The Ordinary Shareholders’ Meeting of TELECOM ITALIA S.p.A. began at 11:05 a.m. on 20 May 2015, at Via Toscana 3, Rozzano, Italy.

Mr. Giuseppe Recchi, Chairman of the Board of Directors, declared the meeting open and, with the unanimous consent of all attendees, asked Carlo Marchetti to act as the meeting Secretary.

The Chairman began by reading out the Agenda, containing the following items:

**Ordinary session**

1. Financial statements as at 31 December 2014 – approval of the documentation on the financial statements – related and consequent resolutions
2. Allocation of the profits for the year - related and consequent resolutions
3. Report on remuneration – resolution on the first section
4. Appointment of the members of the Board of Statutory Auditors: appointment of both the Standing Auditors and the Alternate Auditors; appointment of the Chairman of the Board of Statutory Auditors; determination of the compensation
5. Deferral by liquidation in equity of a portion of the short-term incentive - 2015 cycle - related and consequent resolutions

**Extraordinary session**

*(Omissis)*

The Chairman, continuing, announced that:
- the call notice for the Shareholders' Meeting was published in full on the Company website on 30 March 2015, in summary on 30 March 2015 in the daily Il Sole 24 Ore newspaper and on 31 March 2015 in the daily The Wall Street Journal;
- the share capital was 10,723,490,008 euros, divided into 19,497,254,560 shares, of which 13,471,133,899 were ordinary shares and 6,026,120,661 were savings shares, without par value;
- as of the date of the meeting, the Company held 37,672,014 of its ordinary treasury shares. In addition, 124,544,373 Telecom Italia ordinary shares were held by its subsidiary Telecom Italia Finance S.A.;
- no postal votes had been received;
- votes representing 518,172 shares had been received electronically, via the Company’s website.

The Chairman declared that, at 11:09 a.m., the ordinary shares participating in the shareholders’ meeting for the purposes of the quorum were 7,695,809,144 in total, including the ones associated with electronic votes. The share capital represented at the meeting was therefore equivalent to 57.13% of the total of ordinary shares.

Accordingly, the Chairman noted and acknowledged that the meeting was quorate and able to discuss and resolve on the matters included in the agenda. The Chairman also stated that:
- the documentation relating to the various items on the agenda had been published in compliance with the applicable regulations and a copy was available in the hall, along with answers to questions received within the time-limits specified in the call notice. A copy of this document is annexed to these minutes;
- the following documents were distributed at the entrance:
  - the printed document containing the financial statements for 2014 (including the proposed resolutions and the associated explanatory reports);
  - the printed document containing the slates and curricula vitae of the candidates for the renewal of the Board of Statutory Auditors, as well as the press release issued by the company on 30 April 2015, summarising the proposals validly received from the shareholders;
  - a printed document containing the report on corporate governance and share ownership and the remuneration report;
  - the information document on the "Deferred MBO 2015 Plan";
  - a printed document containing documentation relating to the Merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A.
- according to the figures in the possession of the Company, the following held shares with voting rights amounting to more than 2% of the ordinary capital:
  - Telco S.p.A., with a direct holding, by way of ownership, corresponding to 22.296% of the capital with voting rights;
  - People's Bank of China, with a direct holding, by way of ownership, corresponding to 2.072% of the capital with voting rights;
  - Blackrock Inc, with an indirect holding in the capacity of asset manager corresponding to 4.794% of the capital with voting rights;
- no shareholder was known to be subject to a suspension of the right to vote under the applicable regulations;
- as regards shareholders' agreements relevant for Telecom Italia pursuant to article 122 of Legislative Decree 58/1998:
  - the latest update of the existing agreement between the members of the relative majority shareholder Telco S.p.A. (Intesa San Paolo S.p.A., Mediobanca S.p.A., companies in the Generali Group and Telefónica S.A.) was published on 04 March 2015; The description of the essential elements of the Telco agreement was contained in the report on corporate governance, distributed at the entrance to the hall;
  - 26 March 2015 saw the publication of the commitment given by Telefónica not to exercise the administrative rights connected to the Telecom Italia ordinary shares that it would come to hold indirectly after the break-up of Telco.

The notices containing summaries of the aforementioned agreements are available on the Consob website and the Telecom Italia website;
- the following attended the meeting, besides the Chairman and the Chief Executive Officer Marco Patuano:
  -- the Directors Giorgina Gallo, Davide Benello, Laura Cioli and Giorgio Valerio;
  -- all the members of the Board of Statutory Auditors;
  -- Dario Trevisan, attorney, common representative of the holders of savings shares;
  -- Francesco Pensato, common representative of the holders of bonds relating to the following loans: "Telecom Italia S.p.A. Euro 1,250,000,000 5.375 per cent. Notes due 2019".
  -- Enrico Cotta Ramusino, common representative of the holders of bonds relating to the loan “Telecom Italia 2002-2022 Floating Rate bonds, Open Special series, reserved for subscription by employees of the Telecom Italia Group, in service or retired”;
- finally, representatives of the independent auditors were present, as well as staff engaged in the proceedings of the meeting;

The Chairman, also:
- as prescribed in the Regulations governing the shareholders’ meetings, determined that for the ordinary part, the maximum duration of the speeches made during the discussion would be ten minutes, and that the discussion would consider all the topics on the ordinary agenda together; he also reminded the meeting that, pursuant to the Regulations governing the shareholders' meetings, the time available to speakers for replies/voting declarations in the ordinary part of the meeting would be two minutes;
- stated that voting would then take place separately on the various items on the agenda;
- pointed out that the operations of recording attendances and counting the votes would be performed with the aid of a remote unit, the so-called “televoter”, which is associated with the personal identification details of the entitled individuals.

- reminded shareholders who intended to address the meeting to make a booking; when called to make their speech they would be required to proceed to the podium set up for the purpose, and avoid speaking from the floor;

- he then informed the meeting that recording equipment was being used in order to facilitate minute-taking, and that there was also a simultaneous translation service from Italian to English and vice versa (headphones were available at the entrance to the hall). The personal data collected would be handled for the purposes of the proper conduct of the meeting and for minute-taking. All data would be handled in accordance with the legislation on privacy;

- he reminded attendees that audio and video recording of the meeting by shareholders was not permitted;

- since the documentation for all the items on the Agenda had been made available on paper and via the internet, and also distributed at the entrance to the hall, he announced, and no one objected, that the reading of the Agenda would be omitted.

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The Chairman then read out the text of the speech reproduced below.

"Dear Shareholders,

the new Board of Directors of our company took office a year ago. The shareholders' meeting is the most appropriate occasion to take stock. Last year, this meeting made an important choice, appointing an independent board of directors. That choice has been good for our group. The Chief Executive Officer will report to you how the realisation of our business plan is proceeding, in Italy and in Brazil.

As for me, I can't not make some remarks of a different nature. I think that you, like me, have perceived how our Group has featured heavily in the media: due to the attention bade to it by broad swathes of the political world and of public opinion.

We greeted with enthusiasm the Government Plan for broadband, and the determination with which the Prime Minister has placed this issue at the centre of the political agenda. Enthusiasm because we finally have a government with a vision of the role for ICT in the future of our country.

But the details are important. And there is still a lot of confusion, and superficiality, about the details.

But let's stick to facts, and those regarding our group in particular. The facts tell us that Telecom Italia is the solution to our country's digital delay, not the cause.
Telecom invests, and will continue to invest. Our business plan envisages 3 billion in investment per year. Our Group invests more than any other in Italy: more than any other enterprise in any sector of the economy. In the last 12 months the development of fixed and mobile ultrabroadband networks has speeded up enormously. In fact, we have reached and exceeded the targets set for 2014 both in terms of coverage and in terms of network performance. All thanks to the 25,000 people, technicians and engineers, who make up our network divisions. They are exceptional men and women. I want to thank them, and I believe that all of us, Telecom shareholders, owe them our thanks. Everyday, it is they who "make" technological innovation in Italy. Lots of people talk, write or tweet: while they act. It is thanks to them that we have already been able to ensure 32% coverage of the population, in terms of the fixed network, while for the mobile network we have achieved coverage of over 80% of the population. The coverage targets in the 2015–2017 business plan for fixed and mobile ultrabroadband networks are even more ambitious: 75% and 95% of the population. I'll say they again: to 75% and 95% of the population. The ambition to make the best infrastructure available to our customers is a constant in all the countries we operate in, and so the modernisation of the networks will also necessarily involve our Brazilian businesses. Brazil is the fourth largest telecoms market in the world. In Brazil, we have around 75 million subscribers: so we have a lot more customers in Brazil than there are Italians in Italy! It really would make no sense to ignore such a huge target market, in a young country that, despite recent difficulties, is aiming to achieve standards of living that are increasingly closer to those of the Western world. We want to be and remain protagonists in a country that is growing. With a strategic plan for over 14 billion reais (over 4 billion euros) in investment, we are aiming to "feed" the growing demand for mobile broadband services. Our investments are, moreover, "unconditional" investments. Which means that they are investments that are testimony of how much we believe in our country, in its potential, in the desire of those who govern us to build an environment that is finally "certain" for those who invest and do business in Italy too. You all know that after the crisis, the "new normal" sees many businesses intent on downsizing their workforces and activities, while governments, in contrast, are seeking to protect them. We live in a world in which governments compete to attract and reward enterprises that promise new
investment, with increasingly favourable economic conditions and incentives (in the form of tax breaks, more flexible employment contracts, etc.).

Telecom Italia, however, has invested and continues to invest "without asking for anything in return". But just as we do not ask for aid and favours, nor do we want to be penalised in the name of the more typical demonstration of Italian provincialism: the one in which someone else’s grass is always greener.

Ours is a realistic plan. It is a plan conceived by weighing our strengths and what we believe the trend in market demand to be. It is a plan that will bring the infrastructure of our country up to the level of those in the other major European countries.

And for precisely this reason, some of the "reactions" to this plan have surprised us. A lot. We have heard lots of self-appointed experts in broadband discussing architectures and standards. Many have often been in favour of an architecture solution considered to be "future proof" (called Fibre to the Home) which uses and lays optic fibre to individual homes, labelling the Telecom Italia technological solutions that instead opt for "Fibre to the Cabinet" solutions too cautious.

These assessments are wrong for two kinds of reasons: firstly, as we have stated repeatedly, these are no mutually exclusive choices, instead, it is a scenario in which in certain areas the FTTC architecture will be progressively transformed into FTTH. Secondly, we do not agree with the principle whereby the "more future proof the better". Telecom Italia's investment must not necessarily be "future proof" (and it is worth wondering who can know what the future will be, in our sector), Telecom Italia's investments must be sustainable in business and financial terms ... and able to provide a return on the capital that shareholders like you have made available to us, trusting us with your savings.

Telecom Italia is a private company that must create value for its shareholders, and cannot allow itself to dig for the sake of digging.... when we dig, we do it to lay optic fibre to the extent that this will generate incremental cash flows that can remunerate the investment made.

And I would like to ask you to distinguish between words and plans: Words are one thing... and we leave them to others; serious, well-thought out, reliable plans, are something else. In this respect, I have discovered that in Italy people talk about Telecom more than they do about the national football team the Monday after a game, and that, above all, as for the football, everyone’s a technical expert. Too often I read presumed "news items" that seem to be written not so much by financial correspondents as by the script-writers of some television drama, when they are written well, and more often, by lovers of fictitious background stories.

We have stopped paying attention to these, and we advice you to do the same.
There will be infrastructure, and it will be quality infrastructure. We have made a commitment and we will respect it: Italy's level of infrastructure provision will be the same as those of the other European Countries.

The seriousness of our intentions can be seen in the numbers, such as the full extent of our copper and optic fibre networks, at 114 and 9 million kilometres, respectively, the over 40 thousand cabinets reached by optic fibre, but also, and above all, the 4000 jobs we expect to create over the next four years to bring this great project to life.

The plan is happening at a time characterised by major changes, from the increasing global role of the business models of the "OTT" operators, to the convergence of communications and audiovisual services, from the change in our customers' consumer habits to the necessary market consolidation. When the world turns, you can't stop moving.

We have to ride the changes, not submit to them. I guarantee you, that the question of how to make this Group an example of an enterprise that is "permanently evolving" is my first thought, and that of the Board of Directors, the CEO, and the entire management.

We have taken aspects in many aspects (from corporate governance to the management model, from the business plan to the new organisational structure, the outsourcing of the towers and the completion of the agreement to sell the Argentine businesses).

But of all the changes our Group has been involved in, the most important is the change regarding the new corporate governance. In the last 12 months, our Group has changed skin. Telecom Italia is one of the few Italian companies that, by the choice of its own shareholders (and not because it was imposed on it), decided to appoint a board of directors composed of a majority of independent directors. The shareholders chose to break with the past, a choice that has put our group in the position of facing issues that had needed to be dealt with for some time with greater awareness, compactness and efficacy.

Thanks to this choice, too, Telecom Italia is now the largest Italian "public company". This is something we can all be proud of.

