

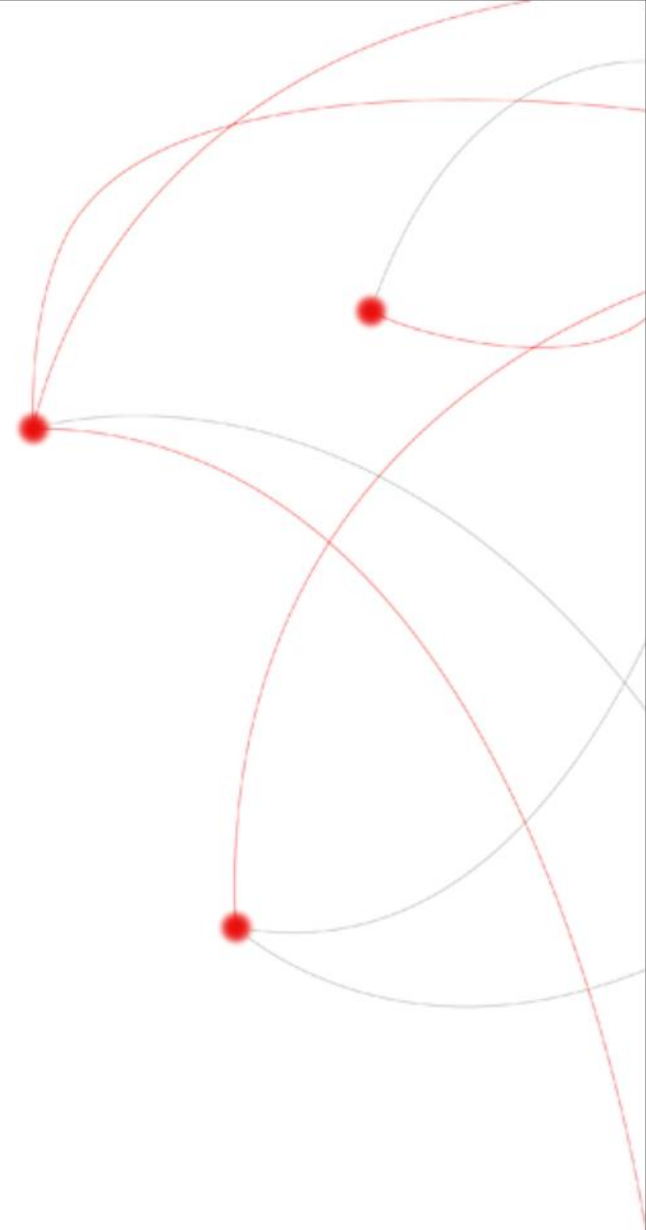
GRUPPO TELECOM ITALIA

2008 Full Year Results

Milan, February 27th, 2009

2008 Full Year Financial Results

MARCO PATUANO



Safe Harbour

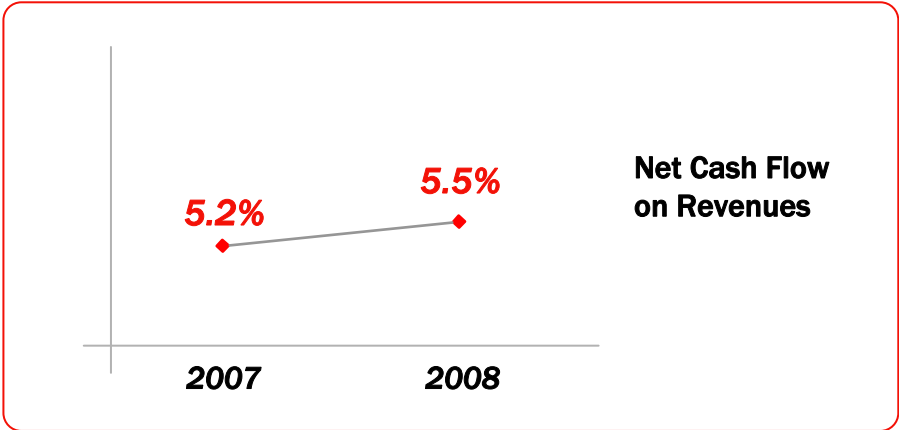
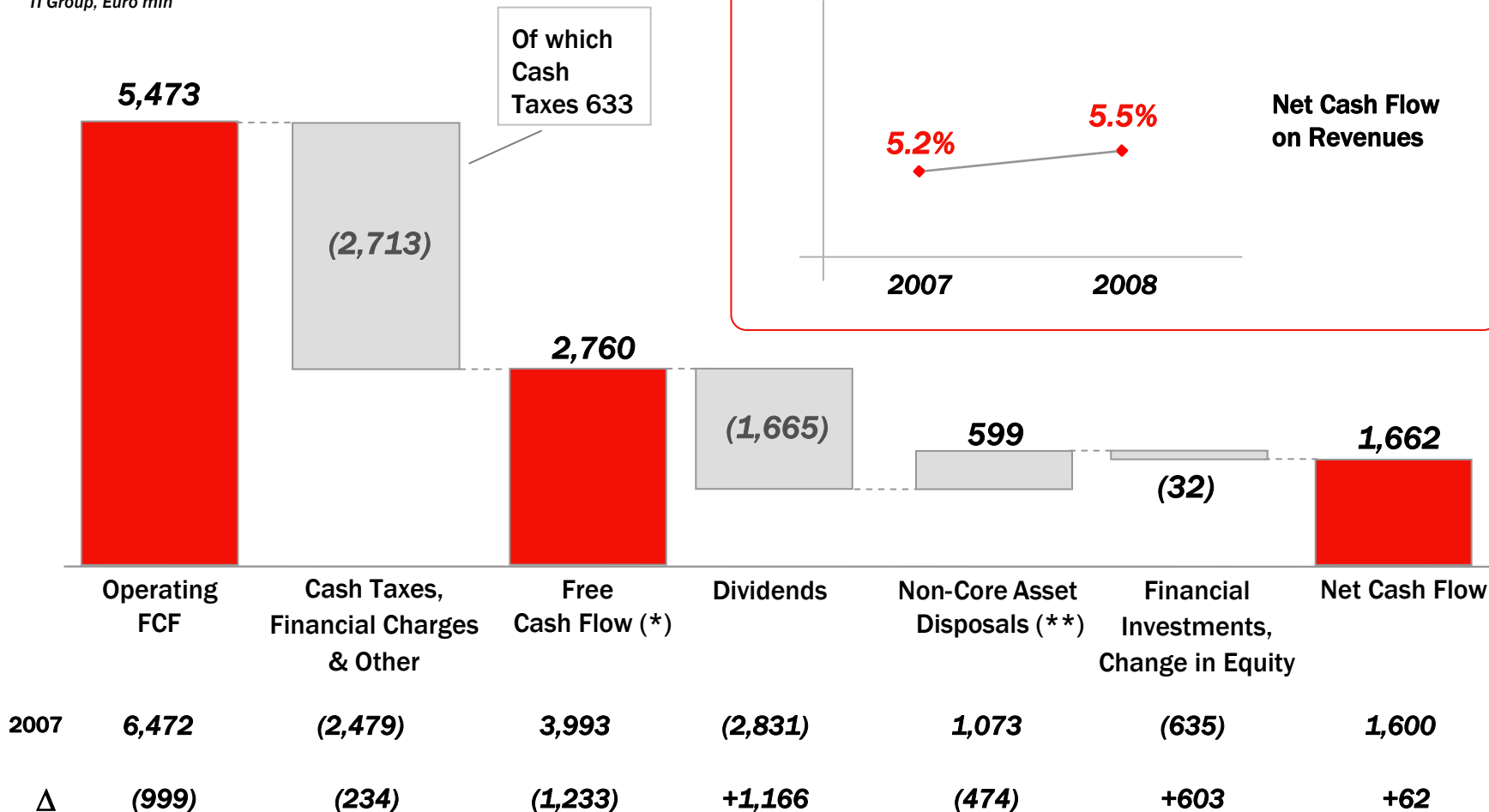
These presentations contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Telecom Italia Spa undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telecom Italia Spa business or acquisition strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange Commission.

