

Deutsche Bank

2009 Leveraged Finance
Conference

Scottsdale – September 30, 2009



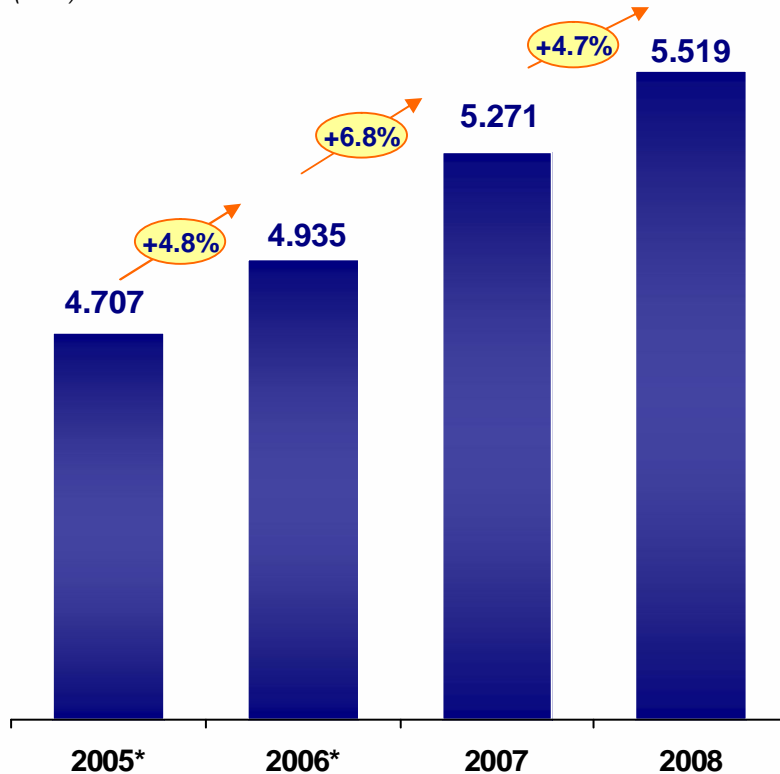
A look back at recent
years



Steady trend of performance in revenues, margin...

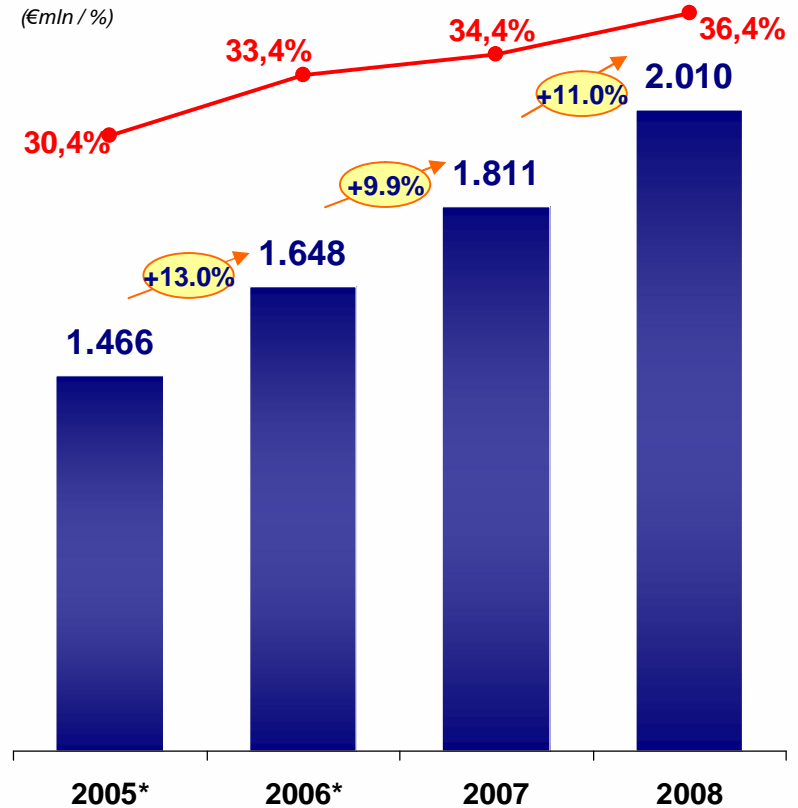
Revenues

(€mln)



EBITDA / margin

(€mln / %)

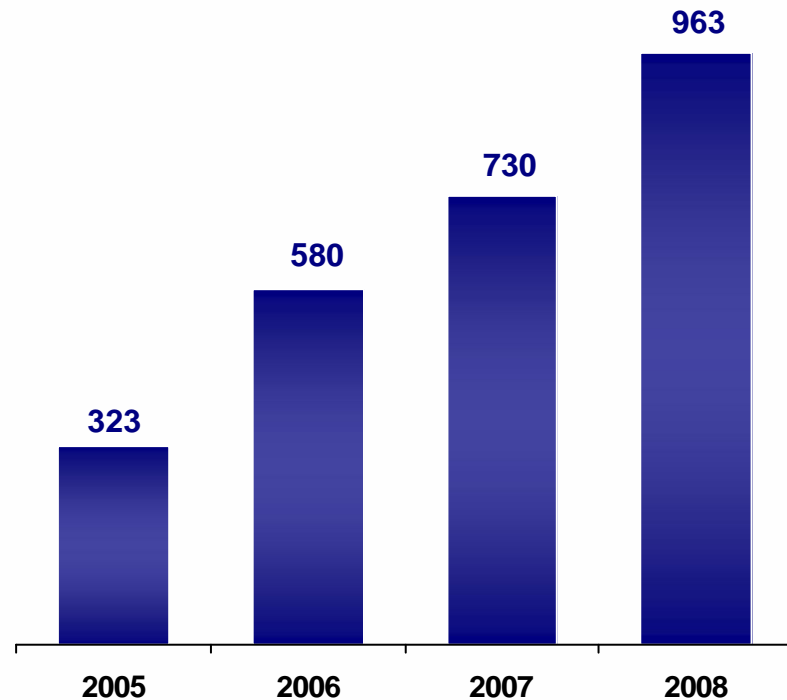


* Excluding Tellas

...EBIT and Net Profit delivery...

