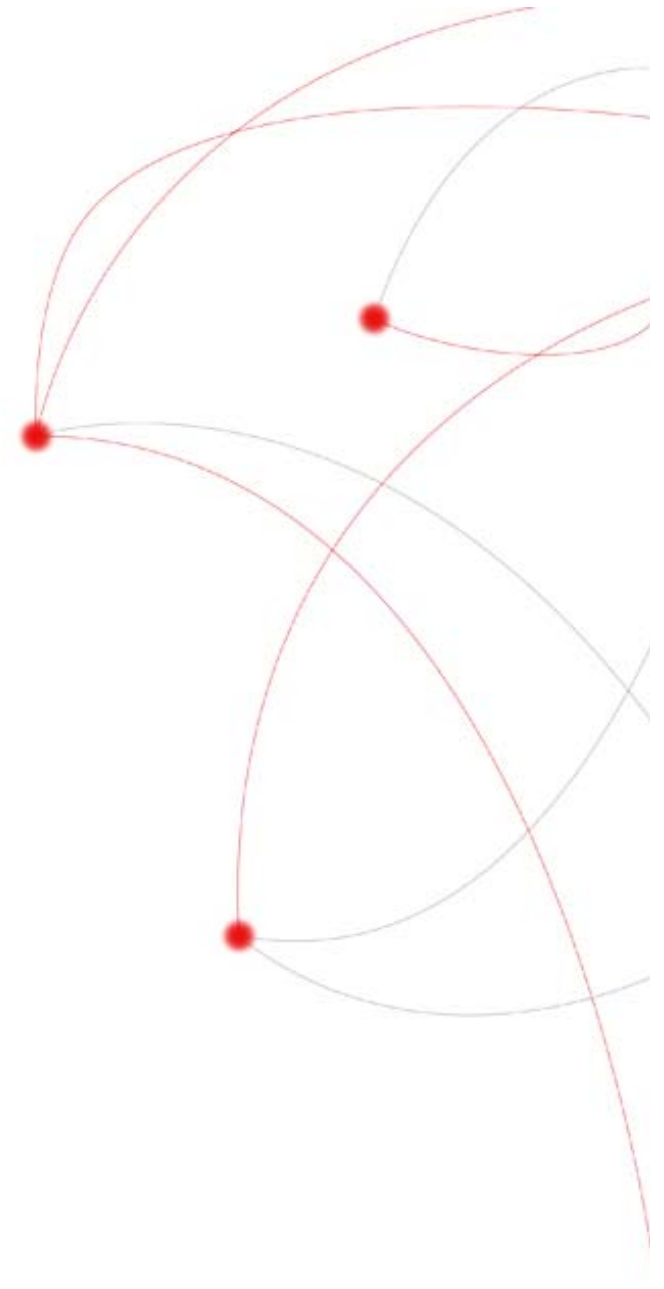


GRUPPO TELECOM ITALIA

April 16, 2014
Annual General Meeting
Mechanics



Nota bene

The present slides describe the voting process for Telecom Italia's ordinary shareholders AGM to be held on April 16, 2014, and are provided for the convenience of investors who are not familiar with the Italian legal system and Italian issuers' practice. As such, they are intended as a non binding description of the expected voting procedures, based on precedents and experience: in accordance with Italian law and the Company's bylaws, the direction of the AGM is a responsibility of its Chairman.

In case of doubt, please feel free to contact our information agent Sodali S.p.A., at +39 06 45212824.

For information regarding:

- availability of the proposed resolutions and the documentation regarding the items on the agenda;***
- presentation of the slates of candidates for the election of the Board of Directors;***
- presentation of the resolution proposals and/or requests to supplement items on the agenda;***
- exercise of the right to ask questions before the meeting;***
- attendance at the meeting and exercise of voting rights, including by remote voting and by proxy***
- organizational aspects of the meeting***

please see the notice of the meeting, which is posted on the Company's website www.telecomitalia.com/agm.

