2013 EMPLOYEE SHARE OWNERSHIP PLAN
INFORMATION DOCUMENT

English translation published on March 18, 2013

INTRODUCTION

With this information document (the “Information Document”), Telecom Italia S.p.A. (with registered office in Milan at 2 Piazza degli Affari, Tax code and Milan Business Register No. 00488410010, hereinafter also referred to as “Telecom Italia,” the “Company”, or the “Issuer”) illustrates the main features of the "2013 Employee Share Ownership Plan " (hereinafter called the "Plan").

The Plan consists of an offer to subscribe to ordinary shares of the Company, for cash, at a discounted price compared to the market price, reserved for employees of the Company or its Italy-based subsidiaries, with the possibility of payment in instalments of the whole subscription price or a percentage thereof by deduction from salary and free allocation of ordinary shares, subject to the shares subscribed being retained for one year and continuation of employment with companies in the Telecom Italia Group.

DEFINITIONS

<u>Reserved Capital Increase</u> - *the capital increase reserved for Employees, object of the mandate given to the Issuer’s Board of Directors, for a maximum of 54,000,000 Shares, to be subscribed at a price (no lower than par value) to be established by the Company Board of Directors under said mandate, with a discount of 10% compared with the average market price for the month preceding the Offer, subject to a maximum countervalue of 10,000 euros per Employee.*

<u>Share/Shares</u> - *the ordinary shares of Telecom Italia, each with a par value of 0.55 euros. The Shares are traded on the Electronic Share Market (Mercato Telematico Azionario), organised and operated by Borsa Italiana S.p.A.*

<u>Subscribed Share/Shares</u> – *The Shares subscribed in the Reserved Capital Increase.*

<u>Bonus Share</u> - the Shares that may be allocated free of charge to an Employee who has retained uninterrupted ownership of the Subscribed Shares for twelve months following subscription.

<u>Beneficiaries</u> - Employees of Telecom Italia or Italy-based Group companies with permanent employment contracts (the “Employees”).

<u>Telecom Italia Group or Group</u> - *Telecom Italia and its direct or indirect subsidiaries based in Italy.*

<u>Offer</u> – *The offer reserved for Employees to subscribe to newly issued Shares the object of the Reserved Capital Increase*.

<u>Rules</u> - The rules governing the terms, features, conditions and implementation of the Plan.

<u>Issuer Regulations</u> - Regulations for implementing the CFL - Consolidated Finance Law (as defined below) disciplining issuers, adopted by Consob with resolution no. 11971 of 14 May 1999 and subsequent amendments and supplements.

<u>CFL</u> - Legislative Decree No. 58 of 24 February 1998 and subsequent amendments and supplements.

1. BENEFICIARIES

1.1 Names of individuals who are Beneficiaries of the Plan by virtue of their being members of the Board of Directors of the Issuer or the Issuer's controlling companies or subsidiaries.

The Company's COO, Marco Patuano, comes within the definition of an Employee, and is therefore also a Beneficiary of the Plan, under the same conditions applicable to all Employees.

Equally, some of the Beneficiaries hold offices within the corporate bodies of subsidiaries of the Issuer; nevertheless, the sole condition for participation in the Plan is an individual's status as an Employee and under no circumstances is participation in the Plan related to the fact that the Employee is a member of the management bodies of Group companies.

This provision is not applicable to the corporate bodies of companies which control the Issuer because the Issuer is not subject to control (nor do the Beneficiaries include members of the Board of Directors of the majority shareholder, Telco S.p.A.).

1.2 Categories of employees or collaborators of the Issuer or the controlling or subsidiary companies of the Issuer

The 2013-2017 Employee Plan is intended for all Employees , divided into the following categories according to the collective labour agreements:

- ✓ executives;
- ✓ middle managers;
- ✓ office workers;
- ✓ manual workers.

The features of the Plan do not vary according to the category of the Beneficiary Employee.

