

TELECOM ITALIA S.P.A.
SHAREHOLDERS' MEETING 17 APRIL 2013
EXPLANATORY REPORTS

Telecom Italia S.p.A.
Registered Office in Milan at Piazza degli Affari 2
General Administration and Secondary Office in Rome at Corso d'Italia 41
PEC (Certified electronic mail) box: telecomitalia@pec.telecomitalia.it
Share capital 10,693,628,019.25 euros fully paid up
Tax Code, VAT Registration Number and
Milan Business Register Number 00488410010

Ordinary session

- Financial statements as at 31 December 2012 – approval of the documentation on the financial statements – related and consequent resolutions and distribution of profits carried forward
- Report on remuneration - related resolutions
- Supplement of the Board of Statutory Auditors

Extraordinary session

- 2013 Employee Share Ownership Plan – related and consequent resolutions, including authorization to increase share capital for cash and free of charge for a total sum of 39,600,000 euros

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012 - APPROVAL OF THE DOCUMENTATION ON THE FINANCIAL STATEMENTS - RELATED AND CONSEQUENT RESOLUTIONS AND DISTRIBUTION OF PROFITS CARRIED FORWARD

Dear Shareholders,

The draft financial statements submitted for the approval of the Shareholders' Meeting show a net loss of 1,821,102,656.41 euros.

This result is essentially the effect of the write-down of the goodwill by over 4 billion euros. Excluding the impact deriving from this write-down, the Company's profit in 2012 would have been approximately 2.2 billion euros. The *impairment loss* does not have financial consequences and in any case the loss is fully offset by the amount of the company shareholders' equity, positive at 31 December 2012 by over 17,7 billion euros.

This circumstance nevertheless makes it possible to propose the payment of a dividend in the form of the distribution of the available reserves, although – with due caution – with a lower pay-out compared to the dividend policy of recent years.

In particular the following is proposed:

- coverage of the loss for 1,821,102,656.41 euros by withdrawing 740,988,391.89 euros from Profits carried forward from financial year 2003 and 1,080,114,264.52 euros from Profits carried forward from financial years 2008 and subsequent;
- the distribution of an extraordinary dividend amounting to 0.02 euros per ordinary share and 0.031 euros per savings share therefore recognizing, in accordance with art. 6.5 of the Company's By-laws, the increased dividend on savings shares, provided for in the bylaws for an amount equal to 2% of the par value of the share, with a withdrawal from the Profits of the year 2010 carried forward.

The amount of the total dividend distributed, without prejudice to the unit amount just indicated, will vary depending on the number of treasury shares in the Company's portfolio, as of today 37,672,014 ordinary shares. The amounts for dividends will be payable in favour of entitled parties, on the basis of the evidence of the share deposit accounts at the end of the record date of 24 April 2013, starting from the coming 25 April 2013, while the coupon date will be 22 April 2013.

In the context of the approval of the draft financial statements, lastly it is proposed to attribute to the reserve designated "Plans pursuant to Article 2349 of the Civil Code" the sum of 9,581,850 euros, taken from the profits carried forward from previous years, to service the capital increases by the allocation of profits to be deliberated on by the Board of

Directors to service the 2012 Long Term Incentive Plan approved by the Shareholders' Meeting of 15 May 2012.

In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

The Shareholders' Meeting of Telecom Italia S.p.A.,

- having examined the annual financial report of Telecom Italia S.p.A.;
- having taken note of the reports by the Board of Statutory Auditors and by the independent auditor PricewaterhouseCoopers S.p.A.;
- having considered that the overall number of shares with regular entitlement on the proposed coupon date will be equal to a maximum of 13,388,293,904 ordinary shares and 6,026,120,661 savings shares;
- in view of the authority of the Shareholders' Meeting, in the event of a lack or insufficient net profits resulting from the financial statements to meet the right to increase the savings shares, to meet them by distributing the available reserves, resulting in the exclusion of the mechanism to carry over in the two subsequent years the entitlement to the preference dividend not received by the distribution of profits, as stated in Article 6 of the company Bylaws;

