Autorità per le garanzie nelle comunicazioni

Quarterly Telecommunications Observatory (*)

- Updated to 30 September 2011 -

(*) – Informations showed in the following figures represent Agcom evaluation on data provided by the operators

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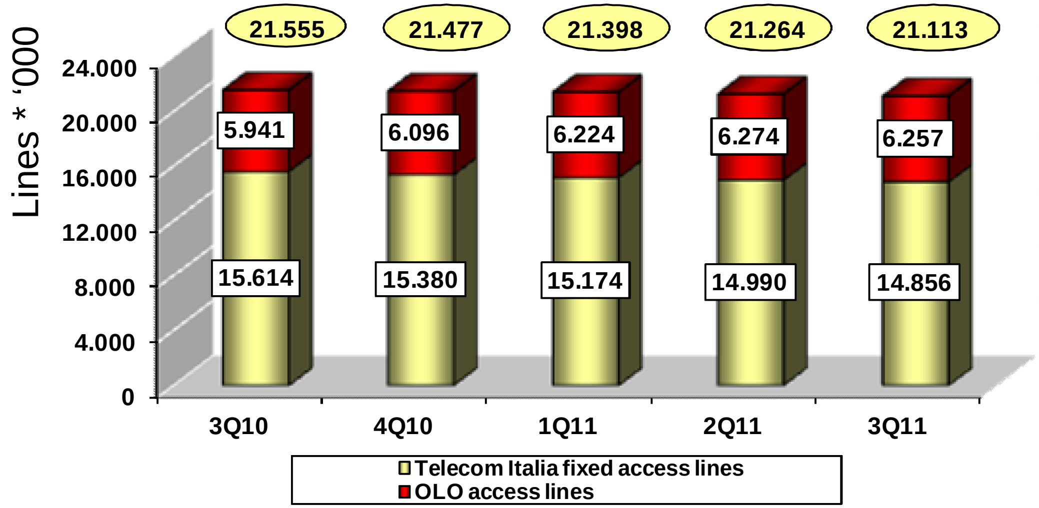
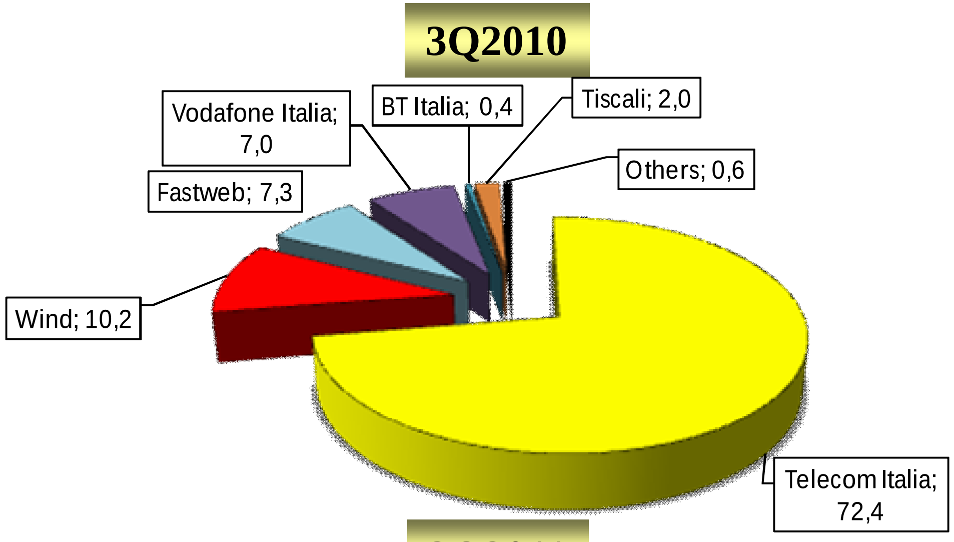
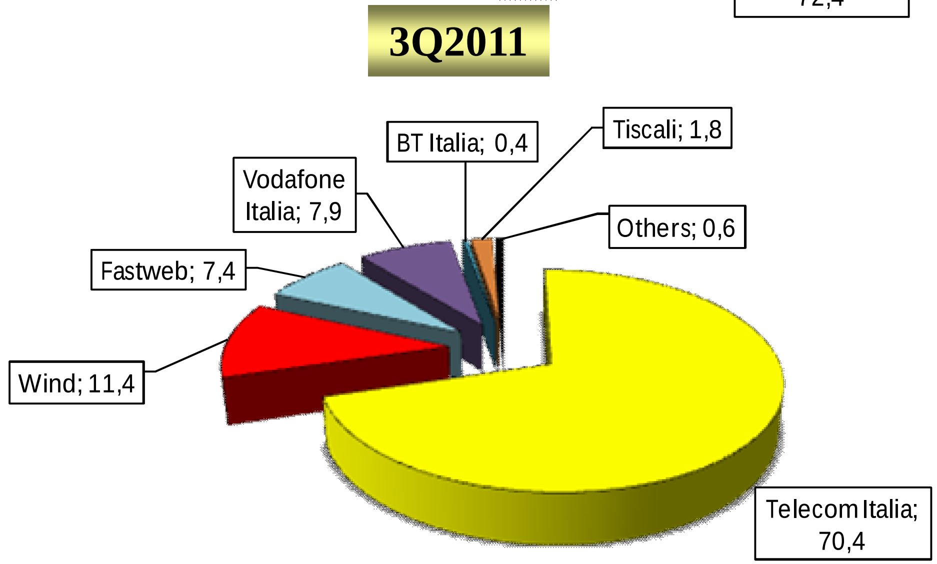
1. Fixed access lines (total) (1)