1.3 Names of the Beneficiaries belonging to the following groups:

a) **individuals performing executive functions within the Issuer, pursuant to Article 152-*sexies*, subsection 1, letter c)-c.2 of the Issuer Regulations**

The Beneficiaries potentially include the General Manager for South America, Andrea Mangoni, who has however submitted his resignation and will cease to hold the office of General Manager as of 30 April 2013.

b) **individuals performing executive functions within a subsidiary of the Issuer, if the book value of the holding represents more than fifty percent of the total balance sheet assets of the Issuer under Article 152-sexies, subsection 1, letter c)-c.3 of the Issuer Regulations**

Not applicable: no subsidiary of the Issuer fulfils the condition referred to in article 152-*sexies*, subsection 1, letter c)-c.3 of the Issuer Regulations.

c) natural persons controlling the Issuer who are employees or collaborators of the Issuer

Not applicable: Telecom Italia is not subject to control by natural persons.

1.4 Description and indication of number, divided into categories:

a) executives who have regular access to sensitive information and have the power to make management decisions which could influence the development and future prospects of the Issuer under Article 152-sexies, subsection 1, letter c)-c.2 of the Issuer Regulations

The Beneficiaries include the pro tempore Key Managers of Telecom Italia who have permanent employment contracts with Group companies. At the date of publication of the Information Document, these are the Heads of Administration Finance & Control, Human Resources and Organization, Legal Affairs, National Wholesale Services, Public & Regulatory Affairs, Business Support Officer, Technology, Consumer, Business.

Among the Key Managers working abroad (Heads of Tim Brasil and Telecom Argentina) the Beneficiaries include the Head of Telecom Argentina but exclude the Head of Tim Brasil because he does not come within the definition of an Employee.

b) executives who have regular access to sensitive information and have the power to make management decisions which could influence the development and future prospects of a subsidiary of the Issuer, if the book value of the holding represents more than fifty percent of the total balance sheet assets of the Issuer under Art. 152-*sexies*, subsection 1, letter c)-c.3 of the Issuer Regulations

Not applicable: no subsidiary of the Issuer fulfils the condition referred to in article 152-*sexies*, subsection 1, letter c)-c.3 of the Issuer Regulations.

c) any other categories of employees or collaborators for whom different characteristics are provided for in the Plan

Not applicable: the 2013-2017 Employee Plan does not establish different characteristics for the different categories of Employees.

d) persons indicated at letters a) and/or b) for whom different exercise prices are established

Not applicable: the 2013-2017 Employee Plan provides for the possibility to subscribe to the Offered Shares for cash and to receive Bonus Shares free of charge under the same conditions for all Employees.

2. REASONS FOR ADOPTION OF THE PLAN

2.1 Objectives that are intended to be achieved by adopting the Plan

The purpose of the Plan is to give Group employees the option to invest in Company shares, to increase their motivation to achieve corporate objectives and to strengthen their sense of belonging to the business.

2.2 Key variables, including performance indicators, considered for the purpose of the application of the Plan

The Plan is intended for all Employees without distinction.

Neither the purchase of the Shares at the Offer stage nor the free allocation of Bonus Shares are linked to performance indicators.

The sole condition for allocation of the Bonus Share (1 free share every 3 Subscribed Shares) is retention of the Subscribed Shares for one year from issuance, subject to retaining the status of Employee

2.3 Elements used as the basis for determining the size of the financial instrument-based remuneration

Each Employee may subscribe to Shares included in the Offer up to a maximum countervalue corresponding to an investment of 10,000 euros, in accordance with the subscription lots to be defined in the Rules.

If the Reserved Capital Increase should be insufficient to satisfy all subscription requests, the Shares referred to in the Offer shall be distributed proportionately among all the subscribers, ensuring full equality of treatment.

2.4 Reasons for any decision to adopt remuneration plans based on financial instruments not issued by the Issuer

Not applicable: the Plan is based on subscription for cash and on the subsequent free allocation of the Issuer's Shares .

2.5 Evaluation of significant tax and accounting implications that have influenced the definition of the Plan

No significant accounting or tax implications have influenced the definition of the Plan.

Moreover, the subscribed shares benefit from the taxation treatment under article 51, subsection 2, letter g) of the Income Tax Consolidation Act, which provides for the exclusion from taxation, for the purposes of income tax, of both the "discount" and the value of the "bonus shares" up to a maximum amount in each tax period of 2,065.83 euros, provided that the shares are retained by the employee for at least three years from the date of subscription. If a sale takes place before the end of this period, any amount that has not contributed to forming the income at the time of purchase will be subject to tax in the tax period in which the sale takes place.