resolves

1. to approve the financial statements of Telecom Italia S.p.A.;
2. to cover the loss for the year of Telecom Italia S.p.A. (of 1,821,102,656.41 euros) by withdrawing 740,988,391.89 euros from Profits carried forward from financial year 2003 and 1,080,114,264.52 euros from Profits carried forward from financial years 2008 and subsequent;
3. to pay the Shareholders a total dividend calculated on the basis of the following amounts, which will be applied to the number of ordinary and savings shares that they own (thus excluding the treasury shares in the Company's portfolio) on the record date:
 - 0.02 euros for each ordinary share,
 - 0.031 euros for each savings share,withdrawn from the profit for the year 2010 carried forward, gross of the withholdings prescribed by law;
4. to allocate to the reserve designated "Plans pursuant to Article 2349 of the Civil Code" the sum of of 9,581,850 euros, taken from the profits carried forward from previous

years, to service the capital increases to be deliberated on by the allocation of profits to be achieved under the 2012 Long Term Incentive Plan approved by the Shareholders' Meeting of 15 May 2012;

5. to make the dividend payable starting on 25 April 2013, with a coupon date of 22 April 2013 (record date 24 April 2013).

REPORT ON REMUNERATION – RESOLUTION ON THE FIRST SECTION

Dear Shareholders,

pursuant to article 123-ter, of Legislative Decree no. 58 of 24 February 1998, a remuneration report has been prepared for the Shareholders' Meeting to be held on 17 April 2013, divided into two sections:

- the first illustrates the Company's policy regarding the remuneration of members of the administrative bodies, general managers and key managers with strategic responsibilities, and the procedures used for its adoption and implementation, with reference to the 2013 financial year;
- the second provides a report on the items that make up the remuneration of the subjects mentioned above, with a detailed comparison of the remuneration paid to them in the 2012 financial year.

You are called on to express your opinion of the first section of the report, with a resolution that is not legally binding.

In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

The Shareholders' Meeting of Telecom Italia S.p.A.,

- given the applicable legal provisions regarding the remuneration report;
- having acknowledged the non-binding nature of the resolution required,

resolves

to approve the first section of the remuneration report.

SUPPLEMENT OF THE BOARD OF STATUTORY AUDITORS

Dear Shareholders,

Further to the resignation tendered by Standing Auditor Sabrina Bruno, in September 2012 Roberto Capone replaced her as a Standing Auditor of the Company. In accordance with the regulatory provisions and the Bylaws, Standing Auditor Roberto Capone was chosen from the same minority slate (submitted by a series of savings management companies, Italian and foreign) as the resigning Standing Auditor.

Today's Shareholders' Meeting is therefore called on to supplement the composition of the Board of Statutory Auditors pursuant to article 2401 of the Italian Civil Code, appointing one standing auditor and one alternate auditor.

Given that the slate voting mechanism does not apply to the case in question, the Board of Directors, having informally consulted Assogestioni as coordinator of the minority slate from which the auditors mentioned have been selected, in accordance with the requirements of the law and the Bylaws on the composition of the board of statutory auditors proposes that the appointment of Roberto Capone as standing auditor and the appointment of Fabrizio Riccardo Di Giusto as alternate auditor, with terms of office aligned with those of the other members of the Board of Statutory Auditors and therefore until approval of the financial statements for the year ending on 31 December 2014, be confirmed. The curricula vitae of the two candidates are attached below.

In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

The Shareholders' Meeting of Telecom Italia S.p.A.,

- given the resignation of Sabrina Bruno as standing auditor and her replacement by Roberto Capone;
- taking account of the fact that the mandate of the current Board of Statutory Auditors will expire with approval of the financial statements for the year ending on 31 December 2014 (as resolved by the Shareholders' Meeting of 15 May 2012),

resolves

to supplement the composition of the Board of Statutory Auditors with the appointment of Roberto Capone as standing Auditor of the Company and Fabrizio Riccardo Di Giusto as

alternate Auditor, both with mandate expiring in alignment with those of the other members of the Board of Statutory Auditors and hence until approval of the financial statements for the year ending on 31 December 2014.