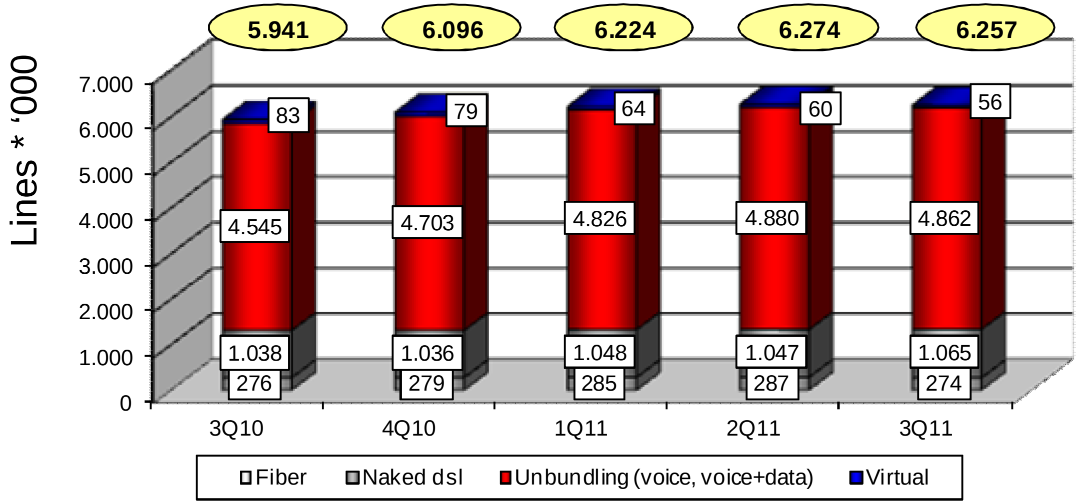


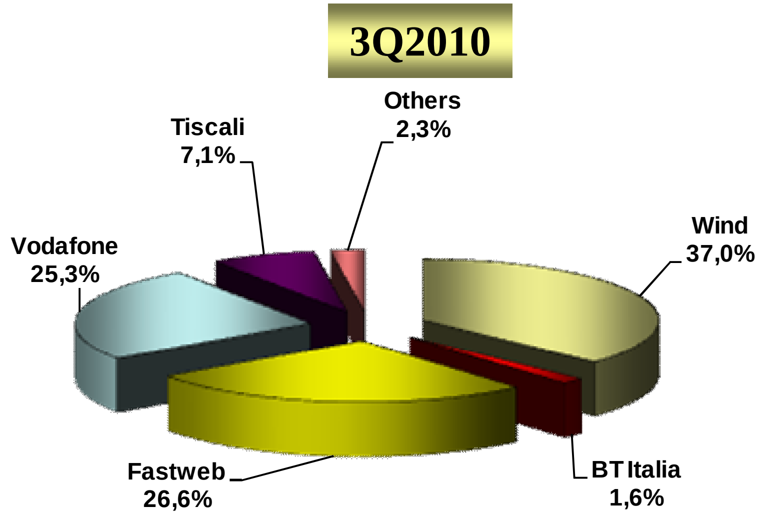
- Over the past twelve months, direct wireline access lines were down - 0.4 million (growth of alternative operators ca. + 0.3 million, TI - 0.7 million).
- Consequently, TI's Italy market share was 2% down.
- Vodafone Italy and Wind have grown respectively by 0.9% and 1, 2%.
- Vodafone has consolidated its position as third largest fixed network operator (7.9% vs 7.4% for Fastweb).

