

TELECOM ITALIA S.P.A.
SPECIAL MEETING OF SAVINGS SHAREHOLDERS

Milan - 14, 15 and 16 May 2007

Report of the Common Representative

Dear Shareholders,

You have been called to this meeting to examine the report on the use of the fund for the expenses necessary to safeguard common interests, set up under a resolution adopted on 21 June 1999 pursuant to Article 146.1c) of Legislative Decree 58/1998 and to appoint a Common Representative, since the current mandate expires with the approval of the Company's financial statements for the year ended 31 December 2006.

As for the use of the fund, since 26 October 2004, the date of the special meeting in which the last report was submitted, the fund has been used exclusively to pay the annual fees of the Common Representative.

At the date of this meeting, the part of the fund still available is thus equal to €1,937,138.64, an amount that appears still sufficient with respect to the possible future expenses necessary to safeguard the common interests of this class of shareholders, especially in light of the Board of Directors' proposal to amend Telecom Italia's bylaws, which will be examined by the Company's extraordinary shareholders' meeting convened on 14, 15 and 16 April 2007. In fact one of the proposed amendments is that the costs associated with organizing special meetings of savings shareholders and remunerating the common representative be borne by the Company (Article 6).

The special meeting of savings shareholders has also been called to appoint a new Common Representative and to establish the duration of the mandate and the related remuneration, which was €36,152 per annum for the three fiscal years 2004, 2005 and 2006.

In this respect it should be noted that – pursuant to Article 2417 of the Civil Code, as referred to in Article 147 of Legislative Decree 58/1998 – the Common Representative

does not have to be a shareholder and may be a legal person authorized to provide investment services or a trust company. The maximum duration of the mandate is three fiscal years.

Lastly, it should be remembered that, in view of the items on the agenda, the special meeting will approve the resolutions with the favourable vote of savings shares representing at least 20 per cent of that class of shares at the first call and 10 per cent at the second call. At the third call the resolutions will be approved with the majority of the votes of those present, regardless of the percentage of savings shares represented in the meeting.

The Common Representative

Professor Carlo Pasteris