Curriculum Vitae
of
Roberto Capone

Personal info

- Born in Milan on November 30, 1955
- Graduated in Economics and Business Administration at Università Cattolica, Milan
- Registered with:
 - a) Albo dei Revisori Contabili (Decreto del 12/4/1995 GU n. 31 bis 4° serie speciale del 21/4/1995 – n°10513)
 - b) Albo dei Dottori Commercialisti e degli Esperti Contabili di Milano (al n° 1611 in data 13/7/1983)
 - c) Albo dei Consulenti Tecnici del Tribunale di Milano (il 10/03/1998 al n°9492)
- Member of Commission for fees validation at Ordine dei dottori commercialisti e degli esperti contabili of Milan
- Member of Nedcommunity, (Non Executive Directors Community)

Career

- 1979 – 1983
Tax department of a primary Italian bank and then of the Italian branch of a U.S. bank
- 1983 onwards
Associate and since 1989 Partner of Studio Associato Caramanti Ticozzi & Partners
Via Felice Casati, 20 – 20124 Milan
Tel. 02 27791111 – 02 29521641
roberto.capone@ctep.it

Main activities

- Tax and corporate consulting
- M&A
- Member of Board of Directors, Board of Statutory Auditors, Supervisory Boards as per D. Lgs. 231/2001, Liquidator
- Appraisals of compagnie and businesses, Technical consultant with the Courts
- Companies restructuring

EUROPEAN CURRICULUM VITAE FORMAT

PERSONAL INFORMATION

Name DI GIUSTO FABRIZIO RICCARDO
E-mail f.digiusto@studiodigiusto.it; fabrizio.digiusto@legalmail.it
Nationality Italian
Date and Place of Birth Collevocchio (RI) June 20, 1966

WORK EXPERIENCE

- Dates Since 2002
- Name and address of employer Self-employed in Rome, 00199 - Piazza di Priscilla 4.
- Type of business or sector Main practice areas: Corporate legal advice, Fiscal advice/Tax law, Facilitated financing, Accounting and data processing
- Occupation or position held Self-employment Coordinator
- Main activities and responsibilities
 - Fiscal and administrative consulting to Companies, Professional Associations, Non-commercial Public Bodies, Local Government, and Asset Management Firms with particular focus on mutual funds for real estate investments
 - Budget planning and tax return preparation
 - Tax assistance and general advice
 - *Due diligence* reports focus on investment evaluation
 - Trade-union post focusing on accounting ex art. 2409-ter of the Italian civil code
 - Preparation of actions to regional and provincial tax commission
 - Activity of trustee in bankruptcy, Court of Justice Rome
 - Review and reporting of expenditures and investments financed by the Lazio Region in draft POR Ob.3 2000-06 for PricewaterhouseCoopers Advisory Ltd. Expert ESF programs – education
 - Securitization and sale of receivables without recourse for disposal of health credits; special prosecutor for local national health administrations and hospitals of the Lazio Region in the framework of agreements and negotiating settlements between the acts of trade associations (Farindustria Assobiomedica, Federlazio, ASFO Lazio, ARIS - FOAI), their companies and the Lazio Region
 - BIC Lazio: controller ex Article 16 of EC Regulation 1080/2006 concerning costs of projects financed by the European Community
 - Analysis of impacts PSD (Payment Services Directive) in terms of compliance of the organizational model, adjustment of the control model, evaluation of new service models in collaboration with leading management consulting firms: participation in multifunctional teams
 - Participation in consulting projects with credit companies for the upgrading of internal regulations. Analysis of the adequacy of the internal organizational structure to mitigate credit and operational risks
- Dates From June 2002 to May 2007
- Name and address of employer ASL RM B: Rome 00100, Via Filippo Meda 35
- Type of business or sector Local health
- Occupation or position held Director with fixed-term contract
- Main activities and responsibilities Head of Accounting and Tax as well as ordinary duties as which consisted in preparing budgets, expenditures and all tax returns. Keeping relationships with suppliers, the Treasury Institute, the Lazio Region (Health Department) and responsible for billing and active management options to maintain separate accounts for marketing purposes
- Dates From 1996 to May 2002

