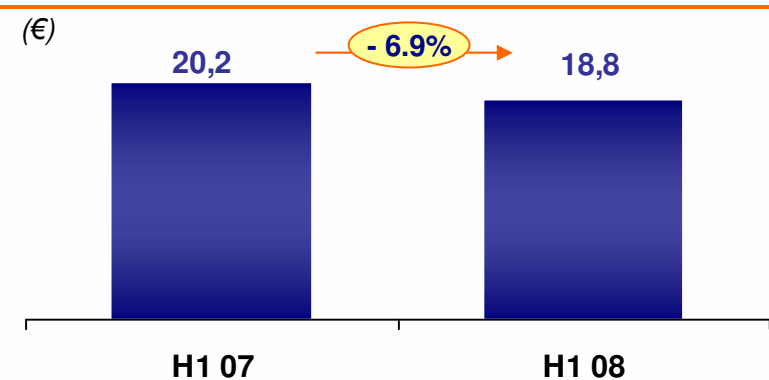
## Broadband Subscribers



## Fixed-line ARPU

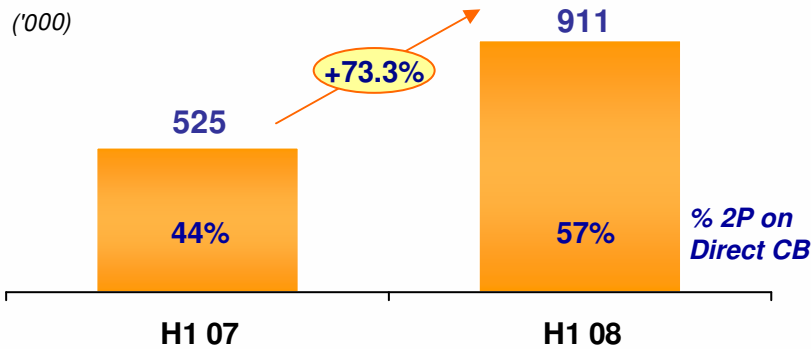


## Broadband ARPU

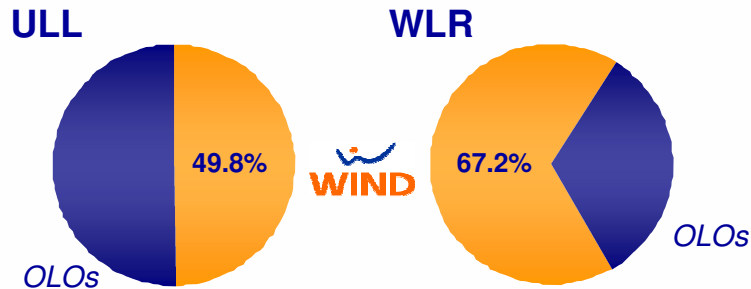


# Our growth path

## Dual-play CB

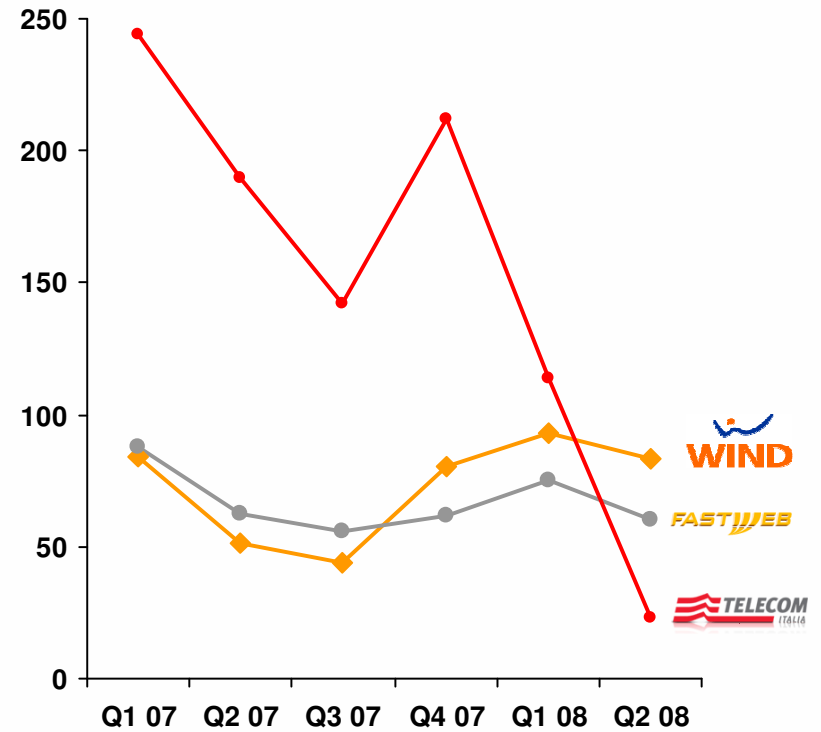


## Q2 2008 share of net adds



Internal elaboration on Telecom Italia data

## BB net adds trend



Source: company's reports

