WIND Telecomunicazioni

First Half 2011 results

September 8, 2011

Important Notice

The first half 2011 financial statements of the WIND Telecomunicazioni S.p.A. group hereby presented include the impact of the spin-off of certain assets within the group perimeter. The economic result of these assets until the date of the spin-off is classified in the P&L in the separate line “Profit/(Loss) from discontinued operations”. In order to ensure full comparability with the new perimeter, the WIND Telecomunicazioni S.p.A. group 1H 2010 accounts have been restated accordingly

H1 2011 Financial highlights

Revenues	Total revenues increased 1.6% over H1 2010 to €2,750 mln; mobile revenues up 1.4%, fixed-line revenues up 2.2%
EBITDA	EBITDA at €1,023 mln, down 1.6%; the comparison over H1 2010 is impacted by lower non organic items recorded in 2011 net of which WIND recorded an organic growth of 0.8%; EBITDA margin at 37.2%
EBIT	EBIT at € 514 million, down (-6.3%) over H1 2010
Net Result	Net result at €26 million, +58.6% over H1 2010
NFI	Net Financial Indebtedness at €8,073 million vs. €8,415 million as of December 2010, Net debt / EBITDA at 3.82x

H1 2011 Operational highlights

Mobile

- Mobile customer base reaches 20.6 million with an increase of 6.7% over H1 2010
- Solid growth in H1 2011 mobile voice traffic (+14.5%) and average usage per customer (+6.6%)

Fixed-line

- Fixed-line voice customer at 3.13 million up 7.7% vs. H1 2010
- Customer mix increasingly shifting to higher value direct subscribers

Broadband

- Broadband subscribers at 2.08 mln, up 18.0% YoY
- Dual play customers grow double digit 16.5% reaching 1.69 million subscribers

H1 2011 Operational performance

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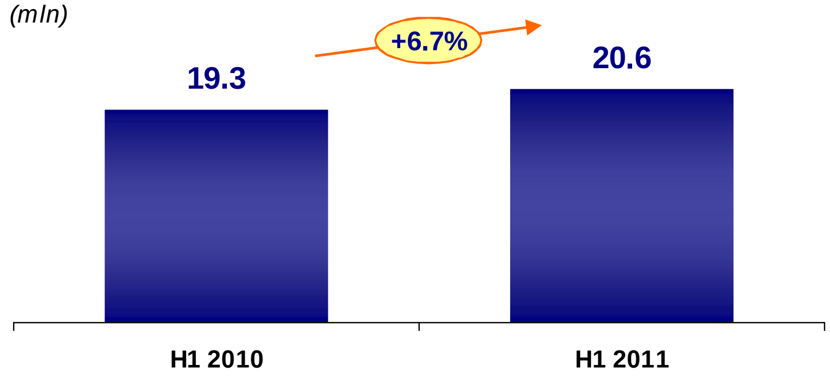
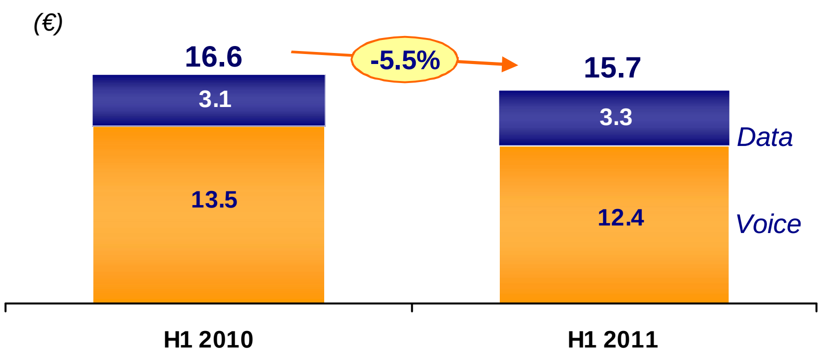
Mobile Performance