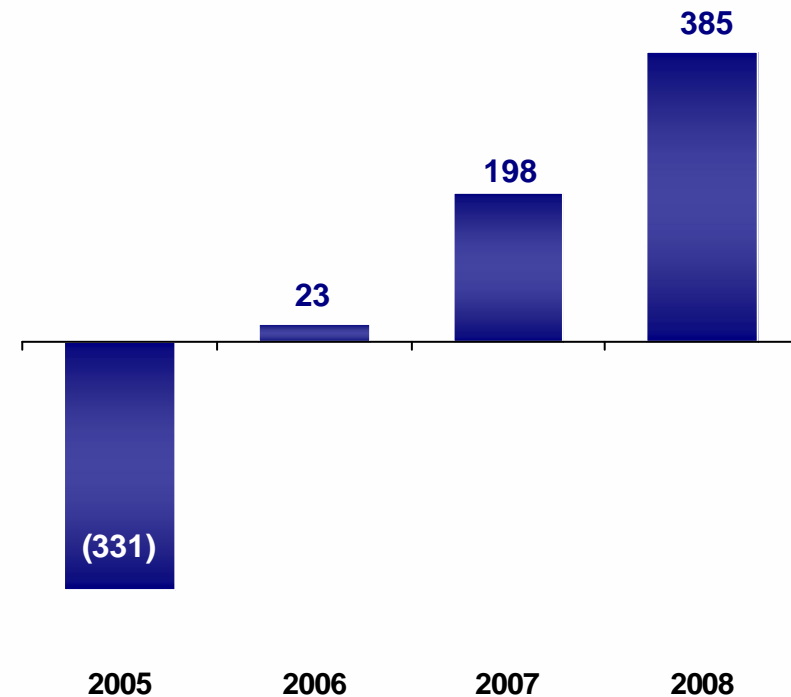
Operating income

(€mln)



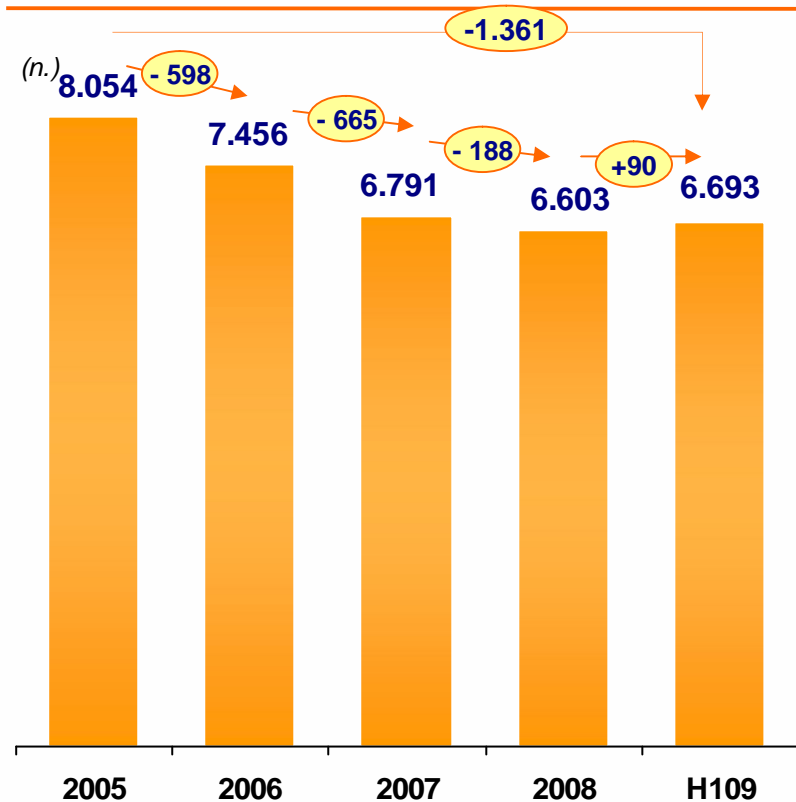
Net Result

(€mln)

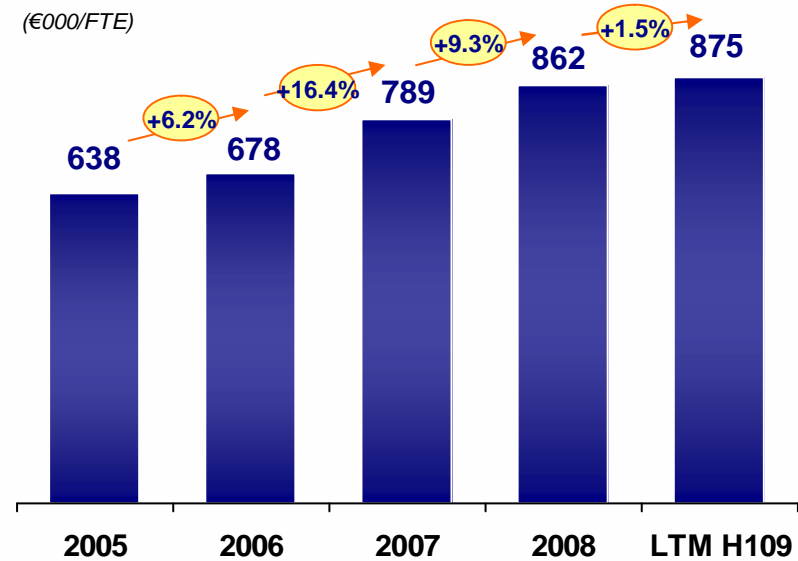


...coupled with improvement in Organisational efficiency

Headcount



Productivity*



- A continuous effort to improve productivity is carried out through process re-engineering and rationalization projects and people empowerment initiatives (new graduates hiring and key people development)
- Headcount growth in first half of 2009 mainly due to M-link acquisition

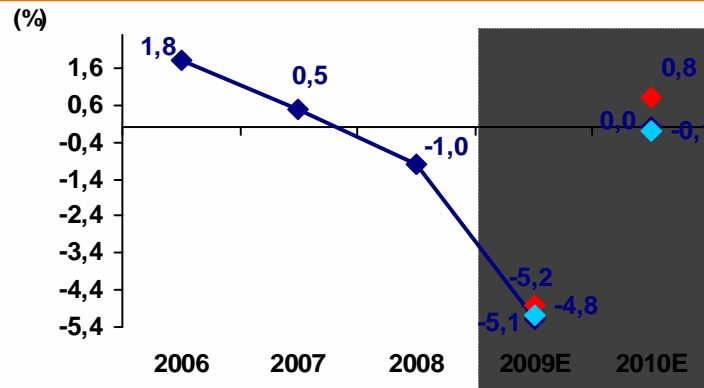
* Excluding Tellas
Productivity: Revenues/FTE

