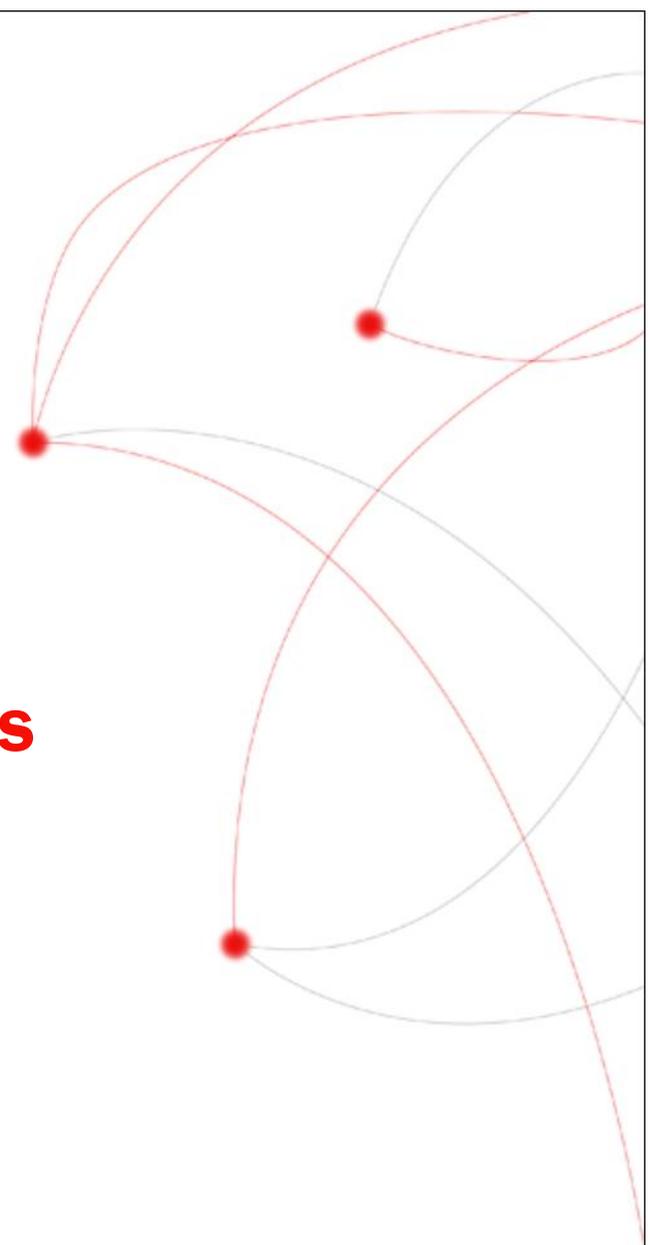


Telecom Italia Conference Call
2010 Results & Plan Update
February 25th, 2011

Telecom Italia

Key Takeaways & Plan Targets

FRANCO BERNABE'



Safe Harbour

These presentations contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company and the Group.

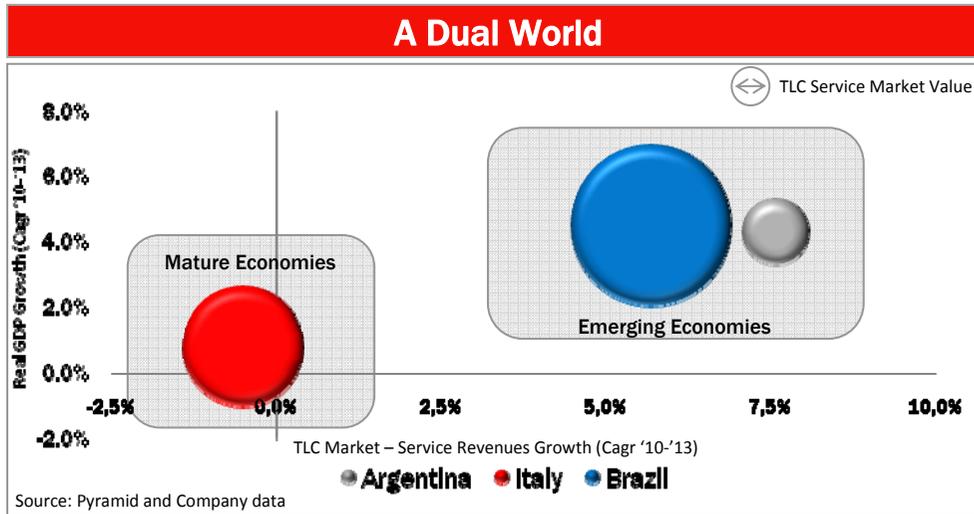
Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.

Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

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It should also be noted that starting from the year 2010, Telecom Italia reclassified some taxes paid in Brazil of non-material amount, previously included in "Other operating expenses", in reduction of "Revenues" and "Other income" in order to ensure a better comparability and intelligibility of the financial information.

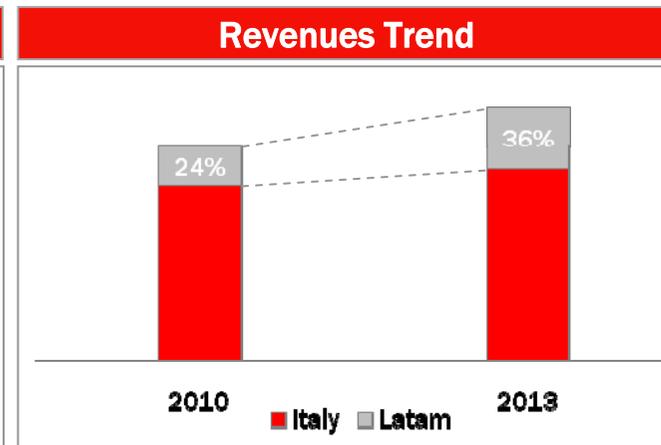
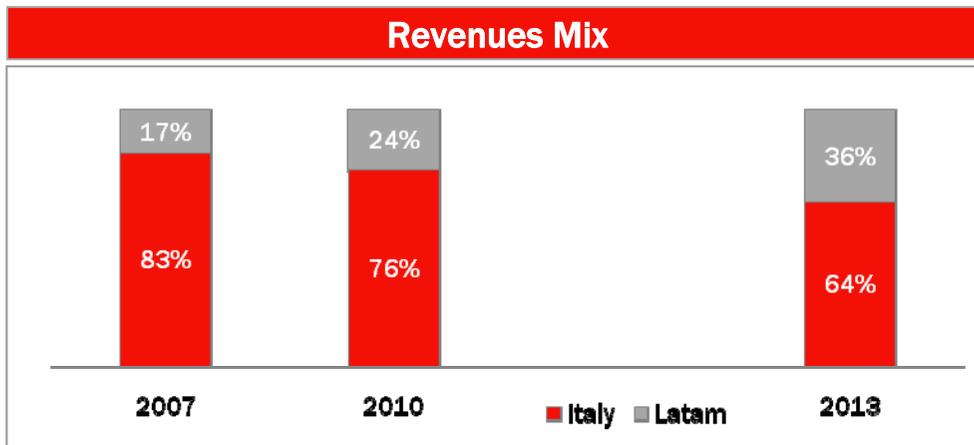
A More Diversified Group to Capture Growth Opportunities