2.6 Any support for the Plan from the Special Incentive Fund for encouraging employee ownership of firms pursuant to Art. 4, subsection 112, of Law No. 350 of 24 December 2003

The Plan does not receive support from the special Fund for encouraging employee ownership of firms, pursuant to Article 4, subsection 112 of Law no. 350 of 24 December 2003.

3. APPROVAL PROCESS AND TIMETABLE FOR ALLOCATION OF THE INSTRUMENTS

3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for implementing the Plan

The Plan will be subject to approval by the Shareholders' Meeting called for 17 April 2013, which will also be asked to approve a proposal to grant appropriate powers to the Board of Directors to increase the share capital (i) for cash, by issuing a maximum of 54,000,000 Shares, to be offered at a 10% discount compared to the market price (and no lower than par value), and (ii) free of charge, by assigning profits to people subscribing to the Reserved Capital Increase who have held onto the Subscribed Shares for a year, subject to retaining the status of Employees and subject to the option for the Board of Directors, where deemed necessary or opportune, to satisfy the matching by using treasury shares in the Company's portfolio, always with the option of satisfying the right to Bonus Shares, partly or entirely, by payment of the equivalent.

There will also be a proposal to grant the Board of Directors all the necessary or appropriate powers for the purpose of implementing the Plan, making any changes and/or additions to it that prove necessary for the implementation of what has been resolved, including for purposes of compliance with any applicable regulatory provision, including authorisation to assign ordinary treasury shares in the Company portfolio free of charge. In particular, and merely by way of example, it is understood that the powers are so comprised, under such terms as may be most appropriate: (i) to identify the Employees and to determine the limits and terms of the subscription offering; (ii) to specify the limits and conditions for access to all or part of the financing to cover the subscription share, with repayment in instalments deducted from salary; (iii) to specify the conditions for access to the free allocation of shares; (iv) to establish any other terms and conditions for the implementation of the Plan; (v) to prepare and approve the Rules, as well as amend and/or supplement them; and (vi) to make any changes to the terms and conditions of the Plan in the event of changes to the applicable regulations or extraordinary events likely to affect the Plan itself.

3.2 Information on the persons in charge of administering the Plan and their functions and duties

At the present time, no persons in charge of administering the Plan have been identified.

The Board of Directors, in exercising the powers and mandates granted to it by the Shareholders' Meeting, may decide to delegate all or part of the activities of managing and administering the Plan to the Human Resources and Organization Department.

3.3 Any procedures in place for revising the Plan, including in relation to possible changes to the underlying objectives

No special procedures are planned for revising the Plan.

The Board of Directors may still make any amendments to the terms and conditions of the Plan required by changes in the applicable law or extraordinary events that might influence it.

3.4 Description of how the availability and allocation of the financial instruments on which the Plan is based were established

The first phase of the Plan is the Offer of Shares deriving from the Reserved Capital Increase, of a maximum of 54,000,000 Shares, subject to a maximum individual investment of 10,000 euros, without prejudice to the right to reallocation should the Reserved Capital Increase fail to satisfy all of the subscription requests.

Beneficiaries who have retained the Subscribed Shares for one year, subject to retaining their status as Employees, will then be allocated profits under Art. 2349 of the Italian Civil Code by the issuance of Shares allocated free of charge in the ratio of 1 Bonus Share for every 3 Subscribed Shares (rounding off to the lower unit amount in the case of remainders). For this purpose, the Board of Directors will be granted the power to identify, at the appropriate time, the profits and/or retained profits to be used for this purpose, with a mandate to make the appropriate accounting entries resulting from the issuance operations, in accordance with the legal provisions and the accounting principles that are applicable in each case. Moreover, the Board of Directors may, where deemed necessary or appropriate, satisfy all or part of the demand for matching shares, (i) by using treasury shares in the Company's portfolio, or (ii) by payment of the equivalent.

3.5 Role played by each director in determining the features of the Plan; any conflict of interest involving the directors concerned

In defining the proposed Plan to be submitted to the Shareholders' Meeting of 17 April 2013, the Board of Directors has adopted the conclusions reached by the Company's Nomination and Remuneration Committee.