Being a public company means always acting in the interests of the business.

Being a public company means creating value for all the shareholders. All of them. And this is the commitment of this Board, this is the commitment of the management.

In conclusion.

This company is showing that it has two talents: competence - the competence of an extraordinary team - and coherence.

We've kept our promises, showing discipline and credibility.
We had said we would respect the targets we had set ourselves in the 2014-2016 plan, and we have done even better, relaunching them with a new plan for 2015-2017, which sets even more ambitious targets.

We had said we would bring Italy closer to the objectives of the European digital agenda: and that is exactly what we’re doing, through the new plan we have just launched.

We said that in the more profitable areas, public action was not necessary. And in these areas, we were the first to act, proposing to use the best performing technological solutions.

We are the first and only company to invest in the South. In particular, we won 7 contracts with fair and open tenders, in competitions set up in the seven regions of the Centre and South, with over 700 million in total investment.

We have repeated, several times, that the technological solutions we were proposing to use would be able (in the near future) to achieve the performance objectives dictated by the European Digital Agenda. And a few weeks ago we launched a joint trial with one of our major competitors, that in fact will enable us to demonstrate the feasibility of this goal.

Finally, even when it was a question of assessing the ”Metroweb” operation, we did it with extreme clarity and transparency. We immediately defined the conditions for our involvement in the project.

We have no preconceived position on the idea of undertaking a joint programme with other subjects. But the conditions of this programme must be such as to enable us to create greater value for our shareholders.

We cannot be asked to stop being who we are. When it’s a question of building and managing telecommunications networks, we are second to none. The new networks are our way of creating long term value for our shareholders and our customers. We have always done this, and there is no reason why we shouldn't continue to do so in the future, too.

Ours is a great Italian and international Group. We are an Italian business that invests in Italy. We are a Brazilian business that invests in Brazil.

As I have said, countries that want to open up, to gain resources and brains, that want to focus on investment and innovation, must know how to attract them. And a business must know how to do the same thing, even more so a company that is listed on international markets.

The foreign investments that Italy wants to attract are not only the investments of our competitors - which are all companies that are foreign owned: it is also the investments made by those who decide to invest in Telecom Italia. We respect our foreign competitors deeply, we are ready for a very tough market competition, and may the best company win!
We reject the notion that foreign investments in Telecom Italia are "dangerous": anyone bringing capital and skills contributes to make our Group a stronger Group. Italian or foreigner, it makes no difference.

We have difficult choices before us. We won't duck them, we won't be afraid of deciding. That's another promise. And we'll keep that one too.

And every year, we will be thankful for your support.

Thank you."

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After he had finished speaking, the Chairman ceded the floor to the Chief Executive Officer, who read out the text of the speech that follows.

"Dear Shareholders,

the Annual Shareholders' Meeting is a fundamental moment of assessment and sharing. Assessment of the results achieved, and sharing of information on the progress of our market and future strategies.

We start with the results we have achieved in the last year. Very important results, that indicate a change of pace and perspective in the management of the company.

First, the share price. Last year, here in Rozzano, I told a shareholder that we could not start saying that we were satisfied until our share price had reached at least 1 euro. Well, the price of ordinary Telecom Italia shares on the Italian stock exchange rose from the minimums of 0.5 euros per share (August 2013) to its current level of over 1 euro and 10 eurocents. Between 1 January 2014 and 31 March 2015, the market performance of Telecom Italia shares has increased sharply, with the ordinary share price rising 51.5% and the savings shares by 53.8%, clearly outperforming the sector index (+23.3%) and the Italian index (+22.1%), and capitalisation rose from 16 to 20 billion euros. A notable result, that expresses the value of our company well, albeit not yet fully.

The programme continues, although a first major result has been achieved.

Along with the share price, our Corporate Reputation Index also grew. This measures the widespread opinion expressed by various stakeholders of the credibility of all aspects of the company: from financial performance to the brand, including product and service quality. The index increased steadily, reaching a score of 69 in the first quarter of 2015: the historic maximum score of the last 11 years.

These first two results are obviously not a matter of chance, lucky circumstances favourable to us, but are instead the logical consequence of a series of management choices that we made in 2014 and early 2015.
The first of these choices regarded our debt. For too many years we were locked into the idea that a major debt would have to represent the priority focus of the corporate management, to the point that everything else came second. In other words, the debt had become our pole star, de facto preventing us from focusing on the component that more than any other participates in building the future of a business: the investments. Now things have changed: the debt is managed with the greatest discipline and the proper attention, we have been refinancing ourselves at the lowest rates for ages, but it is investment that directs our day to day commitment, our strategy and our vision.

The domestic market, increasingly linked to the use of the internet, has seen data traffic consumption by our personal and business customers grow vertiginously. Given the increase in demand for connectivity, we have accelerated investment to develop new generation infrastructure, spreading it throughout the country in a fast and capillary way. Among the investments, we prioritised those with innovative components, becoming the leader in fixed and mobile ultrabroadband networks in Italy. A leadership confirmed by the results for the first quarter of this year, in which we reached 32% of the population with fibre, connecting 8 million homes, and over 80% of the population with the 4G mobile network. To date we have laid almost 9 million kilometres of fibre, with the target of laying another 16 million by the end of 2017. Numbers and achievements that strengthen our leading role in the development of national infrastructure. Thanks to our commitment, Italy is an increasingly connected country.

Strengthened by this primacy in new networks, we have been able to concentrate on offers for fibre and 4G, on the convergence of fixed, mobile and media services, and on a new ICT model based on cloud computing, progressing steadily. Fibre customers grew to more than 300,000 in just over a year, and are currently increasing at a rate of 25 thousand a month. Our mobile broadband customers now number more than 10 and a half million, of whom, at the end of April, approximately 2 million 200 thousand were with 4G, while cloud solutions are growing at 40% per year.

Just over a month ago, we launched TIM Sky, which allows us to propose ourselves to the market with a fully converging offer. Today, our company offers integrated fixed and mobile telephony services, broadband and ultrabroadband connectivity, and premium television content that can be used on a range of devices. The partnership with Sky, just ahead of the agreement with other content owners, constitutes a primary driver for the use of the new networks, which are at the centre of our business plan, and represent a decisive step in the evolution of our business model.

We are positioned as reference player for the supply of advanced connectivity and innovative services, and in this way we have contributed to orient the market towards a new revenue model, applying the brakes to a price war that damaged both operators and consumers. In this way we
have developed a route to long term sustainability based on rational premises of value creation. To propose today a portfolio of offers based on service quality makes a difference, in the eyes of the customer. The season of systematically destroying value generated by a rush to the bottom, in terms of prices, is over. Today people and enterprises, which are increasingly digital, seek a quality experience at reasonable prices, not a minimum tariff for a poor service.

In Brazil, too, the choices made in 2014 have produced major results. The year that just ended confirmed TIM Celular's positioning as leader in the prepaid segment and second largest mobile operator in the Country, with over 75 million customers.

There was major growth in 2014, led by an exceptional development in data services. A phenomenon assisted by the increased penetration of smartphones, due to a strategy of spreading the use of new phones at accessible prices. Today almost 50% of our Brazilian customers have new generation phones enabled to use data.

These results confirm that the company adopted the right strategic approach, aiming at leadership in mobile internet, supported by a brand that continues to set itself apart from its competitors in terms of innovation, transparency and value for money.

From the second half of 2014 we witnessed a generalised slowdown in the economy, particularly in terms of less consumption, and a fall in figures linked to the cuts in mobile termination tariffs. Two phenomena that have become part of a competition dynamic that is still lively, which sees four major operators competing with one another, but has started to show a tendency to rationalisation: a good sign for the prospective sustainability of the business.

2014 was also the year that the LTE frequencies in the 700 MHz band were assigned. This enabled TIM to secure a valuable portion of spectrum at a very reasonable price. The award value, around 3 billion reais, will be financed in full by revenues from the transaction to sell the towers to American Towers Corporation, the closing of which, on 29 April last, has allowed TIM Celular to receive around 1.9 billion reais so far.

After the LTE frequencies had been assigned, the Mobile Broadband programme (MBB) started. The aim of this was to equip TIM with advanced third and fourth generation technological infrastructure. The programme enabled TIM to significantly improve the perceived quality of its mobile ultrabroadband service in 125 towns and cities, and to become leader in 4G in the principal Brazilian conurbations.

Despite the total net turnover of TIM Brasil in 2014 showed a small reduction of some 2%, principally due to the impact of the reduction of around 25% in the regulated tariff for mobile interconnection, the main growth indicator, represented by turnover generated by our customers, was 6.3% higher than in the previous year. The transformation of the profile of the turnover,
increasingly influenced by the growth in data services, together with cost management focussed on maximum efficiency, allowed EBITDA to grow by 6.4%. The EBITDA margin, at 28.4% in 2014, also grew, by 2.3 percentage points compared to 2013, and by a record 30.1% in the fourth quarter of 2014.

At Group level we have also taken forward our efficiency programme in the last year, defending our margins and generating cash, and confirming Telecom Italia as the most profitable operator in its European peer group (namely, Telefónica, Deutsche Telekom, Orange and BT) in their respective domestic markets, with an EBITDA margin of 44.3%. Margins that allowed us to have the resources available to power the acceleration of investments in the new networks that I spoke about earlier.

Our efforts on the plan for investments in new generation infrastructure, both fixed and mobile, and in new services, were accompanied by action to support innovation across the board. Real innovation, able to remunerate the investment made. In the current economy, technological innovations are the fruit of a virtuous chain of factors that act together to determine the ecosystem of innovation: an "organism" that brings together enterprises, universities, scientific research, venture capital and financing, infrastructure and entrepreneurial culture. An ecosystem that Telecom Italia contributed to create, in real terms, by launching numerous initiatives as part of a broad programme of business innovation.

Internally, we have strengthened the company laboratories, separating lines of research. We have reviewed and renewed our relations with the universities, financing over 100 PhDs, sponsoring Master's degree courses and chairs in market innovation. Again on the academic front, we have created research laboratories that propose a new way for industry and universities to work together. Laboratories that "live" inside university campuses (Trento, Turin, Milan, Pisa, Catania) and that arose out of agreements of specific fields of scientific and technological interest.

To support the growth of a true ecosystem of innovation in our Country, we have broadened the activities of Working Capital (now re-baptised TIM#WCAP): an enterprise accelerator programme that over the years has become best in class at European level, active in Italy with four accelerators in the nerve centres of Italian digital innovation: Rome, Milan, Bologna and Catania. And starting from Working Capital, we have debuted in seed investment, launching TIM Ventures, the Group company created with the aim of investing in options or share capital in the most innovative startups in the Digital, Internet, Mobile and Green ICT sectors.

Our participation in Expo Milano 2015, as Global Service Partner, is also a proof of innovation achieved: our work made possible an expo that was extraordinarily digital.
The strong focus on investments, new services, efficiency and innovation did not prevent us obtaining excellent results in financial discipline as well. Indeed, in the last year:
- we have refinanced the debt for a total of 4.4 billion euros, 2.1 billion of which through bond issues;
- also thanks to active management of our liabilities portfolio, the mean cost of the debt has fallen from 5.5% to 5.4% - with, at the same time, a slight lengthening of the mean life of the debt itself;
- we have defined, although not completely refined, an operation to sell Telecom Argentina to Fintech, for a total of 960 million dollars (over a third of which has already been paid, and the remainder will be received when regulatory approval has been secured);
- we have sold the towers in Brazil, liberating 900 million euros in cash;
- we have placed a 2 billion convertible bond with a coupon of 1.125% and a conversion price of 1.8476 euros per ordinary share, enabling us to refinance ourselves, in a single operation, at a very advantageous rate, and affirm a solid prospect of revaluation of the share price in the coming years;
- finally, we have launched an IPO on Inwit S.p.A., our towers company in Italy, created in January 2015, the biggest portfolio of radio mobile sites on the market, by a considerable margin.

The long list of positive results and progress that I have just described assumes even greater value if related to the macroeconomic context in which we work.

The year 2014 was a difficult one in terms of the macroeconomy of our Country. Economic growth was modest, and this influenced confidence levels in business and among consumers. In recent months, though, the climate has changed for the better. The cash injected into the system by the European Central Bank, the consequent devaluation of the euro, the greater competitiveness of our exports and the significant reduction in oil prices, have allowed our economy to show the first signs of recovery. And as we said earlier, the slowing of the price war has started to give vitality back to our sector.

In Brazil, there has been a reduced real economic growth in the last 12 months, if compared with its growth in recent years. However, the Government is adopting effective measures to stimulate the recovery, although for the current year no substantial improvements are expected, in the longer term the social, political and demographic factors that allowed the Country to grow in the last decade will assuredly once again have a positive impact.

In Italy, in terms of public policies and regulatory interventions, the year that has just ended saw a rebirth of interest in the telecommunications sector in the political world. After many years in which
the only interest to pursue was price reduction, the definition of the Digital Agenda has focussed the centre of debate on investments for the development of digital infrastructure.

