

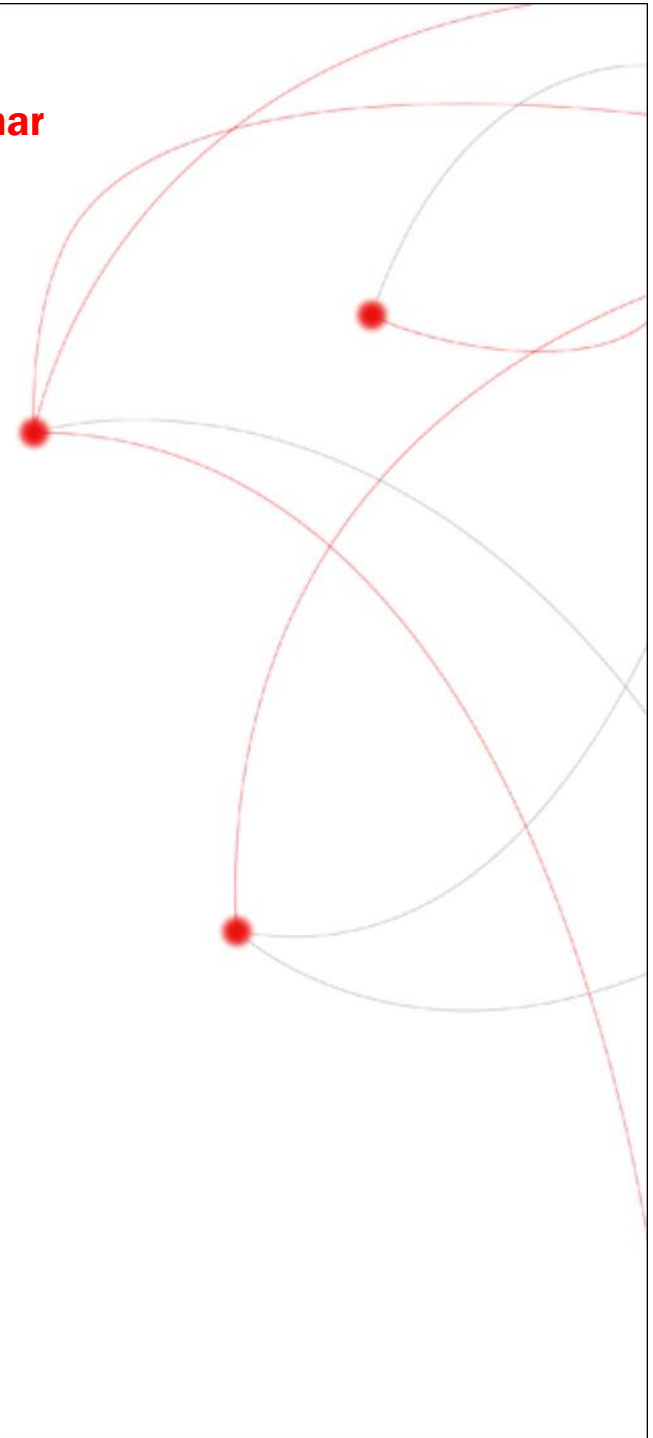
TELECOM ITALIA GROUP

Goldman Sachs European Mobile Data Seminar

London, 9 March 2010