- Name and address of employer
 - Type of business or sector
 - Occupation or position held
- Main activities and responsibilities

Studio Associato Palandri, Rome – 00100 Piazza Navona, 49

Professional and tax law office

Supervisor

- Responsible for the Firm's customers Tax directly reporting to the partner in charge
- Customer support of the Studio for the activities of budget control and reporting
- Responsible for the working group created for drafting of both statutory and consolidated financial statements
- Assistance and consulting to administrative directions of Firm's customers
- Auditing activities: checking the correctness and validity of information contained in financial statements of clients
- Due diligence and tax accounting for the conclusion of special operations
- Extraordinary transactions: acquisitions and sales of equity investments, lines of business and liquidation, merger by incorporation
- Creation of business plans, plans of reorganization and restructuring
- Litigation: customer service subject to audits and inspections by the preparation and presentation of motions and appeals in the competent administrations
- Assessment, analysis and presentation of requests for funding in short, medium and long term (ordinary and subsidized) in respect of regional (Law 29/92) and national laws (Law 488/92, Law 341/95 on automatic incentives; law 215/92 for female entrepreneurs), executed on behalf of legal entities operating in the mining / manufacturing fields and tourism. Territorial Pacts
- Investigation, performed on behalf of Banks and Credit Institutions (BNL Banca Nazionale del Lavoro, Banca EFI, MCC Mediocredito Centrale, Europrogetti e Finanza), consisting in the revision of investment projects to rely on laws that act in favor of underprivileged areas in the country

• Dates

From 1994 to 1996

- Name and address of employer
 - Type of business or sector
 - Occupation or position held
- Main activities and responsibilities

Studio Associato Palandri, Rome – 00100 Piazza Navona, 49

Professional and tax laws office

Junior employee

- Accounting, tax and legal consultancy to persons and corporations aimed at the preparation of final accounts tax returns and tax stoppages; processing of direct and indirect taxes. Other local taxes
- Development and management of their customers

• Dates

From May 1991 to January 1994

- Name and address of employer
 - Type of business or sector
 - Occupation or position held
- Main activities and responsibilities

La Cicogna Srl – Rome, 00100 - Via Boccea, 496

Sales in children's fashion

Fixed-term employee

- Assistance to the "marketing and programming" team for the budget period (annual and interim), for company programming and control, preparation of Profit Plan (Budget and financial review) and market estimates (so-called market potential)

EDUCATION AND TRAINING

• Dates

January 1999

- Name and type of organization providing education and training
- Title of qualification awarded

Ministry of Justice

Auditor. Registered in the n. 10429

• Dates

From September 1996 to June 1997

- Name and type of organization providing education and training
- Title of qualification awarded

Università degli Studi di Roma, Tor Vergata

MBA in Labor Law

• Date

April 1995

- Name and type of organization providing education and training

Università degli Studi di Roma, "La Sapienza"

- Title of qualification awarded
Qualified Chartered accountant Register no. AA_005872
- Dates
July 1994
- Name and type of organization providing education and training
Università degli Studi di Roma, "La Sapienza"
- Title of qualification awarded
Degree in Economics with a thesis on labor laws: "Professionalism and application of collective agreement", supervisor Prof. Pasquale Sandulli. Final mark 100/110
- Dates
July 1986
- Name and type of organization providing education and training
Collegio Nazareno in Rome
- Title of qualification awarded
Degree in Science education