Improving Cash Generation

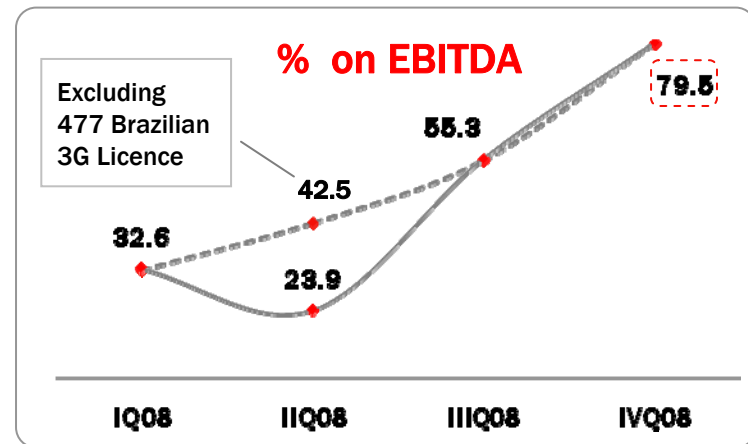
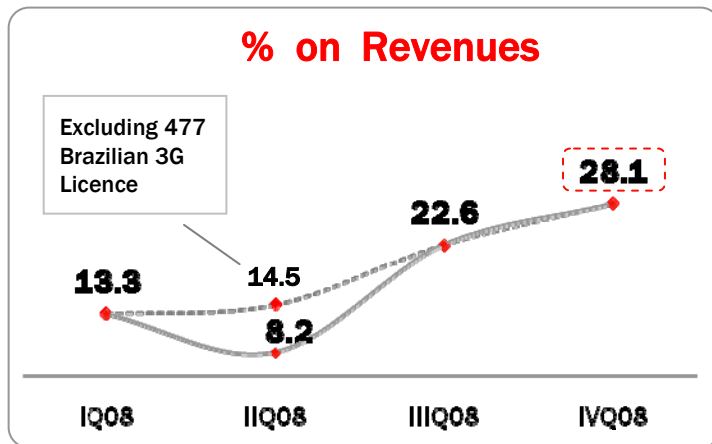
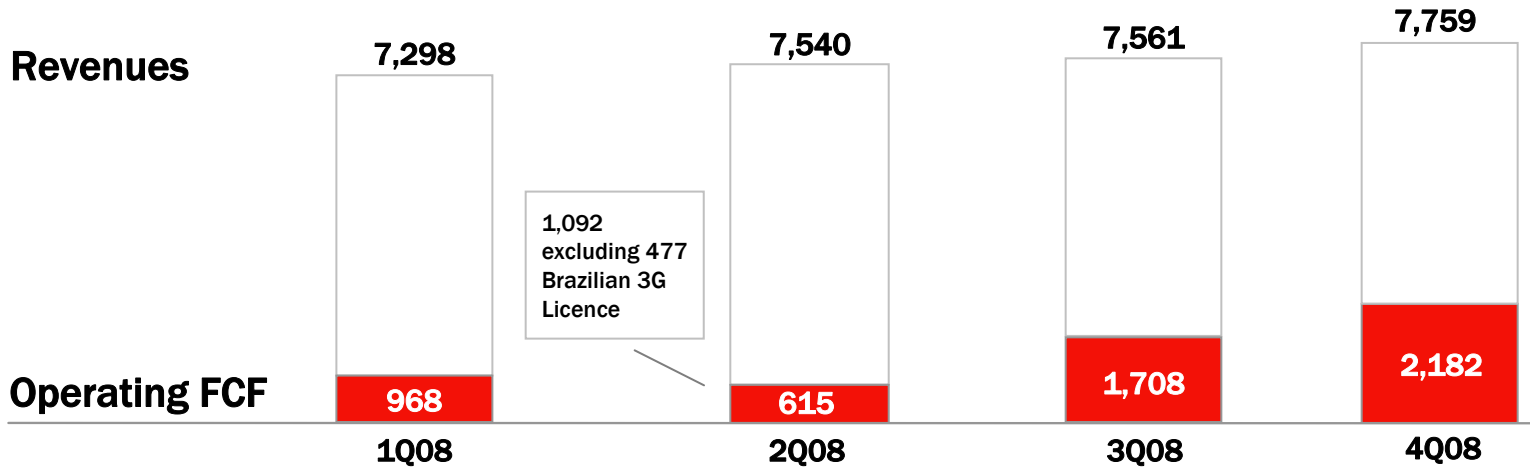
TI Group, Euro mln



(*) Before dividends, disposals, financial investments and change in equity; (**) Net Cash Flow from Disc. Ops. included: -258 in 2008, -203 in 2007

Operating Free Cash Flow: Working on Fundamentals

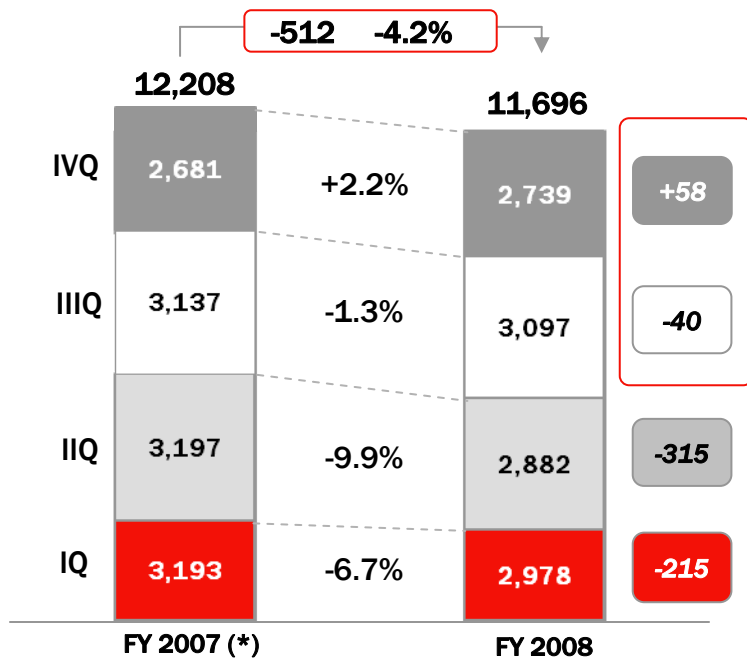
TI Group, Euro mln



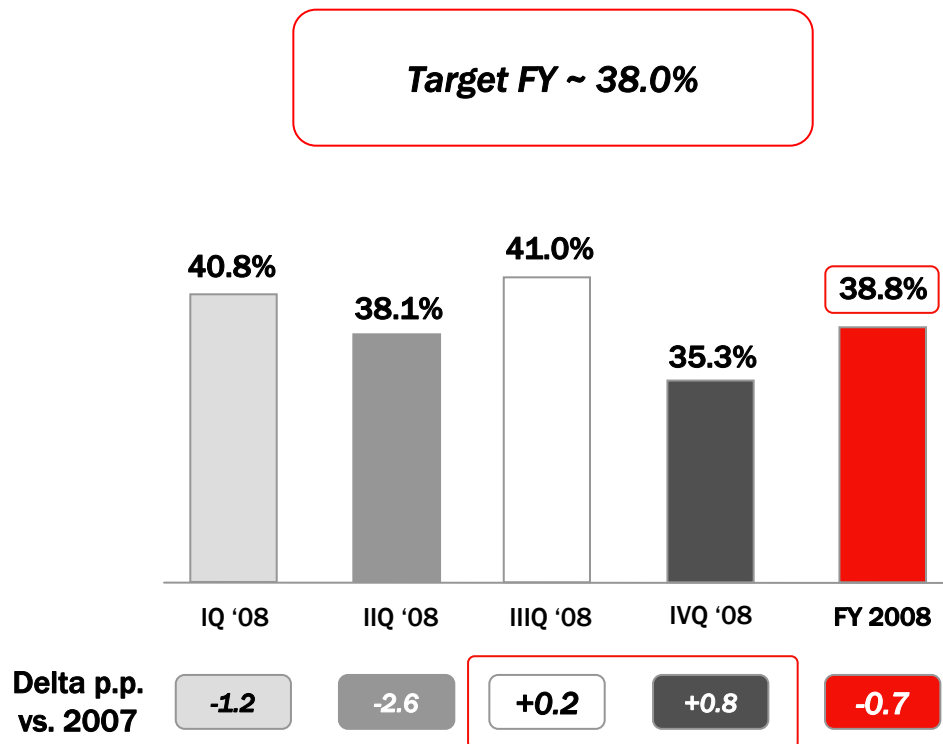
Improving Operating Performance

TI Group, Euro mln

EBITDA Organic by Quarter



EBITDA Margin Organic by Quarter

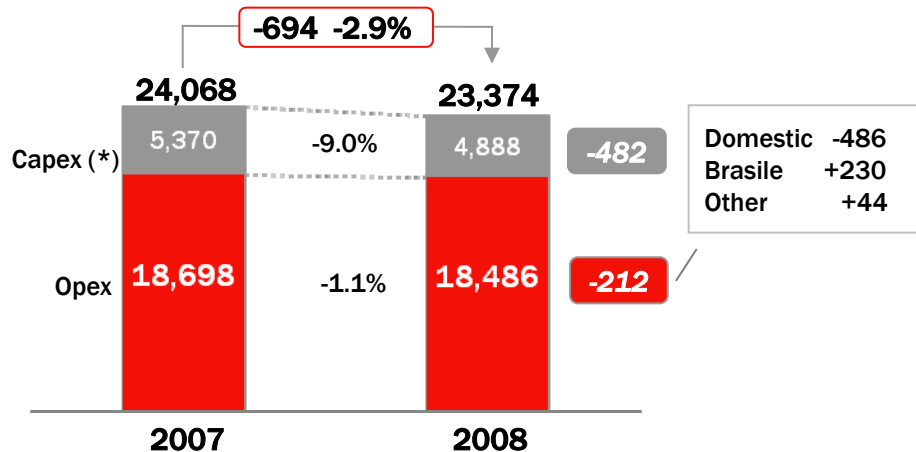


(*) Pro-forma figures (Liberty Surf Group considered as a discontinued operation).

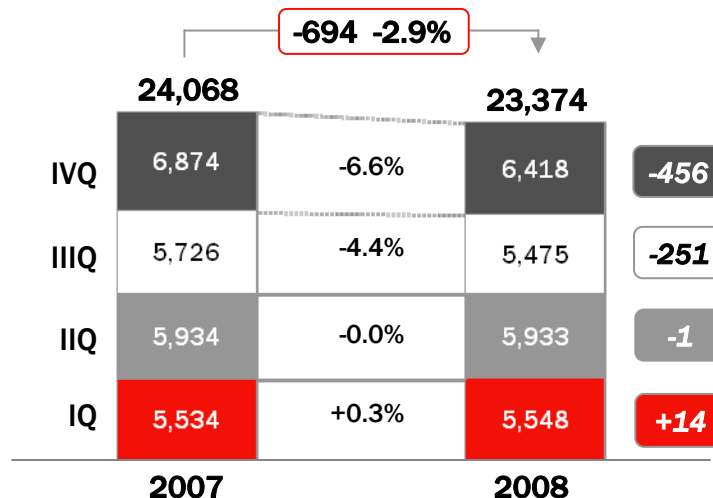
Cash Cost management to maximize cash flow...