Customer Base



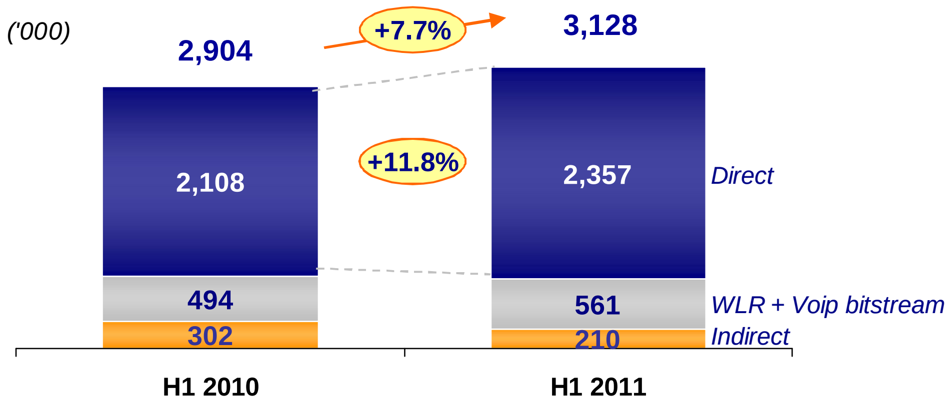
ARPU



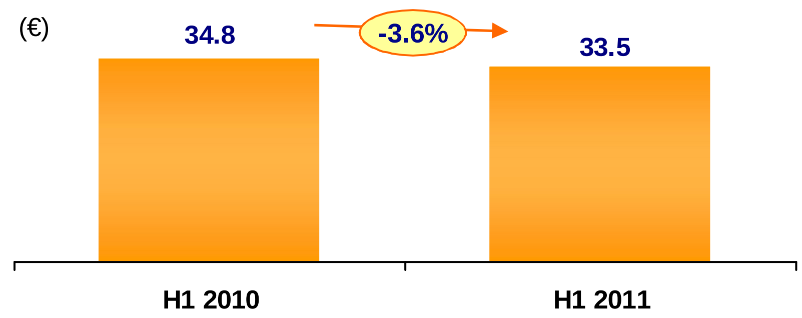
- Solid trend of acquisitions continuing in Q2 2011 with 280k net adds
- Mobile Internet continues to be a driver for a strong growth with revenues increasing 38.5% vs. H1 2010
- ARPU in H1 2011 declines 5.5% vs. H1 2010 as a result of voice ARPU pressure (-8.2%) from the cut in mobile termination rates coupled with the strong growth in data only SIM cards which do not generate voice revenues; net of these impacts the decline would have been approximately -3.5%
- Data ARPU increases 6.2% to €3.3 (21.2% of total ARPU)

Fixed-line Performance

Voice subscribers



Total fixed-line ARPU

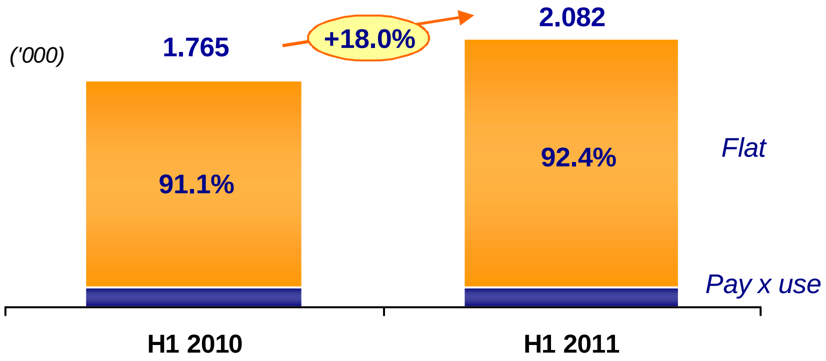


- Total subscriber base grows 7.7% to 3.1 million driven by success of direct (+11.8%), and WLR offerings only partially offset by decrease in traditional indirect offerings

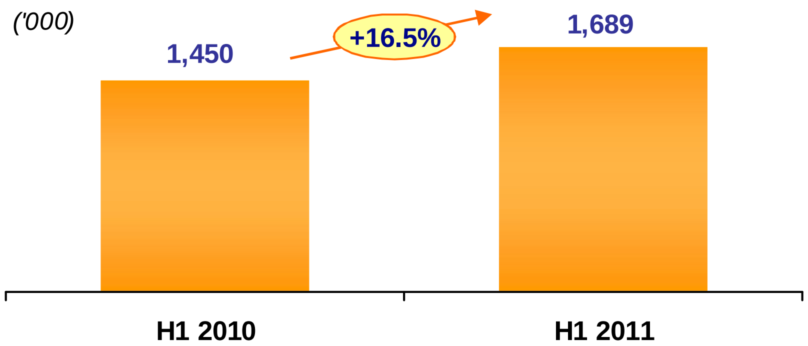
- Total fixed-line ARPU declined due to the impact of interconnection rate cut on voice ARPU coupled with the promotional activities undertaken in the period