The environment we
are operating in



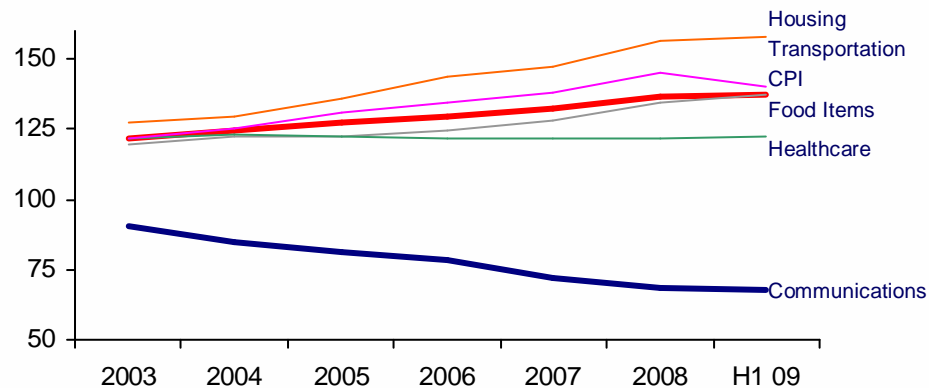
Macroeconomy

Italian GDP growth



- Banca d'Italia (blue) estimates a -5.2% GDP growth in 2009 and a +/-1.5% range in 2010.
- Confindustria (red) estimates a -4.8% GDP growth in 2009 and 0.8% in 2010.
- IMF (light blue) estimates a -5.1% GDP growth in 2009 and -0.1% in 2010.

Consumer Price Index

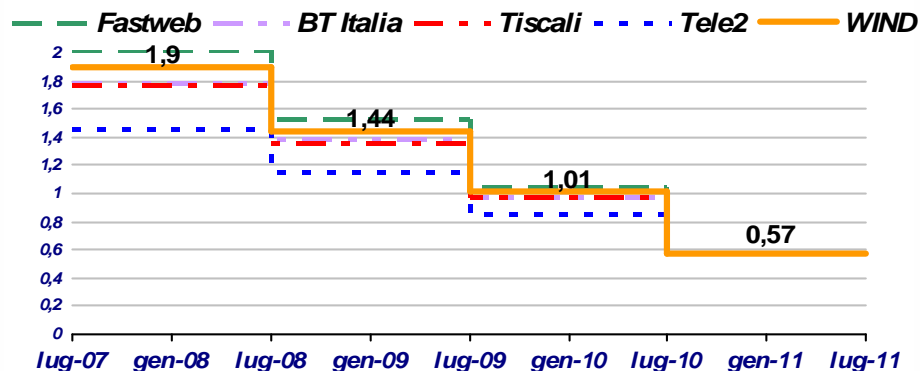


Notwithstanding historically high inflation in Italy, telecommunications is the only industrial sector that has actually seen prices decline (driven by regulatory and competitive pressure)

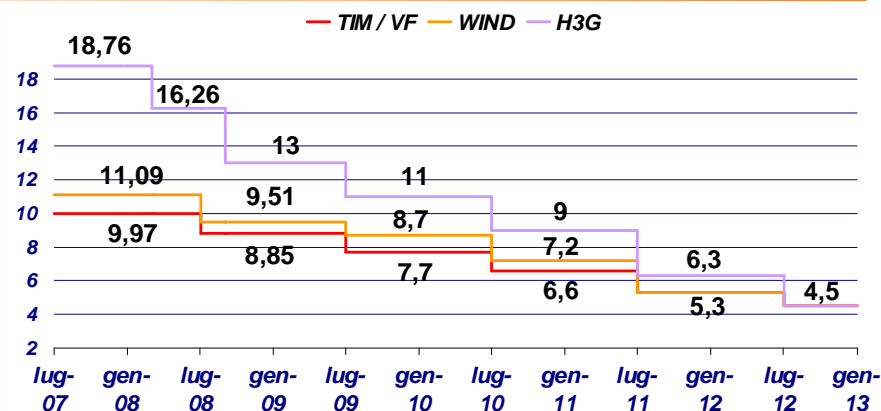
Sources: Banca d'Italia, ISTAT, Confindustria, IMF

Regulatory scenario

Fixed Termination Rates



Mobile Termination Rates

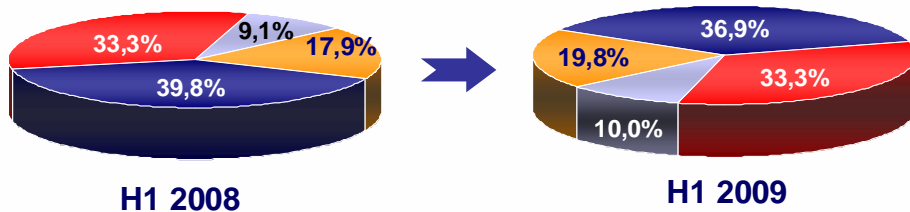


- Monthly retail fee of T.I. increased to €13.4 (excluding VAT) from February 2009, WLR Monthly Access fee increased by €1.11 from February 2009
- ULL Monthly Access Fee increased by €0.85 to €8.49 from January 2009
- EU roaming: voice price cap decreased in July 09 to €0.43 to make a call and €0.19 to receive a call; SMS capped at 0.11€/each, wholesale SMS at 0.04€/each, Mobile data at 1€/Mbyte; a per second billing (after 30 seconds) introduced
- In June 2009, Wind was awarded an additional 5MHz block of UMTS spectrum for approximately €89 mln.