Cash Cost

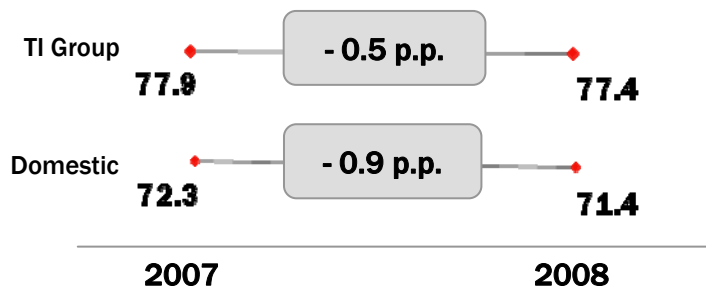
TI Group, Euro mln, %, Organic data



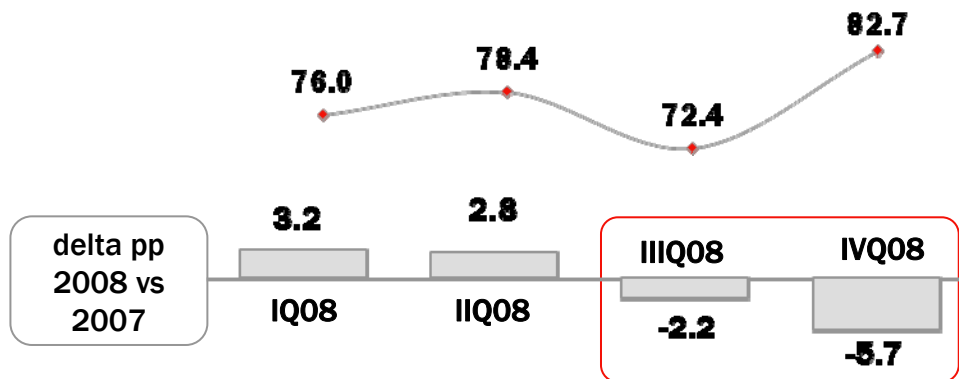
Cash Cost by Quarter



Cash Cost on Revenues (%)

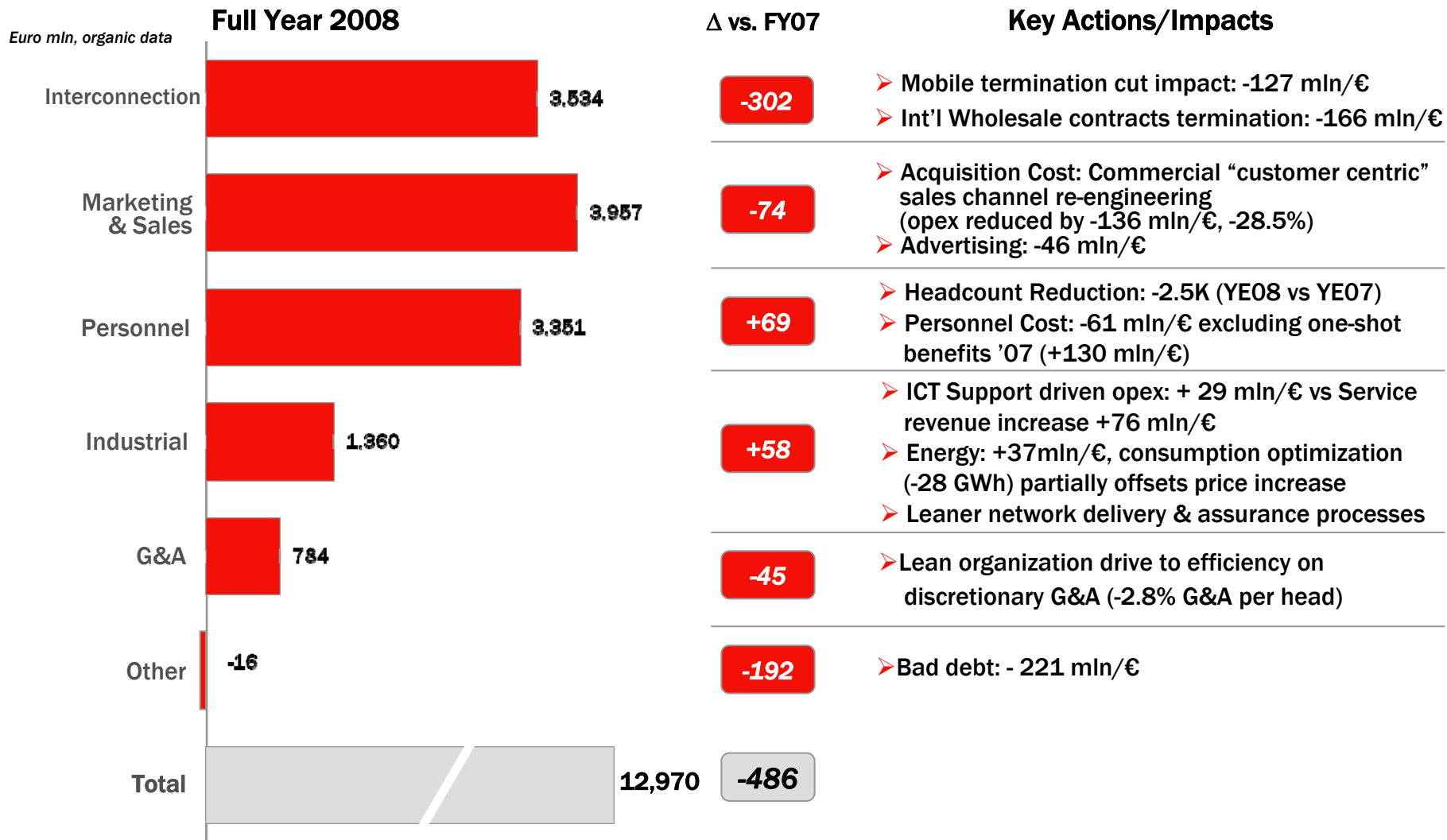


Cash Cost on Revenues by Quarter (%)



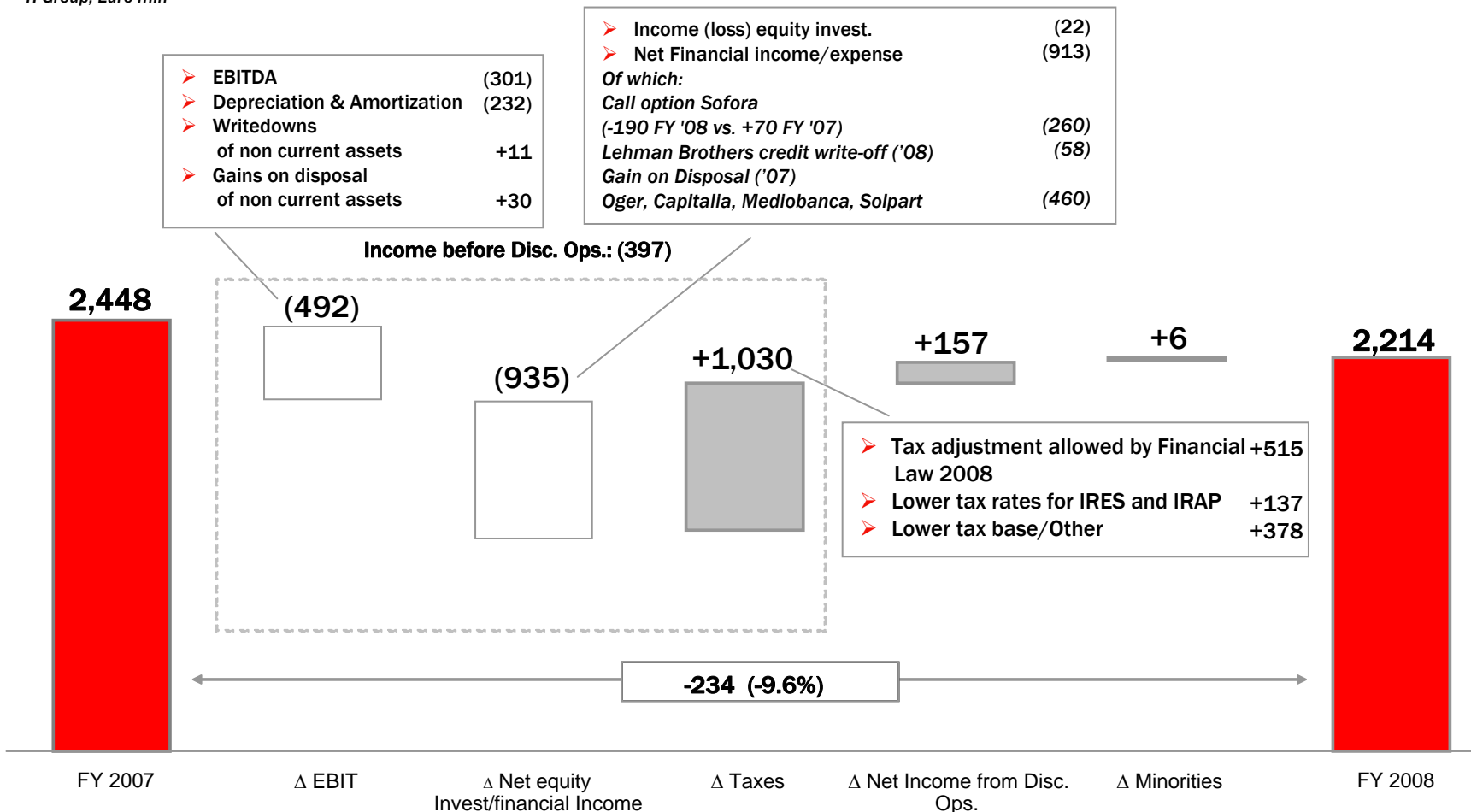
(*) Without Brazilian Licence (477 € mln in IIQ 2008)