During 2014, Telecom Italia started to create infrastructure, financed by public money in the principal Regions of the South, and participated in the Government consultations on how to design the public sector intervention for the remaining parts of the Country in which private investors are not planning to undertake works.

I guarantee to you that the commitment that Telecom Italia has shown in the past, fulfilling its role as manager of the national network, will continue into the future. So we will be participating in the initiatives that the public sector decides to finance, making available to the Country the enormous heritage of engineering and management skills that the company has.

The Government is pushing this strongly; a role that we appreciate and agree with, and with this we hope that the new support provisions needed to extend the already significant coverage of the territory achieved by the private operators, first and foremost by Telecom Italia, that is to be achieved over the next few years, are put in place as soon as possible. Telecom Italia is maintaining its vocation to build the national network, also in the digital age.

The propulsive action of the Government must be accompanied by a regulatory framework designed to incentivise the realisation of investments by the private operators. The clarity and predictability of the regulatory framework is in fact the fundamental element for maintaining and growing the push on the lever of investments.

We are convinced that the industry regulator is clear on this need. So we believe that the market analysis that is almost complete will be able to provide the answers expected by the market, and contribute to incentivise an acceleration of the investments in fibre needed to achieve the targets of the Digital Agenda.

The market analysis must also define the most suitable equivalence model to adopt, also for the purpose of limiting the continual dispute with the other operators, and also take account of the opinions expressed by the Italian Competition Authority. In this respect, Telecom Italia is pragmatically open to all solutions, provide they contribute to improve the overall climate of the sector.

As for the Brazil situation, it should be emphasised that recent years have seen the introduction and application of tools for market analysis and the cost orientation of regulated services based on the European model.

The application of these models started and planned to 2019 a path to reduce the mobile interconnection figures that TIM Brasil can apply for terminating calls on its network, with impacts on the overall revenues of the company, which should stabilise this year.
Furthermore, we have confidence in the role the Brazilian government intends to adopt to support the spread of access to IT technologies throughout the country. So we welcome the Ministry of Communication's intention to launch the programme called "Broadband for all", the principle aim of which will be to extend the availability of broadband services to 95% of the population, starting in 2018, through a combination of tax incentives and public-private cooperation, above all to support less well-served areas.

After having reviewed the positive results and principle facts that characterised our operations and market in the last year, let's look forward. The leadership we have achieved in new fixed and mobile ultrabroadband networks and in cloud computing, represent just the first step in a dense path forward set out in the 2015-2017 strategic plan, presented to the market on 20 February, exactly three months ago.

A plan that envisages 10 billion euros of investment in Italy, half of which for the development of the innovative components, including the new networks. A commitment that will enable us to reach 75% of the population with fibre and 95% of the population with 4G by the end of 2017. To which we can add the more than 14 billion reais (equalling over 4 billion euros) to be used to significantly extend 3G and 4G cover in Brazil.

A plan whose aim is to redesign the role of Telecom Italia inside an evolved national market, in which latest generation connectivity and the most innovative services assume a central function. The challenge of the next three years will not just be to lay more fibre and development more mobile ultrabroadband networks. We will have to become the principal enablers of the digital life of the Country, acting as interpreters of the renewed needs of people and businesses. This means transforming our company from a telephone operator to an integrated technology platform that can best satisfy the desires of people and businesses to be always connected, or to easily access a multiplicity of digital services - that change according to the type of customer.

We must guarantee to people the best experience, at home and on the move, in accessing the internet, or, rather to its many applications, and in enjoying premium content, especially video content. The video strategy will develop all the potential linked to efficiency and the capacity to transmit content that our networks have, compared to other technologies (DTT). We will be an open platform to distribute content that will combine the best offers available on the market (Sky, Mediaset Premium, Netflix, TIMvision) and the products and services of a telecommunications company: voice, internet, cloud, big data, billing, caring, customer assistance. While for businesses we should become, more and more, a provider that is able to work alongside them in the route to digitalisation, making ultrafast connectivity, software and know-how available to them in a single solution, in order to increase productivity and competitiveness.
Focusing on innovative services, in an increasingly convergent way, does not mean leaving aside traditional components such as voice services and text messaging, which continue to represent a major portion of our profit and loss, in terms of value and margin. But calling and texting are no longer distinctive activities for us, replaced in part by applications such as Skype and WhatsApp, broadly adopted by consumers. But this does not mean that voice services and texts, suitably included in the package offers, will not continue to contribute significantly to our business.

The important thing will be to respond to our customer’s fundamental need, which is to be connected to life: at any moment, anywhere, thanks to an operator that is able to supply a quality service that is safe and always available. To be connected to life means being able to communicate, live and work freely. It means talking, surfing the internet quickly and safely, sharing emotions, passions and information, managing economic activities in an efficient and innovative way. At home, in the office and on the move. Without deciding a priori, if all of this is to happen on a fixed or mobile network.

So in future we will more and more have to satisfy a unique and converging need, and to do so we have decided to bet coherently on a single brand experience. For this reason, from next year, TIM will be the brand that will identify all the commercial offers in our segments of the market. It will be a new TIM, capable of combining the dynamism, closeness and innovative nature of TIM that we know, with the reliability and greatness of Telecom Italia. A unique brand that will reflect a single system of values and will allow us to reach our customers with a strong, clear and renewed message.

The challenges in the strategic plan, which have the ambition of rethinking our Group in terms of technology, business and communication, will be supported by a rigorous efficiency programme, and will be achievable thanks to the most precious resource our company has: its people. With their skills, their talent, their professionalism. Human capital that will be enhanced by retraining and new recruits.

Telecom Italia is a company that has a very long history. It has revolutionised the life of all Italians, teaching them how to communicate through a telephone handset. It accompanied them first in the futuristic universe of mobile telephony. It built the national infrastructure that has been used to promote the use of the internet. It became leader of the new market, with its smartphones, tablets and social networks, enabling and amplifying it through networks that perform better and better. It introduced cloud computing into Italy. It’s done a lot, innovated a lot. Now it must take another major step forward, the step that will take it straight to the future. A future in which, as always, it plays a leading role.

A future we can build, thanks to a clear vision, and your support.”
Next, the Chairman:

- reiterated the items on the Agenda of the Shareholders’ Meeting, including:

1. **Financial statements as at 31 December 2014 – approval of the documentation on the financial statements – related and consequent resolutions**

2. **Allocation of the profits for the year - related and consequent resolutions**

3. **Report on remuneration – resolution on the first section**

4. **Appointment of the members of the Board of Statutory Auditors: appointment of both the Standing Auditors and the Alternate Auditors; appointment of the Chairman of the Board of Statutory Auditors; determination of the compensation**

5. **Deferral by liquidation in equity of a portion of the short-term incentive - 2015 cycle - related and consequent resolutions**

- with regard to the first point on the agenda, he announced that the fees of the independent auditor PricewaterhouseCoopers S.p.A. had been as follows:

-- for auditing the 2014 financial statements of Telecom Italia S.p.A., 1,019,050 euros for a total of 14,613 hours; these fees include 200,000 euros in additional costs, corresponding to 1,462 hours of additional work related to additional audit procedures regarding the process of adoption of the new principle for revenue recognition (IFRS 15), while

-- for auditing the 2014 consolidated financial statements of the Telecom Italia Group: 287,770 euros for a total of 4,089 hours; these fees include the following additional costs: (i) 50,000 euros, corresponding to 410 additional hours, in relation to additional audit procedures connected with the process of adopting the new principle for revenue recognition (IFRS 15); and (ii) 80,000 euros, corresponding to 1,200 additional hours, in relation to additional audit procedures for testing the migration of some Group Companies to the new SAP P1E platform.

The Chairman also reported that the FY 2014 fees for auditing the internal controls on the process of drawing up the consolidated financial statements of Telecom Italia, pursuant to section 404 of the Sarbanes-Oxley Act were 936,620 euros for a total of 15,164 hours. These fees include additional charges for 180,000 euros, corresponding to 1,946 additional hours, in relation to additional audit procedures focussed on checking the adaptation of the internal control system for financial reporting to the indications in CoSo 2013, which represents the new reference framework for the definition and appraisal of the system itself.
None of the amounts indicated above included direct expenses, which must be added to the cost, and VAT;

- In relation to the second item on the agenda, he recalled that the Shareholders’ Meeting has been called to resolve on;
  - the allocation of 6,948,790.31 euros of the profit for the year to the legal reserve;
  - the payment to the savings shareholders of a privileged dividend of 0.0275 euros per savings share;
  - the allocation of profits for the financial year of 25,500,000 euros to the “Plans pursuant to article 2349 of the Civil Code” reserve, in order to service the powers being granted to increase the share capital through the allocation of profits, further to liquidation of the 2015 bonus component that is the subject of the deferment and liquidation in equities.

- Regarding the fourth item on the agenda, he reminded the meeting that two slates had been submitted within the terms and with the arrangements set out in the applicable regulations. Those submitting the slates and the candidates are set out in the documentation that was distributed at the entrance to the meeting, with a press release summarising the proposals received.

In particular, Shareholder Telco had proposed:

- appointing Gianluca Ponzellini as Chairman of the Board of Statutory Auditors, if the Telco slate should be the minority slate;
- to determine the annual gross remuneration of the Chairman of the Board of Statutory Auditors at 135,000 euros, and the gross annual fee for each standing Auditor to differ from that of the Chairman of the Board of Statutory Auditors, at 95,000 euros.

The Chairman then again invited those in attendance who intended to speak on the matters on the agenda of the ordinary session of the shareholders’ meeting to book, and urged them when speaking to stick to the topics on the agenda. He reminded them that the maximum time available to each speaker was set at 10 minutes. He then opened the debate.

Mauro, read the first part (and signally, paragraphs 1, 2 and 3) of the Report by Mr. Lombardi – Chairman of Asati, whose speech is reported below.

Lombardi, Chairman of ASATI, read and commented on (in relation to paragraphs from 4 and 5) the speech which was then delivered to the Chairman's desk and is reported below.
We would like to greet Mr. Recchi, who is chairing the Telecom Italia shareholders' meeting for the first time, and Mr. Patuano, Chairman Bignami and the directors and shareholders present. I am Elga Mauro, shareholder and member of the managing council of ASATI, and for the time assigned by the regulations for the shareholders' meeting, I will read the first part of the report by Mr. Lombardi, Chairman of ASATI, and specifically those points on aspects that we, as shareholders, consider negative and positive, and, finally, our proposals and aims.

The second part is linked to the Governance and questions submitted by Mr. Lombardi.

1. Negative actions and results
2. Positive actions and results
3. Asati proposals and objectives for 2015-2016
4. Governance
5. Questions

1. Negative actions and results

Financial Results: analysing the group's data in the period from 2010 to 2014, revenues went from around 26 billion euros in 2010 to 21 billion in 2014, a reduction of 5.208 billion (a descriptive table is attached, with data extracted from the official site), losing around 1.3 billion every year.

Net debt: with reference to debt, it should be noted that in the same period 2010-2014, although it fell from 32 to 27 billion euros from 2010 to 2013, in the 2013-2014 two year period it started to increase again.

These results include the sale of Hansenet, the acquisition of frequencies in Brazil and Argentina, and the sale of the towers in Brazil for 3 billion reais.

TI S.p.A. has a gross debt of 37.054 billion and a net debt of 28.041 billion.

Dividends: No dividend was paid out in 2013 or 2014, hopefully in 2015.

Average share price: from a price of 1 euro in 2010, the share price is again about 1 euro today. In practice it has tracked the FTSE average, with minor corrections.

Spin-off of the caring sector: the complex operation involving a department which currently employs around 9,000 people, will save 80 billion euros: if this is the amount predicted to carry out the project, the nascent structure would already be out of market, and this would also create a fiery atmosphere among the people involved. Our idea is "let's redeploy resources in other sectors where there is waste" and let's apply the same severe rules that have been applied today to the caring segment to all TI personnel, because otherwise we have working conditions that are not equal. Then we will see how we can redeploy these resources and reassure the workers of the caring sector, who in our company have always been the pride of SIP, and who must be even more so today, when there is tough competition.
Missed opportunities: loss of the potential acquisition of GVT for 300-400 million euros, although the TE offer for Vivendi was better.

Relations with Institutions: Never been so bad in the history of Telecom Italia, with: AGCOM, the Competition Authority, political representatives of all the parties and the Government, OLOs, no oversight of the Senior Management...

2. Let's move on to the positive actions:

The programme to accelerate the creation of the FTTC (Fibre to the Cabinet) is excellent. Over 700,000 customers to date, the plan for FTTH (Fibre to the Home) ultrabroadband is good: if TI increased investment in FTTH from 500 to the whole 800 million euros, instead of making sterile arguments, they will say that no-one is more Renzi-friendly that TI, because the network to comply with the targets of the European Community will be built by TI. Six months ago, in response to the declarations of Bassanini and Tiscar, who had supported the dismantling of the copper network, Asati wrote that "TI will be dancing on its own", so the agreement with Fastweb for joint testing on the 100 Megabits per second FTTC network is excellent.

