



OMNITEL: UPWARD TRENDS CONFIRMED IN 1ST QUARTER OF 1999. CUSTOMER BASE EXCEEDS 7 MILLION. "DIPPIÙ" NEW PRODUCTS LAUNCHED.

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The first quarter of 1999 closed with results which confirm the upward trends of Omnitel since its launch. These are the main results: net profit after taxes was 277 billion Lire, compared with a net profit of 91 billion Lire for the same period in 1998 (up 204%), when Omnitel also benefited from tax losses carried forward; EBITDA (earnings before interest, taxes, depreciation and amortisation) was 577 billion Lire (+152%). Revenues also rose in the first quarter of 1999, reaching 1,544 billion Lire (an increase of 104% on the same period in 1998), of which 1,410 billion Lire from service revenues (+114%).

Omnitel's customer base continued to grow, reaching 7,017 million at 31st March, with 827,000 new customers since the end of last year. In the first quarter of 1998 Omnitel acquired 680,000 new customers (+22%). Since 31st March 1998 the overall customer base increased by 3,881 million. According to Omnitel, the company achieved a 44% market share in the first three months of the year.

A key factor in revenues growth in the first quarter was the success of the "Personal195 Ricaricabile" offer, which was favourably received by the public following its launch last February, especially since, as of last December, the life of rechargeable cards has been extended to 12 months (from the last recharge).

In the first three months of the year 700 new recruits joined Omnitel. This trend looks set to continue in the coming months with the launch of Omnitel's eighth call centre, due to be opened in Bologna this Summer.

Omnitel's latest products include "Dippiù Ricaricabile", the new rechargeable card which can be used both in Italy and abroad at a cost of 395 Lire per minute. "Dippiù Ricaricabile" is innovative in that it is the first card ever to offer discounted calls: for every 50,000 Lire of calls made in one calendar month, customers automatically receive a free 25,000 Lire recharge to be used the following month (customers are notified by means of a text message on their phones). In addition to the "Dippiù Ricaricabile" card, Omnitel is also offering "Dippiù 30", a tariff plan with no monthly fee, calling costs of 395 Lire per minute and 30% discounts for customers who make more than 150,000 Lire worth of calls over a two-month period. Once they have reached the 150,000 Lire mark, customers are given an automatic 30% reduction on normal call charges.

Also new this year is the "Dippiù City" tariff plan which, in addition to offering the same prices as "Dippiù 30" (395 Lire per minute), enables customers to make calls within a specified geographical area at a cost of 195 Lire per minute.