Broadband Performance

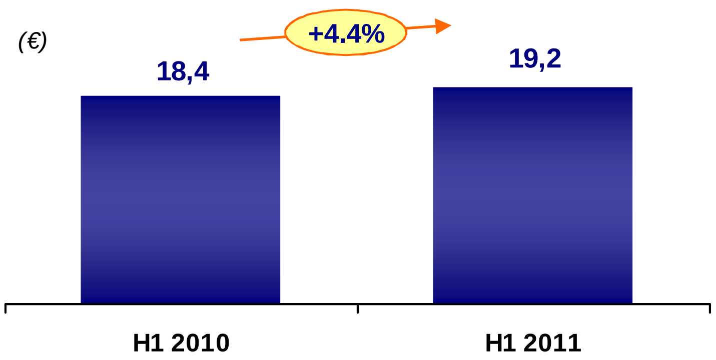
Broadband Subscribers



Dual-play CB



Broadband ARPU

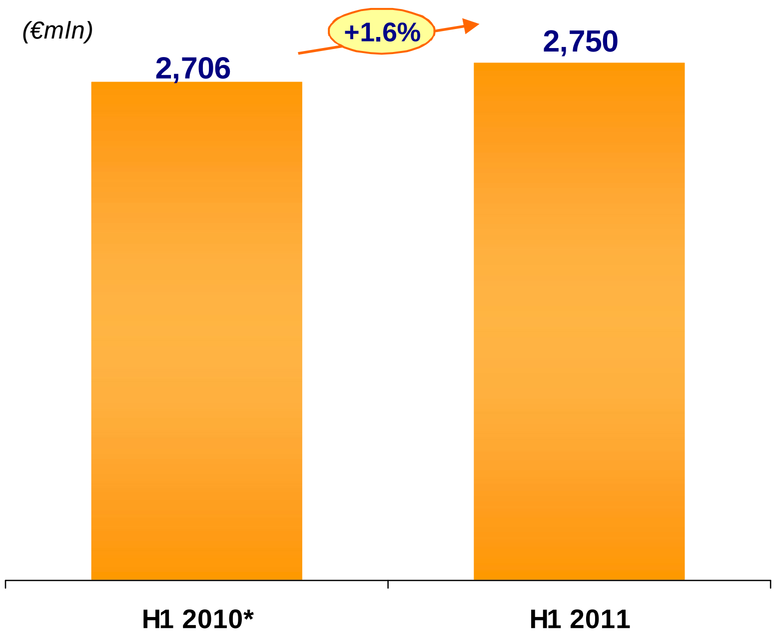


- Strong trend in H1 2011 customer base growth, reaching 2.1 million subscribers recording double digit increase (+18.0%) over H1 2010
- BB ARPU increases 4.4% over H1 2010 to € 19.2
- Dual play customer base grows 16.5% reaching almost 1.7 million subscribers