Mobile business has held up well, and the business mobile traffic results are good, considering that Vodafone lost 2.3% in 2014.

The six tender competitions for ultrabroadband in the central and southern regions, all won by TI, are good.

The non-exclusive agreement with SKY is good, let's see if it is worth making one with other sector operators such as Mediaset, it may be, but not exclusive agreements, that way we would welcome Bolloré, use to best advantage Tarak Ben Ammar, pivot director on the boards of TI, Mediobanca and Vivendi, and so with the forthcoming breakup of Telco hope to say a definitive goodbye to Mediobanca, which could prove to be a potential centre of the interests of the new incoming French shareholders as well. TI must be open to all content suppliers, and not have exclusive agreements with anyone, if the magic circle around the Mediobanca HQ has other intentions it will find that we do not agree.

The agreement with Netflix is excellent, and could be used as a lever and strengthen our hand in any negotiations with both Sky and Mediaset!

The new towers company is good. Our only comment is that we are a bit late, and have a bit of overcrowding, but our sites are positioned in strategic geographical locations.

The new price plan, from 1 May, is good, and the action of AGCOM, crying shame, is scandalous.

The employee share ownership plans follow a European logic.
Participating in a newco with Metroweb if we have a majority of at least 70%: Metroweb will not make the shareholders rich in the short-term, it's true, but it's a strategic solution that should be looked at in the medium-long term.

The personnel management policy is good, a change from the past, with the end of work in the sites, the new personnel appraisal model, using more modern criteria, and the decision to recruit 4,000 young people, using the Jobs Act rules, is good, provided that adequate resources are provided by the Government. On this point I would ask that channels be established to recruit the children of employees, if their professional skills fit the needs of the company, to compensate the workers for their sacrifices, given the burden of the solidarity arrangements "fathers make sacrifices for their children"...

The financial management on the renegotiation of some of the debt is good: the buyback operation is excellent, bringing annual savings of 300 million, and the financing of the convertible bonds at 1.8 euros. Now fast action is required, before the Draghi’s QE deadline expires, to restructure most of the monstrous debt we have.

3. Asati proposals and objectives for 2015-2016

1. Bring the financing plan to extend fibre from 500 million to 1 billion euros, perhaps with a small increase in capital that could be accepted by the market, if correctly explained, describing the aims in terms of timing and infrastructure.

2. Conversion of savings shares to ordinary shares with impacts totalling 500-600 million euros.

3. Yes to a newco with Metroweb 70% owned by TI

4. Cost reduction plan based on the idea that: EVERYONE MUST MAKE SACRIFICES, NOT JUST THE SHAREHOLDERS AND THE EMPLOYEES: we ask that the days of "solidarity" for directors be increased from 6 to 12 days a year.

5. The abolition of all consultancy other than the indispensable.

6. A notable reduction in legal costs, which to date total several tens of millions of euros.

7. Abolition of all chauffeur-driven cars for Top Management, other than for the Chairman and CEO.

8. Meetings with customers, personnel and managers must be organised in zero-cost structures, or in company premises only. No Board Meetings in Venice, or Acilia, no fanciful notions about Brazil with costs of around 500,000 euros. Make the directors aware of our premises by video, we would save a lot....
9. Bring some of the activities that are still outsourced back in house, also the work on the network on FTTC and FTTH, our personnel is capable of during it, as you will say later in Mr. Esposito's presentation.

10. Abolish all private flights and stays in 4 star hotels.

11. Efficiency savings for the caring platforms and processes in Italy and in Brazil.

Our plans offices has valued these proposals as savings of approximately 300 million dollars per year, and then you would see that operations of the caring company, expansive solidarity, could be got rid of, if not partially abolished, which would make all the shareholders happy. We have a detailed plan available, ready to discuss with the Company.

2016 Objectives Reduction of the debt by at least 3 billion, distribution of a dividend of at least 0.03 euros per share, with the 2015 financial report, share price of at least 1.5 euros on 2016. In 2010 the Chairman at the time stated that by 2013 the share price would have risen to 1.5. We continue to live on announcements and hope only, reduction of goodwill, inversion of revenues in the domestic sector stable compared to 2014, bringing them forward to 2015 if possible, and not to 2016... with, if anything, an increase in the mobile sector and in the ultrabroadband network. Only after all this can a stock options policy and a reward system adequate to these objectives be implemented. As for policy in Brazil, we should learn a lesson from TE, which since 2007 pursued its unique potential aims, which were to block the development of the company, a plan B must be prepared as soon as possible if the complex operation with TE should not be concluded, because TE, Slim and their mates will not just wait around after the acquisition of GVT and the exit of TE from TI. They will immediately start to attack Tim Brasil...

4. Let's move on to Governance:

after the 2014 shareholders' meeting, but before the BoD that conferred powers, it was said that the Chairman and CEO had agreed in establishing their respective powers to be submitted to that BoD meeting for approval. Since our aim is to provide positive suggestions and look to the future, we would like to draw attention to these aspects only to improve the efficiency and efficacy of the actions of the Executive Directors.

We read: the chairman's powers are: a role providing guidance and supervision of the development and implementation of the strategic, industrial and financial plans of the Company and the Group, and guidelines for development, as well as supervising the definition of organisational arrangement and economic and financial progress, representation, etc.... and the CEO governs the business itself... and that we have two CEOs...!!!
These vague words, of people not experts in People Value, as reported at that time in the press and mass media, unless reading errors bring us clamorous examples of incongruence, such as: The Chairman and CEO together took part in some events, which we will cite:

- on Bolloré's yacht in Sardinia, unfortunately an ill-fated meeting about GVT
- at the hearing of the Chamber of Deputies' transport Commission
- at the meeting with the financial community in London
- at the meeting in Brazil with the authorities, and probably with the Executive Directors of
- at the meeting with Guerra, Renzi's superconsultant
- at the meeting with Renzi

But what kind of message is this sending to the world outside, and above all, to the employees of this muddle.

For us, it would be better if Mr. Recchi and Mr. Patuano reconsidered the potential agreement they made last year, erroneously ratified by the BOD, and established a clearer division of responsibilities. Those Board members who have served as CEOs, and apart, naturally, from Patuano and Recchi (in GE) would also mention Cattaneo and Cioli, for example, are well aware that the CEO is a single figure, not one partially shared by two! Like this, the Company cannot be run correctly.... We had a very recent experience of this, caused by a compromise potentially wanted by Mediobanca, in 2011, between the division of powers between Patuano and Bernabè, a CEO for Italy and an executive chairman for the rest of the world. Let's not repeat these mistakes.

We also invite all members of the Board jointly responsible, passively, for this wrong choice, to intervene as soon as possible and exercise some moral pressure.

5. Questions

1. For the Chairman of the Company

We have been informed that you called an extraordinary board meeting on 22 May on the subject of real estate, regarding the new TIM headquarters in Rome's EUR, to discuss and check the details of the related property purchase. Since we believe, reasonably, that the project is self-financing, and, indeed, when up to speed in 2018-2020, will produce savings of several million a year, vacating premises that previous buccaneers had rented to their former owners TI at crippling conditions, both in terms of rental costs and of total maintenance, thus leading to an increase in EBITDA, when fully operational, that would be over one billion a year within five years, and thus creating value, we are well aware of the figures, and we too can put it together. Our questions are:

- what were the reasons for this in-depth discussion, since the subject had, according to the press, been discussed in the previous Board meeting?
- who has the powers for this operation, Mr. Patuano, you or the Board?
- don't you see that a revision of the powers is vital, this is definitive proof, don't you agree? The Board could have asked for more details about the operation, which could have been provided in a note after the Board meeting of 8 May.

2. To Chairman Recchi

Given that: on 11 May the Corriere della Sera stated that "Recchi and Starace at Bill Gates' summit in Seattle, very gratifying for the TI Chairman and Enel CEO, of the few, the only two in attendance", a news item that will surely have been provided by your press office.

- on 13 May, the papers on the row between Cassa Depositi e Prestiti and TI, Fabio Tamburini in the Corsera, again. Who knows who have them to him. It doesn't take much to find out.

- on 14 May, in Corsera again, this time Daniele Manca: national interests, what to do to ensure that the Country has infrastructure...

- on 15 May, in Corsera again, Massimo Sideri, on the background on Enei, the Terna plan on fibre cabling without infrastructure.

- and on 15 May, again, Interview with undersecretary Giacomelli, the government is not taking the place of company plans, privatisation, he wonders if there has been a mistake, and answers himself, saying he doesn't know, have the guts to state that TE did not work in TI's interests in Brazil.

- and in recent meetings, lots of hints that the Utilities have been putting themselves forward to create the NGN network.

Having stated all of that, we ask:

- Since you have spent several hundred million euros of your budget, and a consistent portion on communication, such as the 120,000 euro consultancy fees to former press journalist Marcello Sorgi.... did you perhaps not have the necessary support from your new press office to reply or at least do an interview in the major dailies, repudiating the incorrect and misleading statements that have appeared in the press and which also damaged the share price?

- why is there still this silence?

3. To Chairman Recchi: can the conversion of the savings shares that would raise 500-600 million euros be implemented shortly, and do you think this will upset Bolloré? Are you afraid of the new shareholder with an 8% stake? And what do you think about an increase in capital for a major industrial project such as the increase in investment in FTTH to be explained properly to the market, since with the failure of the government project TI will be building the network?

4. To Chairman Recchi: We agree with the stock option methodology, but think that more should be done to improve and facilitate the shareholders' understanding of the targets grid, which at the moment is hard to understand. We propose clear, measurable targets, namely:
the share price, the debt, the EBITDA, the dividend, the satisfaction of the personnel with the atmosphere and the service quality, in numbers in a way we can all understand. Specify what resources will be assigned to.

5. To Chairman Recchi: About TI's debt. Is some of it held by Intesa, Unicredit, Mediobanca and Banca Generali, and does that apply to the company's bonds that are to be converted? And what contracts do these banks have today with TI? How much has been paid in consultancy fees, as advisors or in some other capacity, in the various transactions such as the sale of towers in Brazil, the Argentina sale operation, Inwit and also whether they have been involved in the potential agreement with 01 in Brazil, in the sale of La7 to Cairo and the sale of Hansenet in 2010?

6. To Chief Executive Officer Mr Patuano:

Can we believe that the decrease in domestic revenues is finished? What are the prospects for 2015 and 2016? Can the first quarter of 2015, which saw a further fall, although in single digits, be considered a sign of a break, and of stabilising domestic revenues for 2015 and 2016?

7. To the CEO: while we agree on the criteria for recovering productivity, provided the same rules apply to all the 52,000 people in the company - rules that you can apply only because of the availability and technology of workers' workstations - is there room to review the company's decision to outsource, finding other solutions to recover economic resources? And what do you think of our proposals on cost reductions, are they feasible?

In the history of our company, the caring division has always been its pride, customer care, let's not reduce it to a population of unhappy people. This would be suicide.

8. To the CEO: what is the plan B, for when the complex potential operation with 01 cannot be completed? Alierta did not miss a trick in his dealings with TI. The company should not stand by. After the first great victory of GVT he will attach Tim Brasil, and if we just stand by, he will win again, as our painful history teaches... time is not on our side.

9. To the CEO: in La Repubblica on 8 May last we read about the TI real estate plan, and the possible creation of a headquarters for Tim in Rome's EUR . Bearing in mind all the complaints made by our association about the potential stripping of one of the biggest real estate portfolios in Italy, we agree on possible repurchases of sites that are strategic for the company, and on the renegotiation of rents and the creation of a new headquarters in EUR, a great logistic position, well-served, with an amount of free space that is probably unique in Rome. On this issue, we would like to know:

- The time frame for completion of the whole complex operation
- The final annual savings of the concentration operation and the costs/investments (since the building has yet to be restructured);
- How the logistic considerations and hence the personnel and climate criteria were taken into account, i.e. what services will be activated, since in the end over 6,000 employees will be transferred there, this needs to be thought through in advance.

10. To the CEO. Given that:

  since 2007 Asati has urged the separation of the access network, an operation intended to create value for Telecom Italia, also through the entry (with a minority stake) of the State (Cassa Depositi e Prestiti) in the capital of the access network company;

  the Board of Directors of Telecom Italia resolved on 30 May 2013 to approve the project to spin off the access network, aimed at ensuring access to the fixed network for all operators, applying the equal treatment model (known as "Equivalence of Input"). The Board itself has renewed the mandate to the management to pursue contacts with the Cassa Depositi e Prestiti regarding its possible entry into the capital of the access network company;

- The Council of State has rejected Telecom Italia's appeal against the TAR (administrative court) judgement that had confirmed the fine of approximately 104 millions imposed on Telecom Italia by the Italian Competition Authority for abuse of dominant position, hindering competitors' access to the infrastructure, opposing an "unjustifiedly high" number of service activation refusals, as well as having applied significant discounts to its business customers such as to not permit equally efficient competitors to operate in the same market segment in a lasting and profitable way. This is an issue that also must be investigated to determine who at senior management level made a mistake, and must then answer to the company and the shareholders.