Telecom Italia

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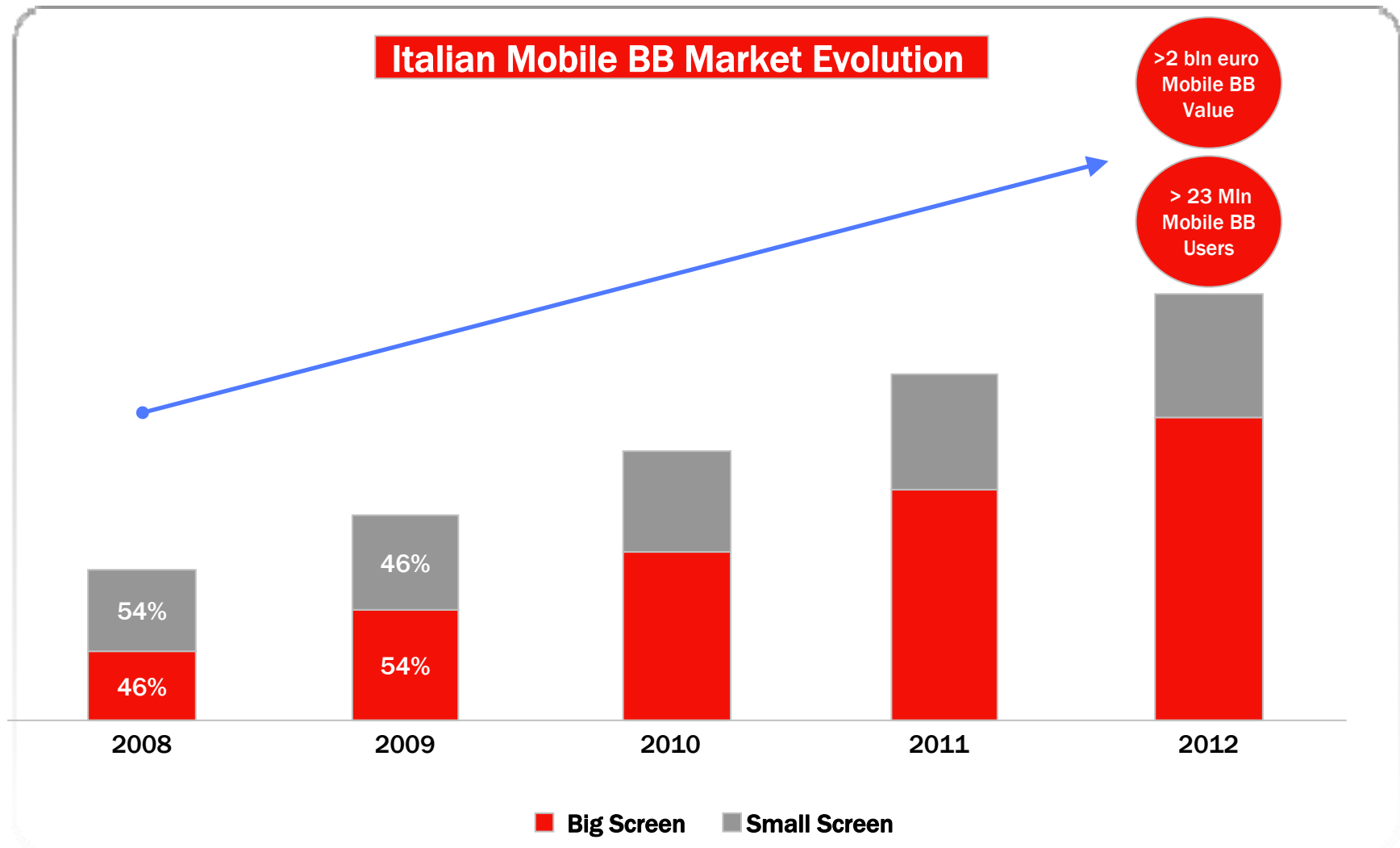