PERSONAL SKILLS AND COMPETENCES

MOTHER TONGUE Italian

OTHER LANGUAGES ENGLISH

- Reading skills Good
- Writing skills Good
- Verbal skills Good

SOCIAL SKILLS AND COMPETENCES

Excellent interpersonal skills and teamwork learned at all levels of education and workplace.
Excellent working relationships with clients and colleagues.
Easily adaptable to different business environments.
Excellent skills in planning and managing projects and assigned responsibilities

TECHNICAL SKILLS AND COMPETENCES

Excellent knowledge of international accounting standards, auditing standards and tax laws.
Excellent knowledge of Windows[®] 7 operating system (and earlier) and its applications.
Frequent use of MAC OS X system.
Excellent command in financial management and accounting processing programs such as Zucchetti, Oliamm Engisanità, Sispac, Teamsystem.
Excellent command of internet

DRIVING LICENCE

Cat. B

I authorize the use of my personal data contained in this document in compliance with Legislative Decree 196/03.

2013 EMPLOYEE SHARE OWNERSHIP PLAN – RELATED AND CONSEQUENT RESOLUTIONS, INCLUDING AUTHORIZATION TO INCREASE SHARE CAPITAL FOR CASH AND FREE OF CHARGE FOR A TOTAL SUM OF 39,600,000 EUROS

Dear Shareholders,

we submit the “2013 Employee Share Ownership Plan” (the “2013 Plan”) for your approval.

As described in the information document made available at the offices of the Company and on the website www.telecomitalia.com, the 2013 Plan, like the previous plan launched by the Company in 2010, consists of the offer to subscribe to Telecom Italia ordinary shares, for cash, at a discounted price compared to the market price, reserved to employees of the Telecom Italia Group, with the possibility of payment in whole or in part by instalments deducted from salary, and a further free assignment of ordinary shares, subject to retention of ownership of the subscribed shares for one year and continuing employment with a Telecom Italia Group company.

More specifically, the essential terms of the 2013 Plan may be summarised as follows:

Purpose

The purpose of the 2013 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 feeling of being part of the business.

Beneficiaries

The 2013 Plan is reserved to people who are employees of Telecom Italia or its Italy-based subsidiaries with a permanent contract (the “Employees”).

Re:

The 2013 Plan consists in the offer to the Employees of the possibility of subscribing ordinary Telecom Italia shares at a price discounted by 10% compared with the average of market prices for the previous month (calculated according to the methods which shall be best determined by the Board of Directors at the implementation stage) and in any event not below par value, up to a maximum limit of countervalue of 10,000 euros per person, subject to a maximum total amount of 54,000,000 ordinary shares. In the event that such capital increase should be insufficient to satisfy all subscription requests, the newly issued shares shall be distributed proportionately among all the subscribers, ensuring them full equality of treatment.

Subscribers who have held the purchased shares for a period of one year, subject to their retaining the status of Employees, shall receive ordinary shares of the Company free of charge allotted to them at a ratio of one free share (the “*Bonus Share*”) for every 3 shares subscribed for cash.

Limits and restrictions on shares

The shares subscribed and the Bonus Shares shall have full entitlement to dividends as of the time of issuance. No lock-up of the shares is provided for, without prejudice to the fact that the 2013 Plan will observe the conditions for access to the favourable tax regime pursuant to article 51 of the Consolidated Income Tax Act, as provided for broad-based share ownership plans, and that sale of the shares within three years of the subscription (of the shares for cash) or of the allocation (of the Bonus Shares) shall entail forfeiture of the respective benefit by the Employee.