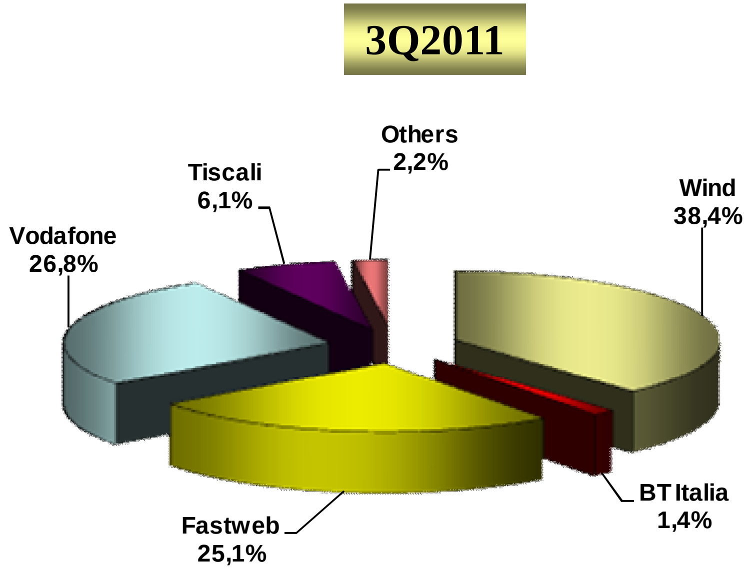
(1) – Figures consistent with AGCOM's Annual Report 2011. Includes: Telecom Italia's access lines, full unbundling (voice and data), Dsl Naked, Fiber