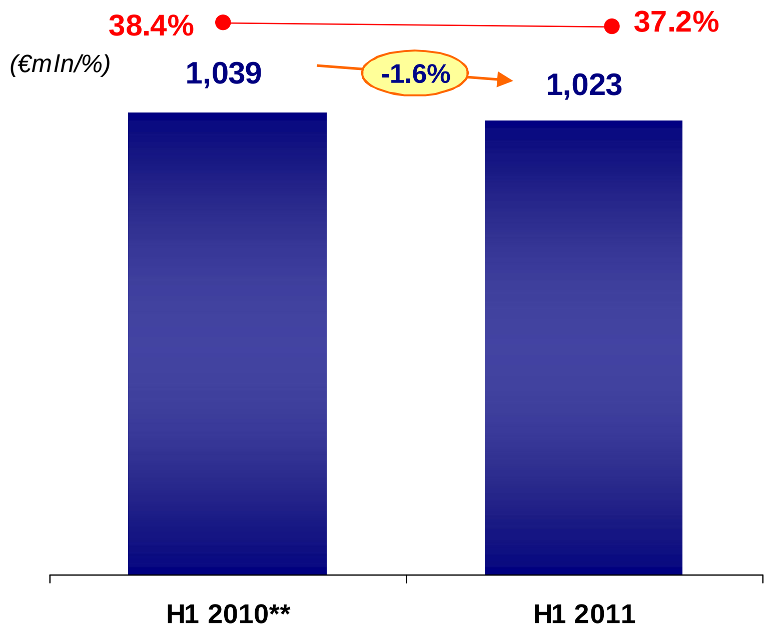
H1 2010
Financials

Revenue and EBITDA Performance

Total Revenues



EBITDA / margin

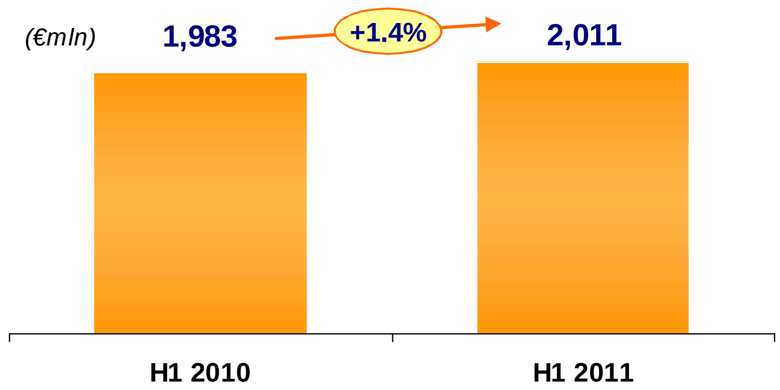


EBITDA marginally down (-1.6%) as a result of higher amounts of certain non organic items recorded in Q2 10 (mainly related to settlements, active penalties and release of previous years over accrued provisions), combined with an increase in monthly access fees on Local Loop Unbundling (LLU) paid to the incumbent and by an increase in bad debt in the fixed-line business. Net of certain non organic items WIND's EBITDA grows 0.8%

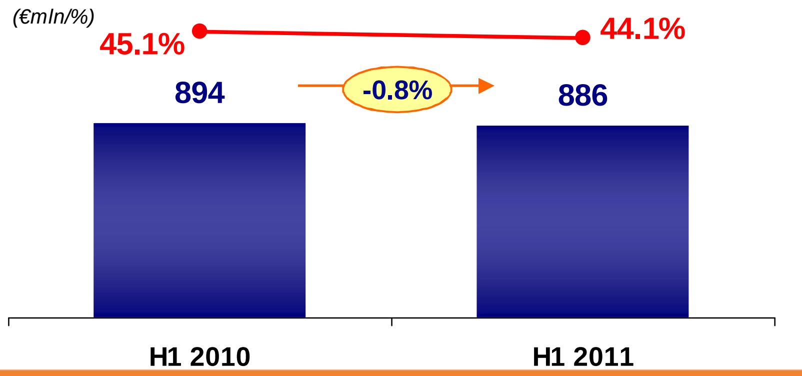
** H1 2010 reported Revenues were € 2,892 mln*
*** H1 2010 reported EBITDA was € 1065 mln with an EBITDA margin equal to 36.8%*