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Mobile BB - Market Trend



Source: TI Internal Projections






MARCO PATUANO

Mobile BB - Market Positioning

Italian Mobile BB - Competitors Positioning

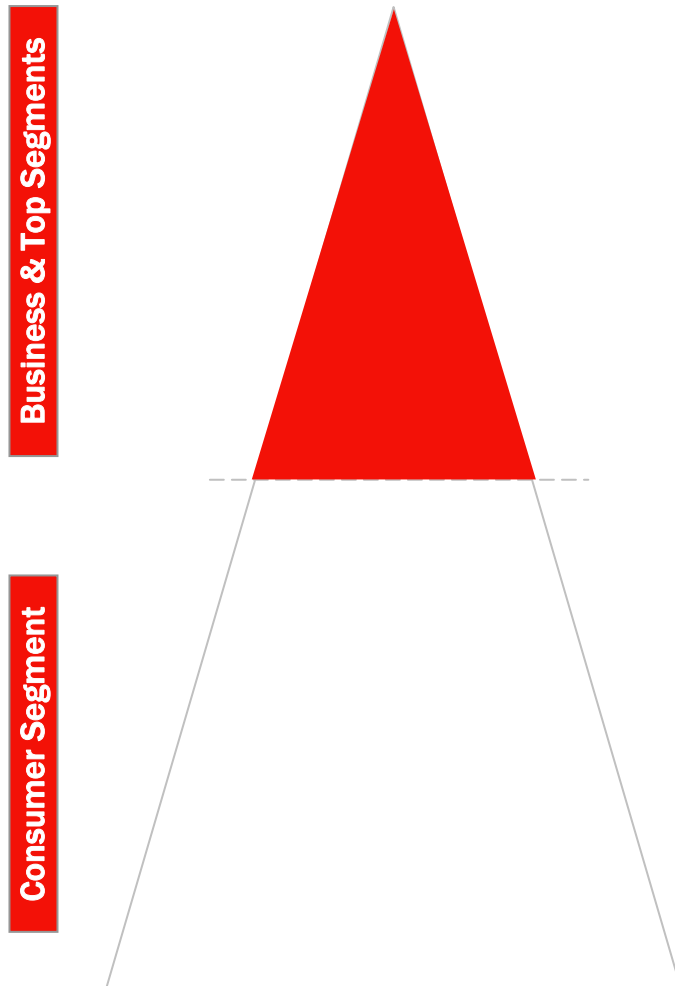


-  Complete portfolio focused on innovation (28.8 Mbps), fix/mobile bundle
-  Multimedia company targeting heavy users
-  Price positioning, dongles @ 3.6 Mbps

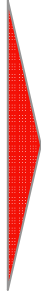
Understanding Competitive Advantages of TI Infrastructure

| | Key features | Main go-to market... | and cost advantages |
|---------------------|---|---|---|
| Integrated network | <ul style="list-style-type: none"> ▶ Integrated <ul style="list-style-type: none"> ▶ OSS and BSS systems ▶ Service platform ▶ Multimedia contents ▶ ICT services for business customers | <ul style="list-style-type: none"> ▶ Seamless experience across different technologies ▶ Deeper customer knowledge with more effective CRM capabilities | <ul style="list-style-type: none"> ▶ Implementation of BB strategy with low risk of F-M cannibalization and with lower cost ▶ Efficiencies in network expenses with unified network maintenance for fixed and mobile network ▶ Lower complexity of mobile transport network: nodes directly linked to Gigabit Ethernet network that manage all fixed and mobile data traffic ▶ Unified purchasing approach for certain type of network infrastructure (routers, energy station, etc...) |
| All IP Architecture | <ul style="list-style-type: none"> ▶ “All IP” backbone and transport network supporting voice, data ▶ Extensive “All IP” coverage reaching all metropolitan areas ▶ Ready to support Next Generation Services | <ul style="list-style-type: none"> ▶ Handling 600gigabit/s in 2008, 1800gigabit/s in 2011 ▶ Huge backhauling capacity to support mobile Ultra BB growth ▶ Acquisition of third mobile carrier | |
| Mobile Data network | <ul style="list-style-type: none"> ▶ Over 80% UMTS coverage ▶ HSPA @ 14.4 Mbps already available on all TIM network ▶ Only 53% of engaged Mobile broadband access capacity | <ul style="list-style-type: none"> ▶ Widest data coverage in Italy ▶ Best in class for network speed ▶ Superior BB experience while in mobility compared to our peers thanks also EDGE network (5x faster than GPRS) | |

Mobile BB – Portfolio Segmentation

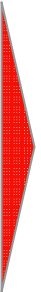


- ▶ Usage Based Segmentation:
 - ▶ BB everywhere for Fixed BB users (cross-selling)
 - ▶ Bundle package Voice + Data (Up-selling)
 - ▶ “One Business”: Bundle Sharing