... especially in the Domestic Market



Net Income Evolution

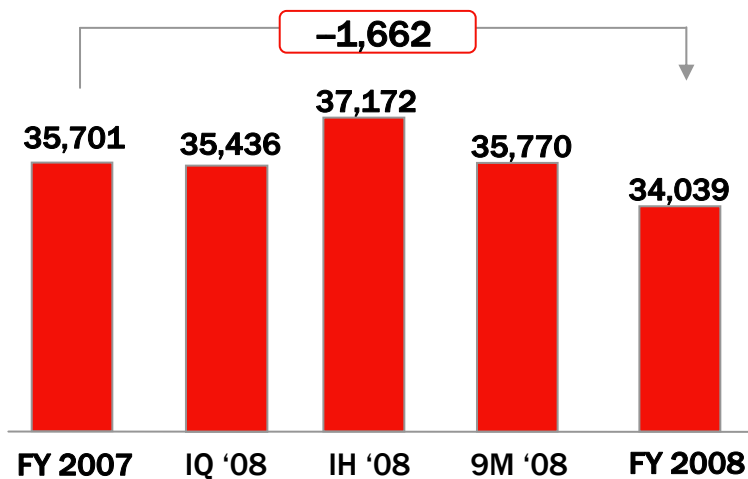
TI Group, Euro mln



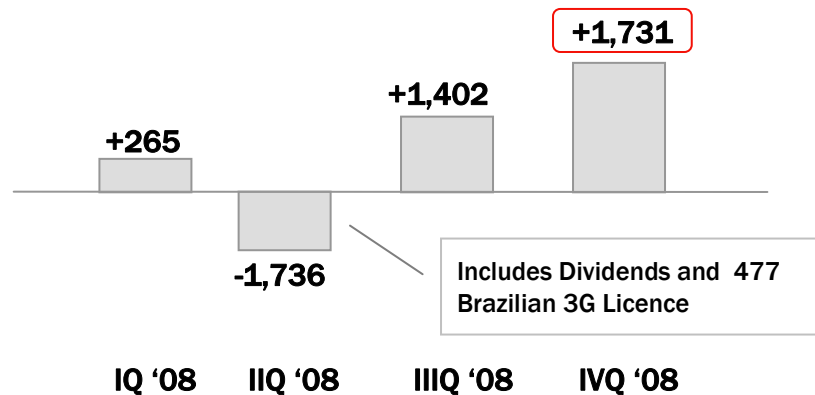
Delivering Deleverage

TI Group, Euro mln

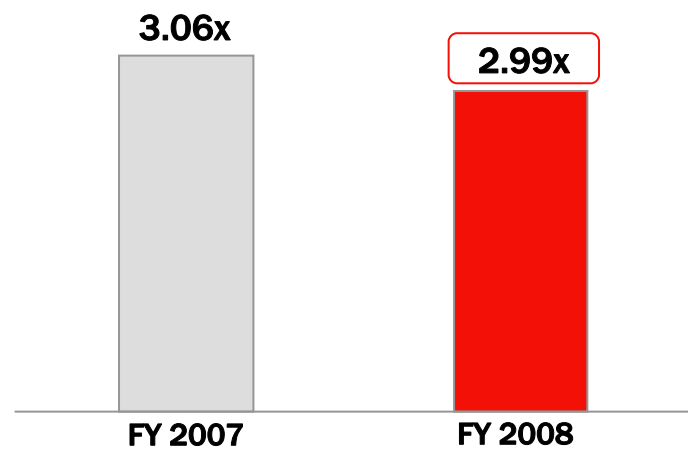
Net Financial Position per quarter in 2008



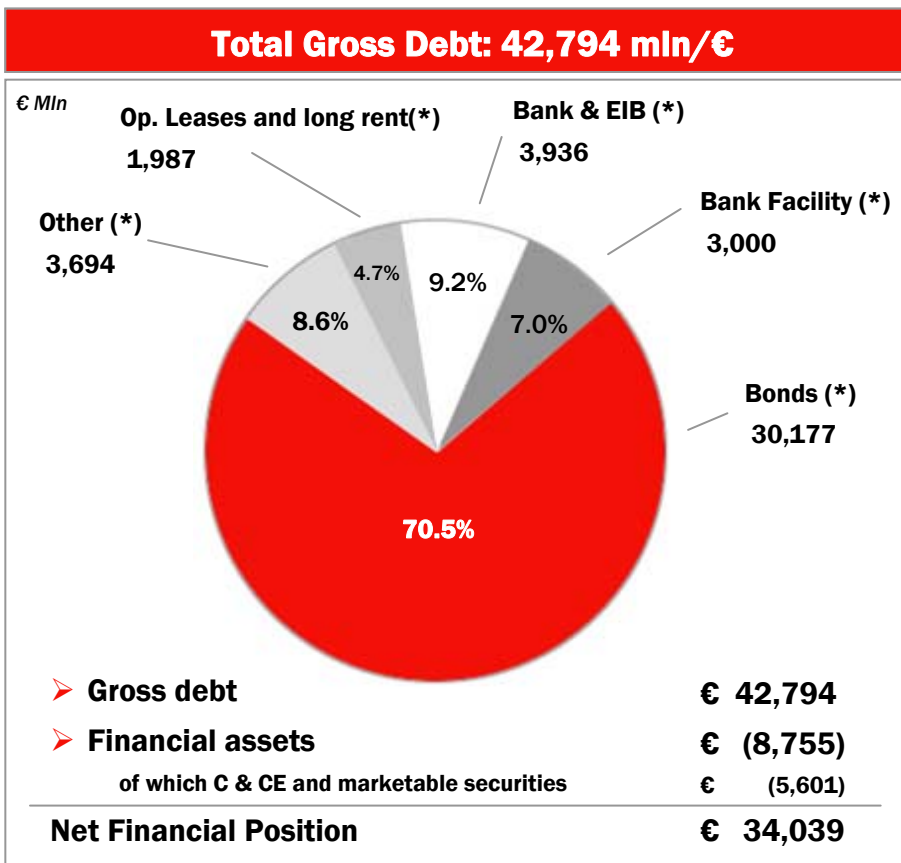
Net Cash Flow per quarter in 2008



Net Debt/Ebitda



Well Diversified and Hedged Debt



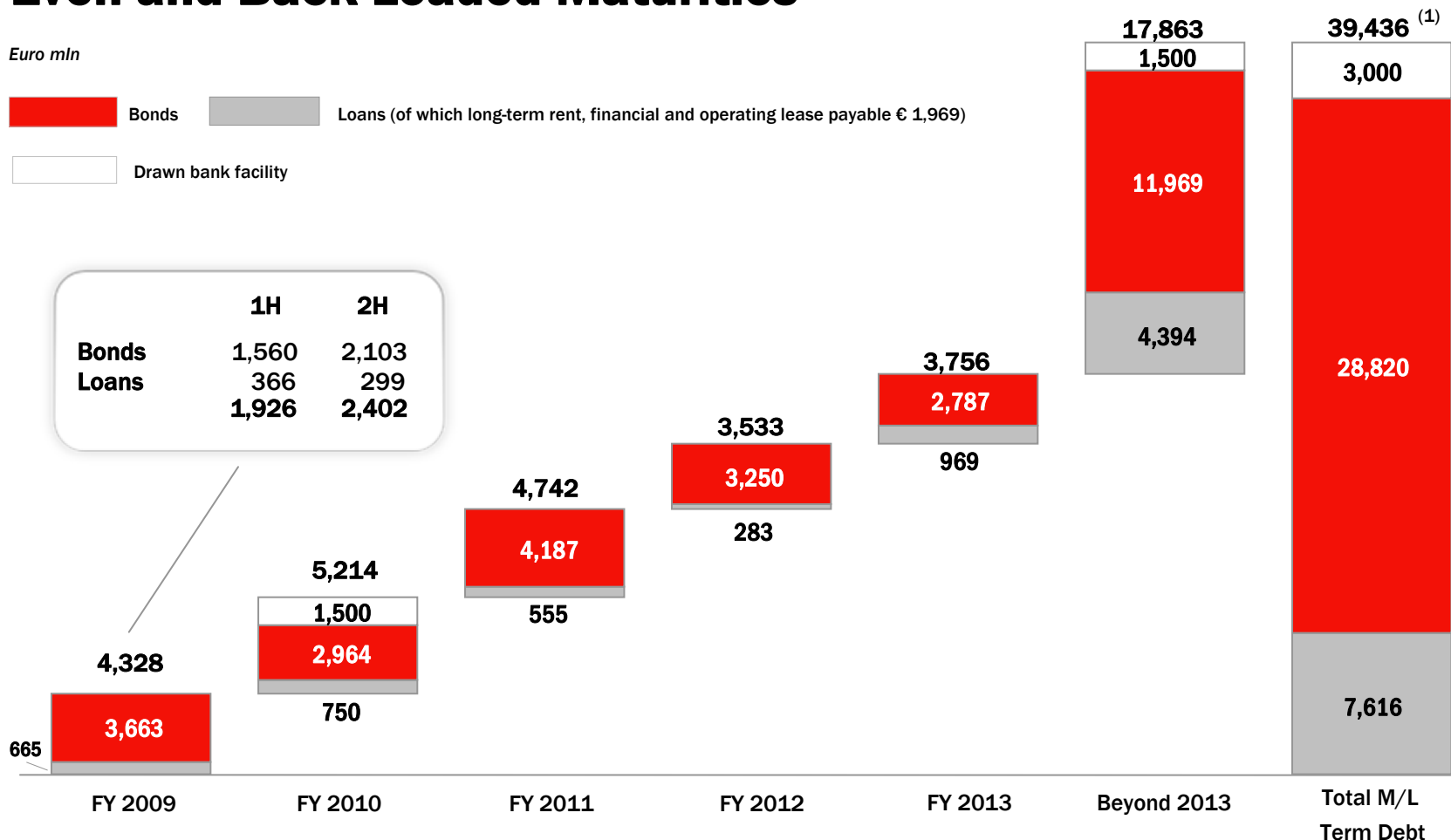
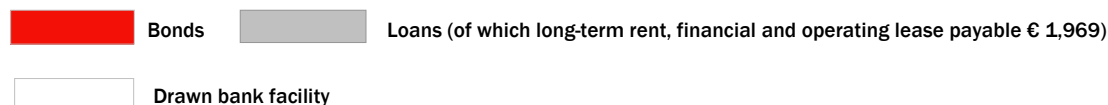
Maturities and Risk Management
➤ Average bond maturity: 8.24 years
➤ Fixed rate portion on gross debt approximately 74%
➤ Around 41% of outstanding bonds is denominated in USD, GBP and YEN and is fully hedged
➤ Cost of debt: approximately 6.0%

Liquidity Margin			
€ bln			
5.6	+	6.5	= 12.1
Out of € 8.8 bln Financial Assets		Undrawn portion of € 8.0 bln Revolving Committed Credit Facility maturing in August 2014	Liquidity Margin

(*) Including the current portion of non current liabilities (maturing within 12 months) for € 5,455 mln (of which bonds € 4,497 mln and other € 958 mln)

Even and Back-Loaded Maturities

Euro mln




(1) € 39,436 mln is the nominal amount of outstanding medium-long term debt. By adding IAS adjustments (€ 2,546 mln) and current liabilities (€ 812 mln) a gross debt figure of € 42,794 mln is reached.

NB. Debt maturities are net of € 180 mln (face value) of repurchased own bonds (TI Spa € 850 mln 5.25% Notes due 2055), € 77 mln (face value) of repurchased own bonds (TI Spa € 750 mln 4.75% Notes due 2014), € 50 mln (face value) of repurchased own bonds (TIF € 1,500 mln 5.15% Notes due 2009), € 107 mln (face value) of repurchased own bonds (TIF € 2,210 mln 5.575% Notes due 2009) and € 35 mln (face value) of repurchased own bonds (TIF € 1,050 mln 7.75% Notes due 2033).