  He wondered if this is not the only operation currently possible to overcome the specious attacks by everyone - Government, AGCOM, the Competition Authority, the CDP and OLOs.

- to reiterate the Board Resolution made on 30 May 2013 to approve the project to spin off the access network, an operation that could also overcome the issues:

  S to be raised regarding the Metroweb-Telecom Italia operation (with the possible direct entry of CDP as a minority shareholder, into the capital of the new company, CDP that declares it can only invest in infrastructure);

  S related to the anticompetitive aspects criticised by the Italian Competition Authority with the 104 million euros fine (thanks to the application of a new equal treatment model);

  concerning the public financing (approximately 6.5 billion euros in total) envisaged in the government's strategic plan for the development of the ultrabroadband networks (without, given the separation of the access network, the vertical integration of network and retail services).

11. To the CEO, Ms. Calvosa and Mr. Fitoussi, the only current directors who held office in 2012:
Which of you can explain why in 2012, after the trips and talks with Paris by the senior management of the day, on a possible purchase of GVT, the Board and/or the Executive Committee (with a Telco majority) blocked the operation to then make an agreement to acquire GVT in Brazil from Vivendi? The price of the operation would have been potentially 30-40% less than the price paid by Telefónica and Tim Brasil would today be safe from any very probable potential attack that Alierta, Slim and co. might soon launch. These are people who, unlike some, do not miss a trick.

12. To the representatives of the BOD present at today's meeting:
if there is not clarity soon on the assignment of powers that you wrongly approved, making a mistake in April 2014, are you prepared to intervene? Is there anyone who wants to intervene. True, it is not usual for members of the BOD to speak, it would take courage, as Prof. Zingales showed on more than one occasion. But if no answer comes from the Chairman and CEO then it clearly has to come from you? Do you not think that Bolloré too, who has very clear powers in Vivendi, might be unhappy with this paradox? A clearer net division between the inside and the outside would also improve internal efficiency and the external image; the outside world, the institutions, the politicians, the senior management of other companies in the sector: who do they have as opposite number the CEO, the chairman, the whole Board, like now...?

13. To the Chairman of the Board of Statutory Auditors:
Even if we decide to improve the image of the company from outside, which we think could have already been achieved with the excellent resources we had, and appreciating the professional skills of Mr. Dompé, don't you think that they could limit these expenses in a moment of difficulty and crisis? How much have all the consultants engaged on behalf of the Chairman cost, so far? What is it? Was there any need to take on journalist Marcello Sorgi as staff, on 120,000 euros per year? To do what?

14. To the Chairman of the Board of Statutory Auditors: how many audits are currently underway following on all the personal and anonymous reports, also on purchases and what are they about? Have they been closed and what were the results?

15. To the chairman of the remuneration committee Mr. Benello, the members of the committee, if present in the room, and in the absence of all of them, to the Chairman of the Company”.
The remuneration of the top management and strategic resources is today disproportionate to the targets they achieved, the very serious economic situation of the country, the absence of any dividend to ordinary shareholders for the last two years and, above all, the sacrifices made by the employees, whose situation will be even worse when the solidarity arrangements for 2012-2014 give way to "expansive solidarity". While the idea of proposing that the remuneration of the CEO should be a multiple of that of the lowest paid worker of around 10:1, as suggested by Adriano
Olivetti, is old-fashioned, today's remuneration, equivalent to 30:1, namely 800,000 euros, is not justified. I believe that with the achievement of the targets we have mentioned, all the shareholders would agree on a ratio two-three times higher than the basic one for the highest remuneration, applying the same parameter to the Chairman and all the strategic resources, senior executives and all personnel. What do you think of this proposal of ours?

16. To the Chairman of the Board of Statutory Auditors, Mr. Bignami:
Can you confirm that Mr. Vincenzo Cariello, today a candidate on the SGR-Fondi slates (a number of these funds are linked directly or indirectly with controlling shareholders Telco), has been a partner and is today still a consultant with the Chiomenti firm, which is in turn a consultant to Telefonica and Telco?
So do you not consider that Mr. Cariello cannot be candidate due to the manifest conflict between the two slates and indeed would nullify the minority/majority distinction between the two slates?"

Esposto described and commented on the slides shown at the Shareholders’ Meeting and annexed to these minutes on the subject of employing company personnel to connect the optic fibre cables in the SIP – T.I. network.

Corneli, in relation to the appointment of the Board of Statutory Auditors, pointed out that for this meeting Asati has been able to ascertain the extent to which the system to protect the rights of the small shareholders is inadequate, in terms of the rules and in operation: indeed, the slate of candidates for auditor proposed by Asati, although gaining support exceeding the 0.5% of share capital threshold (as also demonstrated by the attendance at this meeting of its members, accounting for some 0.6% of the capital), cannot be put to the vote since around 40% of the intermediaries have not sent to Telecom the certification required by law to demonstrate entitlement to submit the slate. The shareholder considers that a system of administration and control that remains wholly inert and indifferent to such critical aspects, which Asati has been reporting to it for around a year, is a scandal; he then recalled how Asati had appealed on this point to the judicial authorities, which had, however, decided that, as a shareholders’ association, Asati was not entitled to act in legal proceedings for the breach of the corporate rights of its members. Telecom, in Corneli’s view, could not remain indifferent to this situation: a public company like Telecom should have intervened to sort out the inefficiencies of the information exchange between intermediaries and issuer, just as it had intervened to resolve the issues of the information exchange between shareholders and issuer. The ABI itself, the shareholder pointed out, had stated that it was aware of the problem, although it considered extending the operating system prescribed for the right to attend the shareholders’
meeting to the other corporate rights to be too costly; in this way, Corneli noted, the rights of the small shareholders are ignored, in favour of those of the majority, and of the institutional shareholders. On this point, he reminded the meeting that after the break-up, the Telco shareholder would hold stakes of between 4 and 7%, individually. Asati was pained to note that Telecom had felt no need, above all a moral need, to take action to protect these rights, at least by openly supporting and welcoming the reports made by Asati on the inadequacy of the system: in fact, on this occasion, not only have the rights of the small shareholders been damaged, but also the right of Telecom Italia itself to see guaranteed the broadest democratic participation in the renewal of the Board of Statutory Auditors. Given that the shareholders of Telecom include banks, the shareholder went on, Asati hoped that the system would be appropriately adjusted, but this had not happened. This issue, also in its judicial aspects, shows the total lack of courage and transparency in dealing with the problem - the shareholder continued. Or, at best, a lack of interest that prompts some thought, today, on whether it is appropriate for a company with an entrepreneurial vocation, like Telecom, should be controlled by subjects with strictly financial purposes, and on the evident unfairness and conflict of interest that characterises the intermediation system, assigned by law to produce the certificates that entitle shareholders to exercise their corporate rights, but controlled by banks, which are also controlling shareholders of issuers and as such find themselves in a position that opposes the minority shareholders. It was not, he emphasised, in the interests of the banking system to guarantee and facilitate broad-based share ownerships, and it runs no risks. The shareholder asked the Company's opinion on this point, with particular reference the fines that could be imposed on intermediaries that do not produce the certificates, taking account of the fact that article 83-decies of the CLFI recognises that the intermediaries are answerable to the issuers only, not to the shareholders. More generally - the shareholder continued - Asati, having taken account of the extent to which the interests of the financial groups are short term, asked what sense there could be in subjects who, by their very constitution, do not operate in terms of the long term, appointing the corporate bodies; with specific reference to the slates submitted, Asati also pointed out that the candidates are predominately accountants, there is not a single engineer: so the Board of Statutory Auditors will be characterised by professional skills that are totally inadequate for a body that is not called on the concern itself with auditing the accounts, but to consider the legality and advisability of the operational and strategic choices made by the Board. Furthermore, the shareholder emphasised that the so-called "declarations of non-linkage" by the shareholders who submitted the second slate cannot be found on the Company website; Asati hoped that Telecom, and the current Board of Statutory Auditors in particular, had properly considered whether or not there were links between
the two slates submitted, before admitting the slate to the vote. The shareholder mentioned, in particular, the position of Mr. Cariello, who has been a partner and is still a consultant of the Chiomenti legal studio, which is one of the principal advisors of Telefónica. On this point, Asati could not consider sufficient an opinion expressed on a merely formal parameter, and expressed the hope that the appointment of a Board of Statutory Auditors that is in essence the single expression of banks and insurance company, with no real debate between a majority and a minority, would be avoided. In Asati’s opinion, it is not possible for representatives of such companies to protect and oversee the fairness of transactions that involve entrepreneurial activities; it also pointed out the unfairness of the circumstance whereby, the moment Telco is being broken up, and it cannot be excluded that its shareholders sell their stakes in Telecom Italia, the people guiding and controlling Telecom are and will remain "their” people. So the reasons for Asati’s abstention in the election of the Board of Statutory Auditors are evident - the shareholder concluded; Asati also asked the Chairman what analysis and reflection had been done by the Board on the issue of the Asati slate, and what action did it intend to take to avoid a repetition of such a situation whereby a slate was not admitted due to action that, while not attributable to the shareholders or to Telecom, constitutes de facto harm to the rights and interests of both; finally, he asked if Telecom had considered or intended to consider starting liability proceedings against the intermediation system pursuant to art. 83-decies of the CLFI, for non fulfilment by the intermediaries of the obligation to send communications regarding the positions of the shareholders who correctly submitted their declarations subscribing the slate to Telecom.

Frasca read the speech that was then delivered to the Chairman's desk and which is reported below.

"We greet the Chairman, Mr. Recchi, the CEO, Mr. Patuano, all the Directors, and the shareholders present.

Subjects I will talk about in my speech:

- Thanks.
- Public company
- Optimising corporate costs
- Hirings

Thanks:

- To the shareholders who placed their faith in us, granting us power for the shareholders’ meeting to submit the slate for the renewal of the Board of Statutory Auditors.

- To all those who did not support us in the presentation of the slate, because we have learnt that there is still a lot of misinformation in the company, and above all, there is a desire, by the
great manipulator, who obviously I do not consider to be among those present, to make the association appear to be a new trade union, showing us as unpleasant and opportunistic. This is something we reject with all our strength, and would reiterate we have no intention of becoming a trade union.

- To the trade union representatives from UILCOM in Rome and Lazio, to whom we respond that we do not sent mystic messages to anyone. Indeed, I would ask if there are any representatives of UILCOM in the shareholders meeting, and that if instead of concerning themselves with the working situation of some TI employees in the renewal of the employment contract that expired on 31 December of last year, of the situation of the Caring division, they are concerned to hinder us by disseminating lies and conjecture about the association, about the management, that unlike the trade union one does not have any permission for the activities of the association, but that everything is done at our own expense and in our own free time, an attack that has even been conducted against our own members, that unlike the members of the trade union, they do not spend a single euro to become members, and that we do not promise anything to our members, who today number around 6500 people, TI in-house staff and outsourced employees, we would ask Mr. Di Loreto, if possible, to inform us how many members they have and how many RSUs and time off they have used per year, all to understand the company productivity of each member of staff.

- To both financial and political institutions: both have brought us back down to earth, reminding us that we are in Italy, considering us a rag tag army headed by a stubborn leader, while they forget that our Chairman is not the only person who is stubborn, and that many of the members and the executives are too. And that we are indeed not a charitable association whose members meet up for whist drives, but an association of very angry shareholders who have seen their investment lose more and more value because of the disgraceful actions in recent years by bold captains of industry, controlling shareholders who controlled only what was useful to them (such as Argentina, Brazil, stasis in Italy) and you, representatives of the institutions - here I am talking to the ABI, Consob, AGCOM and the Government - have never defended the small shareholders, instead, recent policies, instead of getting their priorities straight and being content with the economic investments our company is making and will continue to make in Italy (particularly in the South of the country and in areas of little economic return, where we are the only ones investing in fibre, as the Chairman correctly reported) to bring fibre to people, have led to the company's adoption of indefensible positions, supported by the advice of experts who know little about telephony, let alone fibre, and, worse, who act as if we are in an old country with a totalitarian regime where what one decides applies to all (whether in politics, society or finance), inserting among the suppliers of fibre services a company that until today distributed electricity. Tomorrow I
would not be surprised to hear that the companies that distribute water and gas will be trying to compete with us, and it would be worth their while to try, given that at the end of the day it's the state (which means us taxpayers) who pays, and so as shareholders we are paying twice, with a fall in the share price as soon as the news was announced and then paying again through our taxes. Is this too, perhaps, part of the trashing everything plan of the current Government?

**Public Company.**

With the PAD programme requested by ASATI and taken forward by the company, we have built the hardware part of the Public Company project. Now to complete the system and ensure that it works, we must develop the software. The software is the "democratic" application that needs to be developed to give all employees the possibility of accessing the shares management site. In recent days we have received hundreds of telephone calls and emails from colleagues in OA who told us that, by mobile phone, since they had no way of accessing a fixed work station, it is very complicated to carry out the procedure, both the board of statutory auditors part and the proxy for the shareholders meetings, without even mentioning our colleagues in the caring division who, although they have fixed work stations, are not able to go to the share management site because of company policies applied to the work stations they use.