Highlights

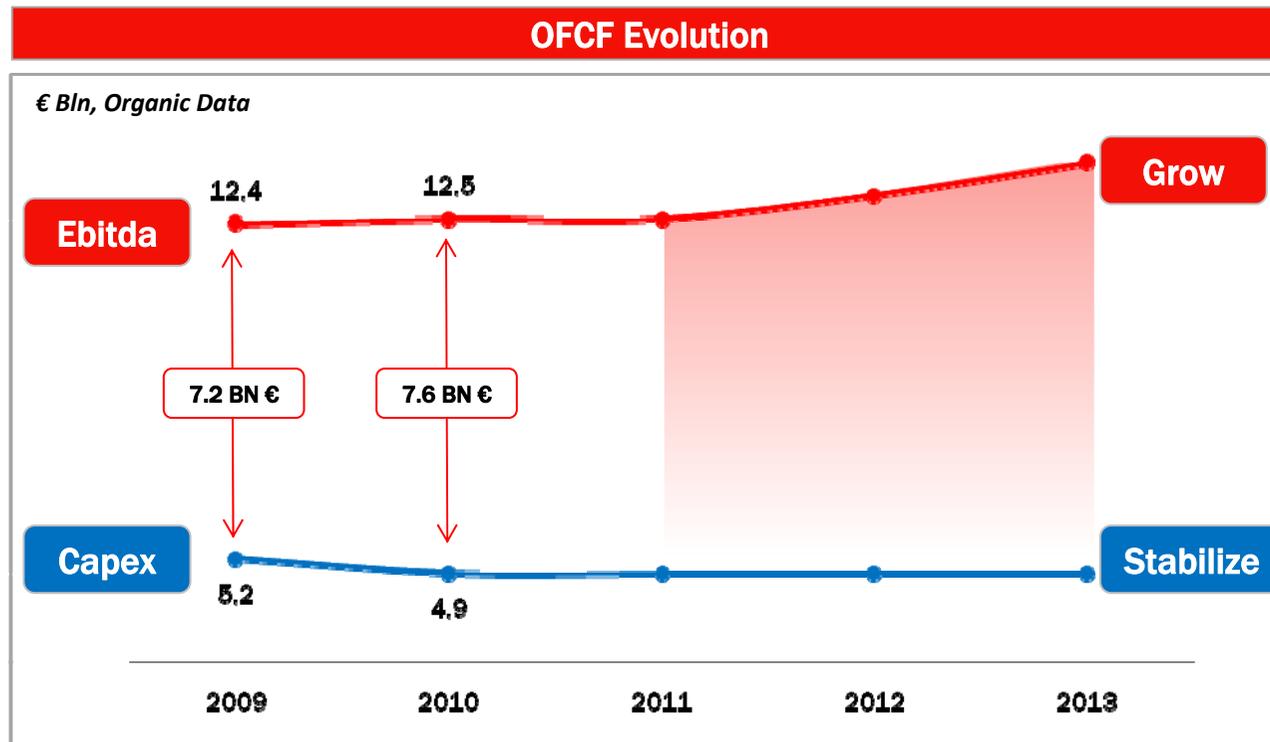
Doing business in a dual world:

- ▶ **Italy is our cash cow** – mature economy, far better than peripherals, with private sector debt and net external debt position among the lowest in Europe. Very competitive and mature TLC market
- ▶ **Latam is our growth enabler** – boosting economies with appealing and growing TLC markets that are among the biggest in the world



Reported data, 2007 and 2010 include only Brazil, Argentina results consolidated starting from 01/01/11, Italy excludes TI Media & Olivetti