Methods of implementation

To service the 2013 Plan, we are therefore submitting for your approval the granting to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code and for a period of five years as of the date of today’s resolution, of the authority to increase the share capital as follows:

- (i) for cash, by the issue of a maximum of 54,000,000 new ordinary shares of 0.55 euros par value each, with regular dividend entitlement, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, to be reserved for a part of the employees who are beneficiaries of the “2013 Employee Share Ownership Plan”, and then, subsequently
- (ii) by the allocation of profits pursuant to Article 2349 of the Italian Civil Code, with the issue of ordinary shares in the number necessary for the allocation of one free share for every three shares subscribed for cash, as described above, by employee beneficiaries of the "2013 Employee Share Ownership Plan," subject to the terms and conditions and by the methods specified therein.

subject to the possibility for the Board of Directors, if it is deemed necessary or appropriate, to satisfy the demand for matching shares, in whole or in part, by the use of treasury shares in the Company's portfolio or by payment of an equivalent. The Board of Directors therefore also asks the Shareholders’ Meeting for authorisation to dispose of the aforementioned treasury shares.

With respect to the capital increase for cash, the Board of Directors shall be assigned the right to determine the amount of share premium for the new shares, which shall be issued

applying a discount of 10% compared with the average of the market prices 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), and in any event at not below par value. Regarding the share issues to be carried out by allocation of the profits, the power to identify, in due course, the profits and/or retained profits to be used for this purpose, shall be assigned to the Board of Directors, with a mandate to make the appropriate changes to the accounts consequent on the issue operations, in accordance with the legal provisions and the accounting principles that are applicable in each case.

In relation to the proposed resolutions authorising an increase in the share capital (which result in a maximum theoretical dilution of 0.37% of the total share capital and 0.53% of ordinary shares only at 31 December 2012), shareholders who do not vote in favour of these proposals do not have the right of withdrawal.

While you are invited to refer to the information document analytically explaining the initiative, the proposed resolution for the Shareholders' Meeting to approve the 2013 Employee Share Ownership Plan and the related mandates to increase the share capital is reproduced below, with a comparison of the current version of article 5 and the revised version incorporating the proposed amendments.

In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

The Shareholders' Meeting of Telecom Italia S.p.A.,

- having examined the descriptive report by the Board of Directors (the "Report");
- given the statement by the Board of Statutory Auditors that the current share capital has been fully paid in
- having taken note of the information document on the initiative prepared for disclosure purposes,

resolves

1. to approve the "2013 Employee Share Ownership Plan" in the general terms set out in the Report, as well as the information document prepared for disclosing the initiative (the "2013 Plan");
2. to confer on the Board of Directors all powers necessary or expedient for implementing the 2013 Plan, making any changes and/or additions to it that prove necessary for the implementation of what has been resolved, including for the purposes of compliance

with any applicable regulatory provision, including authorisation to assign ordinary treasury shares in the Company portfolio free of charge.”

3. to attribute to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a period of five years from the date of this resolution, the right to increase the share capital to service the implementation of the “2013 Employee Share Ownership Plan,” (i) by the issuance for cash of a maximum of 54,000,000 new ordinary shares with a par value of 0.55 euros each, and as such for a nominal amount no greater than 29,700,000 euros, regular dividend entitlement, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, to be reserved for the respective beneficiaries, and therefore subsequently (ii) for the maximum amount of 9,900,000 euros by the allocation of the corresponding maximum amount of profits pursuant to article 2349 of the Italian Civil Code, by issue of a sufficient number of ordinary shares for the allocation of one free share for every three shares subscribed for cash, as above, by employees in the “2013 Employee Share Ownership Plan,” subject to the terms and conditions and by the methods specified therein,
 With respect to the capital increase for cash, the Board of Directors shall set the subscription price (including any premium) in accordance with the “2013 Employee Share Ownership Plan”, and it shall also set suitable time limits for its subscription, providing that, if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time. Regarding the increase in capital to be made available by allocation of the profits, the Board of Directors shall have the right to proceed to properly identify the profits and/or retained profits according to the last properly approved financial statements to be used for this purpose, with a mandate to make the appropriate changes to the accounts consequent on the issue operations, in accordance with the legal provisions and the accounting principles that are applicable in each case.
- to amend article 5 of the bylaws as follows:

CURRENT TEXT	PROPOSED TEXT
5.1 - The subscribed and fully paid-up share capital shall be equal to 10,693,628,019.25 euros, divided into 13,416,839,374 ordinary shares with a par value of 0.55 euros each and 6,026,120,661 savings shares with a par value of 0.55 euros each.	Unchanged.
5.2 - In resolutions to increase the share capital by issuing shares for cash, the right of pre-emption may be excluded for up to a maximum of ten per cent of the previously existing capital, provided the issue price corresponds to the market value of the shares and this is confirmed	Unchanged.