At the date of this document the members of the Board of Directors of Telecom Italia were: Franco Bernabé (Chief Executive Officer), Aldo Minucci (Vice Chairman), Marco Patuano (Chief Operating Officer), César Alierta Izuel, Tarak Ben Ammar, Lucia Calvosa, Elio Cosimo Catania, Massimo Egidi, Jean Paul Fitoussi, Gabriele Galateri di Genola, Julio Linares López, Gaetano Miccichè, Renato Pagliaro, Mauro Sentinelli, Luigi Zingales. The members of the Nomination and Remuneration Committee were Elio Cosimo Catania (Chairman), Massimo Egidi, Jean Paul Fitoussi and Gabriele Galateri di Genola. Based on the Company's corporate governance principles, meetings of the

Nomination and Remuneration Committee are also attended by the Chairman of the Board of Statutory Auditors or another statutory auditor appointed for the purpose.

At present, no Director holding office on the Company's board has a conflict of interest in relation to the decision to propose the Plan to the Shareholders' Meeting (and, in due time, to implement it). It should be noted however that the Chief Operating Officer is an employee of Telecom Italia.

3.6 Plan approval procedure

The Nomination and Remuneration Committee completed the process of defining the terms and conditions for implementing the Plan at its meeting on 6 March 2013, resolving to submit it for approval by the Board of Directors of the Issuer the next day.

At the meeting held on 7 March 2013, the Issuer's Board of Directors resolved to submit the Plan (and the by-law amendments required for its implementation) to the approval of the Shareholders' Meeting convened in single call for 17 April 2013.

3.7 Date of the decision taken by the competent body concerning allocation of the financial instruments and any proposal made to such body by any remuneration committee

See paragraph 3.6.

3.8 Market price on the above-mentioned dates of the financial instruments on which the Plan is based, if traded on regulated markets

The official price of the Shares on the Borsa Italiana S.p.A. electronic share market was

- 0.5701 euros on 6 March 2013;
- 0.5706 euros on 7 March 2013;

3.9 Terms and procedures considered by the Issuer with regard to establishing the timetable for allocation of the financial instruments in implementing the Plan and the potential coincidence between (i) such allocation or any decisions taken in this respect by the remuneration committee and (ii) the dissemination of any relevant information pursuant to article 114, subsection 1 of the CFL.

On 7 March 2013, Telecom Italia issued a press release on the financial results for the year at 31 December 2012, having already disclosed the 2012 preliminary results and the business objectives for 2013-2015 on 7 February 2013.

The initiative is expected to be launched within the current year (2013), also taking into account the performance of the shares on the stock exchange. On that occasion, a press release will be issued containing the terms and conditions of implementation of the initiatives.

4. CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ALLOCATED

4.1 Description of how the Plan is structured

The first phase of the Plan is the Offer of Shares deriving from the Reserved Capital Increase, of a maximum of 54,000,000 Shares, subject to a maximum individual investment of 10,000 euros, without prejudice to the right to reallocation should the Reserved Capital Increase fail to satisfy all of the subscription requests. The subscription price for the Shares in the Offer will be determined in due time by the Company's Board of Directors with a discount of 10% compared with the average market price for the month preceding the Offer (calculated according to the methods which shall be best determined by the Board of Directors at the implementation stage).

Beneficiaries who have retained the Subscribed Shares for one year, subject to retaining their status as Employees, will then be allocated profits under Art. 2349 of the Italian Civil Code by the issuance of Shares allocated free of charge in the ratio of 1 Bonus Share for every 3 Subscribed Shares (rounding off to the lower unit amount in the case of remainders). For this purpose, the Board of Directors will exercise the power (which the Shareholders' Meeting is being asked to grant) to identify, at the appropriate time, the profits and/or retained profits to be used for this purpose, with a mandate to make the appropriate accounting entries resulting from the issuance operations, in accordance with the legal provisions and accounting principles applicable in each case. Moreover, the Board of Directors may, where deemed necessary or appropriate, satisfy all or part of the demand for matching shares, (i) by using treasury shares in the Company's portfolio, or (ii) by payment of the equivalent.

Neither the purchase of the Shares at the Offer stage nor the allocation of the Bonus Share are linked to performance indicators.

4.2 Indication of the period of actual implementation of the Plan with reference also to any different cycles envisaged

The Plan is to be executed in two steps, as already described above in paragraph 4.1.