# Areas of focus - Fixed

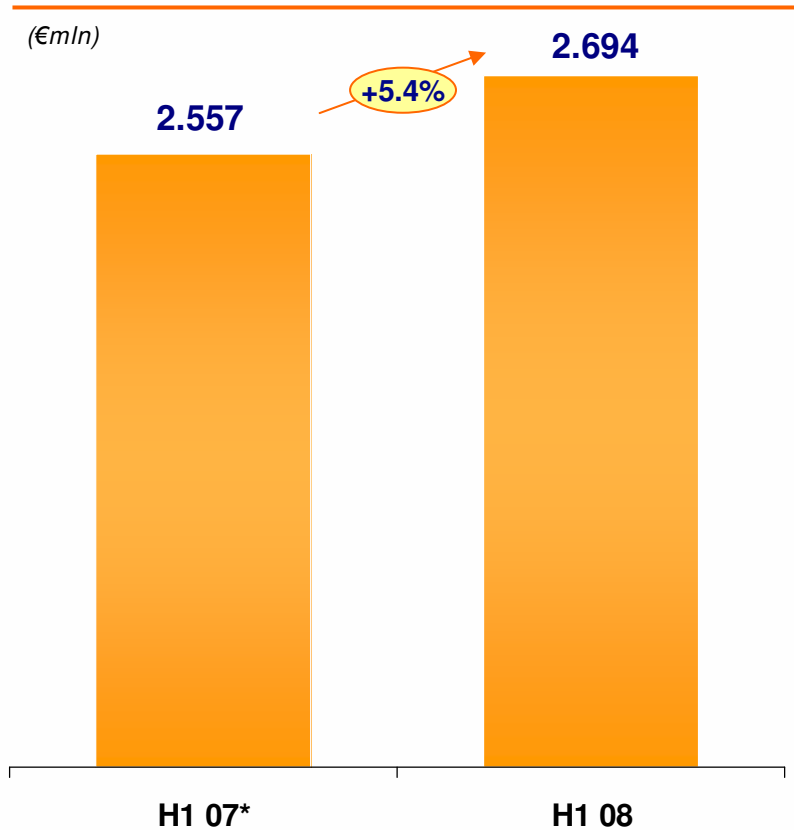
- Further direct network coverage expansion to 50% population coverage
- Strong push on direct market
- Grow revenues through the introduction of WLR in non-LLU areas
- Focus on Customer Satisfaction
- Increase distribution footprint (n. of PoS)
- Commercial push on dual/triple play offer