Source: Agcom on data provided by operators

2. Fixed access lines (only new entrants)



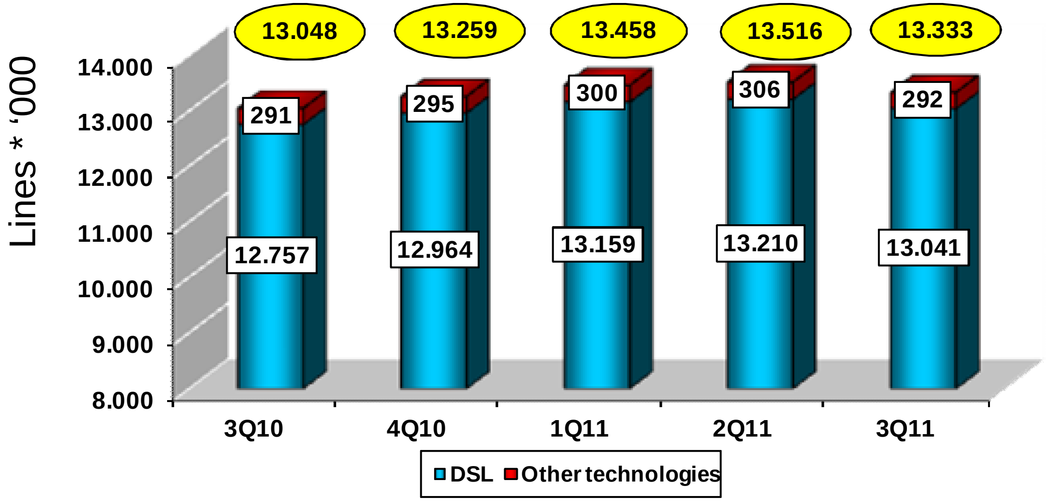




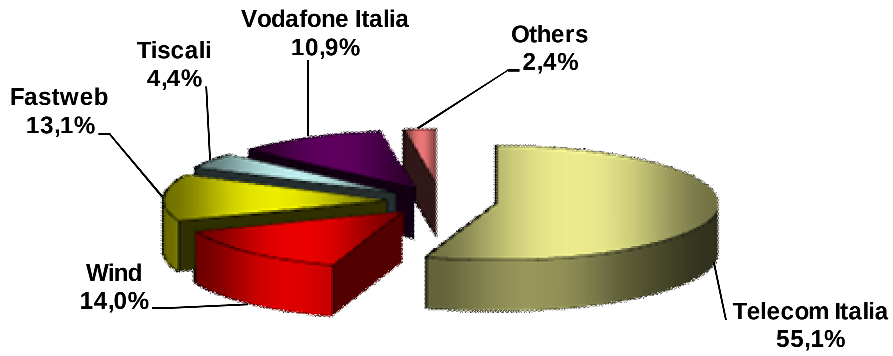
- In Q3 (cutoff date: 30 Sept.), compared with the previous quarter, for the first time the number of the new entrants direct access lines, even though slightly, decreases in absolute value.
- In Q3, unbundled access lines (full and virtual) exceeded 4.9 million, an increase of 0.3 million compared to Sept. 2010, but compared to Q2, due to a decline in TeleTu customers, decreased by about 18,000 access lines.
- In the distribution of direct access, Wind holds the first place (38.4%).
- Vodafone up to 26.8%, Fastweb down to 25.2%.