It is expected that the first step (Reserved Capital Increase) may be completed by June 2013, while the second (free allotment of Bonus Shares) will take place one year from completion of the Reserved Capital Increase, once it has been ascertained that the subscribers of the Reserved Capital Increase fulfil the requirements necessary to benefit from the matching.

4.3 Expiration of the Plan

The Plan will be implemented in two stages: the first is the Reserved Capital Increase for Employees, which will presumably be completed in 2013.

After one year, the Beneficiaries of the Plan who have retained the Subscribed Shares, subject to them having retained their status as Employees, will be allocated Bonus Shares free of charge in the ratio of 1 Bonus Share for every 3 Subscribed Shares, with rounding off to the lower unit amount in the case of remainders.

4.4 Maximum number of shares allocated in each tax year to persons identified by name or indicated by category

At this time, it is not possible to state the number of Shares of the Issuer which will be subscribed within the context of the Reserved Capital Increase (expected to be completed in 2013) nor, as a result, the number of Bonus Shares (which will be allocated free of charge in the following year, on completion of the Reserved Capital Increase, provided that the conditions described above are fulfilled).

In any event, the maximum extent of the Reserved Capital Increase is set as of now at 54,000,000 Shares, so the maximum number of Bonus Shares will be 18,000,000.

4.5 Plan-implementing procedures and clauses, specifying whether actual allocation of the Shares is subject to the fulfilment of conditions or to the achievement of specific results, including performance results

See points 4.1 and 4.2, above.

Neither the purchase of the Shares at the Offer stage nor allocation of the Bonus Share are linked to performance indicators.

4.6 Information on any restrictions on the availability of the Shares

The Subscribed Shares and the Bonus Shares shall have full entitlement to dividends as of the time of issuance.

No lock-up of the Subscribed Shares or the Bonus Shares is provided for, without prejudice to the following:

- any divestment within one year from acquisition of the Subscribed Shares shall result in forfeiture of the right to allotment of Bonus Shares;
- any divestment of the shareholding within three years of subscription (of the Subscribed Shares) or of the allocation (of the Bonus Shares) will result in the Employee forfeiting the favourable tax regime pursuant to Article 51, subsection 2, letter g) of the Income Tax Consolidation Act applicable to share ownership plans;
- access to financing from the Issuer for subscribing to the Shares in the Offer shall result in the corresponding Subscribed Shares being blocked until the debt to the Company has been repaid.

4.7 Description of any resolutory conditions in relation to the application of the Plan in the event that the Beneficiaries should perform hedging operations enabling the neutralisation of any bans on the sale of the financial instruments allocated, including those in the form of options, or financial instruments deriving from the exercise of such options

Not applicable: There are no bans on the sale of the Subscribed Shares or of the Bonus Shares.

4.8 Description of the effects arising from termination of employment

Subscribers of the Reserved Capital Increase who lose the status of Employee in the year following the issuance of the Subscribed Shares, shall forfeit the right to allocation of free Bonus Shares.

4.9 Indication of any other grounds for cancellation of the Plan

The Board of Directors will be granted the power to make changes to the terms and conditions of the Plan in the event of changes to the applicable regulations or extraordinary events likely to affect the Plan.

4.10 Reasons for any provision made by the Company to "repurchase" the financial instruments underlying the Plan, as provided for by Article 2357, et seq., of the Italian Civil Code, and related description

Not applicable: There is no provision for any "repurchase" by the Company involving the Subscribed Shares or the Bonus Shares.

4.11 Any loans or other credit facilities that are to be granted for subscription of the Shares pursuant to Art. 2358, subsection 3, of the Italian Civil Code

Employees may subscribe the Shares in the Reserved Capital Increase by paying the price in a single transaction or in instalments deducted from salary of all or part of the subscription price, subject to the restrictions and procedures that will be established in due time by the Board of Directors when defining the regulations.

4.12 Indication of the cost which the Company is expected to incur at the time of the allocation of the shares, as may be determined based on previously established terms and conditions, as an overall amount and for each financial instrument in the Plan

At the date of this document, it is impossible to indicate the exact amount of the expected cost of the Plan for the Issuer as it depends on the number of Shares subscribed at the time of the Reserved Capital Increase, and the number of Bonus Shares allocated when shares are matched in the subsequent year.