Financial highlights

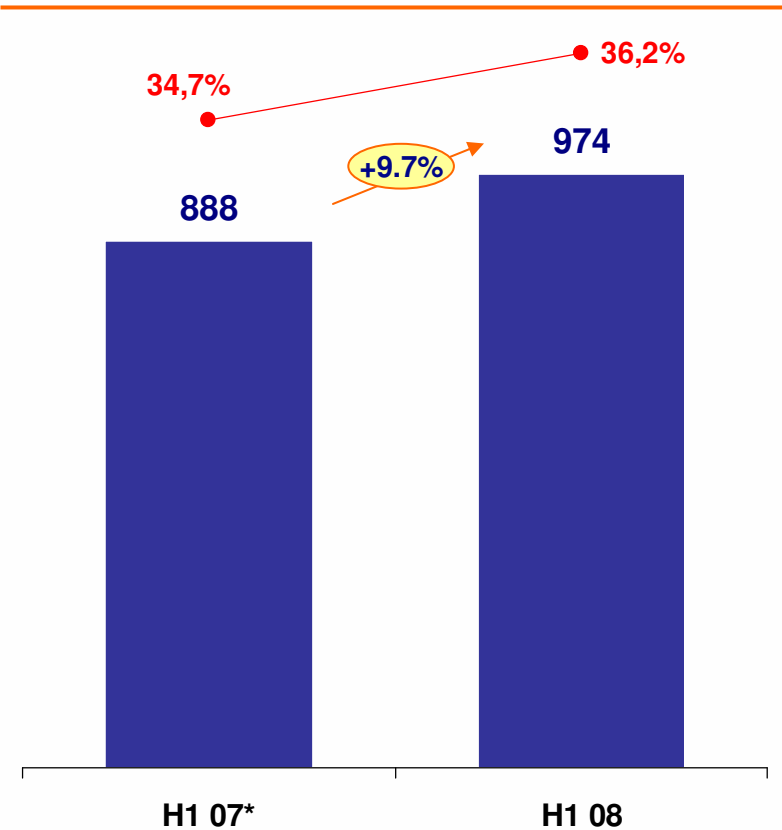


# Solid revenue and EBITDA growth trend

## Total Revenues



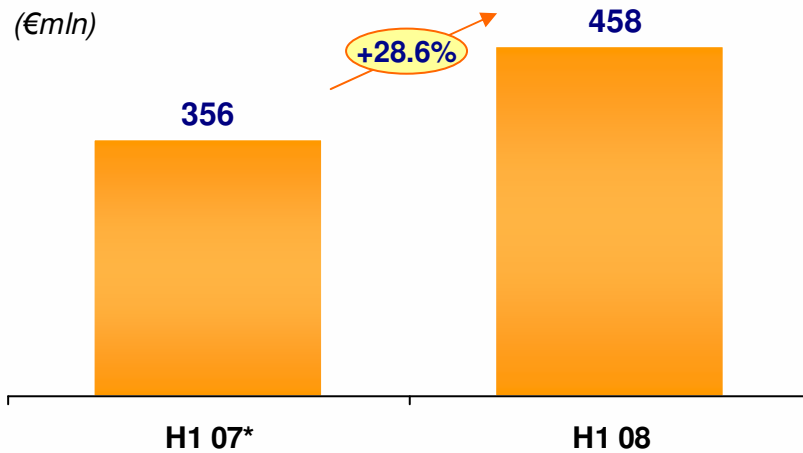
## EBITDA / margin



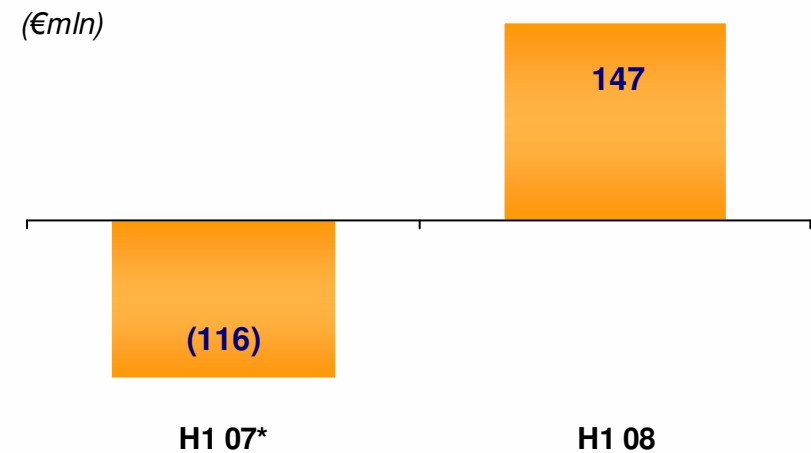
\* Excluding Tellas

# EBIT growth drives net profit

## Operating income



## Net result



- Strong growth in operating income (+28.6% YoY) mainly due to EBITDA increase and lower D&A charges
- Net profit of €147 million vs. loss of €116 mln reported in the first half of 2007\*