Agenda

Ordinary session

- ❑ **Financial statements as at 31 December 2013 – approval of the financial statements documentation – related and consequent resolutions**
- ❑ **Distribution of a privileged dividend to savings shares through utilization of reserves – related and consequent resolutions**
- ❑ **Report on Remuneration – resolutions on the first section**
- ❑ **Appointment of the Board of Directors – related and consequent resolutions**
- ❑ **Appointment of the Chairman of the Board of Directors by the shareholders' meeting**
- ❑ **Supplementary remuneration for the Board of Statutory Auditors – related and consequent resolutions**
- ❑ **Stock options plan – related and consequent resolutions**

Extraordinary session

- ❑ **Mandate to increase the share capital to service the stock options plan – amendment to art. 5 of the Company's By-Laws – related and consequent resolutions**
- ❑ **Definitive reduction of the revaluation reserve pursuant to Law n. 413/1991**

General mechanics

According to Italian law, shareholders meetings resolve upon proposals:

- **ordinary items are approved with the favourable vote of the absolute majority (more than 50%) of attending shares (including shares voted by remote voting and by proxy)**
- **extraordinary items are approved with the favourable vote of two thirds of attending shares (including shares voted by remote voting and by proxy)**

As a result, for a resolution to pass, ABSTAIN equals a vote AGAINST the specific proposal which has been put to a vote.

A different, ad hoc regulation applies to the election of Board members. They are elected using a slate system, described below.

Proposals

The Board of Directors put forward its proposals on all items of the agenda of the April 16 AGM, excluding the election of Board members and related resolutions.

The following slides describe how the voting process works for the election of Board members and the appointment of the Chairman of the Board.

Election of the Board of Directors

The agenda of the 2014 AGM includes two separate items regarding election of the Board of Directors:

- **Appointment of the Board of Directors – related and consequent resolutions**
- **Appointment of the Chairman of the Board of Directors by the Shareholders' Meeting**

For neither of the aforementioned items has any proposal been put forward by the current Board of Directors, which invited shareholders to take action and make their own proposals. The Board did provide some recommendations on the size and composition of the new Board in a specific report (posted on the Company's website).

For the sake of transparency, the second item was added to the AGM's agenda pursuant to a specific request by Findim Group S.A., according to Italian law.

Election of the Board of Directors – related and consequent resolutions

The resolutions to be taken are four (plus a fifth one, in case certain conditions are met):

- Establishing the number of Board members***
- Fixing their term of office***
- Determining their compensation***
- Actually electing new Directors, in the number already established***

In addition, if any of the appointed candidates is in competition with Telecom Italia, either directly or indirectly, the AGM will vote on a waiver of the non competition clause (art. 2390 of the Italian Civil Code).

Election of the Board of Directors – establishing the number of Board members (1/3)

According to Telecom Italia's bylaws, the number of Board members may vary from 7 to 19, according to the resolution approved by the Shareholders' Meeting. Presently it is 15, and it will not change until a new resolution is duly adopted.

The resolution on this issue requires an absolute majority of the shares attending the meeting. To this end ABSTAIN equals AGAINST.

Two proposals have been put forward:

- Telco S.p.A. proposed to fix the composition of the Board at 13***
- Findim Group S.A. proposed to fix the composition of the Board at 11***

Election of the Board of Directors – establishing the number of Board members (2/3)

When there are multiple proposals on a specific issue, the order in which they are put to a vote is decided by the Chairman of the meeting, according to the following order:

- Proposals by the Board***
- Proposals by shareholders which made them public beforehand***
- Proposals by shareholders which put them forward during the meeting***

If there are different proposals by shareholders which fall into the same category, priority is given to the proposing shareholder (or group of shareholders) with the largest shareholding, so that proposals by shareholders which have more votes (that is more shares) are put to vote first, as they have a greater chance of passing.

Election of the Board of Directors – establishing the number of Board members (3/3)

The April 16 AGM will therefore vote, first, on the proposal by Telco (which owns approximately 22.4% of the overall voting shares) to establish the number of Board members at 13.

If this proposal is not approved (does not obtain an absolute majority of the votes) the Chairman will submit to the AGM the proposal by Findim Group (which owns approximately 5% of the overall voting shares) to establish the number of Board members at 11.