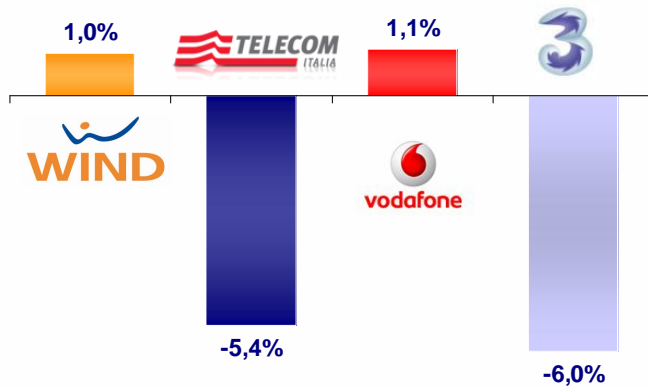
Current Market Scenario

Mobile

Mobile market share (H1 09 vs. H1 08)*

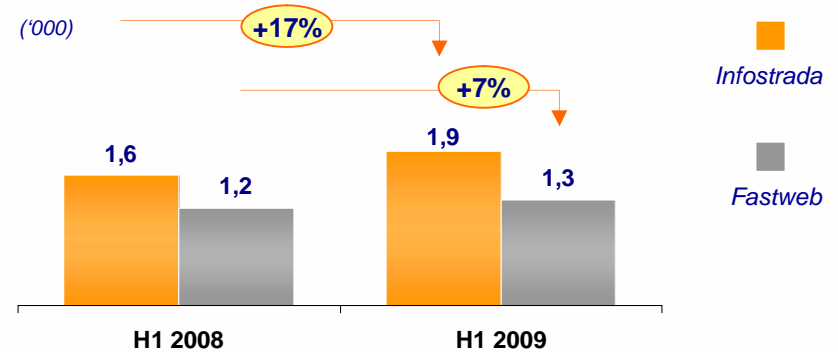


Mobile Svc Revenue growth H109 vs H108

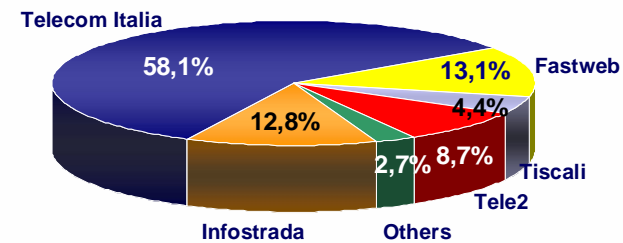


Fixed-line

Direct Customer Base growth**



Broadband market share (H1 09)

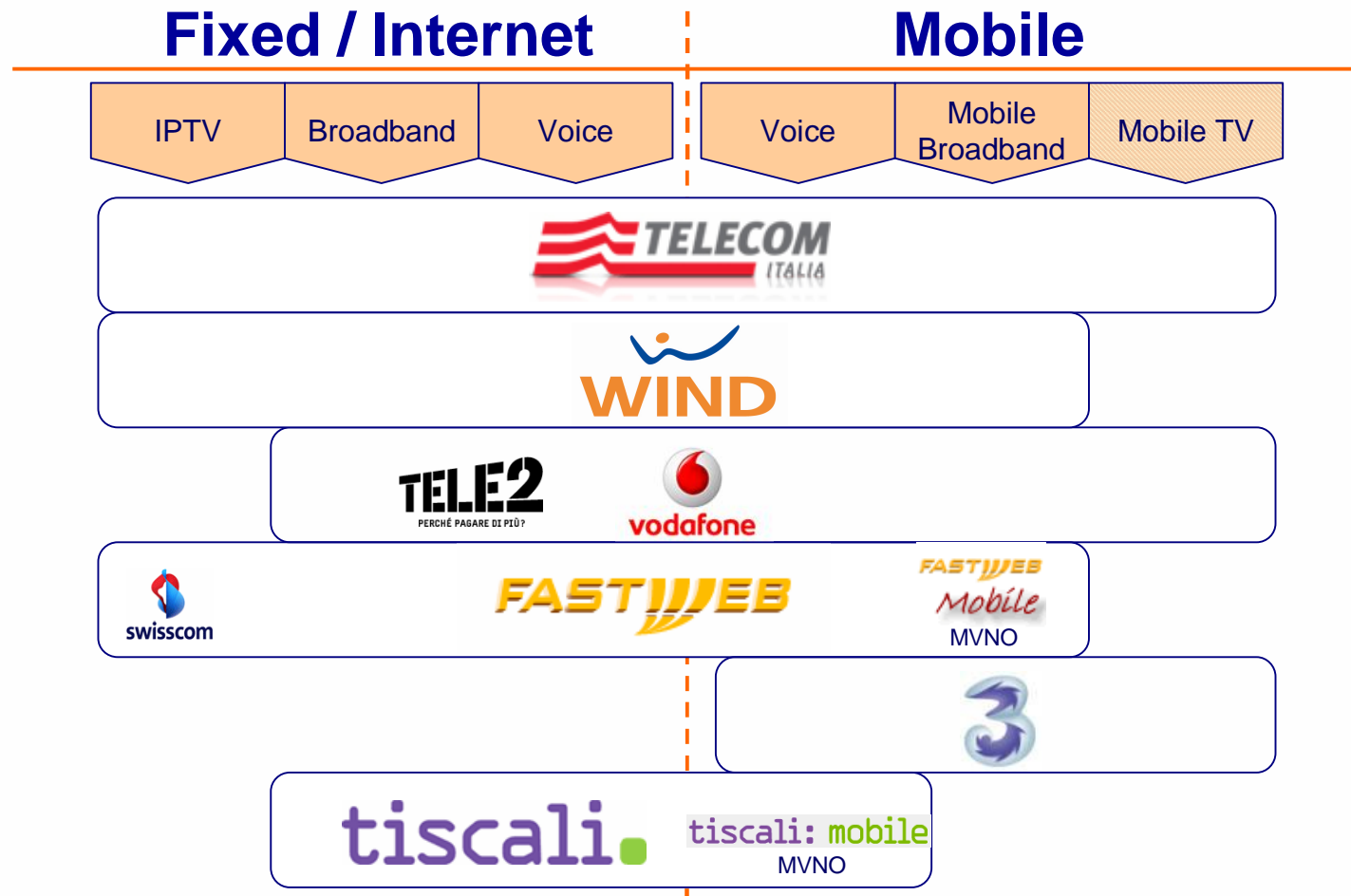


Internal estimates on operators and Deutsche Bank data

* Excluding MVNOs

** Including ULL, VULL, SA, Fiber, and excluding Naked

Industry evolution



- All operators moving towards integrated / convergent services
- Scale is relevant
- Potential consolidation in industry
- Impact of MVNOs marginal, the model has proven difficult to implement and some players are exiting market



Our Strategy



Strategy - The Bigger Picture

- Focus on revenue growth to achieve a higher value share in market and focus on cost efficiencies to further improve EBITDA margin through a leaner and more efficient operation:
 - Lowering OPEX (as % of revenues) and reducing CAPEX (as % of revenues) through Revenue and Cost scrutiny.
 - Selective outsourcing and externalisations
 - Partnerships (sharing of infrastructure, outsourcing sales...)
- Prepare WIND for the next wave of customer Demand through:
 - Focus on Broadband and laying the foundations for the mobile internet growth
 - Focus on PERSONALIZATION (Segmentation, Products such as Communities, FMC, Total Solution for Business..)
 - Focus on quality of resources
 - System simplification

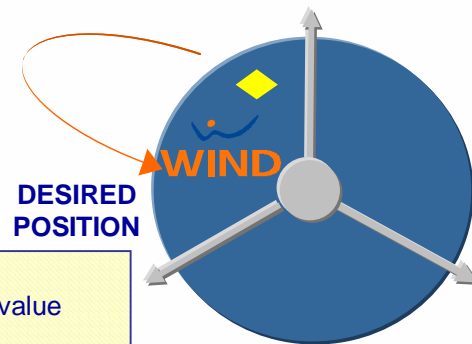
A Strategy to meet our current targets, given the specific realities in Italian market