<p>in a report prepared by the firm appointed as external auditor.</p>	
<p>5.3 - The allocation of profits to employees of the Company or subsidiaries shall be allowed, in the legal terms and manner, by means of the issue of shares pursuant to subsection 1 of Art. 2349 of the Italian Civil Code.</p>	<p>Unchanged.</p>
<p>5.4 - For five years starting from 29 April 2010 the Directors may increase the share capital to service the “2010-2015 Long Term Incentive Plan”, as approved by the Company Shareholders’ Meeting of 29 April 2010, up to a maximum amount of 5,000,000 euros by the allocation of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issue of new ordinary shares with a par value of 0.55 euros each, with regular dividend entitlement, in the number necessary for the allocation of one free share for each share subscribed for cash by employee beneficiaries of the “2010-2015 Long Term Incentive Plan”, within the time periods and under the terms and conditions provided for therein.</p>	<p>Unchanged.</p>
<p>5.5 - For five years starting from 12 April 2011 the Directors may increase the share capital to service the “2011 Long Term Incentive Plan” as follows, as approved by the Meeting of the Shareholders’ of the Company of that date:</p> <ul style="list-style-type: none"> – (i) for cash, by the issue of new ordinary shares of 0.55 euros par value each, with regular dividend entitlement, up to a maximum amount of 5,000,000 euros, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Civil Code, and of article 134, subsection 2, of legislative decree no. 58/1998, to be reserved for some of the employees who are beneficiaries of the “2011 Long Term Incentive Plan” as previously identified by the Board of Directors of the Company, and then, subsequently (ii) for a maximum amount of 5,000,000 euros by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Civil Code, by the issue of a sufficient number of ordinary shares for the allocation of one free share for every paid share subscribed, as above, subject to the terms and conditions and by the methods specified in the “2011 Long Term Incentive Plan” ; – for a maximum amount of 5,500,000 euros by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Civil Code, by the issue of ordinary shares reserved for some of the employees who are beneficiaries of the “2011 Long Term Incentive Plan” as previously identified by 	<p>Unchanged.</p>

<p>the Board of Directors of the Company, subject to the terms and conditions and by the methods specified in the “2011 Long Term Incentive Plan” .</p> <p>With respect to the capital increase for cash, the Board of Directors shall set the subscription price (including any premium) in accordance with the “2011 Long Term Incentive Plan,” and it shall also set suitable time limits for its subscription, providing that, if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time.</p>	
<p>5.6 - For five years starting from 15 May 2012 the Directors may increase the share capital to service the “2012 Long Term Incentive Plan” as follows, as approved by the Meeting of the Shareholders’ of the Company of that date:</p> <ul style="list-style-type: none"> - (i) for cash, by the issue of new ordinary shares of 0.55 euros par value each, with regular dividend entitlement, up to a maximum amount of 5,500,000 euros, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Civil Code, and of article 134, subsection 2, of legislative decree no. 58/1998, to be reserved for some of the employees who are beneficiaries of the “2012 Long Term Incentive Plan” as previously identified by the Board of Directors of the Company, and then, subsequently (ii) for a maximum further amount of 5,500,000 euros by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Civil Code, by the issue of a sufficient number of ordinary shares for the allocation of one free share for every paid share subscribed, as above, subject to the terms and conditions and by the methods specified in the “2012 Long Term Incentive Plan”; - for a maximum amount of 4,000,000 euros by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Civil Code, by the issue of ordinary shares reserved for some of the employees who are beneficiaries of the “2012 Long Term Incentive Plan” as previously identified by the Board of Directors of the Company, subject to the terms and conditions and by the methods specified in the “2012 Long Term Incentive Plan”. <p>With respect to the capital increase for cash, the Board of Directors shall set the subscription price (including any premium) in accordance with the “2012 Long Term Incentive Plan,” and it shall also set suitable time limits for its subscription, providing that, if the increase</p>	<p style="text-align: center;">Unchanged.</p>