\* Excluding Tellas

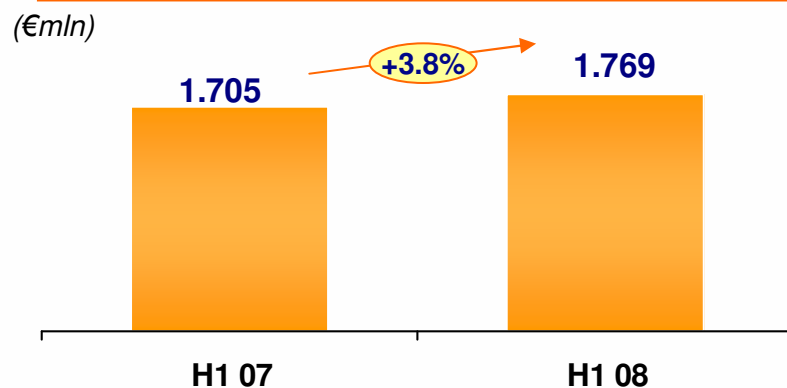
# P&L Highlights

	H1 2008	H1 2007*	Change % vs H1 2007*	H1 2007	Change Δ	%
Net revenue	2.619	2.496	4,9%	2.549	70	2,7%
Other revenue	76	61	25,2%	64	12	18,3%
<b>Total Revenue</b>	<b>2.694</b>	<b>2.557</b>	<b>5,4%</b>	<b>2.613</b>	<b>81</b>	<b>3,1%</b>
Total cost	(1.720)	(1.669)	3,1%	(1.723)	3	(0,2)%
<b>EBITDA</b>	<b>974</b>	<b>888</b>	<b>9,7%</b>	<b>890</b>	<b>84</b>	<b>9,5%</b>
<b>EBIT</b>	<b>458</b>	<b>356</b>	<b>28,7%</b>	<b>350</b>	<b>108</b>	<b>31,0%</b>
Financial income and expenses	(231)	(269)	(14,2%)	(271)	40	(14,8)%
<b>EBT</b>	<b>228</b>	<b>87</b>	<b>160,6%</b>	<b>79</b>	<b>149</b>	<b>189,0%</b>
Income tax	(81)	(204)	(60,4%)	(206)	125	(60,8)%
<b>Profit / (Loss) for the period</b>	<b>147</b>	<b>(116)</b>	<b>n.m.</b>	<b>(127)</b>	<b>274</b>	<b>n.m.</b>
Minority interests	0	-	n.m.	(5)	5	n.m.
<b>Net Result</b>	<b>147</b>	<b>(116)</b>	<b>n.m.</b>	<b>(122)</b>	<b>269</b>	<b>n.m.</b>

