



PRESS RELEASE

TELECOM ITALIA PRESENT TRADE UNIONS WITH PLAN TO REDIMENSION THE WORKFORCE AND REDUCE LABOUR COSTS OF SPECIFIC DIVISIONS

The previously announced project to recruit 4,000 young people has been postponed for now, until a law has been defined that supports generational change in companies with a high average age, at the same time enabling employment levels to be protected

Rome, 23 July 2015

Telecom Italia announces that in a meeting held today at the Ministry of Economic Development, it has informed the Trade Union Organisations of the need to start negotiations about staffing levels within the Group and on the need to realign labour costs in specific divisions within the Company.

In recent months Telecom Italia has been working on a plan that envisaged creating up to 4,000 new jobs for young over the next four years, following the introduction of a so called "expansive solidarity" programme.

This legal provision would have enabled current employment levels to be protected, allowing progressive implementation of generational change in companies with employees of high average age, as is the case for Telecom Italia, to ensure the relevant skill sets and new expertise are met.

"Expansive solidarity", which was initially put forward by the Italian Government as one of the proposals for the labour market reform, has not yet been included in the published decrees of the Jobs Act. Telecom Italia – still willing to implement a project to hire young people - has decided to postpone all decisions regarding new recruitment until the Government takes the next steps on this subject.

Consequently, as of today, the staffing issues remains and, in some divisions, also the issue of labour costs. Telecom Italia has therefore informed trade unions about a plan that envisages:

- for the Caring Service (Customer Services) sector, as already provided by the 2013 business plan, the move in house of the sector employees into the new subsidiary Tim Caring Srl, within a short period of time. Furthermore, excesses have been identified within the division Directory Assistance, for whom the current defensive solidarity arrangements expire in August
- excesses have been mostly identified also within Staff areas (in the broader sense of the term, including business support activities) and in fewer numbers in the Cross Activity business of Open Access and in Telecom Italia Information Technology

The number of redundancies communicated to the Trade Union Organisations is approximately 1,700 in the whole Telecom Italia Group.



The Company is willing to further discuss with the Trade Unions to identify the needed solutions that conjugate safeguard of employment with efficient and sustainable labour cost. The parties have agreed to carry on negotiations at the Ministry over the next days.

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