Source: Agcom on data provided by operators

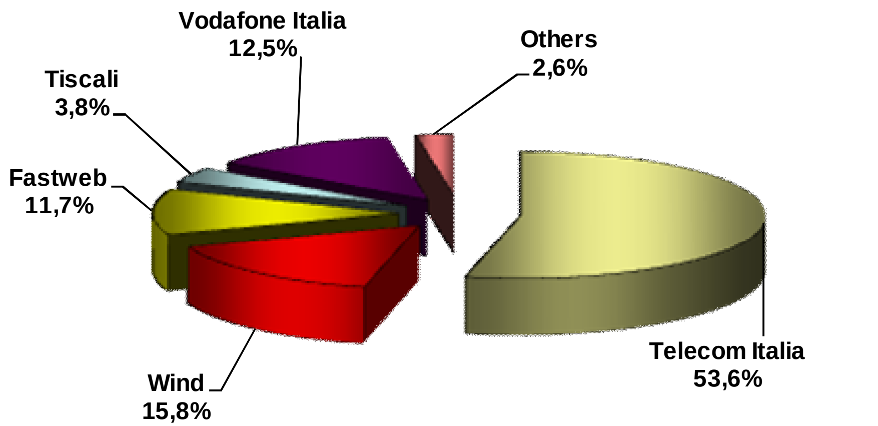
3. Retail broadband access lines



3Q2010



3Q2011

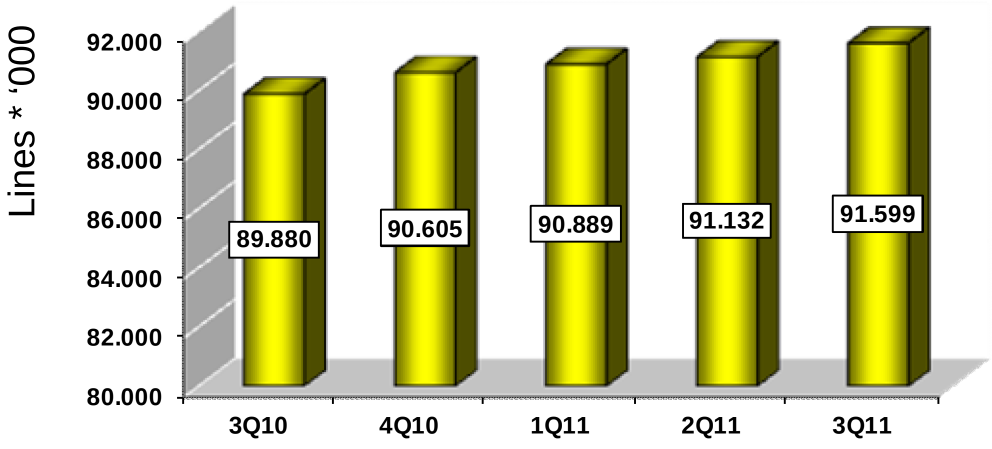


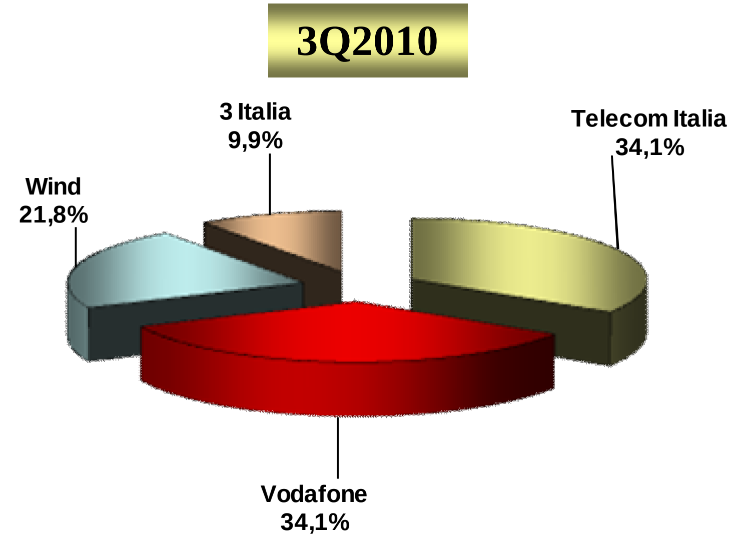
- In absolute values, broadband lines down compared to the previous quarter (approximately -0.18 m) (*).
- YoY broadband growth was + 0.3 million hits, reaching an aggregate 13.3 million at the end of Q3.
- Avg. download speed increased. YoY lines with nominal speed equal to or greater than 2 Mbit /s increased from ca. 80% to 86%.
- TI's market share (53.6%) falls YoY by 1.5%, Vodafone and Wind gain cumulatively about 3.5 percentage points.
- Fastweb market share down 1,4%. (*)

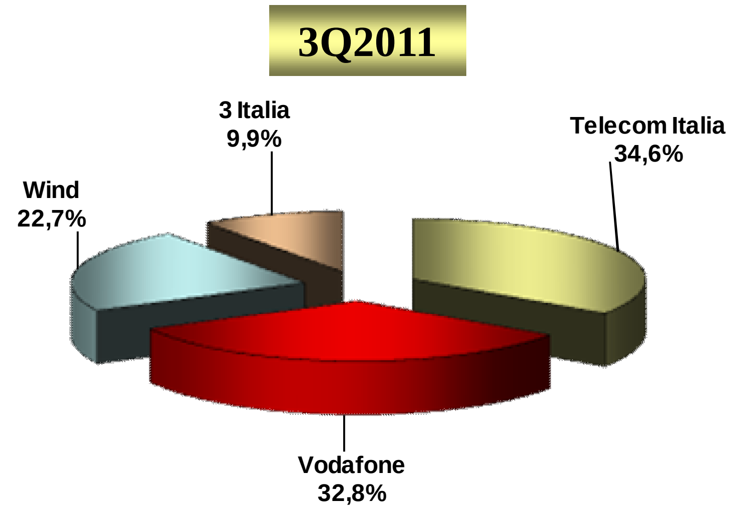
(*) - As a result of the settlement of litigations Fastweb reduced the number of access lines by 197,000 in the third quarter of 2011. Source: Swisscom Interim Report January-September 2011, pag. 34.