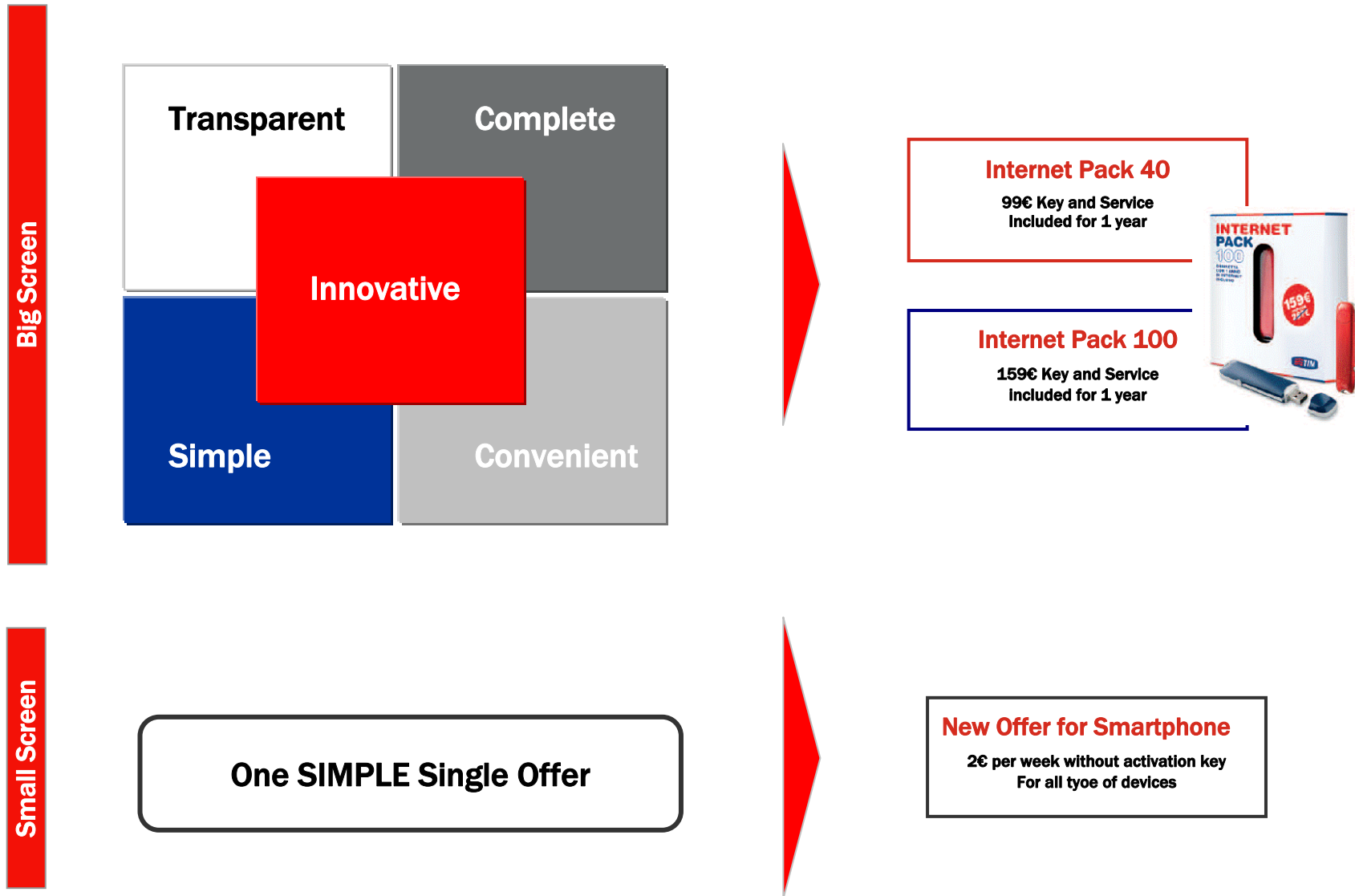
**Focus on
Convergent
Customers
F + M**

- ▶ Usage based segmentation
- ▶ Diversified Portfolio
 - ▶ Large Screen
 - ▶ Small Screen