- ✓ **Italian market is characterized by two sets of needs:**
 - ✓ A vast majority of cost-conscious yet demanding low-end subscribers
 - ✓ A minority of wealthy high end subscribers yet, impacting operators' margins
- ✓ **Operators need to tailor their strategies to address these needs and to meet their targets**
- ✓ **Wind's focus has been on Customer Intimacy, its strategy going forward is to combine this with Operational Excellence**

□
AREAS OF FOCUS

Customer Intimacy

- ✓ Deep understanding of customer needs
- ✓ Emotional bond and relationship with customers
- ✓ Service Efficiency



Operational Excellence

- ✓ Aligning costs to value
- ✓ Improving quality, efficiency and reliability of operational processes

Technology Leadership

- ✓ Technologically advanced options required mainly for corporate segment
- ✓ Improve overall technology image

Our main areas of
focus



Mobile

Accelerating growth in Mobile Internet



Mobile Internet time-based offerings

Mega 100 Ore: 100 hours for 15 €/month

Mega Ore: 50 hours for 9 €/month

Leonardo Mega 50 Ore: 50 hours for 18€ every two months

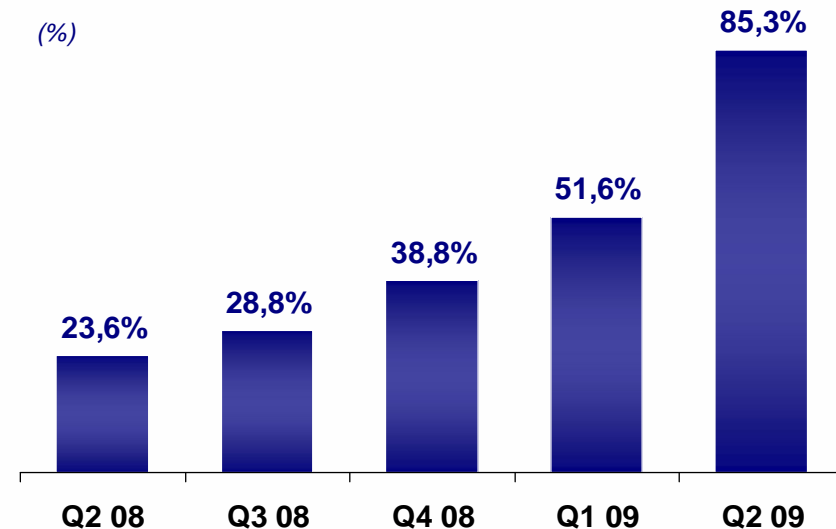
Leonardo Mega 250 Ore: 250 hours for 40€ every two months

Leonardo Mega 500 Ore: 500 hours for 60€ every two months

Leonardo Mega Unlimited: unlimited browsing, for 90€ every two months

Internet Mobile Phone: unlimited browsing from mobile phone, for 20€ every two months

Mobile Internet revenue growth trend YoY



- HSDPA available on all UMTS network (up to 7.2 Mbps)

Mobile

Expanding the “Noi concept”

Expand the fixed price bundle concept introduced by the Noi offers beyond the on-net community:

- toward high usage subscribers (Noi 2 Big, Noi Wind Big)
- toward fixed-line operators (Noi Italy)
- toward other mobile operators (Noi Tutti, x2, x3)
- data products (Noi Wind SMS, Wind 6 SMS)



Noi 2 BIG
Parli con il tuo numero Wind

Noi Wind BIG
Crescono le occasioni per restare in contatto con tutti i numeri Wind!

Noi Italy
240 minuti per parlare con tutti i fissi e i numeri Wind

Noi Tutti
Chiami chi vuoi tu!

Noi Wind SMS
4000 SMS per scrivere a tutti i tuoi amici Wind!

Wind 6 SMS
Invia a tutti SMS a soli 6 centesimi!



Mobile

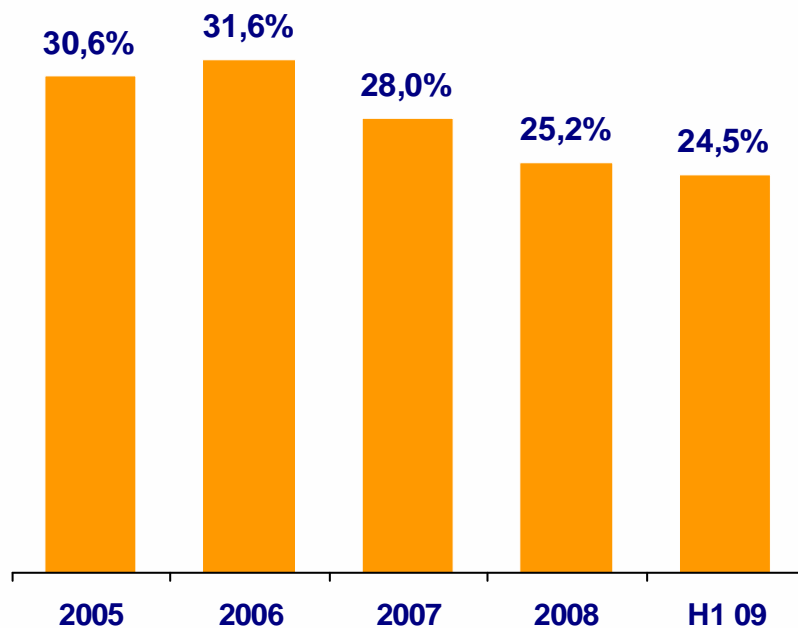
Enhancing our distribution

- Wind has acquired approximately 130 shops.
- This enables Wind to close the penetration gap vs. competitors, mainly in shopping centres.
- Locations are geographically complementary to the existing Wind ones and in provinces considered “high priority target” in Wind’s development plan.
- Wind expects to increase its market share and enhance its customer management; in addition the new shops are expected to enhance mobile sales, as well as fixed-line sales (the “Infostrada corner”).
- All the stores are Wind mono-brand.