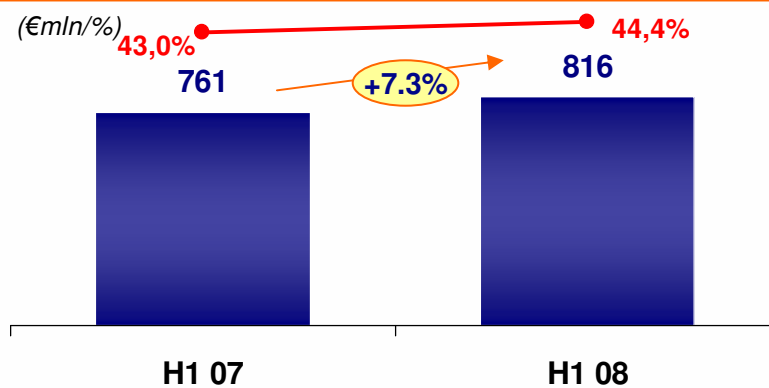
\* Excluding Tellas

# Strong growth in fixed, positive trend confirmed in mobile

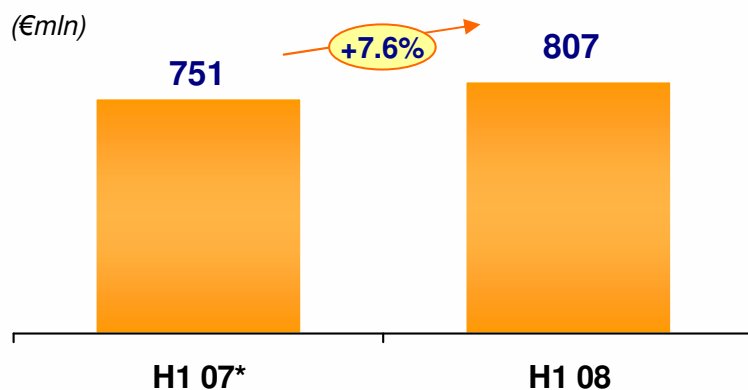
## Mobile TLC service revenue



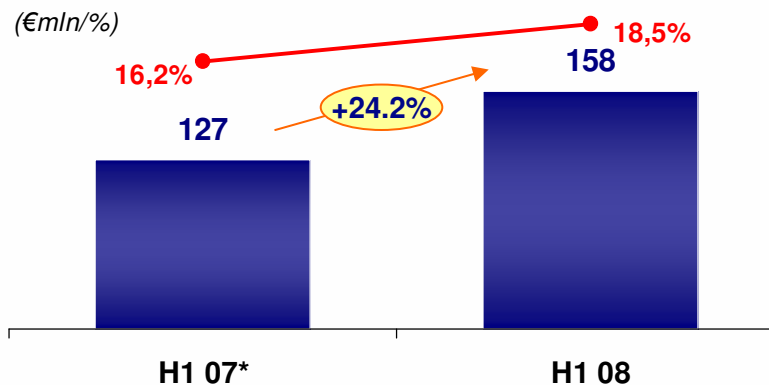
## Mobile EBITDA / margin



## Fixed TLC service revenue



## Fixed EBITDA / margin



\* Excluding Tellas

# Capitalisation

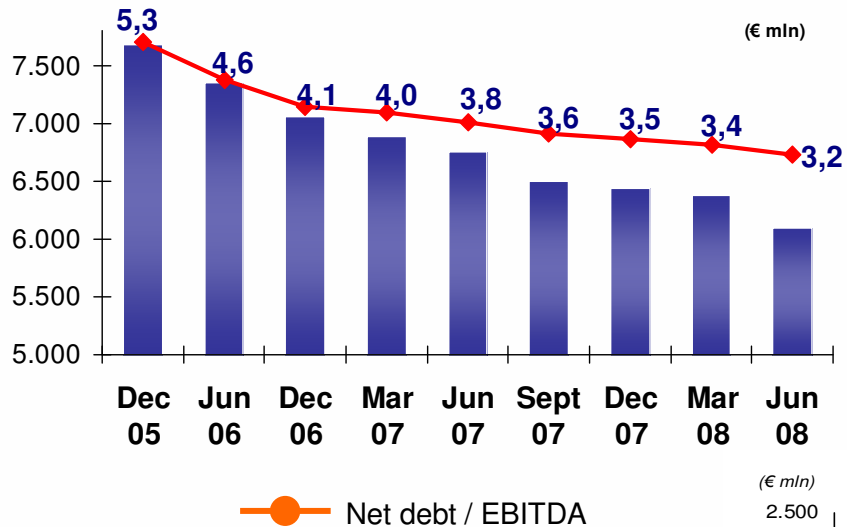
(€mln)	As of December 31, 2006	As of December 31, 2007	As of June 30, 2008	June 30, 2008/ LTM EBITDA
Cash and Equivalents	(138)	(195)	(458)	(0,2x)
Tellas Debt	73	-	-	-
Senior Debt	5.133	4.635	4.603	2,4x
<b>Total Senior Debt</b>	<b>5.068</b>	<b>4.440</b>	<b>4.144</b>	<b>2,2x</b>
Second Lien	689	679	671	0,4x
<b>Total Senior + Second Lien</b>	<b>5.757</b>	<b>5.119</b>	<b>4.815</b>	<b>2,5x</b>
Senior Notes	1.452	1.399	1.370	0,7x
Derivatives	(152)	(78,7)	(87)	(0,0x)
<b>Net Debt</b>	<b>7.057</b>	<b>6.440</b>	<b>6.098</b>	<b>3,2x</b>
<i>of which</i>				
<i>Cash Net Debt</i>	<i>7.210</i>	<i>6.525</i>	<i>6.195</i>	
<i>Interest Accrued</i>	<i>147</i>	<i>112</i>	<i>100</i>	
<i>Fees to be amortized</i>	<i>(148)</i>	<i>(118)</i>	<i>(110)</i>	
<i>Derivatives MTM</i>	<i>(152)</i>	<i>(79)</i>	<i>(87)</i>	