In applying accounting principle IFRS 2 ("*Share-based payments*"), the Company and, where applicable, each Italy-based subsidiary, for the part pertaining to them:

- in the financial year in which subscription of the Reserved Capital Increase to service the Plan takes place, will post in a separate profit and loss account an item in personnel costs as a counter-entry of a net equity reserve the total equivalent amount, as determined on the grant date, of the discount granted to employees for the Subscribed Shares;
- will determine,at the grant date of the right to receive the Bonus Shares the respective fair value and will record this value, *pro-rata temporis,* in a separate profit and loss account in personnel costs over the 12 months established for this right to be acquired as a counter-entry of a net equity reserve.

The costs thus posted among personnel costs may be deducted for the purposes of corporate tax (IRES) (27.5%) by the Company and, where applicable, each Italy-based subsidiary , for the part pertaining to them.

Telecom Italia will guarantee the administration of the Plan as part of the current activities of its corporate structures, with no additional costs for the Company.

4.13 Indication of any capital dilution effects caused by the Plan

In the event of the Reserved Capital Increase being implemented in its full amount, in the first phase of the Plan, a maximum of 54,000,000 Shares would be issued (representing 0.40% of the ordinary share capital at the date of this Information Document), to which, also assuming full allocation of the Bonus Shares by assigning profits, a further 18,000,000 Shares would be added (representing 0.13% of the ordinary share capital at the date of this Information Document).

In total, the two capital increases to service the Plan, if implemented in full, would represent 0.53% of the ordinary share capital of the Issuer at the date of this Information Document.

4.14 Any restrictions on the exercise of voting rights and the allocation of property rights

Not applicable: both the Subscribed Shares and the Bonus Shares shall have full entitlement to dividends as of the time of issuance.

4.15 If the shares are not traded on regulated markets, provide all the information needed to properly assess the value attributed to them

Not applicable: both the Subscribed Shares and the Bonus Shares will be traded on the Electronic Share Market) organised and operated by Borsa Italiana S.p.A..

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

Date 15/03/2013								
Name or category	Position	BOX 1 Financial instruments other than options Section 2 New instruments to be assigned on the basis of the decision of the Board of Directors to propose it to the Shareholders' Meeting						
		Date of the relevant meeting resolution	Type of financial instrument	Number of financial instruments assigned	Assignment date	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
TELECOM ITALIA - "2013 EMPLOYEE SHARE OWNERSHIP PLAN"								
Telecom Italia Group Employees		N.A.	Deferred allotment of Telecom Italia ordinary Shares free of charge subject to keeping the subscribed shares and employment with Telecom Italia Group companies	N.A. (*)	N.A.	N.A. (**)	N.A	(***)

Notes

(*) The maximum number of Shares which can be subscribed is 54,000,000, to which a maximum number of 18,000,000 Shares may be added free of charge.

(**)The subscription price shall be determined by the Board of Directors, with a discount of 10% with respect to the average market prices of the last month prior to the offer (but not, in any case, below the nominal value).

(***) Following the subscription, those persons who have held the Shares subscribed for one year, subject to maintaining their status of Employees of the Group, will receive new Shares free of charge in the ratio of 1 new Share for every 3 Shares subscribed.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

								Date 15/03/2013
Name or category	Position	BOX 1						
		Financial instruments other than *stock options*						
		Section 1						
		Instruments relating to currently valid schemes approved on the basis of previous shareholder meeting resolutions						
		Date of the relevant meeting resolution	Type of financial instrument	Number of financial instruments assigned	Assignment date	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
TELECOM ITALIA - 2012 LONG TERM INCENTIVE PLAN								
Top Management		15/05/2012	Allotment of Telecom Italia ordinary Shares free of charge subject to performance parameters	N.A. (*)	BoD/cb 28/06/2012	N.A.	0.741	(*****)
	of which Key Managers			N.A. (**)				
Selected Management		15/05/2012	Subscription of Telecom Italia ordinary Shares subject to performance parameters with deferred free allotment subject to keeping the subscribed shares	N.A. (***)	BoD/cb 28/06/2012	N.A. (****)	0,741	(******)

<u>*Notes*</u>

(*)Number of Shares for a total maximum amount of € 3,580,500, number to be determined based on the market value at the time of the assessment of the three-year performance (but not, in any case, below the nominal value).