Mobile

Focus on customer satisfaction

Churn rate



Strategy

- On-net community effects
- Improved customer satisfaction
- Integrated product with fixed business
- Needs based segmentation linked to HVC project

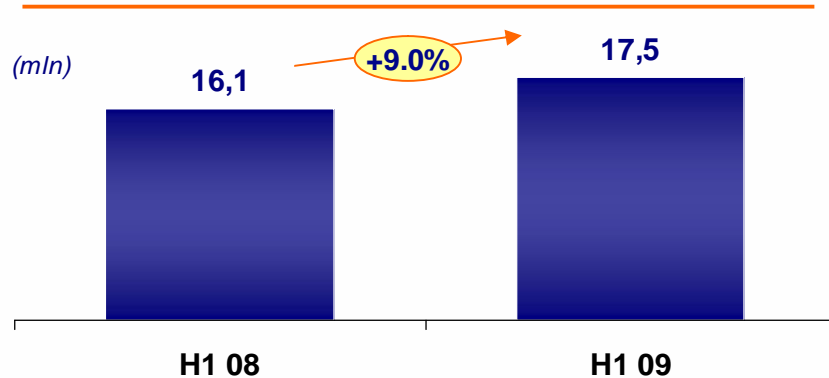
“Wind is 2009 leader in customer satisfaction”



Mobile

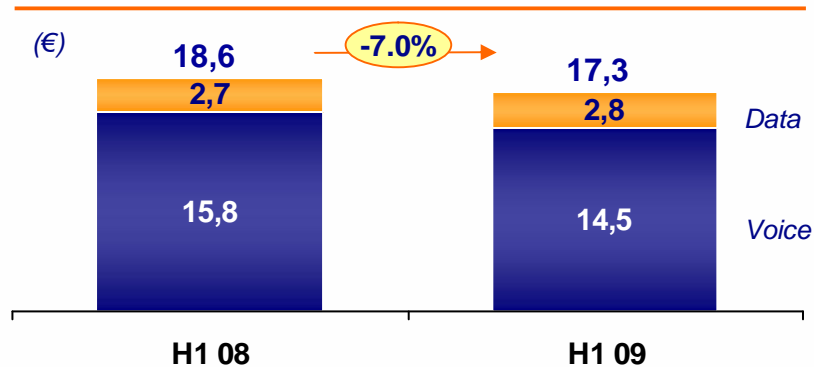
Strong net adds, solid traffic growth

Customer base

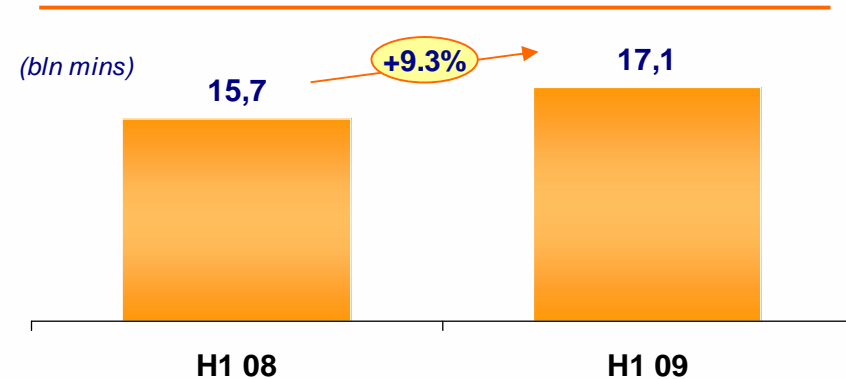


- Market share of SIMs of approximately 20%, up 2 p.p. YoY
- Leader in net adds in Q2 09 with 281K net adds
- Data ARPU at 16.1% as a percentage of total, up from 14.8% in H1 08
- Churn rate in H1 09 at 24.5%, a 0.8 p.p. decrease over H1 08
- Double digit growth in outgoing voice traffic

ARPU



Total Voice Traffic



Fixed-line

Preserving the value of the market

C
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VOICE*



Happy NoLimit

Unlimited fixed-line calls, for €19.95 per month



Super Happy Italy

Unlimited fixed-line calls in Italy, western Europe, USA and Canada, with a set up charge of 15€cent, for €11.95 per month



TuttoIncluso

Unlimited fixed-line calls and Broadband Internet access at speeds up to 8Mbps, for €39.95 per month (up to 20 Mbps at €49.95 per month).

BROADBAND*



ADSL FLAT

Unlimited 7Mbps ADSL, for €19.95 per month



ADSL 20 MEGA

Unlimited 20Mbps ADSL, for €24.95 per month



ADSL LIGHT

Pay per use 1.2Mbps ADSL, with 6 hours included, for €9.95 per month

DUAL-PLAY*



Absolute ADSL

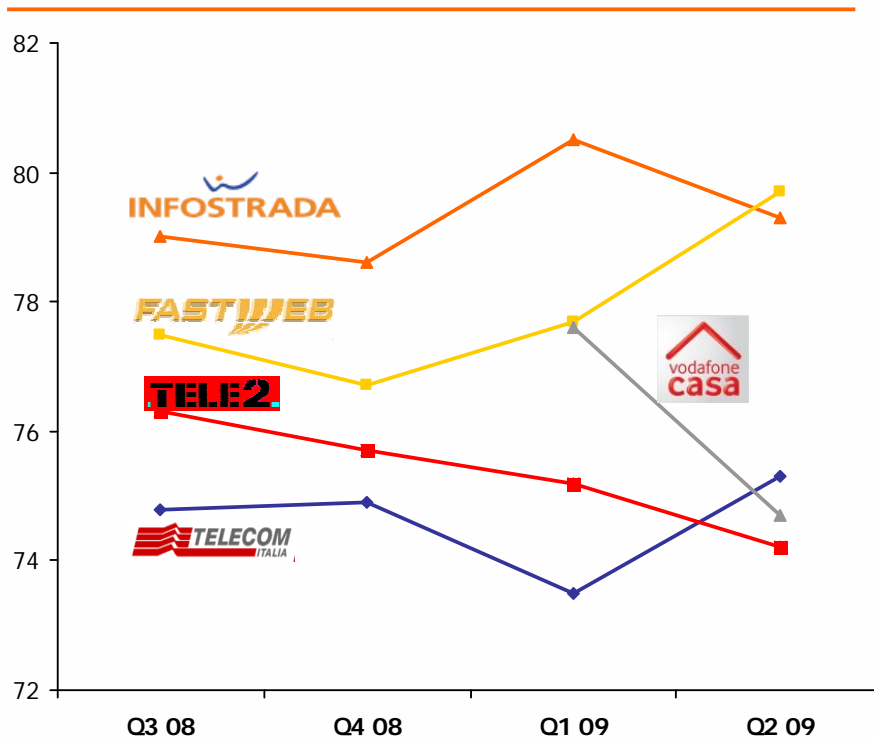
Unlimited fixed-line calls with a flat connection charge of €0.12 and Broadband Internet access at speeds up to 8Mbps, for €29.95 per month (up to 20 Mbps at €39.95 per month).