If neither proposal is approved, any proposal by shareholders (or their proxies) attending the meeting will be considered, subject to the bylaw limitations (among 7 and 19 members)

If no proposal obtains the absolute majority of the votes, the number of Board members will remain at 15.

Election of the Board of Directors – fixing the new Board's term of office

According to Italian law, the maximum term of office of the Board of Directors is three financial years, which is common practice.

The resolution requires the favourable vote of an absolute majority of the shares attending the meeting: see previous slides. Please consider that to this end ABSTAIN equals AGAINST.

The resolution is uncontroversial, as the two most significant shareholders (that is Telco and Findim Group) put forward the same proposal to fix the new Board's duration up to the shareholders' approval of the Company's financial statements as of December 31, 2016 (that is three years).

Election of the Board of Directors – determining the new Board's compensation (1/2)

Compensation of the Board of Directors (excluding the Chairman and the Managing Director) is up to the Shareholders' Meeting.

The resolution is not subject to any quantitative limitations by statute or under the Company's by-laws. The only requirement is the favourable vote of an absolute majority of the shares attending the meeting (please note that to this end ABSTAIN equals AGAINST).

In this case as well, only Telco submitted a proposal, which is

- to keep the present compensation of the existing Board unmodified, subject to the change in number of the Board members to be appointed from 15 to 13, if such proposal is approved,***
- to determine the total annual remuneration of the Board at 1.9 million euros (it was 2.2 million with a Board of 15 members)***

Election of the Board of Directors – determining the new Board's compensation (2/2)

The proposed compensation is a maximum amount only, and the distribution among Directors of the overall sum (in part or in full) will be up to the new Board itself: no guideline has been put forward by the exiting Board to this end.

As a rule, membership in internal Committees will be considered and disclosure on the resolutions taken on the issue will be included in the 2014 annual remuneration report.

Election of the Board of Directors – appointing new Directors (1/7)

According to Italian law, appointment of Directors, when a new Board as a whole is set up, is subject to the vote by slate system, as governed by the Company's bylaws.

As specified in the ad hoc report approved by the current Board, shareholders owning 0.5% of the voting capital or more are entitled to submit a slate of candidates, at least 25 days before the AGM takes place.

The term expired on March 22, when three separate slates were duly filed:

- by Telco, listing 13 candidates***
- by Findim Group, listing 5 candidates***
- by a group of institutional investors (coordinated by Assogestioni), listing 3 candidates***

Election of the Board of Directors – appointing new Directors (2/7)

Slates presented for the appointment of the Board of Directors:

Telco S.p.A.

- 1. Giuseppe Recchi**
- 2. Marco Emilio Angelo Patuano**
- 3. Baroness Denise Kingsmill**
- 4. Flavio Cattaneo**
- 5. Giorgina Gallo**
- 6. Tarak Ben Ammar**
- 7. Laura Cioli**
- 8. Giorgio Valerio**
- 9. Jean Paul Fitoussi**
- 10. Luca Marzotto**
- 11. Elena Vasco**
- 12. Paolo Fumagalli**
- 13. Maurizio Dattilo**

Findim Group S.A.

- 1. Vito Alfonso Gamberale**
- 2. Girolamo di Genova**
- 3. Franco Lombardi**
- 4. Maria Elena Cappello**
- 5. Daniela Mainini**

Group of institutional investors

- 1. Lucia Calvosa**
- 2. Davide Benello**
- 3. Francesca Cornelli**

http://www.telecomitalia.com/content/dam/telecomitalia/en/archive/documents/investors/AGM_and_Meetings/2014/lista-Telco-2014-eng.pdf

http://www.telecomitalia.com/content/dam/telecomitalia/en/archive/documents/investors/AGM_and_Meetings/2014/lista-Findim-2014-eng.pdf

http://www.telecomitalia.com/content/dam/telecomitalia/en/archive/documents/investors/AGM_and_Meetings/2014/lista-Assogestioni-2014-eng.pdf

Election of the Board of Directors – appointing new Directors (3/7)

***At the meeting, shareholders will be required to choose among the
aforementioned slates (it's a take it or leave it):***