<p>resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time.</p>	
	<p>5.7 - For five years starting from 17 April 2013 the Directors may increase the share capital as follows:</p> <ul style="list-style-type: none"> - to service the implementation of the “2013 Employee Share Ownership Plan,” as approved by the Shareholders’ Meeting on 17 April 2013, (i) by the issuance for cash of a maximum of 54,000,000 new ordinary shares with a par value of 0.55 euros each, and as such for a nominal amount no greater than 29,700,000 euros, regular dividend entitlement, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, to be offered to the employees who are beneficiaries of the "2013 Employee Share Ownership Plan", and subsequently (ii) for the maximum amount of 9,900,000 euros by the allocation of the corresponding maximum amount of profits pursuant to article 2349 of the Italian Civil Code, by the issue of a sufficient number of new ordinary shares with a par value of €0.55 euros each, with regular dividend entitlement, necessary for the allocation of one free share for every three shares subscribed for cash, as above, by the employees who are beneficiaries of the “2013 Employee Share Ownership Plan,” subject to the terms and conditions and by the methods specified therein. <p>With respect to the capital increase for cash, the Board of Directors shall set the subscription price (including any premium) in accordance with the “2013 Employee Share Ownership Plan”, and it shall also set suitable time limits for its subscription, providing that, if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time.</p>
<p>5.7 - For five years starting from 8 April 2009 the Directors may increase the share capital in one or more tranches by up to a maximum total amount of 880,000,000 euros by the issue, with or without a share premium, of up to a maximum of 1,600,000,000 ordinary shares with a par value of 0.55 euros each</p> <ul style="list-style-type: none"> (i) to be offered with the right of pre-emption to persons having entitlement; including just a part thereof, (ii) to be offered for subscription to employees of Telecom Italia S.p.A. and its subsidiaries with the exclusion of the right of pre- 	<p style="text-align: center;">Renumbered</p>

<p>emption pursuant to the combined effects of the last subsection of Article 2441 of the Civil Code and Article 134, subsection 2, of Legislative Decree 58/1998.</p>	
<p>5.8 - Resolutions to increase the share capital adopted by the Board of Directors in exercising the powers attributed above shall set the subscription price (including any premium) and a time limit for the subscription of the shares; they may also provide, in the event that the increase approved is not fully subscribed within the time limit established for each issue, for the capital to be increased by an amount equal to the subscriptions received up to such time.</p>	<p>Renumbered</p>
<p>5.9 - The Board of Directors may issue, in one or more tranches and for up to a maximum of five years from 8 April 2009, bonds convertible into ordinary shares to be offered with the right of pre-emption to persons having entitlement up to a maximum nominal amount of 1,000,000,000 euros.</p>	<p>Renumbered</p>

- to confer on the Board of Directors, and, on behalf thereof, on the legal representatives *pro tempore* of the company, jointly or severally, all the powers necessary to:
 - ✓ make the changes required on a case by case basis to article 5 of the Company Bylaws that are consequent to the resolutions, and the execution and completion of the increases in share capital described above, and to that end meet all the obligations and ensure the advertising required by the regulations;
 - ✓ to complete all the necessary formalities for the adopted resolutions to be entered in the Business Register, accepting and introducing into said resolutions the amendments, additions or deletions of non-substantial parts that might be requested by the competent authorities, as well as all the powers necessary for legal and regulatory compliance deriving from the resolutions adopted.