



## OMNITEL MEETS THE TRADE UNIONS: 1998 EMPLOYEE INCENTIVES PAID OUT AND 1999 REFERENCE LEVELS ESTABLISHED

*Milan, April 9 1999*

Omnitel met with its trade union representatives today to review the achievement of 1998 objectives relating to employees incentive schemes.

Last year Omnitel reached an agreement with the trade union organisations relating to the three-year period from 1999 to 2001 which involves the payment of a bonus to employees upon achievement of yearly objectives. Such objectives are represented by EBITDA for 40% and by the Customer Satisfaction Index for 60%. EBITDA represents gross earnings before amortization, depreciation, interest and taxes, while the Customer Satisfaction Index represents a concise indicator, measured by an external company, of the level (on a scale from 0 to 5) of satisfaction amongst Omnitel's Customers.

The target for 1998 was surpassed with a final EBITDA of 1,473 billion lire and a Customer Satisfaction Index of over 3.4; based on these results, 120% of the agreed basic bonus will be paid out to employees and will be included in their May pay packets.

Reference levels for the 1999 bonus have also been agreed with the unions, with EBITDA at 2,200 billion lire and a customer satisfaction level of 3.5.

The EBITDA figure of 2,200 billion lire, representing an increase of about 50% compared with 1998 actuals, was agreed to be a level which the parties consider appropriate to protect and motivate employees.

At the end of the meeting, Giovanni Viggiano, Director of Human Resources, stated "We are satisfied with the outcome of this meeting which once again demonstrates the positive relationship between Omnitel and the trade union organisations. The results achieved this year and the subsequent bonus payouts confirm the accuracy of the 1998 union agreement, which represents a noteworthy model for sharing the economic success of a company with its employees."