This situation, which is hardly democratic, has prevented ASATI having at least a thousand proxies, for both the board of statutory auditors part and for the shareholders' meeting attendance part, without mentioning the shareholders outside TI who are forced, in 2015, in which you can buy a home on the internet, to obligatorily go to the bank to ask for a ticket to attend the shareholders' meeting, and then there's the board of statutory auditors issue for which myself and Mr. Lombardi had to spend 4 hours to have our certification, and only after we had threatened to go to the public prosecutor if we were unable to have it. So we ask Telecom Italia, Mr. Patuano, to implement an app for smartphones which allows both the OA technicians and our other colleagues to access the shares site and be able to carry out not only all the operations for selling shares, but also those for the proxies, and to include in every work site a common workstation from which the Shares Management site can be accessed, particularly, obviously, in those work sites from which our colleagues currently are unable to connect.

Again, we would ask Mr. Patuano, to facilitate the procedure for all shareholders who have a share account outside TI to be able to participate in the shareholders' meeting, for Telecom Italia to issue a detailed communication to its shareholders and to all the banks (including ABI and Consob), given that in relation to the submission of slates for the renewal of the board of statutory auditors they had no idea what people were talking about (and we have many more examples to add to those already sited).
Optimising corporate costs:

- In relation to the optimisation of corporate costs (we are therefore talking about savings or how resources could be spent better), we cite, as an example, a report we received regarding the expenses incurred by the company for the Sanitation of employees’ work stations, and what this activity involves, given that many colleagues have reported to us that the personnel carrying out this Sanitation wandered around with a cloth and a bottle, and used the same cloth for all the workstations.

- Mr. Di Loreto, we wanted to know (it’s been years now that we’ve been asking the same questions) the economic dimension of the technical consultations provided by Accenture to Telecom Italia, and we were also wondering how come after the excellent work done by Mr. Di Loreto to share the figures (transparency etc.), this policy was only applied for employees, while it seems unknown by the consultants or firms that work for us.

Indeed, while employees are asked for transparency, to cultivate communication, develop relationships, encourage collaboration, spread responsibility, our external collaborators seem members of some secret society. They don’t say anything, in fact some of them only talk to one another, and don't even participate in social life inside the company.

- Mr. Di Loreto and Mr. Opilio, always with a view to optimising resources, we ask you to continue to pursue the path of bringing activities back in house that you have already started, for example in OA.

- Mr. Di Loreto, we also wanted to ask you if it would be possible to move into the OA structure, or other organisational structures, some of our colleagues from the caring department, or other departments, who had requested this. People who we are sure would be suitable, and who have adequate skills, seeking to motivate them adequately be listening to their aspirations, their needs, and if they meet the needs of the company, to use them.

Recruitment or movement of personnel:

Mr. Patuano, given that our company is soon to recruit people, and I guarantee that they will be welcome, we ask that some of these jobs be reserved for the children of colleagues who meet the criteria for retiring, or who are close to retirement. Obviously, these jobs would be dependent on people having the right skills.

Thanks for listening to me, and I hope the meeting continues well.

In response to the Government, and on the fibre plan, may I say: "No wind will do much good for a navigator who doesn't know where to go".

As the great Alessandro Manzoni might say: "Apologies if I've bored you, but this was not what I wanted”. Thank you, and I hope things continue well.”
In commenting on his written submission, Frasca asked, in particular, that account be taken of the circumstance that there was not a single representative of UILCOM Rome and Lazio in the shareholders' meeting, although around 50 representatives of Asati were present.

**Savina** read the speech reported below, which was then delivered to the Chairman’s table.

"Chairman, Chief Executive Officer, Shareholders and Colleagues,

Here too, we are "making a stand", and with absolute consideration and respect for certain organisations, we would like to reiterate that ASATI is not a trade union, is not a political party, and nor are we the means or vehicle by which people can redeem themselves in some way. We certainly are an organisation that will listen, and a privileged spokesperson that can represent the voice of thousands of shareholders.

Our commitment is also an ethical and moral one, it's participating and is an unbreakable bond with Telecom Italia and its human capital, which constitutes the professional value of the Company, and certainly our role does not end with the submission of slates of candidates for the renewal of the governance bodies.

ASATI represents a grouping of small shareholders - employees and non-employees, and maintains the importance of cohesion among shareholders as a tool that is focussed on two main objectives: to finalise a share ownership structure according to the "public company" model, and to gain representation in the decision-making bodies: the Board of Directors and the Board of Statutory Auditors. The Association intends to foster all those activities that can facilitate participation by and representation of the small shareholders in the Shareholders’ Meeting, and to maximise the impact of their voting rights in these meetings. Our mission is also to unite in an effective way the intentions of widespread share ownership, and the wishes of the shareholders (ref. to the bylaws of the association).

Through our activity fostering the interests of the small external shareholders and the employee shareholders we have gathered and selected relevant topics that we will summarise briefly, together with some questions. Copies of those of our arguments that we are unable to set out here will be delivered to the Notary for inclusion in the minutes.

1. Strategic Topics: OTT, partner or competitor?

We are very satisfied, and have high hopes for the future, regarding the agreement with SKY for the distribution of the Murdoch group content on our Network, and it encourages us to hope for the announcement of similar agreements with the Mediaset Group. The major investments underway for the Fixed and Mobile Ultrabroadband Network would be broadly unjustified without a rapid dissemination of applications which require the characteristics of bandwidth, latency and
everything else. In this sense, these agreements in our opinion constitute just the first step, and are wholly insufficient to use the enormous investments we are deploying to the best, and in the most profitable way possible. Most informed analysts agree that the more attractive services, which consequently have a related higher volume of data traffic, continue to be developed from the "traditional" American OTTs such as Google, YouTube, Facebook, WhatsApp, innovative ones like Netflix, and the many providers of Cloud Games. It is inevitable that these companies gain larger and larger shares of the market in higher value services to Customers, and continuing with this confrontational approach we risk being excluded, more and more, from new business opportunities, as well as damaging the image we offer to those who at the end of the day are also our Customers, as well as being Customers of the OTTs..... Telecom are always the bad guys!

On the other hand, we have assets and skills that can be very useful to the OTTs to improve the quality of their services. We are thinking of the Data Centres that are part of our Network, close to the final Customers, which can offer guarantees of the latency indispensable for applications such as VoIP and Cloud Games, we are thinking of caching and video/web optimisation features available on the Network.

Questions

1. Mr. Patuano, can you explain to us what the strategy is, if there is one, to transform these OTTs into partners, to do business together instead of continuing a fight which we can only lose, in the long run;

2. Can you tell us if you think that there is still any margin of negotiation in spheres that present common interests and opportunities, and in this case, what are these spheres that are reciprocally recognised,

3. Can you tell us if you believe that the battle with the OTTs should be considered substantially lost?

Close/Question

The final question is for you, Mr. Chairman, and we return to the aims that our Association sets itself: we would like to know your thoughts on the issue of the participation and representation of employees on the governance bodies of the Company.

To end this speech, and considering your authority, personally I would have asked you to read three lines of a text that constitutes the foundation of our Country, then, in discussions with my colleagues, and despite not finding the request either inconsiderate or disrespectful, and certainly not provocative, I decided to do it myself. So, while awaiting your response, I will read these three lines, with absolute consideration and great respect....
For the purposes of the social and economic elevation of work, and in harmony with the needs of production, the Republic recognises the right of workers to collaborate, in the ways and within the limits set out in law, in the management of companies.

Article 46 TITLE III Economic Relations - the Italian Constitution.

Thank you, I've finished.”

Savina also delivered to the Chairman's desk a speech by shareholder Fogliati, which is annexed to these minutes.

Mitri read the speech which was then delivered to the Chairman's desk and reported below.

“Good morning Chairman, good morning everyone, I am Tonino Mitri, small shareholder, employee, ASATI member.

As at every shareholders' meeting, we are here with ASATI to try and represent the concerns of the small shareholders.

We are as always in love with the idea that Telecom Italia is becoming, formally as well, a true public company with a Board that proportionally represents all the capital, to make permanent the decisional autonomy we have glimpsed in the last year, and to prevent any special interests from occurring in the future.

For the record, the current Board, elected in the shareholders' meeting on 16 April 2014, presents a paradox:

- 4/5ths of the directors from the TELCO slate were defeated in the shareholders' meeting, voted for by the minority only, moreover TELCO is being broken up and its remaining components (Mediobanca, Generali, etc.) will probably leave the capital of Telecom Italia.

- 1/5th of the Assogestioni slate voted by the majority (list headed by Prof. Lucia Calvosa), which won also thanks to FINDIM (Mr. Fossati) and ASATI (Mr. Lombardi).

Having said that, with this year's final figures, we honestly must acknowledge and thank the current Board, Chairman Recchi and Mr. Patuano for having acted in substantial decisional autonomy, for having had the company embark on a new road with an industrially advanced vision, and for having defended it decisively against external interference.

We hope to see this independence and determination confirmed in the next two years, during the new phase we are about to live with the entry into the share ownership of a new strong shareholder: Vivendi. A French content company (like Mediaset), with lots of cash, and, theoretically, synergies with Telecom Italia in terms of business (quad-play).
If the perspective of the Vivendi participation will only be industrial, on an equal basis and long-term, then the advantages will be considerable for everyone, and will probably involve other players, in order to consolidate our business in Italy and in Europe.

We are at the start of a new industrial revolution that is involving and revolutionising the whole world of communication, information and, in general, our private, social and working lives, cancelling distances and also the iteration with the objects that surround us (the internet of things), and the establishment of new sciences, such as the so-called social physics linked to Big Data.

From this perspective it is right that our government is concerned about ensuring that all areas of the Country are, within a relatively short and certain period of time, able to live and produce in an advanced context, namely, to have access to a superfast network. But attention, to reach this, the right result, the Government should concern itself not with the detailed technology used, which is the responsibility of businesses, but instead to define, within a short period of time:

- a clear, certain and shared regulatory framework
- policies that stimulate the demand for broadband at mass level, so as to have a natural acceleration of the related investments.
- targeted investments in the areas of the Country with negative profitability.
- lastly, but perhaps most important, to create a system for the country, and thus to be only arbiter, and in no case also a player against someone (I believe that the interests of Italy and of Telecom Italia, which is one of the greatest Italian companies, are in perfect agreement).

To conclude, I take the opportunity to thank the Chairman of Asati, Franco Lombardi, and his staff from the bottom of my heart, for all they do, to defend and promote the growth of Telecom Italia and the small savers who invest in it.

I also thank all the colleagues and friends who gave mandates to Asati. Good future to everyone. Thank you for your attention”

At the end, Mitri read the speech written by Mr. Zarrillo, shareholder, which was then delivered to the Chairman's desk and reported below.

“Topics of the Speech: Network and Services with evolved caring; Business & Consumer; ICT

We observe with satisfaction the change of pace the company has made in the last year and a half, in terms of resuming investment in the new generation fibre network and in terms of LTE. A change of pace that has brought the company to the forefront again on this issue, and which has again placed it at the centre of a number of debates, hypothetical financial investments, company cooperations and, sometimes, good old fantasy. In this debate, Telecom Italia has shown that, compared to the other subjects, its principal interest is to "DO", not to hypothesise, study and wait.
and see. However, Chairman LOMBARDI has already expressed the thoughts of our Association on this topic.

Let’s focus attention on three fundamental issues that are linked to the above:

- **New generation network (fixed and mobile):** you have tackled the market head-on, not just with investments but also in the sense of creating Quad-Play offers, going to intercept that maturity of the market that, however saturated, is still evolving, becoming richer, with new needs and above all new opportunities. What is missing from this proposition is an evolved caring service, a help service that makes the customer feel special from the first contact. Unfortunately, though, my experience and that of people close to me (to whom, in some cases I had strongly praised the advantages of the new offers), tell a tale of rescheduled appointments, calls to the information line that sometimes seem non-committal and that sometimes postpone things to updates that are regularly ignored. It is true that these things happen, with large numbers, and that a new offer needs a period of running in before operating properly, but it is also true that going forward to make a positive impact on early adapters can only make easier the arrival of the mass-market afterwards. In all of this, there sometimes seems to be a disconnect between those who undertake network operations, caring, sales or marketing, to the extent that sometimes, experiencing it, and bearing in mind the dynamics of a big organisation, it seems that different companies are involved. It is probably necessary to focus more on the common aims, and for the specific ones, pay greater attention to how they work together.

- **Business/Consumer:** put the customer at the centre not only as recipient of a commercial offer or a caring plan, but as a unique and transverse entity. When the consumer customer has a negative experience, he takes this negativity into the world he works in, and vice versa. If the various sectors referred to earlier (operations, sales, caring, marketing) sometimes seem to work as separate companies, the business and consumer sectors are sometimes even in competition or, worse, are unaware of one another’s needs.