(**)Number of Shares for a total maximum amount of € 1,727,100, number to be determined based on the market value at the time of the assessment of the three-year performance (but not, in any case, below the nominal value).

(***)Maximum number of Shares that can be offered for subscription for a total maximum amount (including share premium) of € 4,710,150 (of which € 70,200 reserved for Key Managers), with determination of the subscription price by the Board of Directors, to which a number of ordinary shares, free of charge, can be added for a maximum total amount of € 4,710,150 (of which € 70,200 reserved for Key Managers).

(****) The Shares subscription price will be the market price (but not, in any case below, the par value).

(*****)Three year period 2012-2014 to ascertain (in 2015) the level of achievement of the performance targets, followed by a two-year period at the end of which the allotment of Shares (in 2017) will take place. See the Prospectus issued on 2 April , 2012 for relevant description.

(******)Three year period 2012-2014 to ascertain (in 2015) the level of achievement of the performance targets, followed by a possible two-year period (in case of subscription of Shares) at the end of which the allotment of Shares (in 2017) will take place. See the Prospectus issued 2 April, 2012 for relevant description.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

<table>
<tr><td colspan="9" align="right">Date 15/03/2013</td></tr>
<tr><td rowspan="5">Name or category</td><td rowspan="5">Position</td><td colspan="7">BOX 1</td></tr>
<tr><td colspan="7">Financial instruments other than stock options</td></tr>
<tr><td colspan="7">Section 1</td></tr>
<tr><td colspan="7">Instruments relating to currently valid schemes approved on the basis of previous shareholder meeting resolutions</td></tr>
<tr><td>Date of the relevant meeting resolution</td><td>Type of financial instrument</td><td>Number of financial instruments assigned</td><td>Assignment date</td><td>Instrument purchase price (if applicable)</td><td>Market price at the time of assignment (^)</td><td>Vesting period</td></tr>
<tr><td colspan="9">TELECOM ITALIA - 2011 LONG TERM INCENTIVE PLAN</td></tr>
<tr><td colspan="9">Executive Directors</td></tr>
<tr><td>Franco Bernabè</td><td>Chairman and Chief Executive Officer</td><td>12/04/2011</td><td>Allotment of Telecom Italia ordinary Shares free of charge with a two year lock-up</td><td>3,380,553 (*)</td><td>Bod/cb 7/07/2011</td><td>N.A.</td><td>0.90459</td><td>(^^)</td></tr>
<tr><td>Marco Patuano</td><td>Managing Director and Chief Operating Officer</td><td>12/04/2011</td><td>Allotment of Telecom Italia ordinary Shares free of charge with a two year lock-up</td><td>2,414,681 (*)</td><td>Bod/cb 7/07/2011</td><td>N.A.</td><td>0.90459</td><td>(^^)</td></tr>
<tr><td rowspan="2">Top Management</td><td></td><td rowspan="2">12/04/2011</td><td rowspan="2">Allotment of Telecom Italia ordinary Shares free of charge with a two year lock-up subject to performance parameters</td><td>N.A. (**)</td><td rowspan="2">Bod/cb 7/07/2011</td><td rowspan="2">N.A.</td><td>0.90459</td><td>(^^^)</td></tr>
<tr><td>of which Key Managers</td><td>N.A. (***)</td><td>0.90459</td><td>(^^^)</td></tr>
<tr><td>Selected Management</td><td></td><td>12/04/2011</td><td>Subscription of Telecom Italia ordinary Shares subject to performance parameters with deferred free allotment subject to keeping the subscribed shares</td><td>N.A. (****)</td><td>Bod/cb 7/07/2011</td><td>N.A. (*****)</td><td>0.90459.</td><td>(^^^^)</td></tr>
</table>

<u>*Notes*</u>

(*) Maximum number of Shares that can be assigned upon achievement of performance targets (see Prospectus issued on 10/03/2011). The maximum number of Shares that can be assigned is calculated on the basis of the average Share price for the period 7 June to 6 July , 2011 (30 days prior the Board of Directors meeting that approved the launch of the Plan).

(**) Number of Shares for a total maximum amount of € 3,098,625; such number will be determined on the basis of the market value at the time of the assessment of the three-year performance (but not, in any case, below the nominal value).