H1 2008 LTM EBITDA

€1,896 mln

Including W.A.H.F. S.p.A. PIK loan Net Debt / EBITDA is 4.2x

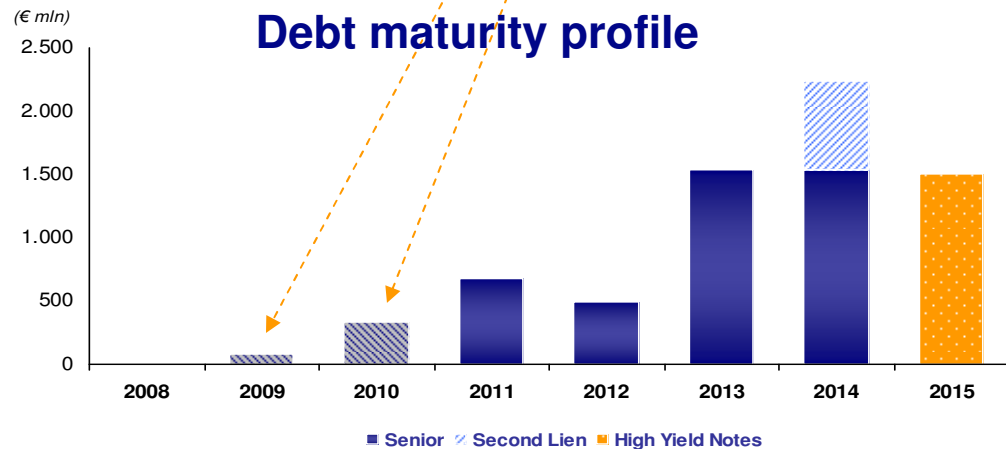
# Consistent trend of debt reduction



**Total Net pre-payments since the acquisition: approximately €1.9 billion. Senior debt/EBITDA down to 2.2x after repayment**

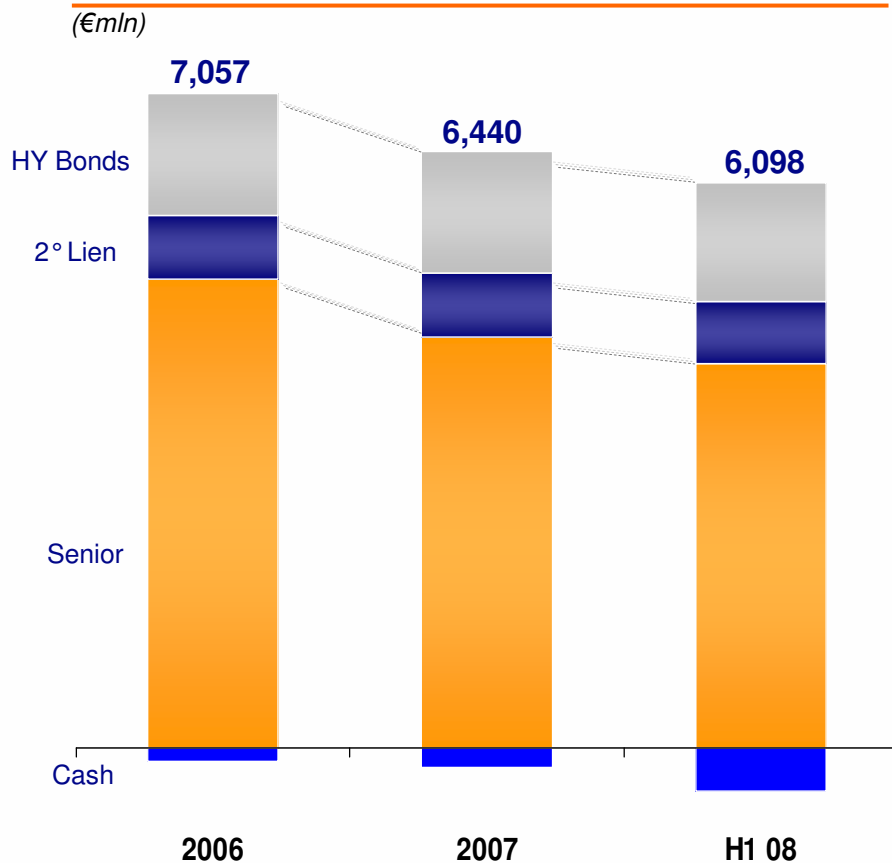
**€412 mln early repayment request (Dec. 2009 tranche A2 and Dec. 2010 tranche A1 and A2 maturities). Tranche A2 fully repaid.**

## Debt maturity profile



# Debt breakdown

## Debt components



## Key terms & priority

- 1. Senior debt** is composed by 3 tranches:
  - Tranche A – 7 years amortising
  - Tranche B – 8 years bullet, Euro and USD
  - Tranche C – 9 years bullet, Euro and USD
- 2. Second Lien** facility (~€700 mln) is composed by a Euro tranche and a USD tranche, 9.5 years maturity
- 3. High Yield Bond** (~€1.4 bln) is composed by a Euro tranche and a USD tranche, 10 years maturity

# Raising Guidance

- EBITDA of €1,940 - €1,980 million, including approximately €60/70 million positive impact from non-recurring items
- Good fixed and mobile performance in the context of a weak economic environment
- Net Debt / EBITDA around 3.0x

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