Constant and reliable access to the refinancing market

- Euro 500 mln private placement: 5yr maturity, 7.875% coupon, 7.943% yield (equal to 5yr CDS +103 bps¹)
 - During the month of January, Euro Bond Market re-opened and showed good liquidity
 - TI, as the majority of its peers, took advantage of this window of opportunity with no execution risk and locking in a 5 - year swap rate at historically low levels
- Euro 600 mln European Investment Bank Loan, signed on February 12, 8 yr maturity



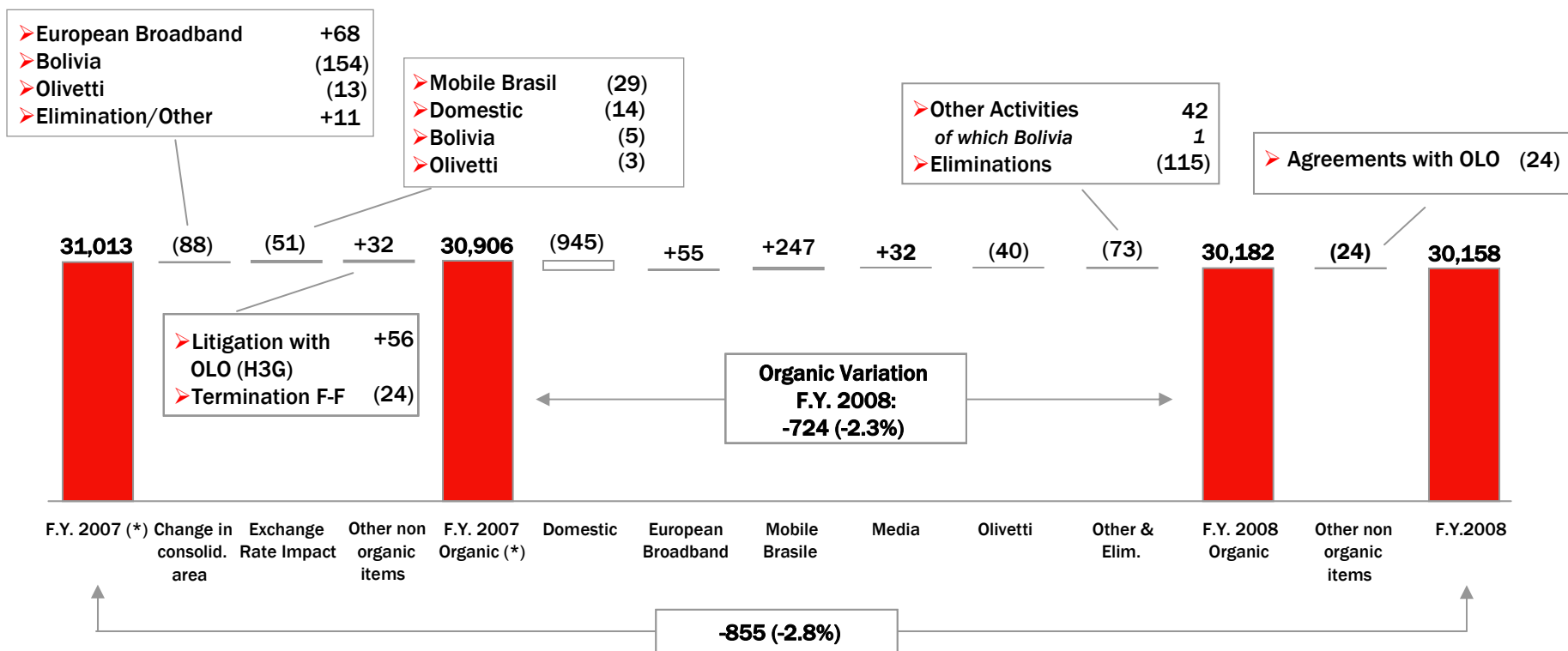
**1.1 bln/€ refinancing
already done**

¹ Issue date 22/01/2009

Appendix

Revenues Evolution

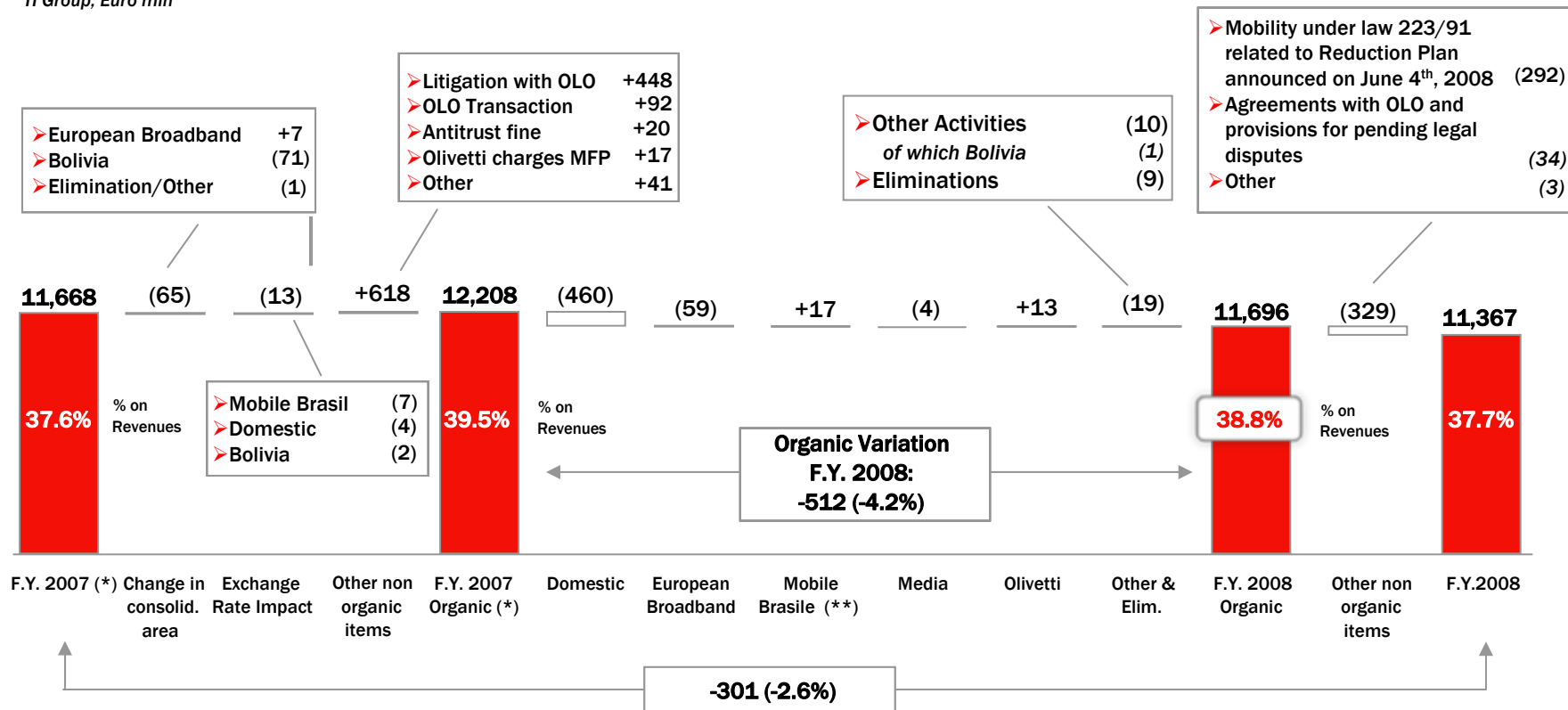
TI Group, Euro mln



(*) Pro-forma (Liberty Surf Group in Discontinued Operations).

EBITDA Evolution

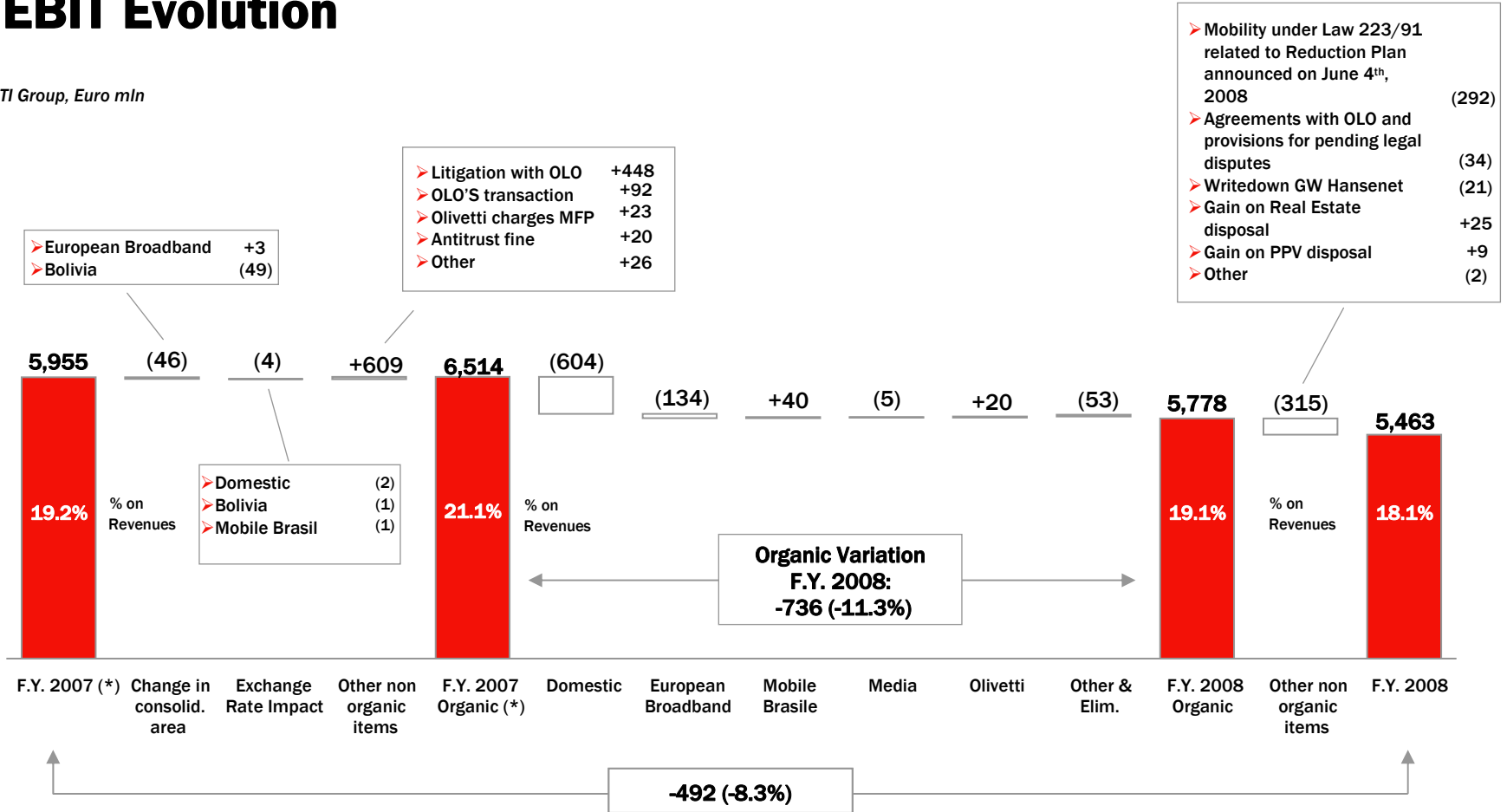
TI Group, Euro mln



(*) Pro-forma (Liberty Surf Group in Discontinued Operations). (**) Exchange rate (Real/Euro): 2.68 in 2008, 2.66 in 2007.