Mobile Financials

Total Revenues



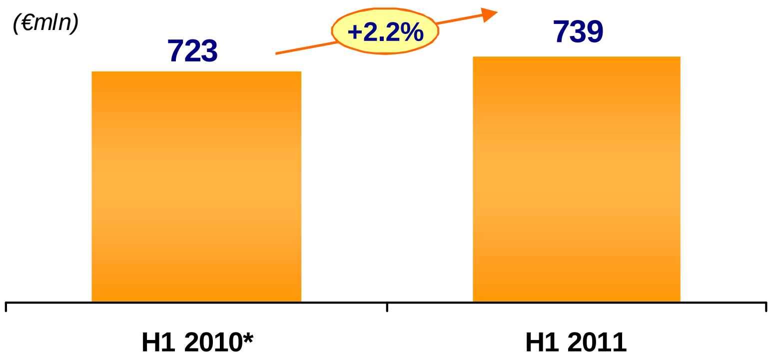
EBITDA / margin



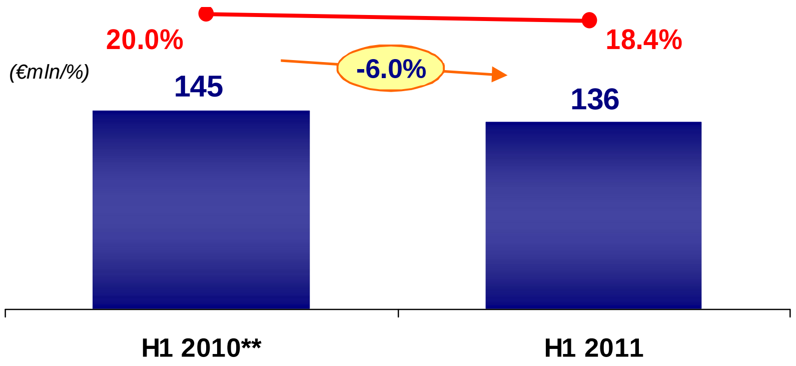
- Mobile total revenues grew +1.4% over H1 2010, driven by:
  - solid performance in Internet & Data revenues as a result of strong growth in both mobile Internet and traditional data
  - stable voice revenues
- EBITDA marginally down (-0.8%) to € 886 million

Fixed-line financials

Fixed Total Revenues



Fixed EBITDA / margin



- Fixed-line total revenues growth in H1 2011 driven by the strong result in fixed-line consumer segment service revenues growing 6.1%

- EBITDA declining 6.0% in H1 2011 compared to H1 2010 mainly due to the increase in monthly access fees on LLU paid to the incumbent, increase in bad debt and impact of certain non organic items

** H1 2010 reported Fixed-line Revenues were € 909 mln*
*** H1 2010 reported Fixed-line EBITDA was € 171 mln with an EBITDA margin equal to 18.9%*

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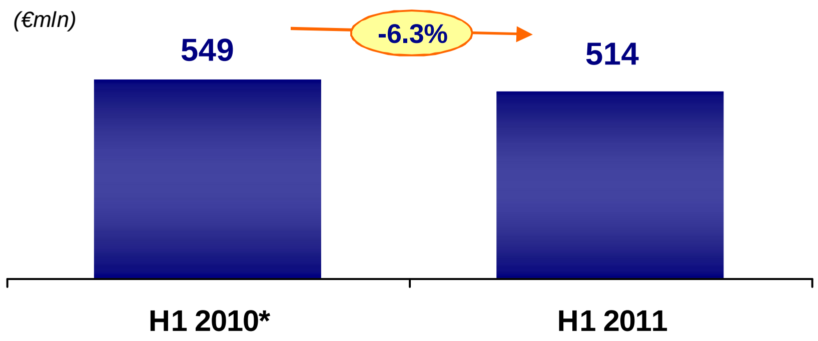
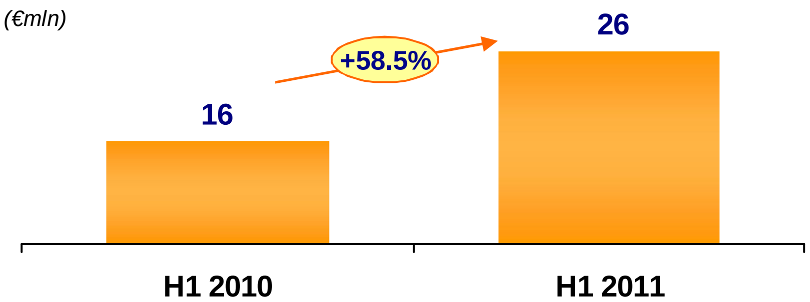
EBIT and Net Profit

EBIT



Net result



- EBIT trend reflects the marginal decline in EBITDA coupled with impact of more conservative accounting policy on “free of charge” assets for which the benefit is split over the lifetime of the asset instead of being accounted in the first year

- Net profit in H1 2011 increases +59% to €26 million from €16 million recorded in H1 2010

** H1 2010 reported EBIT was € 572 mln*

P&L Highlights

(€ mln)	H1 2011	H1 2010	Change %	H1 2010 reported
Revenue	2,707	2,645	2.3%	2,833
Other revenue	43	61	(29.2)%	59
Total Revenue	**2,750**	**2,706**	**1.6%**	**2,892**
EBITDA	**1,023**	**1,039**	**(1.6)%**	**1,065**
D&A	(508)	(490)	(3.8)%	(493)
EBIT	**514**	**549**	**(6.3)%**	**572**
Financial Income and expenses	(406)	(468)	13.4%	(466)
EBT	**109**	**81**	**34.5%**	**106**
Income Tax	(88)	(81)	(9.2)%	(89)
Profit/(Loss) from discontinued operations	6	17	(65.1)%	-
Net result	**26**	**16**	**58.5%**	**16**