- **ICT** has been a mantra for a number of years; ICT is the key to the revenues of telecoms companies, but there are few successes, and if on the one hand Telecom Italia can boast of being the first cloud operator in Italy, it is also true that we are leaders in that poorly differentiated sector that is infrastructure. We need differentiation and specialisation. And in this, I’d like to use the example of TIM Working Capital to understand how the companies financed have transformed themselves into business partners of Telecom Italia, how many offers are based on such “bets” or when they will be planned. Ask any employee in the marketing sector what it means to ask for a development from IT, in terms of costs and times. None of this will be compatible with the speed of the market. So put together the opportunities that Tim Working Capital could grasp with in-house
needs. Slim down the processes and systems. And above all, send packing those people who defend their only little patch, because the market has changed, Telecom Italia must necessarily change, and there is no place for the old technology bureaucrats.

Thank you."

Martinez read the speech which was then delivered to the Chairman's desk and reported below.

"Chairman, Chief Executive Officer, Directors, Shareholders, good morning. I am Mauro Martinez, Chairman of the Telecom Italia CNQ (Coordinamento Nazionale Quadri) the professional association that represents the middle management of the Telecom Group.

This for us is the third shareholders' meeting we have attended since becoming shareholders of Telecom Italia.

First of all, may I congratulate those who believed, and who still strongly believe, that they will be able to change things in this company, and in this case I refer to our CEO, who through the meticulous work of the Head of People Value, and his collaborators, has allowed the introduction "ex novo" of an "explosive" strategy to manage all those people who, like me, work in Telecom Italia. Finally introducing the concept of "people", instead of "resources". People from whom the company intends to extract value, through new performance management strategies, new approaches to the analysis and selection of management, new systems for assessing individuals, in other words.... new game rules. Rules that finally, among other things, include the assessment of bosses by their collaborators, that for the first time introduce a bottom-up principle, alongside the traditional top-down method.

And for us, an Association of Telecom Italia People, this really does represent a momentous change; a revolution, this, that really does, for the first time, insert 360° appraisals of people into the DNA of this company, taking account, in the case of middle management, of all the managerial positions, recognised and de facto, and all the narrowly specialised and professional positions.

To us, this seems a great step forward, towards management and enhancement of the know-how of Telecom Italia people, the factor that for us really does distinguish us in the competition with the other market players.

I would like to explain better the value of these comments.

For the benefit of those who pay a lot of attention to the performance of companies on the market and in the stock exchange, but who are not used to looking at the internal dynamics of a big company, I would say that this aspect, in particular the transparency and inclusiveness of the people who work in such a company, is a fundamental aspect of the achievement of that performance.
Because where the concept of meritocracy and honesty has been introduced into assessment, it has been shown statistically that people obtain better results, firstly for the company, and then for themselves.

And after having mentioned what is perhaps the most important aspect of the internal management of the company, we come to the aspect of strategies towards the market, and the analysis of the ambitions that our company has set itself. A challenging 2015 business plan, with even higher investment margins than the previous year, focused on building the new generation supporting infrastructure, both fixed and mobile, both in Italy and Abroad, where we are present, to ensure that the Country has a robust underpinning on which all the new services for the new needs that the customers ask us to satisfy can be built.

We have spent years thinking only about repaying debt and rebalancing the finances of our Group. And we can certainly say that we have done this in a way that can be deemed absolutely satisfactory. Now the time has finally come to go on the attack. The time has come to finally rewrite out history, and that of this Country in which we have always been a point of reference for people and for businesses for everything that pertains directly or indirectly to the concept of "communicating".

We live in a world where by now our true competitors are not the other Telcos but the OTTs, those companies that, coming most of the time from abroad, and finding a legal and fiscal situation that is favourable to them, are able to exploit the networks that we build at low costs, to do business and to cannibalise, in this way, the business of those who, like us, put their own investment programme first. Investments that in this way become harder and harder to repay. For an example of all this, consider the phenomenon of the cannibalisation of text messages, yesterday, and voice traffic today, by players like Facebook, through its subsidiary WhatsApp.

And so? How are we thinking of "defending ourselves" against these attacks?

An old saying goes "if your enemy is too strong, make him your friend".

So, we can do this. Because, as I said earlier: the time for staying on the defensive is over.

Now, for us in Telecom, the time has come to launch an attack on new businesses, and open new markets and new opportunities, beyond the traditional ones that have always characterised telecoms companies like Telecom Italia, but which are gradually becoming more and more saturated. A saturation that to date has been fought, where possible, by cutting costs, but which today can no longer be avoided, and must instead be faced with our heads high, challenging ourselves in other sectors, exploiting our experience, our technological skill and knowledge, the data we possess. In a match that we will play with new allies.
And so we have our Top Management declaring that it wants to guide us towards the challenges of the internet of things, of big data, digital education, to mention just some. Challenges in which we will be able to distinguish ourselves, we are absolutely certain, as Middle Management, thanks to our competitiveness and professionalism, our speed of intuition and clarity of intent. But on which we are just as certain that Telecom Italia, as a company, must rewrite itself and its internal processes, as it is already doing, to make itself flexible for the change in business and for the new commercial and technological approaches that these new markets ask of us. On this, one immediately thinks of the new policies for managing work, such as, for example, "Smart Working", which on the one hand can represent a further contribution to cost cutting (thinking, for example, about the new logistical occupation plan for the company offices), on the other, however, it incarnates the modernisation of the work paradigm which the people of Telecom Italia themselves expect to be deployed in the most correct way, in the most perfect balance of work and private life. And in answer to the question: "will we be able to do this?", there can be only one answer: "absolutely yes!".

Perhaps in the immediate future we might run the risk of suffering because of the dimensions of a huge market reality without having the advantage of the typical speed of, for example, a 10 person start-up, but already in the short term, if we work as well now as we think we are doing, we will be able to succeed with our traditional competence and professionalism. To be able to aspire to this, though, we must continue to work, from now, to make this happen, enhancing precisely that speed of intuition and vision that immediately makes us able to compete against our market competitors, including in the new business realities.

If we are as good as we strongly believe that we are, this will mean generating new revenues and face a future that is very much a blank page with broad margins of growth. And our Business Plan reassures us in this respect. Consider the investments in Italy of approximately 10 billion euros, without forgetting the 4 billion planned for Brazil, which lead the Telecom Group to aim to cover 75% of the Italian population with fibre, and 95% with LTE, over the next three years, as well as the over 15 thousand G4 sites and 14 thousand 3G sites in Brazil. These numbers are definitely not a sign of defensive, submissive strategy of waiting, but are instead a sign of market aggression and attack on business. Indeed, new businesses, considering that over 50% of these investments are investments in innovation. And choosing leadership in digital technologies in Italy and in Brazil means taking, in order, those steps that can only guarantee to Telecom Italia market leadership as a supplier of Smart Connectivity and Services that our Top Management has set itself in outlining the shape of the new Business Plan.
Becoming the digital enabler of a Country whose citizens are always connected, everywhere, also and above all means carrying out the social mission that is typical of the Public Company that Telecom Italia has decided to be. And in this mission CNQ (the middle management association), which has always represented the most "digital oriented" social segment, because it is made up of those people who are the first to live and work for this objective, intends to do its utmost to reach this challenging goal, with the Company, with the Top Management, with the other Stakeholders. And this despite the alternative plans declared by the Government, or by those who, on its behalf, aim to occupy a role that is typically reserved to operators like Telecom Italia.

For this reason, we are even more aware of a need, on which we would like to know the thoughts of the Top Management.

Market news, government declarations, competition risk overshadowing among our people, even if only partially, that positive approach that we clearly perceive in the strategies and choices of our Top Management.

To obviate this, we believe that our association, as the internal body that represents this part of the company that above all in the branches guides all the processes to deliver these strategies, is the best channel for the "natural" communication of the content of the strategic choices, because it is always considered to be critical and impartial. And for this reason our request is to be even more legitimised, and have an official visibility alongside the company, through a clear and distinctive communication on the company communication tools, as well as through any form of communicative facilitation for meetings in branches that serve to explain, share and metabolise in everyone what we have shared at central management level. Only if, in the same way as we are working together with the company on issues more related to middle management, we communicate together to Telecom people that CNQ really is an active and constructive part of this company will our words, our efforts be legitimately repaid by the sharing of the company objectives by these same people.

We are certain that in this way we can guarantee, where possible, the most complete participation in the choices of the Top Management at the challenging time for the markets that we are about to experience: which means, for the Top Management, being able to rely on a broad team that is strong and close-knit, in which both those on the pitch and those on the bench will try to give the maximum, depending on ones role and potential, without complaining that sometimes they are not called on to play, but instead committing, more and more when they are, in the hope that the new call to enter the field will come as soon as possible.

But we must do it together. Us from CNQ and the Company.
We too are communicating the company's message, and also the company our identity as the Association of managers of the same company.

Together.

Our expectations, Mr. CEO, are truly great, I won't hide that. This year, when the Management Meeting was ending, I heard these words:

"We have everything we need to build a great future. Ours, the Telecom Italia future. It's us who build it. Together".

This is why expectations are so great.

Because fortunately, Mr. CEO, those words were yours. Thank you"

Testini read the speech he then delivered to the Chairman's desk and which is reported below.

“Good morning Chairman, good morning everyone, I am Mario Testini, small shareholder, employee, ASATI member. In this meeting I am acting as spokesperson of thousands of small employee shareholders who, through the ASATI secretariat, ask questions about issues such as the People Strategy, the atmosphere in the company and Human Resources, and Solidarity.

From the analyses undertaken by Great Place to Work, it emerges that in companies in which there are employees who are satisfied with the environment and working conditions, they are also the best motivated, and their productivity can be as much as 30% higher than the general average.

If people are considered the true competitive value, they say in Great Place to Work, and the company shows in every way that it has interest and concern for them, ensures that they are informed, are guided by competent and coherent bosses, are involved in the decision-making process and enabled to grow as professionals and “citizens of the company”, then the organisation definitely will take move to make everyone feel an active part of it, to ensure that each feels themselves to be an active contributor to its successes and hence is always willing to give their utmost to achieve the objectives.

Mindful management of the "company atmosphere" can prove a determining factor to obtain the best productivity. People who have spent a lot of time in the work environments know well how widespread the tendency is to trigger pre-packaged moaning processes, at the level of role games, that spread like viruses, multiplying the numbers involved, and the effects, sometimes (surprisingly) also in those on career paths! No-one is exempt, and often these attitudes originate from the managers themselves.

It is undeniable that there is an air of change in Telecom Italia, given the work done by Mr. Mario Di Loreto with the People Strategy and the work of the so-called Works Sites (Cantieri), the new Leadership model, new processes, Performance Management or new model for assessing
performance, and although all of this hubbub denotes praiseworthy intentions, we continue to collect many perplexities, which are reflected in our questions.

Questions
1. What objectives has the company set, and what does it expect, from the adoption of this new internal process for performance assessment? Will there be any concrete effects in 2016?
2. Will the Work Sites programme and the active oversight of human capital continue?
3. At the moment, what tangible results have been obtained from the work of the Work Sites?
4. We note, positively, the attention paid to human capital, but what initiatives are planned to improve and monitor the atmosphere in the company?
5. Does PV still feel the guarantor of each individual resource, and in particular, are senior managers used best, according to their skills and potentials?
6. Before taking on more managers on the external market, is it plausible to consolidate a search and assessment process to consider internal candidates?

Solidarity
Then there is the issue of what is called Expansive Solidarity, on which, we are certain, you understand how necessary it is to clarify things, particularly on the hypothetical arrangements for making use of it.

Questions
1. In this likely switch from defensive to expansive solidarity, how will the sacrifice of the employees be worked with the announced 4,000 new jobs under the Jobs Act, the results and related effects of which still do not seem clear?
2. How will Expansive Solidarity be used? One or two whole days a week for all lines? Friday and Monday? Can we rule out shorter days and minute-counting?"

Marconi read the speech he then delivered to the Chairman's desk and which is reported below

"Mr Chairman, Chief Executive Officer, Directors, fellow shareholders, participants in the shareholders' meeting, I want firstly to thank the Chairman for having wanted to explicitly invite the employee shareholders to the Meeting, in his message to the company last Monday, 11 May. Together with other colleagues, employees and shareholders, we willingly accepted the invitation, because we intend to participate fully in the life of our enterprise. We want to give value to the company, to this common asset, with active and constructive contributions to the progress of a public company, which we recognise as the most ethical and most democratic horizon for the
management of the capital of a great company, even more so if the workers can collaborate in the
management of the enterprise.

We hope that the team of the willing will expand, and, personally, I am grateful to see the activity of
ASATI, carried out energetically by its chairman, Lombardi, and by the colleagues who have been
actively working for years.

Being Telecom Italia means being protagonists and innovators in the Information Society. A
weighty task, although facilitated for some time by a more favourable economic cycle and the
process of clarifying the political and institutional framework that is underway in our Country.