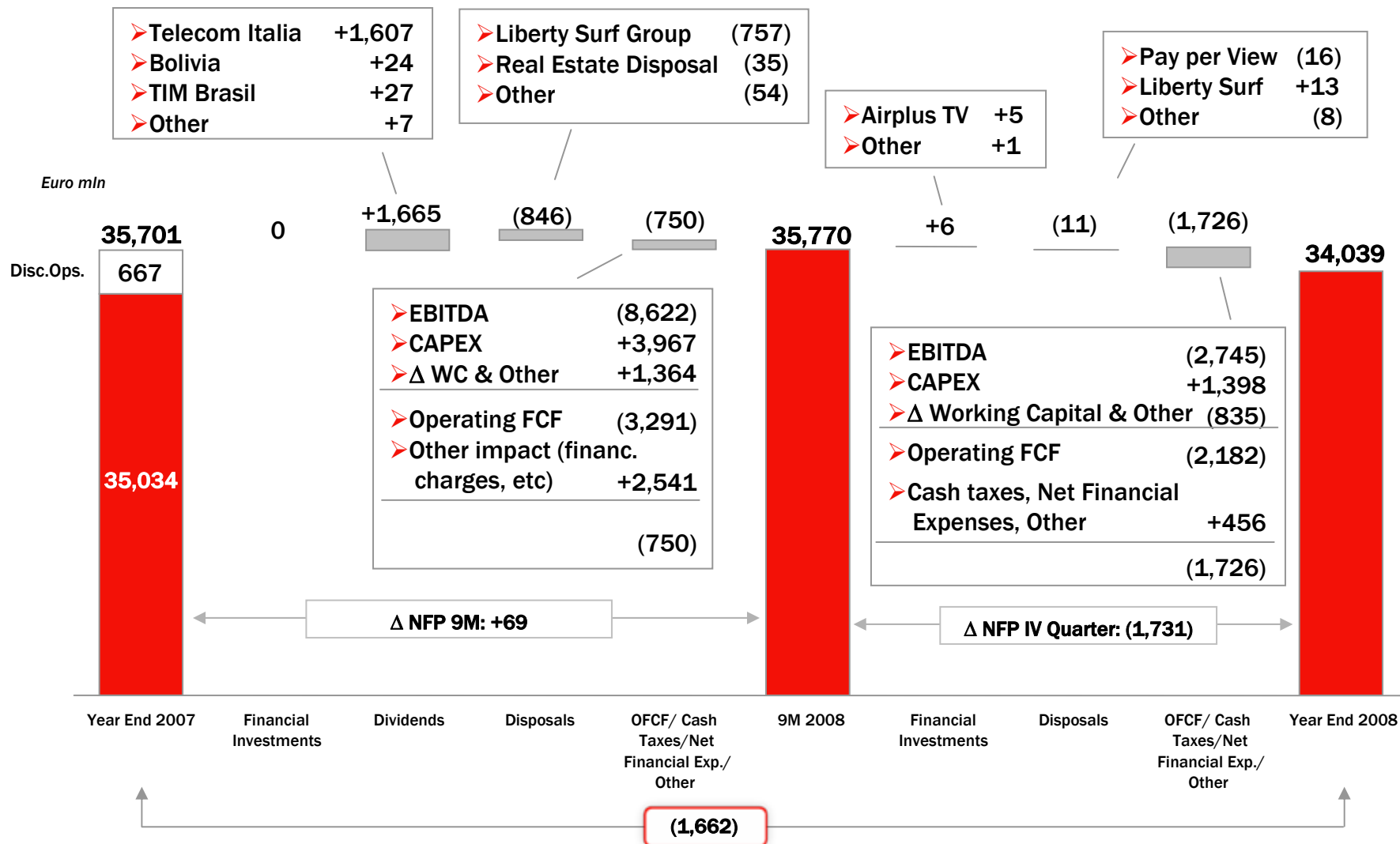
EBIT Evolution

TI Group, Euro mln



(*) Pro-forma (Liberty Surf Group in Discontinued Operations).

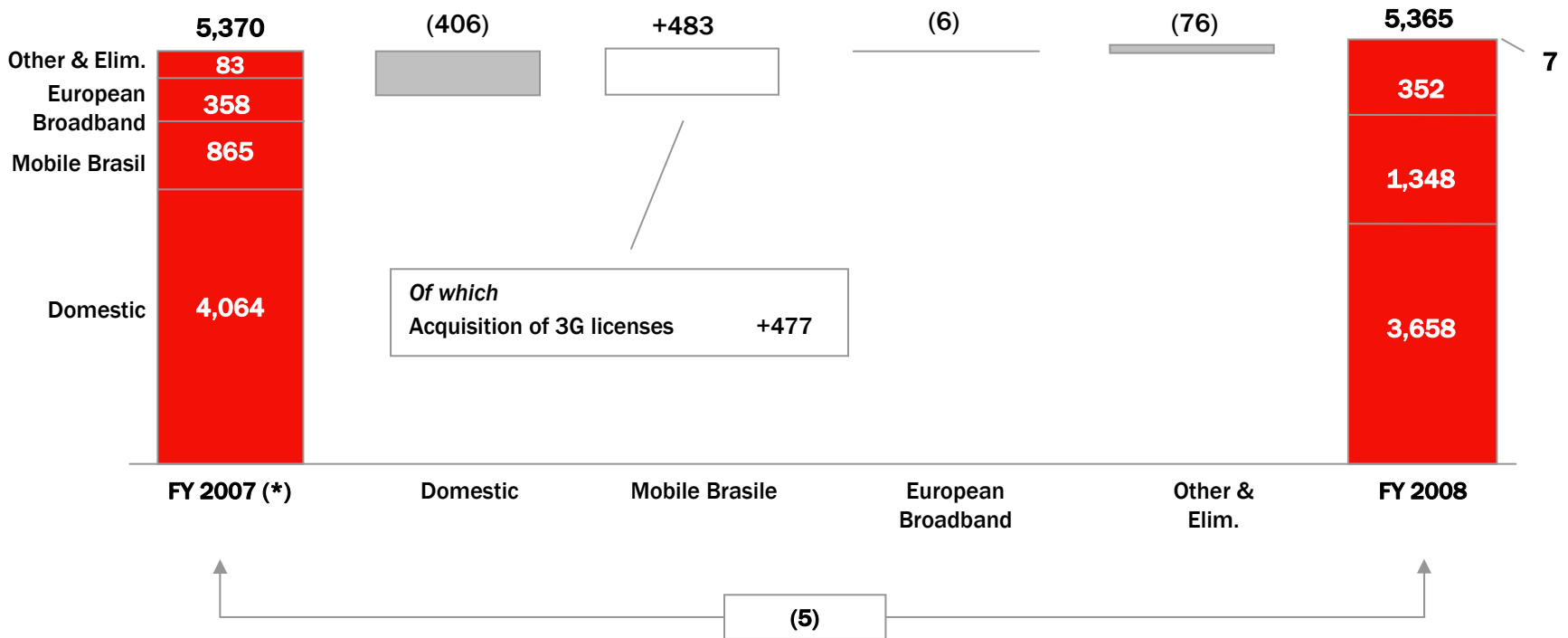
Net Debt Evolution



(-) = cash generated (+) = cash absorbed

Capex Reduction

TI Group, Euro mln



(*) Pro-forma figures (Liberty Surf Group considered as a discontinued operation).