Source: Agcom on data provided by operators

4. Mobile subscribers – customer base





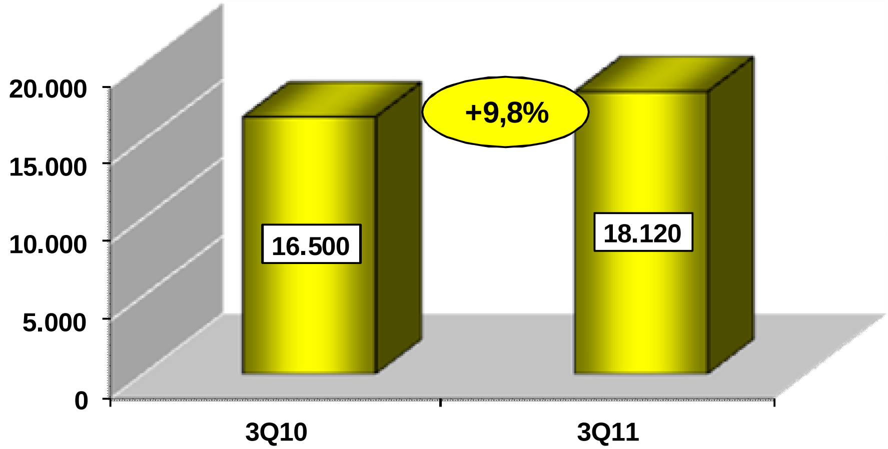


- Active lines grew YoY(1.7 million) mainly due to the adoption of SIMs used for data traffic.
- 45% of the total growth in customer base is due to business customers.
- Growing market share of TI (+0.5%) and Wind (+0.9%), Vodafone down by 1.3%.
- 83, 2% of the active lines are "prepaid", a slight decrease compared to Q3 2010 (84.2%).
- Business customers reached 11.5 million rising from 11.9% to 12.5% of the total customer base.
- The telephone traffic (more than 98 billion minutes) increased almost 10% compared with the first nine months of 2010.
- The SMS sent (over 66 billion in Q1 2011) were 3.7% up.

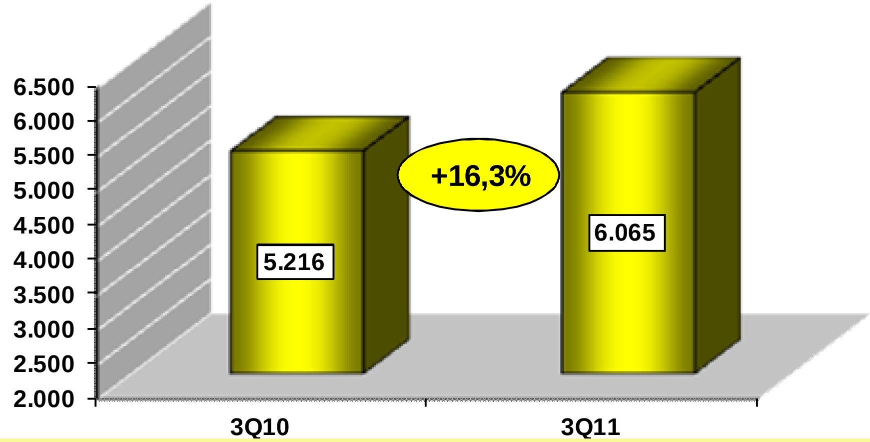
Source: Agcom on data provided by operators

5. Mobile broadband

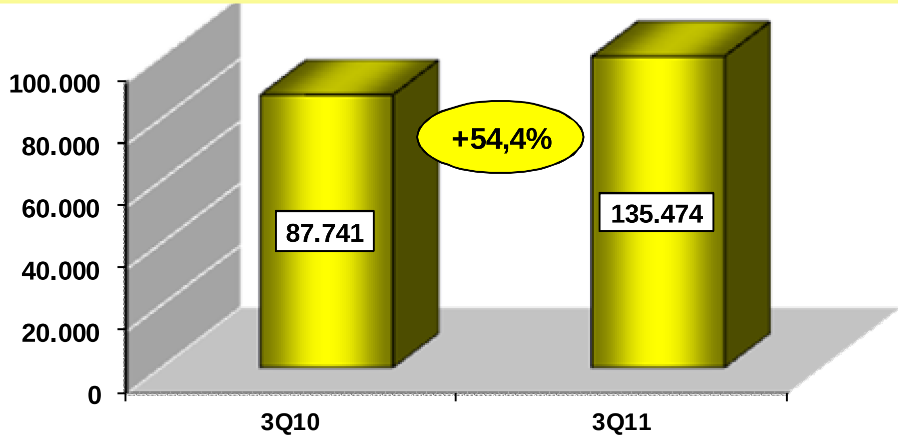
Sim data traffic (*1000)