- Rational approach to value preservation through stable retail prices and selective use of promotions.
- Maximize market growth opportunities through further segmentation of market coupled with tailored offerings.

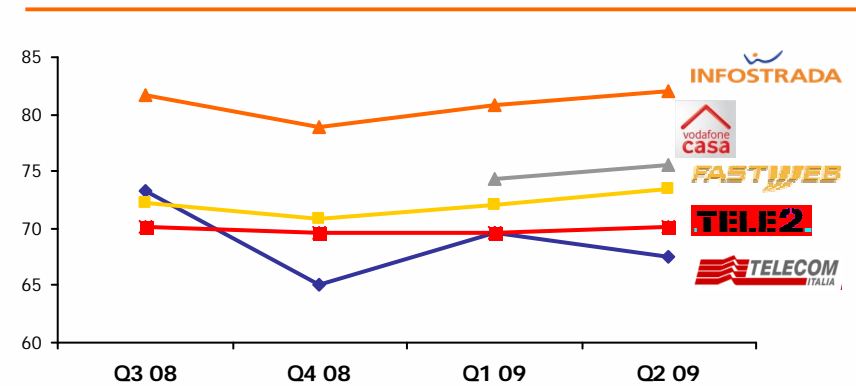
* All retail prices include VAT

Fixed-line Customer satisfaction

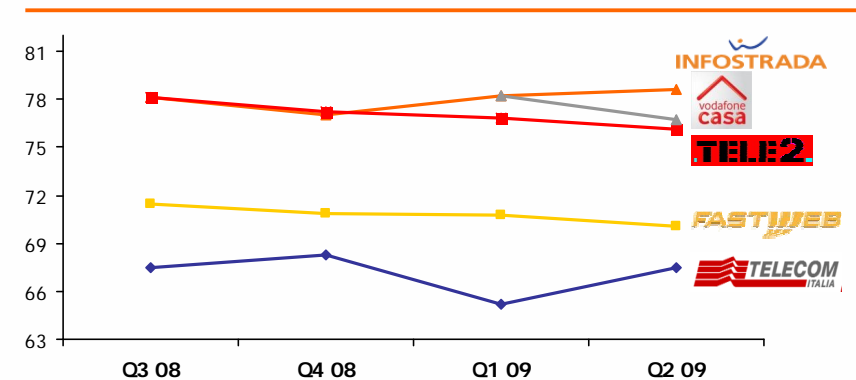
Overall satisfaction index



Advertising evaluation



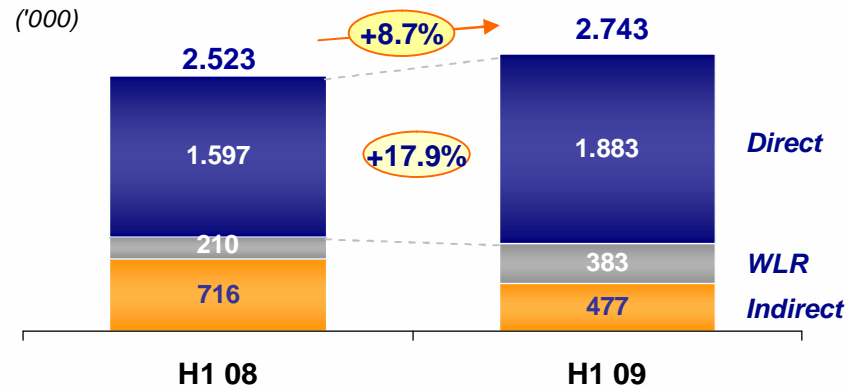
Tariffs evaluation



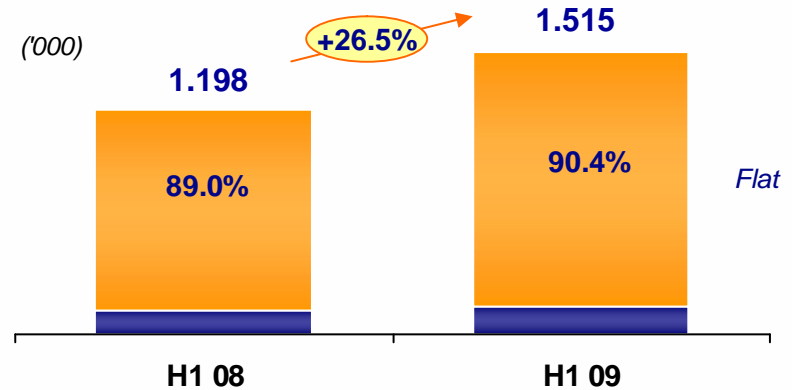
Fixed-line

Solid increase in subscribers, stable ARPU

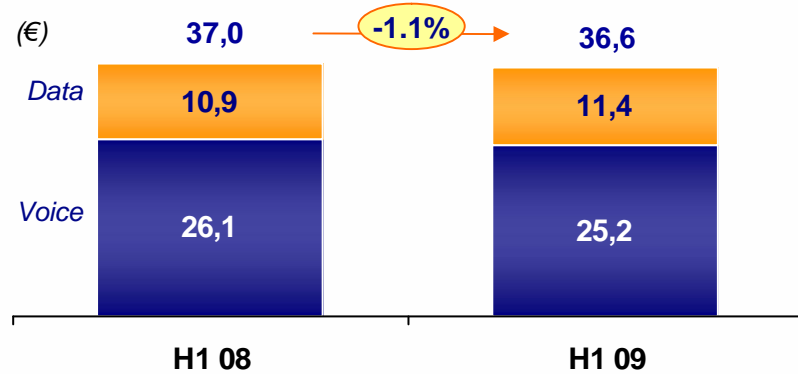
Voice subscribers



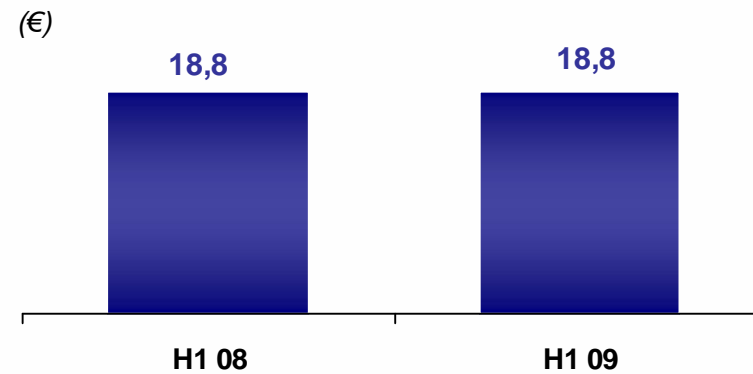
Broadband Subscribers



Fixed-line ARPU



Broadband ARPU

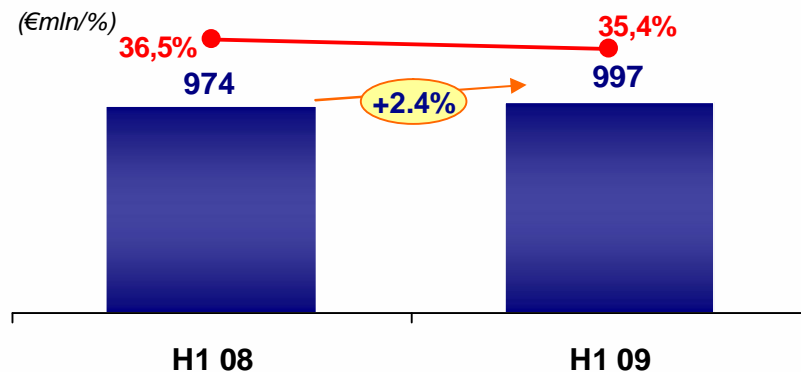
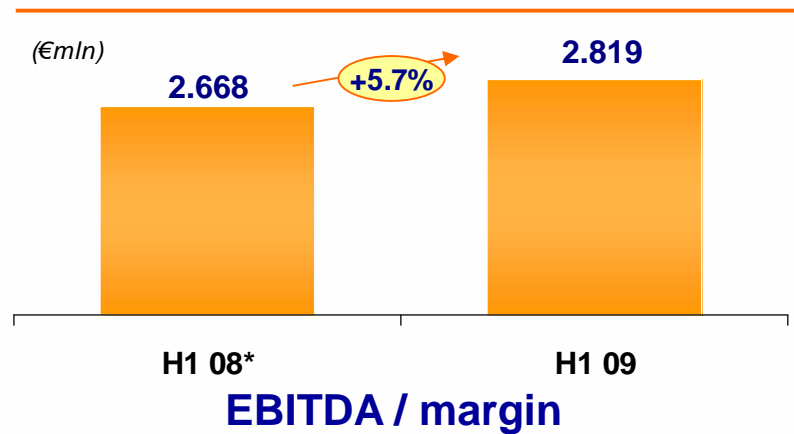


H1 2009 snapshot



Stable growth trend in top-line and EBITDA

Total Revenues



- Total Mobile revenues grow 2.6% YoY to €1,880 million
- Total Fixed-line revenues increase 12.4% over H1 08 to €939 million, including impact of M-link acquisition