TI Group – Profit and Loss

	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	ΔAbs	Δ%	2008	2007 (*)	ΔAbs	Δ%	2008	2007 (*)	ΔAbs	Δ%	2008	2007 (*)	ΔAbs	Δ%	2008	2007 (*)	ΔAbs	Δ%
<i>Euro mln</i>																				
REVENUES	7.298	7.475	(177)	(2,4)	7.540	7.862	(322)	(4,1)	7.561	7.667	(106)	(1,4)	7.759	8.009	(250)	(3,1)	30.158	31.013	(855)	(2,8)
Other Operating Income	94	73	21	28,8	64	91	(27)	(29,7)	70	82	(12)	(14,6)	128	160	(32)	(20,0)	356	406	(50)	(12,3)
TOTAL REVENUES & OTHER INCOME	7.392	7.548	(156)	(2,1)	7.604	7.953	(349)	(4,4)	7.631	7.749	(118)	(1,5)	7.887	8.169	(282)	(3,5)	30.514	31.419	(905)	(2,9)
Total Purchases of materials and external services	(3.149)	(3.165)	16	(0,5)	(3.461)	(3.574)	113	(3,2)	(3.424)	(3.378)	(46)	(1,4)	(3.842)	(4.138)	296	7,2	(13.876)	(14.255)	379	2,7
Personnel	(991)	(997)	6	(0,6)	(1.283)	(896)	(387)	43,2	(895)	(886)	(9)	(1,0)	(1.051)	(1.043)	(8)	(0,8)	(4.220)	(3.822)	(398)	(10,4)
Other operating costs	(449)	(373)	(76)	20,4	(416)	(451)	35	(7,8)	(395)	(496)	101	20,4	(436)	(911)	475	52,1	(1.696)	(2.231)	535	24,0
Capitalized Cost and Others	163	165	(2)	(1,2)	125	125	0	0,0	170	160	10	6,3	187	107	80	74,8	645	557	88	15,8
EBITDA	2.966	3.178	(212)	(6,7)	2.569	3.157	(588)	(18,6)	3.087	3.149	(62)	(2,0)	2.745	2.184	561	25,7	11.367	11.668	(301)	(2,6)
% on Revenues	40,6%	42,5%			34,1%	40,2%			40,8%	41,1%			35,4%	27,3%			37,7%	37,6%		
Depreciation & Amortization	(1.463)	(1.373)	(90)	6,6	(1.489)	(1.420)	(69)	4,9	(1.485)	(1.416)	(69)	(4,9)	(1.469)	(1.465)	(4)	(0,3)	(5.906)	(5.674)	(232)	(4,1)
Writedowns and revaluations of non current assets	0	0	0	-	(1)	0	(1)	-	(5)	0	(5)	-	(27)	(44)	17	38,6	(33)	(44)	11	25,0
Gains/losses of non current assets realization	25	12	13	108,3	1	0	1	-	(1)	0	(1)	-	10	(7)	17	-	35	5	30	600,0
EBIT	1.528	1.817	(289)	(15,9)	1.080	1.737	(657)	(37,8)	1.596	1.733	(137)	(7,9)	1.259	668	591	88,5	5.463	5.955	(492)	(8,3)
% on Revenues	20,9%	24,3%			14,3%	22,1%			21,1%	22,6%			16,2%	8,3%			18,1%	19,2%		
Income (loss) equity invest. valued equity method	19	29	(10)		18	29	(11)		16	17	(1)		11	11	0		64	86	(22)	
Net Financial Income / (Expenses)	(598)	(450)	(148)		(618)	(519)	(99)		(747)	(456)	(291)		(667)	(292)	(375)		(2.630)	(1.717)	(913)	
Income before Taxes & Discontinued Op.	949	1.396	(447)		480	1.247	(767)		865	1.294	(429)		603	387	216		2.897	4.324	(1.427)	
% on Revenues	13,0%	18,7%			6,4%	15,9%			11,4%	16,9%			7,8%	4,8%			9,6%	13,9%		
Taxes	(392)	(561)	169		219	(457)	676		(362)	(537)	175		(118)	(128)	10		(653)	(1.683)	1.030	
Income before Discontinued Op.	557	835	(278)		699	790	(91)		503	757	(254)		485	259	226		2.244	2.641	(397)	
Net income (loss) of assets disposed	(75)	(60)	(15)		(73)	(63)	(10)		120	(51)	171		(1)	(12)	11		(29)	(186)	157	
Net Income (ante Minorities)	482	775	(293)		626	727	(101)		623	706	(83)		484	247	237		2.215	2.455	(240)	
% on Revenues	6,6%	10,4%			8,3%	9,2%			8,2%	9,2%			6,2%	3,1%			7,3%	7,9%		
Minorities	19	0	19		13	(2)	15		7	14	(7)		(40)	(19)	(21)		(1)	(7)	6	
Net Income (post Minorities)	501	775	(274)		639	725	(86)		630	720	(90)		444	228	216		2.214	2.448	(234)	
% on Revenues	6,9%	10,4%			8,5%	9,2%			8,3%	9,4%			5,7%	2,8%			7,3%	7,9%		

(*) Pro-forma figures (Liberty Surf Group considered as a discontinued operation).

TI Group – Main Results by BU (Reported Figures)

Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
REVENUES																				
Domestic	5.619	6.009	-390	(6,5)	5.801	6.173	-372	(6,0)	5.734	5.926	-192	(3,2)	6.114	6.112	2	0,0	23.268	24.220	-952	(3,9)
Wireline Domestic	3.746	3.989	-243	(6,1)	3.739	3.994	-255	(6,4)	3.643	3.765	-122	(3,2)	3.872	3.979	-107	(2,7)	15.000	15.727	-727	(4,6)
Tim Domestic	2.236	2.365	-129	(5,5)	2.433	2.551	-118	(4,6)	2.451	2.513	-62	(2,5)	2.609	2.493	116	4,7	9.729	9.922	-193	(1,9)
European broadband	323	216	107	49,5	319	296	23	7,8	319	312	7	2,2	313	327	-14	(4,3)	1.274	1.151	123	10,7
Hansenet	303	198	105	53,0	298	278	20	7,2	298	291	7	2,4	291	307	-16	(5,2)	1.190	1.074	116	10,8
Mobile Brasil	1.224	1.100	124	11,3	1.313	1.222	91	7,4	1.436	1.281	155	12,1	1.235	1.387	-152	(11,0)	5.208	4.990	218	4,4
Media	74	58	16	27,6	74	67	7	10,4	62	53	9	17,0	77	85	-8	(9,4)	287	263	24	9,1
Olivetti	83	83	0	0,0	97	109	-12	(11,0)	72	91	-19	(20,9)	100	125	-25	(20,0)	352	408	-56	(13,7)
Other Activities	76	60	16	26,7	22	49	-27	(55,1)	16	57	-41	(71,9)	20	85	-65	(76,5)	134	251	-117	(46,6)
Bolivia	52	56	-4	(7,1)	0	46	-46	(100,0)	0	54	-54	(100,0)	0	54	-54	(100,0)	52	210	-158	(75,2)
Elim.	-101	-51	-50		-86	-54	-32		-78	-53	-25		-100	-112	12		-365	-270	-95	
TI Group	7.298	7.475	-177	(2,4)	7.540	7.862	-322	(4,1)	7.561	7.667	-106	(1,4)	7.759	8.009	-250	(3,1)	30.158	31.013	-855	(2,8)

Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
EBITDA																				
Domestic	2.667	2.853	-186	(6,5)	2.264	2.766	-502	(18,1)	2.682	2.821	-139	(4,9)	2.385	1.734	651	37,5	9.998	10.174	-176	(1,7)
European broadband	61	54	7	13,0	58	74	-16	(21,6)	73	84	-11	(13,1)	53	85	-32	(37,6)	245	297	-52	(17,5)
Hansenet	59	49	10	20,4	56	69	-13	(18,8)	70	79	-9	(11,4)	53	84	-31	(36,9)	238	281	-43	(15,3)
Mobile Brasil	242	269	-27	(10,0)	279	316	-37	(11,7)	354	239	115	48,1	342	383	-41	(10,7)	1.217	1.207	10	0,8
Media	-21	-11	-10	(90,9)	-14	-10	-4	(40,0)	-10	-17	7	41,2	-14	-17	3	17,6	-59	-55	-4	(7,3)
Olivetti	-7	-10	3	30,0	-5	-7	2	28,6	-11	-4	-7	(175,0)	-7	-23	16	69,6	-30	-44	14	31,8
Other Activities	26	23	3	13,0	-3	18	-21	-	-2	25	-27	-	-10	28	-38	-	11	94	-83	(88,3)
Bolivia	24	27	-3	(11,1)	0	20	-20	(100,0)	0	27	-27	(100,0)	0	24	-24	(100,0)	24	98	-74	(75,5)
Elim.	-2	0	-2		-10	0	-10		1	1	0		-4	-6	2		-15	-5	-10	
TI Group	2.966	3.178	-212	(6,7)	2.569	3.157	-588	(18,6)	3.087	3.149	-62	(2,0)	2.745	2.184	561	25,7	11.367	11.668	-301	(2,6)
EBITDA MARGIN	40,6%	42,5%	-1,9 pp		34,1%	40,2%	-6,1 pp		40,8%	41,1%	-0,3 pp		35,4%	27,3%	8,1 pp		37,7%	37,6%	0,1 pp	

Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
EBIT																				
Domestic	1.566	1.790	-224	(12,5)	1.113	1.666	-553	(33,2)	1.548	1.728	-180	(10,4)	1.217	567	650	114,6	5.444	5.751	-307	(5,3)
European broadband	6	22	-16	(72,7)	-4	30	-34	-	7	37	-30	(81,1)	-39	33	-72	-	-30	122	-152	-
Hansenet	9	21	-12	(57,1)	0	31	-31	(100,0)	10	38	-28	(73,7)	-32	36	-68	-	-13	126	-139	-
Mobile Brasil	-17	16	-33	-	15	53	-38	(71,7)	73	-25	98	-	118	106	12	11,3	189	150	39	26,0
Media	-37	-26	-11	(42,3)	-32	-26	-6	(23,1)	-24	-32	8	25,0	-20	-33	13	39,4	-113	-117	4	3,4
Olivetti	-9	-14	5	35,7	-7	-10	3	30,0	-12	-8	-4	(50,0)	-9	-34	25	73,5	-37	-66	29	43,9
Other Activities	17	15	2	13,3	-3	10	-13	-	-2	17	-19	-	-10	21	-31	-	2	63	-61	(96,8)
Bolivia	17	19	-2	(10,5)	0	12	-12	(100,0)	0	20	-20	(100,0)	0	17	-17	(100,0)	17	68	-51	(75,0)
Elim.	2	14	-12		-2	14	-16		6	16	-10		2	8	-6		8	52	-44	
TI Group	1.528	1.817	-289	(15,9)	1.080	1.737	-657	(37,8)	1.596	1.733	-137	(7,9)	1.259	668	591	88,5	5.463	5.955	-492	(8,3)
EBIT MARGIN	20,9%	24,3%	-3,4 pp		14,3%	22,1%	-7,8 pp		21,1%	22,6%	-1,5 pp		16,2%	8,3%	7,9 pp		18,1%	19,2%	-1,1 pp	

(*) Pro-forma figures (Liberty Surf Group considered as a discontinued operation).