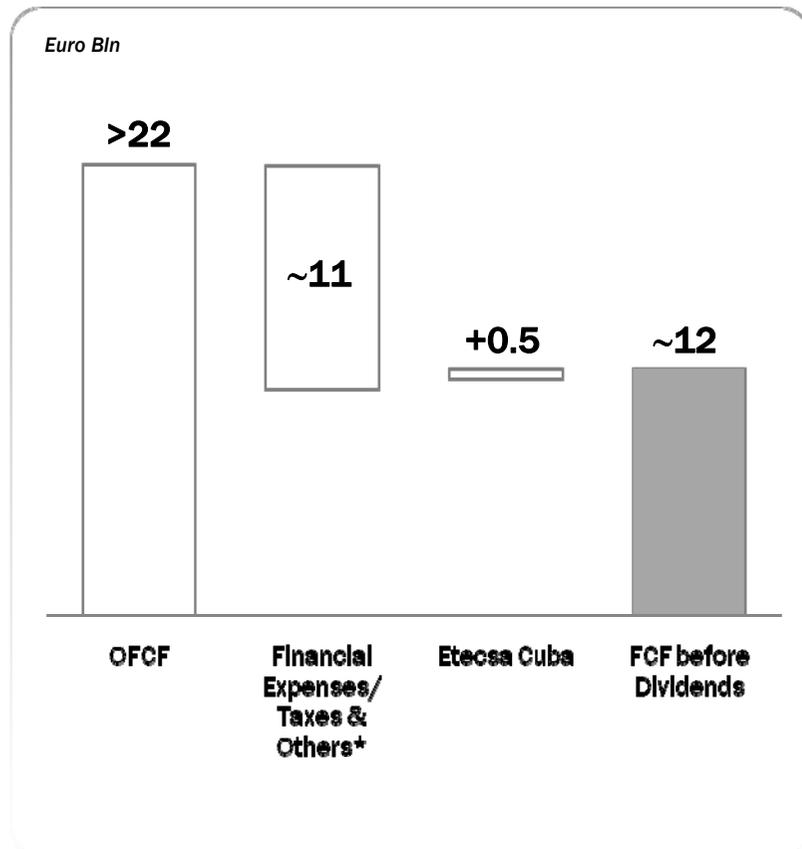
Strong OFCF Generation Confirmed



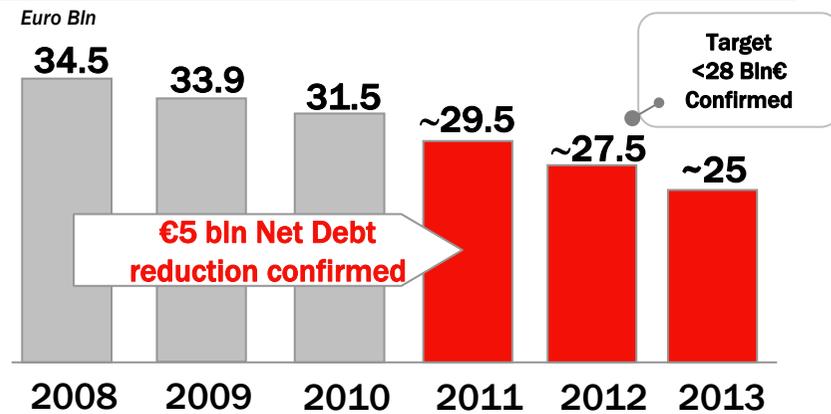
* Based on reported Ebitda and Capex, including Δ Working Capital. Includes Telecom Argentina 2009 and 2010 Group data, for comparison purposes only, includes Telecom Argentina consolidated data for 12 months (Unaudited proforma figures) Assuming 2010 exchange rates (R\$/€ 2.33; ARS/€ 5.19) and excluding non organic items impact Acquisition of Domestic Mobile Licenses (2.6 Ghz, 1800 Mhz, 800 Mhz, probably in 2011) and Brazilian Mobile 4G licenses non included

Continued Capital Discipline: Focus on de-leverage and Shareholders Remuneration

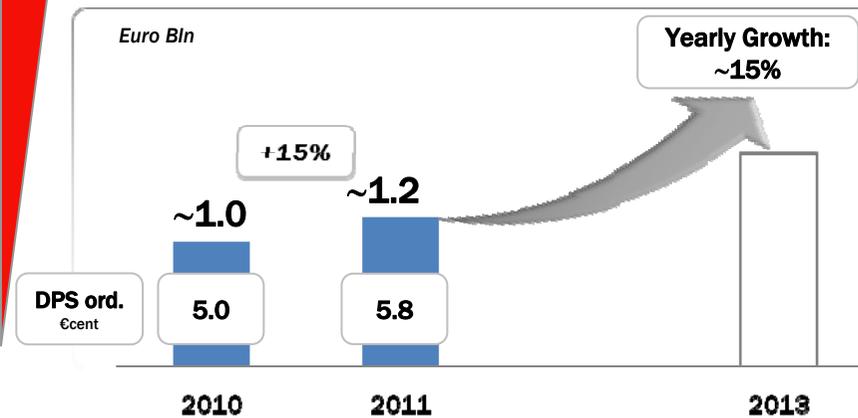
Free Cash Flow Generation Cum. 2011 – 2013**



Net Financial Position Adjusted



Dividend Policy



*Includes financial charges not related to Debt

** Acquisition of Domestic Mobile Licenses (2.6 Ghz, 1800 Mhz, 800 Mhz, probably in 2011) and Brazilian Mobile 4G licenses non included

Telecom Italia Group– Target Plan Update

TI Group	
Organic Data	
Revenues 2011	Broadly Stable vs 2010 (29.5 € bln)
Ebitda 2011	Broadly Stable vs 2010 (12.5 € bln)
Capex 2011	~4.8 € bln
NFP Adj. 2011	~29.5 € bln
TI Group	
OFCF cum '11-'13	>22.0 € bln
NFP Adj. 2013	~25.0 € bln

2010 Group data, for comparison purposes only, includes Telecom Argentina consolidated data for 12 months. (Unaudited proforma unaudited)
 Assuming 2010 exchange rates (R\$/€ 2.33; ARS/€ 5.19) and excluding non organic items impact
 OFCF: Based on reported Ebitda and Capex, including Δ working Capital & Telecom Argentina

Telecom Italia Core Markets – Target Plan Update

Organic Data

Italy	
Revenues 2011	~ -4% vs 2010 (20.0 € bln)
Ebitda 2011	>9.4 € bln
Brazil	
Revenues 2011	+7%/+8% vs 2010 (14.5 R\$ bln)
Ebitda 2011	>4.5 R\$ bln
Argentina	
Revenues 2011	>17.7 ARS bln
Ebitda 2011	>5.5 ARS bln

Assuming perimeter as December 2010, and excluding non organic items impact