Capitalisation

(€mln)	As of December 31, 2010	As of March 31, 2011	As of June 30, 2011	June 30, 2011/ LTM EBITDA proforma
Cash and Equivalents	(406)	(389)	(607)	(0,3x)
Bank Loan	3.397	3.395	3.350	1,6x
Total Bank Debt	**2.991**	**3.006**	**2.744**	**1,3x**
Senior Secured Notes 2018	2.689	2.671	2.613	1,2x
Total Bank Loan + SSN	**5.680**	**5.677**	**5.356**	**2,5x**
Senior Notes 2017	2.793	2.620	2.668	1,3x
Financial Receivables	(144)	(145)	(147)	(0,1x)
Derivatives	86	113	196	0,1x
Total Net Debt	**8.415**	**8.265**	**8.073**	**3,82x**
Cash Net Debt	*8.459*	*8.326*	*8.017*	
Interest Accrued	*171*	*134*	*168*	
Fees to be amortized	*(301)*	*(307)*	*(307)*	
Derivatives MTM	*86*	*113*	*196*	
LTM EBITDA				**2.114**

NFI WAHF Group (vs. third parties) / EBITDA LTM at 4.25x

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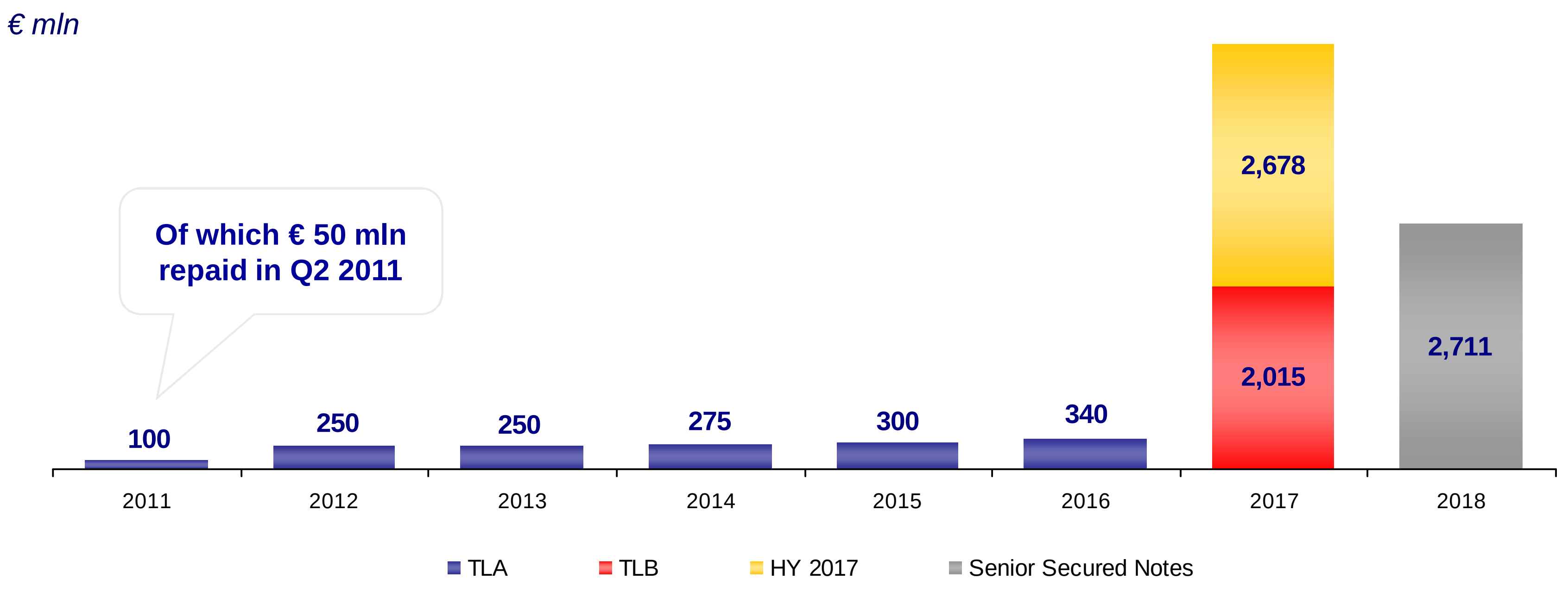
Debt maturity profile



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