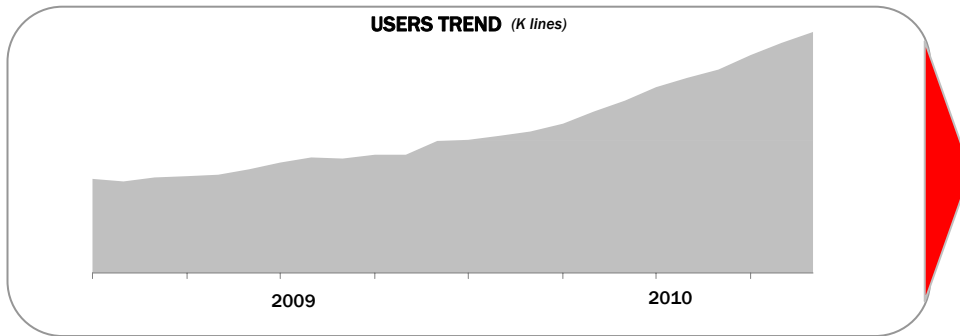
**Focus on
Medium
Users to
maintain
High Price
per MB**

Mobile BB – New Offer Portfolio for the Consumer Segment



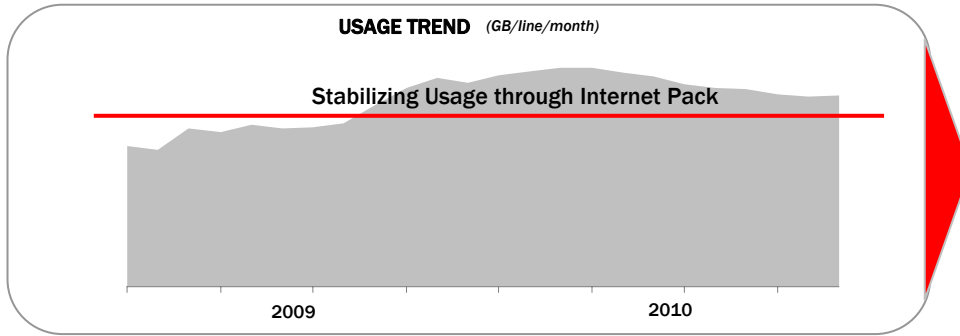
Mobile BB – Consumer Segment KPI's

Users



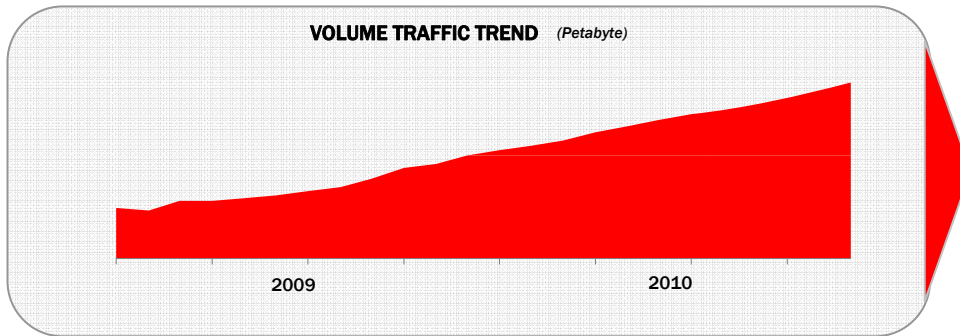
Increase penetration rate through new pre-paid offers and cross selling approach on Telecom Italia ADSL customers

Usage



In spite of the boost in penetration, Usage is flat compared to 2009 thanks to new PTF offer and CAPEX optimization

Traffic Volume



Data traffic will grow smoothly thanks to the increase in penetration

Mobile BB - A new Model of Caring for the Consumer Segment

| | |
|-------------|--|
| 2008 - 2009 | Mobile Broadband Customer is a “part” of “Voice Customer Base” |
| 2010 | Mobile Broadband Customer: a new dedicated Model of Caring |

