

TELECOM ITALIA

## **1H 2008 Financial Results**

Milan, August 8th, 2008

# **Updated 2008 Targets**

## Group 2008 targets

Bln €, %

### Organic\*

	Organic*		
		March 7	August 8
	2007 Actual	2008 Targets	Updated 2008 Targets
Revenues	31.0	~31.0	30.4 – 30.5
EBITDA	12.24	~38.5% <i>(excluding 1998 Licence Fee for ~ 0.5 Bln €)</i>	~38.0% <i>(excluding 1998 Licence Fee for ~ 0.5 Bln € and restr. cost for ~ 0.3 Bln €)</i>
EBITDA Margin	39.4%		
CAPEX	5.4	~5.4 <i>(including 0.5 Bln € 3G Licence in Brasil)</i>	~5.4 <i>(including 0.5 Bln € 3G Licence in Brasil)</i>
Net Financial Position	35.7		
NFP/ Ebitda	3.1x	< 3.0x	< 3.0x

\* Assuming perimeter excluding TI France (since 1.1) and Entel Bolivia (since 1.4), 2008 exchange rates and excluding non recurring restructuring costs

## Domestic 2008 targets

Bln €, %

Organic\*

March 7th, confirmed August 8th

	2007 Actual	2008 Targets
<b>Revenues</b>	<b>24.2</b>	<b>&gt;23.0</b>
<i>Fixed revenues</i>	<i>15.7</i>	<i>~15.0</i>
<i>Mobile revenues</i>	<i>10.0</i>	<i>~ 9.8</i>
<b>EBITDA</b>	<b>10.8</b>	
<i>EBITDA Margin</i>	<i>44.5%</i>	<i>~44.0%</i>
<b>CAPEX</b>	<b>4.1</b>	<b>~3.5</b>

\* Assuming perimeter excluding TI France (since 1.1) and Entel Bolivia (since 1.4), 2008 exchange rates and excluding non recurring restructuring costs

## TIM Brasil 2008 targets

IAS

		March 7	August 8
	2007 Actual	2008 Targets	Updated 2008 Targets
Revenues Growth - Organic	14.8%*	> 12%	> 7%
EBITDA margin - Organic	24.2%	> 24%	23 - 23.5%
CAPEX (Bln €)	0.9	~1.5	~1.5
<i>License 3G excluded</i>		~1.0	~1.0

\* Growth considering Bill & Keep elimination starting 01/01/06 Revenues growth reported: 22.7%

## HanseNet: 2008 Targets

Reported data

		March 7	August 8
	2007 Actual	2008 Targets	Updated 2008 Targets
Revenues	1.1 Bln €	~ 1.3 Bln €	> 1.2 Bln €
EBITDA margin	26%	~ 26%	> 22%
CAPEX	0.3 Bln €	~ 0.3 Bln €	~0.3 Bln €