- the slate which obtains the most votes will be the Majority Slate and 4/5 of
the directors to be appointed (rounding down to the nearest whole number)
will be taken from such slate, according to the order in which they were listed***
- the other slates will be the Minority Slates and the remaining directors to be
appointed will be taken from them.***

***To this end, each candidate of such slates will be associated to a number
(quotient) resulting from the division of (i) the number of votes obtained by the
slate by (ii) the number indicating his/her position in the slate. All of such
quotients (with their associated candidates) will be listed in a single ranking
and candidates with the highest quotients will be appointed.***

Election of the Board of Directors – appointing new Directors (4/7)

The distribution of seats among Majority and Minority Slates will be as follows:

- **if the number of Directors to be elected is 13, ten (10) Directors will be taken from the Majority Slate and three (3) will be taken from the Minority Slates**
- **in case the number of Directors to be elected is 11, eight (8) Directors will be taken from the Majority Slate and three (3) will be taken from the Minority Slates**

Election of the Board of Directors – appointing new Directors (5/7)

If the Majority Slate does not include the number of candidates corresponding to the number of Directors it is entitled to elect, the number of Minority Directors will not change and the remaining (Majority) Directors will be appointed by a vote of an absolute majority of the shares attending the Shareholders Meeting.

This means that the vote by slate system will allow appointment of the new Board only if the Telco slate is the Majority Slate, as this is the only slate which includes enough candidates:

- if the Findim Slate obtains the highest number of votes, either 3 (in case of a Board of 11) or 5 (in case of a Board of 13) additional board members will be needed***
- in case the Assogestioni Slate obtains the highest number of votes, either 5 (in case of a Board of 11) or 7 (in case of a Board of 13) additional board members will be needed***

Election of the Board of Directors – appointing new Directors (6/7)

In both cases the additional board members will have to be separately appointed by the AGM with a standard absolute majority vote. Please consider that, to this end, ABSTAIN equals AGAINST.

When a standard majority vote (or a series of such votes) is required to supplement the composition of the Board up to the number of Board members the AGM previously fixed, any attending shareholder is entitled to submit his/her proposal, according to the order described above. The proposal can refer to a single candidate or a list of candidates, as this is a choice up to the proposing shareholder only.

Election of the Board of Directors – appointing new Directors (7/7)

There is no certainty that the AGM will be able to reach an absolute majority of votes on any proposal, as the outcome of the December 20, 2013 EGM proved.

In any case, the Board of Directors will not be duly elected if less than 7 members (the minimum composition according to the Company's bylaws) are appointed.

In this instance, according to Italian law (art. 2385 of the Civil Code) the exiting Board will not cease to hold office and will be required to call a new Shareholders' Meeting for the purpose of electing a new Board of Directors following the process described above.

Election of the Chairman of the Board of Directors by the Shareholders' Meeting (1/2)

After the new Board of Directors has been appointed, the Shareholders will have to resolve on the election of its Chairman from among its members.

The resolution is to be taken with a standard resolution, that is voting on a single proposal (and not by asking for a preference among the 11-13 Board members). The proposal will be approved if it obtains an absolute majority of the votes cast in favour (please note that, to this end, ABSTAIN equals AGAINST)

The Board of Directors recommended shareholders filing a slate propose one of their candidates for the position as Chairman of the Board of Directors. To this end,

- Telco proposed Mr. Giuseppe Recchi***
- Findim Group proposed Mr. Vito Alfonso Gamberale***

Election of the Chairman of the Board of Directors by the Shareholders' Meeting (2/2)

The two proposals will be put to a vote separately, starting from the proposal by Telco (which is the proposal from the shareholder owning the most shares, and that therefore is more likely to obtain the necessary majority for approval).

Only if this proposal is not approved will the proposal by Findim Group be voted upon.

In case neither proposal is approved, any attending shareholder will be entitled to submit his/her proposal and nominate one of the appointed Directors and, if no proposal is approved, the decision will be taken by the Board itself, according to the Company's bylaws.

Only duly elected Directors can be appointed as Chairman of the Board.