(***)Number of Shares for a total maximum amount of € 1,593,525; such number will be determined on the basis of the market value at the time of the assessment of the three-year performance (but not, in any case, below the nominal value).

(****) Maximum number of Shares that can be subscribed for a total maximum amount (including share premium) of € 4,525,275 (of which € 63,450 reserved for Key Managers), with determination of the subscription price by the Board of Directors, to which it will be possible to add the number of ordinary shares assignable free of charge for a maximum total amount of € 4,525,275 (of which € 63,450 reserved for Key Managers).

(*****) The Shares subscription price will be equal to the market price for the Share (and, in any case, not below the par value).

(^) Official price of the Shares recorded on the Italian Stock Exchange at the grant date.

(^^) Three year period (2011-2013) for the assessment (in 2014) of the level of achievement of the performance targets, followed by a two-year lock-up period on the Shares (up to 2016). .See the Information Document published on 10 March, 2011 for the relevant description.

(^^^)Three year period (2011-2013) for the assessment (in 2014) of the level of achievement of the performance targets, followed by a two-year period after which the Shares will be assigned (up to 2016). See Information Document published on 10 March, 2011 for the relevant description.

(^^^^)Three year period (2011-2013) for the assessment (in 2014) of the level of achievement of the performance targets, followed by a two-year period (in case of subscription of Shares) after which the new Shares free of charge will be assigned (up to 2016) in an amount equal to those already subscribed. See the Information Document published on 10 March, 2011 for the relevant description

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

								Date 15/03/2013
Name or category	Position	BOX 1						
		Financial instruments other than *stock options*						
		Section 1						
		Instruments relating to currently valid schemes approved on the basis of previous shareholder meeting resolutions						
		Date of the relevant meeting resolution	Type of financial instrument	Number of financial instruments assigned	Assignment date	Instrument purchase price (if applicable)	Market price at the time of assignment	Vesting period
TELECOM ITALIA - "2010-2015 LONG TERM INCENTIVE PLAN"								
Telecom Italia Group Management	N.A.	29/04/2010	Subscription of Telecom Italia ordinary Shares subject to performance targets with deferred free allotment subject to keeping the subscribed shares	N.A. (*)	Bod/cb 29/07/2010	0.60 (**)	1.00768	(***)

Notes

(*) On the 7 March 2013 the Board of Directors verified the vesting of the bonus right for the recipients of the LTI Plan 2010-2015 and subsequently approved a capital increase to service the subscription of a maximum number of 576,544 new Shares (including 7,245 for Key Managers).

(**) The subscription price was determined by the Board of Directors on 7 March 2013, on the basis of the arithmetic average of the closing prices of the Shares recorded on the Italian Stock Exchange 30 days prior to the date of the meeting.

(***) Following the subscription of the Shares, a two-year period will follow after which the free allocation of new Shares (in 2015) will take place at a ratio of 1 new share for each Share subscribed. See the Information Document published on 13 April , 2010 for the relevant description.

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS

Table 1 of model 7 of Annex 3A of the Regulation 11971/1999

		Date: 15/03/2013							
Name or category	Position	Box 2							
		Stock Option							
		Section 1							
		Options relating to plans currently valid approved on the basis of previous shareholder meeting resolutions							
		Date of meeting resolution	Description of instrument	Options held at the end of the previous year	Options exercised	Assignment date by the BoD or competent body	Exercise price (*)	Market prices of the underlying shares on the assignment date (**)	Potential exercise period (from-to)

TELECOM ITALIA - STOCK OPTION PLAN TOP 2008

Members of the Board Of Directors of Telecom Italia S.p.A									
Franco Bernabé	Chairman and Chief Executive Officer	14/04/2008	Options on Telecom Italia ordinary shares with physical settlement	6,300,000	=	BoD/cb 15/04/2008	1.95	1.404	15/04/2011 15/04/2014
Gabriele Galateri di Genola		14/04/2008	Options on Telecom Italia ordinary shares with physical settlement	2,250,000	=	BoD/cb 15/04/2008	1.95	1.404	15/04/2011 15/04/2014
Total				8,550,000					

Notes
(*)Subscription price of Telecom Italia ordinary shares deriving from exercise of the Options
(**)Official price of Telecom Italia ordinary shares as shown on the Italian Stock Exchange on the Grant Date for the options.