Connect card (*1000)



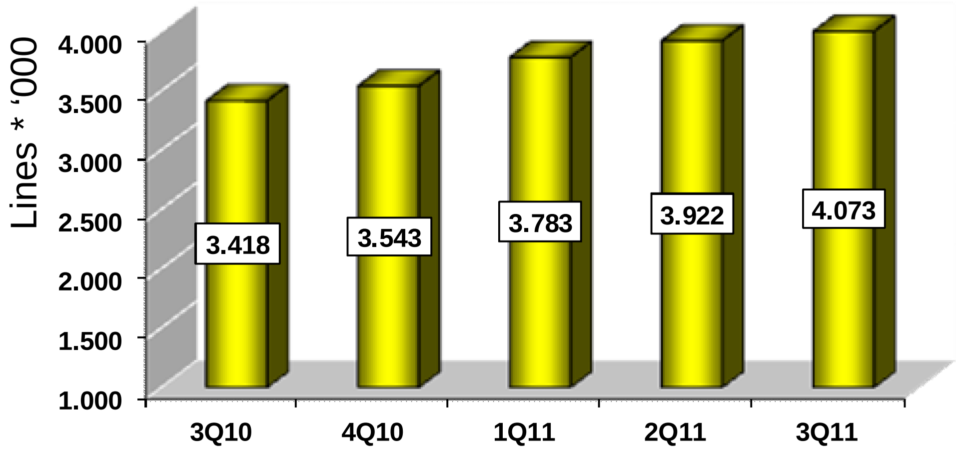
Data traffic from beginning year (terabyte)



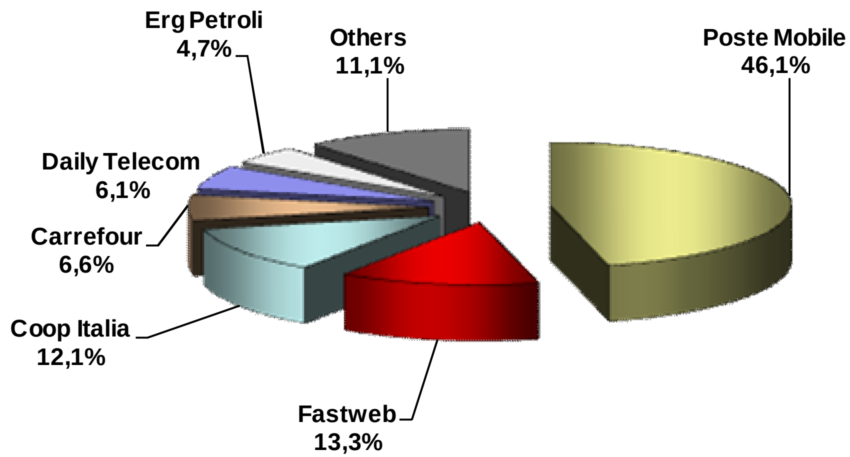
- In the 9M2011, SIMs with broadband data traffic exceeded 18.1 million (+9.8% compared with Q3 2010).
- The "connect cards" passed the 6 mln mark (+16.3%).

Source: Agcom on data provided by operators

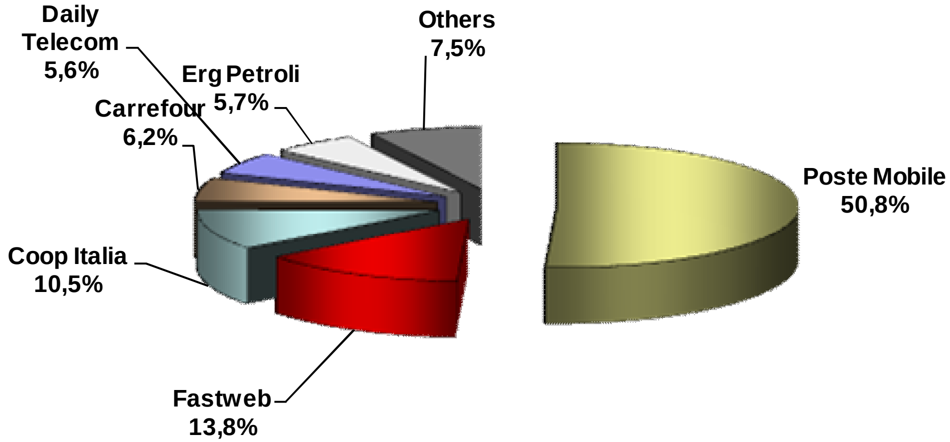
6. Mobile virtual operators (MVNO)