TI Group – Main Results by BU (Organic Figures)

Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
REVENUES																				
Domestic	5.619	6.001	-382	(6,4)	5.825	6.161	-336	(5,5)	5.734	5.922	-188	(3,2)	6.114	6.153	-39	(0,6)	23.292	24.237	-945	(3,9)
Wireline Domestic	3.746	3.981	-235	(5,9)	3.763	3.982	-219	(5,5)	3.643	3.761	-118	(3,1)	3.872	3.964	-92	(2,3)	15.024	15.688	-664	(4,2)
Tim Domestic	2.236	2.365	-129	(5,5)	2.433	2.551	-118	(4,6)	2.451	2.513	-62	(2,5)	2.609	2.549	60	2,4	9.729	9.978	-249	(2,5)
European broadband	323	284	39	13,7	319	296	23	7,8	319	312	7	2,2	313	327	-14	(4,3)	1.274	1.219	55	4,5
Hansenet	303	266	37	13,9	298	278	20	7,2	298	291	7	2,4	291	307	-16	(5,2)	1.190	1.142	48	4,2
Mobile Brasil	1.224	1.172	52	4,7	1.313	1.266	47	3,8	1.436	1.355	81	6,4	1.235	1.168	67	4,8	5.208	4.961	247	4,9
Media	74	58	16	27,6	74	67	7	10,4	62	53	9	17,0	77	77	0	0,0	287	255	32	12,5
Olivetti	83	78	5	6,4	97	103	-6	(5,8)	72	87	-15	(17,2)	100	124	-24	(19,4)	352	392	-40	(10,2)
Other Activities	76	55	21	38,2	22	3	19	633,3	16	3	13	433,3	20	31	-11	(35,5)	134	92	42	45,7
Bolivia	52	51	1	2,0	0	0	0	-	0	0	0	-	0	0	0	-	52	51	1	2,0
Elim.	-101	-49	-52		-86	-49	-37		-78	-52	-26		-100	-100	0		-365	-250	-115	
TI Group	7.298	7.599	-301	(4,0)	7.564	7.847	-283	(3,6)	7.561	7.680	-119	(1,5)	7.759	7.780	-21	(0,3)	30.182	30.906	-724	(2,3)

Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
EBITDA																				
Domestic	2.679	2.853	-174	(6,1)	2.577	2.821	-244	(8,6)	2.692	2.820	-128	(4,5)	2.373	2.287	86	3,8	10.321	10.781	-460	(4,3)
European broadband	61	61	0	0,0	58	74	-16	(21,6)	73	84	-11	(13,1)	53	85	-32	(37,6)	245	304	-59	(19,4)
Hansenet	59	56	3	5,4	56	69	-13	(18,8)	70	79	-9	(11,4)	53	84	-31	(36,9)	238	288	-50	(17,4)
Mobile Brasil	242	283	-41	(15,3)	279	326	-47	(14,9)	354	257	97	42,4	342	334	8	2,0	1.217	1.200	17	1,4
Media	-21	-11	-10	(90,9)	-14	-10	-4	(40,0)	-10	-17	7	41,2	-14	-17	3	17,6	-59	-55	-4	(7,3)
Olivetti	-7	-14	7	50,0	-5	-12	7	58,3	-11	-6	-5	(83,3)	-2	-6	4	66,7	-25	-38	13	34,2
Other Activities	26	21	5	23,8	-3	-2	-1	(50,0)	-2	-2	0	0,0	-10	4	-14	-	11	21	-10	(47,6)
Bolivia	24	25	-1	(4,0)	0	0	0	-	0	0	0	-	0	0	0	-	24	25	-1	(4,0)
Elim.	-2	0	-2		-10	0	-10		1	1	0		-3	-6	3		-14	-5	-9	
TI Group	2.978	3.193	-215	(6,7)	2.882	3.197	-315	(9,9)	3.097	3.137	-40	(1,3)	2.739	2.681	58	2,2	11.696	12.208	-512	(4,2)
EBITDA MARGIN	40,8%	42,0%	-1,2 pp		38,1%	40,7%	-2,6 pp		41,0%	40,8%	0,2 pp		35,3%	34,5%	0,8 pp		38,8%	39,5%	-0,7 pp	

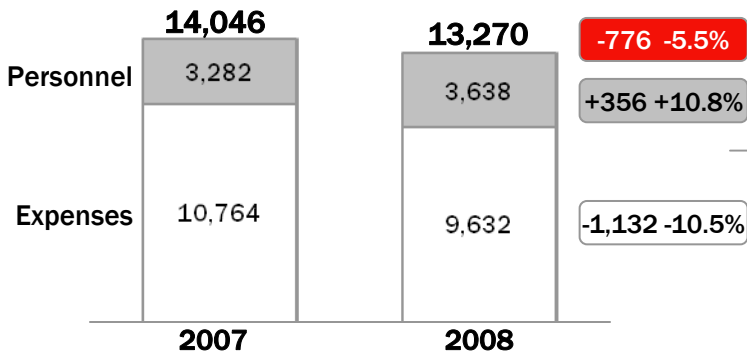
Euro mln	I Quarter				II Quarter				III Quarter				IV Quarter				Full Year			
	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%	2008	2007 (*)	Δ Abs	Δ%
EBIT																				
Domestic	1.553	1.782	-229	(12,9)	1.426	1.720	-294	(17,1)	1.558	1.730	-172	(9,9)	1.205	1.114	91	8,2	5.742	6.346	-604	(9,5)
European broadband	6	23	-17	(73,9)	-4	32	-36	-	7	37	-30	(81,1)	-18	33	-51	-	-9	125	-134	-
Hansenet	9	22	-13	(59,1)	0	33	-33	(100,0)	10	38	-28	(73,7)	-11	36	-47	-	8	129	-121	(93,8)
Mobile Brasil	-17	15	-32	-	15	54	-39	(72,7)	73	-22	95	-	118	102	16	15,3	189	149	40	27,1
Media	-37	-26	-11	(42,3)	-32	-26	-6	(23,1)	-24	-32	8	25,0	-29	-33	4	12,1	-122	-117	-5	(4,3)
Olivetti	-9	-18	9	50,0	-7	-16	9	56,3	-12	-10	-2	(20,0)	-4	-8	4	50,0	-32	-52	20	38,5
Other Activities	17	14	3	21,4	-3	-2	-1	(50,0)	-2	-3	1	33,3	-10	4	-14	-	2	13	-11	(84,6)
Bolivia	17	18	-1	(5,6)	0	0	0	-	0	0	0	-	0	0	0	-	17	18	-1	(5,6)
Elim.	2	14	-12		-2	14	-16		6	15	-9		2	7	-5		8	50	-42	
TI Group	1.515	1.804	-289	(16,0)	1.393	1.776	-383	(21,6)	1.606	1.715	-109	(6,4)	1.264	1.219	45	3,7	5.778	6.514	-736	(11,3)
EBIT MARGIN	20,8%	23,7%	-2,9 pp		18,4%	22,6%	-4,2 pp		21,2%	22,3%	-1,1 pp		16,3%	15,7%	0,6 pp		19,1%	21,1%	-2 pp	

(*) Pro-forma figures (Liberty Surf Group considered as a discontinued operation).

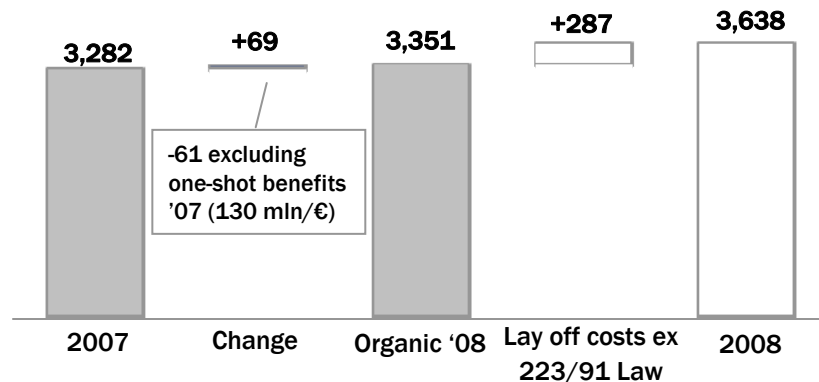
Lean Company Domestic: Efficiency

Euro mln

OPEX TREND

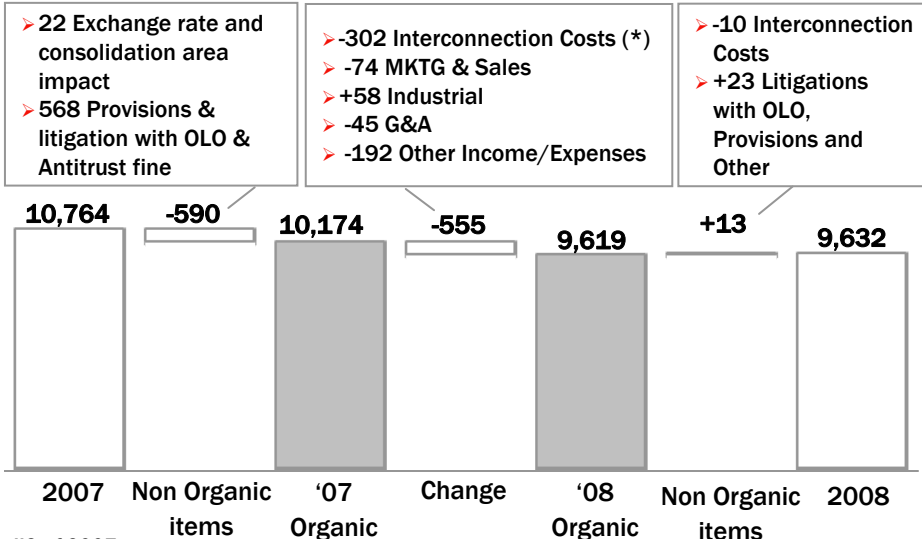


ORGANIC PERSONNEL COST

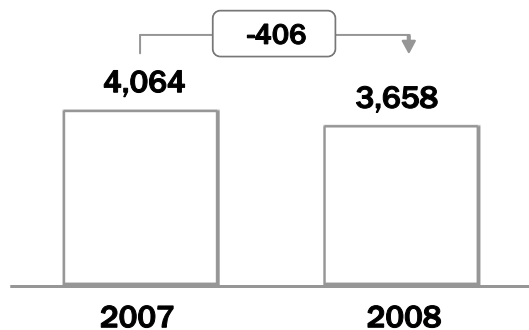


	2007	2008	Change	% Change
Total Organic	13,456	12,970	-486	-3.6%
Personnel	3,282	3,351	+69	+2.1%
Expenses	10,174	9,619	-555	-5.5%

ORGANIC EXPENSES



CAPEX



(*) Includes the winding up of a number of international wholesale transit contracts from the IIQ of 2007.