- Service revenues up 4.7% to €2,669 million

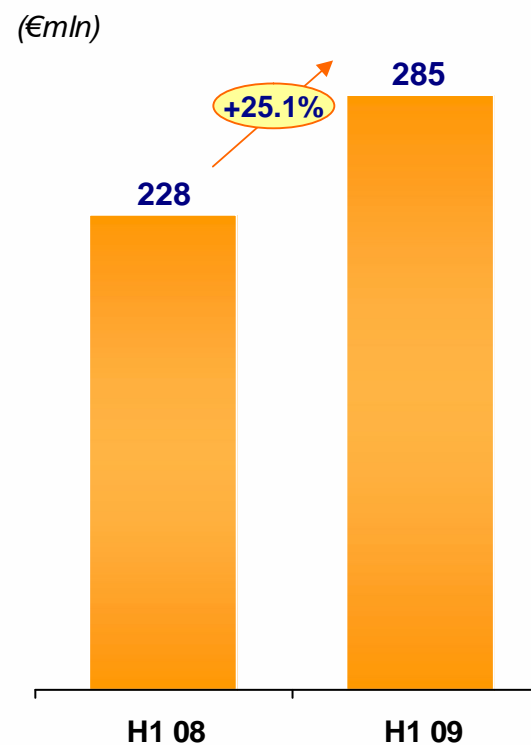
* New VAS contractual form impact on H1 2008

EBT growth drives net profit

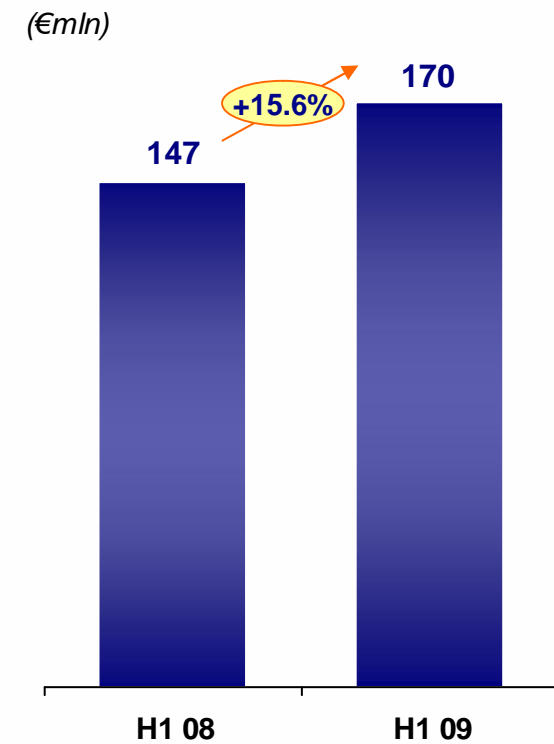
Operating Income



Earnings Before Taxes



Net Result



Capitalisation

(€mln)	As of December 31, 2007	As of December 31, 2008	As of March 31, 2009	As of June 30, 2009	June 30, 2009/ LTM EBITDA
Cash and Equivalents	(195)	(379)	(356)	(576)	(0,3x)
Other Net Debt	-	-	-	-	-
Senior Debt	4.635	4.241	4.168	4.166	2,0x
Total Senior Debt	4.440	3.862	3.811	3.590	1,8x
Second Lien	679	688	675	670	0,3x
Total Senior + Second Lien	5.119	4.550	4.486	4.260	2,1x
Senior Notes	1.399	1.425	1.483	1.418	0,7x
Derivatives	(79)	94	227	316	0,2x
Net Debt	6.440	6.070	6.196	5.994	2,9x
<i>of which</i>					
Cash Net Debt	6.525	5.957	6.001	5.738	
Interest Accrued	112	116	62	30	
Fees to be amortized	(118)	(97)	(94)	(90)	
Derivatives MTM	(79)	94	227	316	

H1 2009 LTM EBITDA

€2,033 mln

Including W.A.H.F. S.p.a. PIK loan of €1,98 million Net Debt / EBITDA is 3.9x

THANK YOU

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