3Q2010



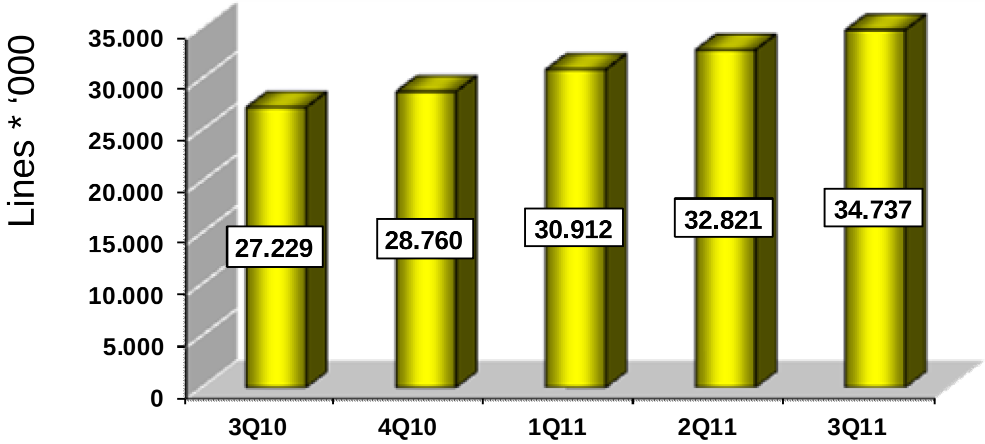
3Q2011



- Continued growth of MVNO subscribers (+0.7 million in the last twelve months), for a total which exceeds 4 million SIMs, with 4,4% market share.
- Poste Mobile exceeds 50% (+4.7 percentage points) due to the integration of mobile and postal services.
- Fastweb, in the last year, gains more than 100,000 subscribers and gets just under 14% of the market to strengthen its position, distancing Coop Italia.
- Voice Traffic and SMS sent in the 9M2011 increased respectively by 23% and 52%.

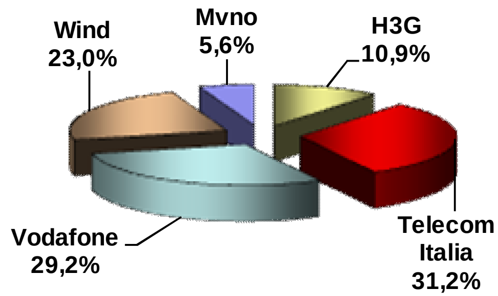
Source: Agcom on data provided by operators

7. Mobile telephony: number portability

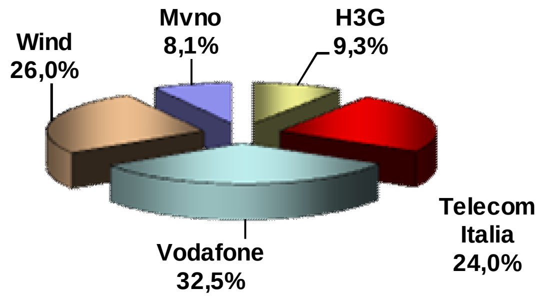


- In 3Q, the number of mobile lines ported reached 34,7 million (cumulative).
- The mobile virtual operators subscribers were up 900k in 3Q (out of which about 50,000 in the third quarter of 2011.
- With reference to Telecom Italia, on a quarterly basis, the balance "donating-recipient" although still negative in the third quarter (-138,000) confirms upper trend since the last quarter of 2010.
- Vodafone back to positive growth (from -31,000 for the second quarter to +69,000 of the third), while Wind was still positive but slowing (from +131,000 to +57,000).

3Q11 - Lines as donor (in the quarter)



3Q11- Lines as recipient (in the quarter)



Source: Agcom on data provided by operators