Mobile Broadband Customer is “recognized” by Caring Operators

A Web Centric Model of caring: Internet Welcome Page



CARING
Info on credit,
navigation cost

CRM 121
Selling Proposition

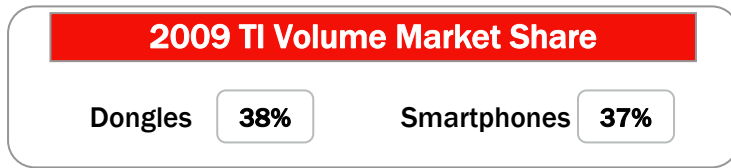
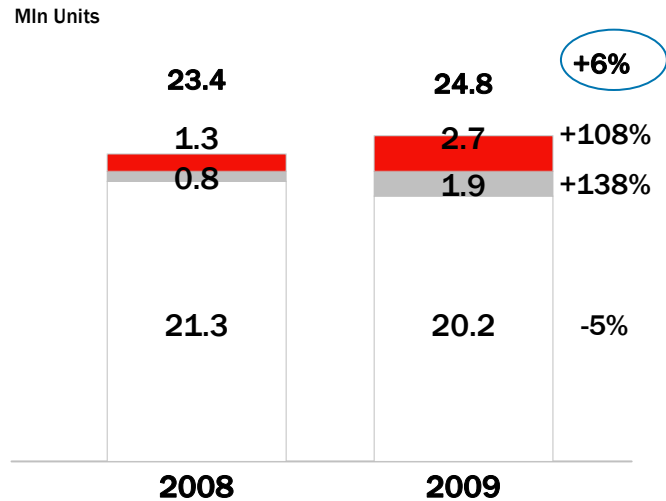
TUTORIAL
Education on
browsing critical issues

KPI's Jan 2010

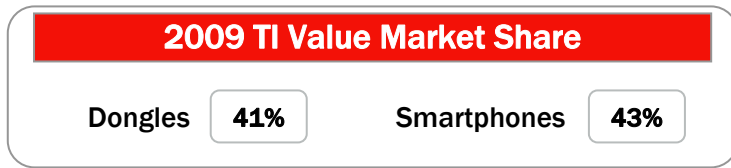
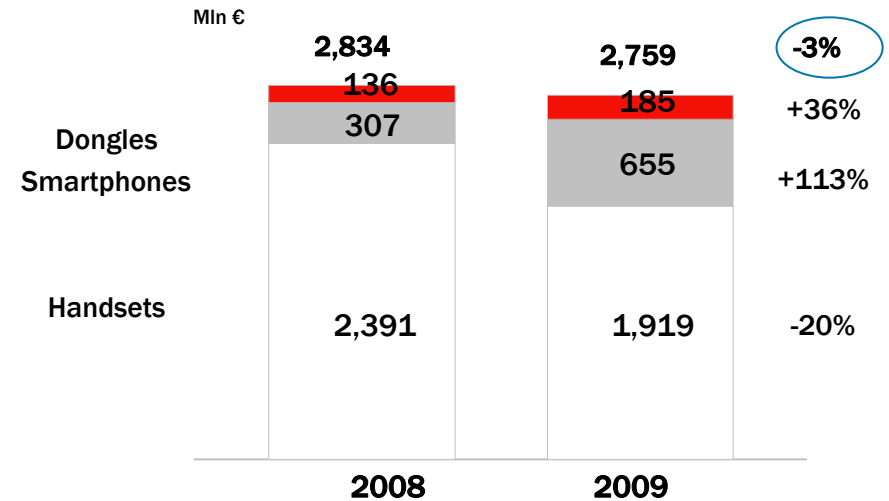
- ▶ 2.2 mln Unique Visitors
- ▶ 24 mln Monthly Accesses
- ▶ 11 Monthly Accesses per User

Mobile BB - Handset Market

Volume



Value



Smartphones

- Better User interface thanks to bigger Screen, Touch Screen and powerful processors
- Increasing number of Operating Systems (Android, Apple, Bada, Windows, Symbian)
- Prices decreasing trend
- Application store as opportunity for new revenue streams



Dongles

- Decreasing prices in entry level segment
- Higher speed (mbps: 3.6, 7.2, 14.4, 28.8) and better performance in up-down link
- Wide range of colors, form factor, packaging, User guide