Innovation in infrastructure: Network Transformation and Decommissioning

Certainly, innovation requires modernisation of the infrastructure, which sees Telecom Italia
confirming its historical role with the Transformation activities presented in 2015-2017 business
plan. Network Transformation - a typical process for Operators that are former incumbents - is
aimed firstly at structurally reducing operating costs, and brings simplification of the architecture
and modernisation of the IT and network infrastructure, and to the decommissioning of old network
technologies, work that can no longer be postponed, considering the trends in the service market
(less and less voice and more and more data). Telecom Italia’s commitment to these activities leads
to the conclusion that this process will undoubtedly have a major effect on the economy of the
whole Country, in terms of technological development and renewal, the offer of innovative services,
the upgrading of the professional know-how of the entire ICT sector.

Innovation in practices: the People Strategy

Innovation also means new practices and behaviours in company life, and the new breeze that can
be perceived in the management of the organisation and the personnel is encouraging, thanks to the
People Strategy orchestrated by Mr. Di Loreto, of which people have great expectations.

The many initiatives, that the colleagues who spoke before me have discussed, make us move from I
to us, and this is a good thing. Hominibus apprime utile est, consuetudines jungere, seseque iis
vinculis astringere, quibus aptius de se omnibus unum efficiant, said Baruch Spinoza: “For men, it
is above all useful to have relations, to strengthen the links between them with which, all together,
you can form a whole”.

I will recall just two initiatives among many: the project for the scientific and industrial
standardising of operating processes is good, also useful to normalise the protocols that link us to
the complex ICT sector. We sincerely thank those managers who have supported, and continue to
support this project, with conviction and foresight. The new and welcome process of internal
recruiting, job mobility, is excellent, and we are certain it will give renewed value to the company,
strengthening the role of our professional colleagues. Our workforce, a source of incomparable
skills and competencies, is a precious resource that belongs to the entire company, Spinoza's "whole". Only in this context can competencies be revitalised and enriched, and not remain underused.

Questions
We have 4 questions on the modernisation of the network and ICT infrastructure for the Chief Executive Officer.

1. How do you intend to maximise the role of de facto leadership played by Telecom Italia in the process of modernising our Country's infrastructure, in your relations with the Italian and European institutions? How does the Network Transformation process align with the 2020 targets of the European Digital Agenda?

2. How does the network infrastructure programme align with the evolution of the commercial offer? Can you reassure us that the planned investments are also intended to modernise the offer, not just to reduce operating costs? Is there a "commercial decommissioning" plan that is coherent with the "technical decommissioning" one, which envisages abandoning obsolete offers not supported by the new technologies, in order to avoid replicating the old offers in an "unnatural" way on the new networks?

3. The transformation of the network involves the decommissioning of the old networks and a major focus on efficiencies. In what terms is attention being paid to appropriate redundancies, to network quality and continuity of service?

4. We have evidence of technological renewal processes in IT. Can you reassure us that these investments are directed not only to technological modernisation, but also to a review of the processes and applications that support the business?

Finally, a question on the network resilience of critical infrastructure.

5. With due regard to the confidentiality of this issue, in what terms is attention being paid to safeguarding the telecommunications infrastructure, critical for the whole Country, and for the European context, in the particularly turbulent international situation of recent months?

Thanks to the Chairman, the Chief Executive Officer and all of you, for paying attention.”

Napoleoni read the speech he then delivered to the Chairman's desk and which is reported below.

“11. Topics & Speech: Plan to Rationalise spaces and offices, Smart Working: cost saving or business opportunities?

Mr. Patuano, we greeted with great enthusiasm the start of the Smart Working project, which will introduce in the company a different and more modern way of working, already embraced by the most innovative companies in the world, and more fitting for the new generations that, thanks to the recruitment plan you announced, will soon join the Company's workforce. Many tasks in Telecom
Italia are these days carried out primarily at work stations, using the applications provided, spending almost all one's working time at one's own desk. The moments of "physical" interaction with colleagues and managers are increasingly through ICT services (telephone, email, instant messaging/chat, text messaging, audio- and video-conferencing, videostreaming. Smart working does not only mean distance working, as we have known it to date and practised, on a very limited scale. It means, above all, the spread of a new and different culture, the creation of an ecosystem composed of environments, tools, applications and new processes that can stimulate creativity, increase productivity, simplify and improve the life of employees. In substance, it's a question of redesigning a company that again attracts the best talents of the new generations, putting them in better conditions that better fit their lifestyle, to work for the new generations of Customers.

But since Telecom is the leading Italian supplier of ICT services, we cannot confine ourselves to a broad plan for smart working only as a tool to reduce labour costs, we must also think of it and create it as a way of creating new business opportunities. It does not seem off the wall, to us, to imagine designing it in such a way that it can be used as a base for a commercial offer directed at companies that in turn want to embrace a Smart Working project. We mean an offer based on the supply, for their "Smart Worker" employees, of access to fibre equipped with all the services for communication and collaboration, the IT applications, the productivity management tools, etc. It does not seem off the wall, to us, to think that Smart Working could become not only one of the killer applications for both ultrabroadband and cloud services, but also could be the innovation that enables the overall value of the ICT market to increase, finally, and after so many years of slowdown or even regression, perhaps at the expense of others, such as the property or automotive sectors.

Questions

1. If the Smart Working project that you have announced is a short term project aimed only at reducing the spaces and costs, or if you intent to make it a broader-reaching project, with business implications and impacts on the company of the future which, in the short period of time available, I have attempted to outline.

2. If you believe our proposition makes sense, don’t you believe that the organisation that prescribes a focal point in the People Value context only is limiting, while a further focal point in the Business or Business Transformation context would be advisable?

3. How many resources is the internal plan aimed at (just to be clear, are we talking about 1000 or 10,000?), and how much office space does the plan envisaged losing? how many offices?

4. How will an extended internal plan contribute to reducing labour costs? Will it lead to sufficient savings to avoid the need to have to make further use of the tools used in recent years to
contain labour costs? We would like to know the timescales of the total plan, the total costs, the savings (in millions) estimated for the three year period 2016-2018.

We would also, and finally, ask for some details on the number of people working remotely, and their experiences”.

In commenting on his own speech, Mr Napoleoni placed particular emphasis on the importance of concentrating attention on the quality of videosurveillance services and products.

Mr Nanetti read the speech he then delivered to the Chairman’s desk and which is reported below.

"Subjects of the Speech: microbusinesses and prospects for videosurveillance services.

We get many proposals on new services and new prospects linked to the videosurveillance service, and we have reached some conclusions: in our territory, in our towns and cities, videosurveillance cameras are a constant and growing presence in public places, installed by the government or by private initiative, shopkeepers, etc... paying attention to and preventing vandalism and criminal actions is certainly high. Telecom could invest in the "supervision" part of these networks of videocameras. Within our company we have structures/resources and processes that could guarantee 24h surveillance and monitoring and alarms (to interact with the appointed subjects), and we could define a customer offer that certainly would be competitive on the market. Our company can boast of a consolidated 24H supervision structure (and this establishes an advantage in the market segment, we can manage oversight and shift-working) and could propose this major service at even lower costs, providing an incentive for the installation of videocameras, with the consequent benefit this would bring to the security of the country. So it could also be approved from a social perspective.

This surveillance/alarm system could be integrated with our procedures, where the operator, instead of managing a small-medium-large alarm generated by switching/transmission equipment, would have to manage the small-medium-large alarms generated by interruptions in videocamera signal. This would provide enormous security for those requesting installation (of such a system), knowing that if vandalism or other problems arise there would be an immediate management of the situation. Obviously, various types of service provision could be created, depending on the importance and the contract signed.

One could hypothesise remote cameras with urgent classifications which trigger immediate intervention in case of faults, or otherwise deferred to daylight hours. Certain areas might have many videocameras, and so the failure of a single camera would not necessitate any intervention, while the failure of several at the same time would. All this would be managed by an area exchange, gathering all the signals and then bringing them to a management system. It would surely be
worthwhile to analyse the types of contracts that currently exist for the videocameras that have already been installed, both by Regional and local government and by businesses that have decided to install them.

The design phases of this new service could certainly create a great synergy between the various Functions of Telecom Italia (business - planning - Information Technology - operations - open access) and stimulate new "work groups", new inter-functional collaboration, also over the territory, where this need is very apparent.

Questions:

1. On the topics raised, we ask if there are business initiatives that have already started and come into being, and if there are further prospects that business areas for Telecom Italia could be delineated/developed also from the perspective of possible retraining of human resources”.

In commenting on his own speech, Mr Nanetti specifically referred to the circumstance that a recent investigation at the Comune of Bologna had found that just one videocamera in five was actually working, an issue that shows the great scope for intervention in that market.

Mr. Blesi read the speech she then delivered to the Chairman's desk and which is reported below.

“I am CLAUDIA BLESI, TIM employee since 1997 and in recent years at Telecom, ASATI member; I listened to the CEO's speech of a few days ago with great interest, as I did to the announcements of the projects extensively discussed at this meeting, and I consider them to be very positive with a considerable emotional impact!

My comments focus primarily on two aspects:
- Telecom strong points
- Telecom weaknesses

Without a doubt, the strong points of our company include:

1. the capillary territorial network that covers the whole country and beyond,
2. the consolidation of a relationship of trust with the final user dictated by years of history in Italian telecommunications
3. a major presence as economic player in the territory in which it works. And I think no-one could object to these three points, the data is undeniable!

But it is the weak points we must focus on, since the value of a business increases if it transforms its weak points into strengths!

As we know, the purpose of a business is to create wealth, and to achieve this aim it uses a whole series of resources (financial, infrastructural and human). And for this reason we need to study and understand the weak points to convert them into resources! And that's what we will do!
Work processes in Telecom are very bureaucratic and fragmented, sometimes also with differing times. This means that often the targets of a single area come into conflict with another one, thus losing the vision of the whole, and preventing the company from being effective and efficient. My proposal to turn this issue into a strong point is therefore to redefine the procedural standards to enable more dialogue between the various areas.

I agree with the Chief Executive Officer when he says he wants to focus on human capital for the next 3 years. We hope that that intention is massive and real. On this point, we would like to emphasise that the only way to ensure profit for shareholders is to maintain a solid company, but we must consider that a company is a legal person and therefore must take account of the people of which it is made - THE COMPANY CANNOT EXIST WITHOUT PEOPLE, human intervention is essential to make money. It follows that paying attention to human capital must be the principal element of a strong company. But to be strong, the company needs to last, and this can only happen by creating well-being at all levels, management well-being, financier well-being, supplier well-being, user well-being and last but not least employee well-being.

But what we are witnessing today is the company sacrificing employees, looking at them as merely a cost. It's like saying to a transport company, it's vehicle pool is a cost. Obviously it's a cost, but without that cost there wouldn't even be any revenues, without that cost the company would have no reason to exist. It is right to eliminate waste and reduce scrap, but halving the number of vehicles is not the solution that leads to a financial return! So the policy of getting rid of people can work in the short term, but by doing this the company loses its real purpose, which is what increases the share price and therefore generates revenue! It is in the interest of the investors, particularly the major investors, that the company continues to exist, over time.

As the famous economist Mr Schumpeter taught in his "theory of innovations", the economic cycle undergoes expansive phases and recessive phases: only in innovation do companies find their development, and hence their value! When they no longer have this, companies lose value and disappear. Mr Patuano has talked about big investments in infrastructure, and we can only be pleased about this, but what does he intend to do about the human capital? Telecom has always paid great attention to the training of its employees, but recently I have gained the impression that all the know-how, all the skills acquired in many years of work are no longer considered a company value that is the basis of our appeal to the market, instead, recourse is made, increasingly frequently, to external resources who can not and never can have the same level of training. All of this has led to a sense of frustration among employees who lose the feeling of identification, trust and respect they used to have towards the company. In this respect, the negative outcome of the referendum was significant: 70% of the employees involved voted NO to the ad personal control
proposed by the company, despite knowing that they would be facing situations that would definitely be unpleasant, and not to their advantage, with the aggravating factor of their awareness that there were no other alternatives in the situation of crisis and contingent economies.

It would take little for the company to transfer these last weak points into strengths: a clear and decisive desire by the investors to manage company resources more carefully would suffice. Creating value is synonymous with creating money. Greater attention to internal customers could generate great returns, in terms of value: the solution is not to cut or externalise the employees, but to re-engineer the processes!”

Mr. Manara read the speech he then delivered to the Chairman's desk and which is reported below.

“Subjects of the Speech: relations with the Regulators

The most stringent regulatory limitations in Europe have been imposed in Italy, to the point that in some cases the European regulation was inspired by the Italian one. Undoubtedly, in the past, the attitude of the regulator was strongly asymmetrical, to the detriment of Telecom Italia, with great activism in contexts in which the market situation was certainly not in Telecom's favour. We refer, for example, to the mobile sector, in which TIM certainly cannot be considered the dominant operator, and has not been for years. But also, to the new fibre access network, where, when we started investing, the dominant operator was certainly Fastweb (unless we want to consider Fastweb the first Ultrabroadband Operator, when it's a question of denigrating the Telecom Italia Network, and a new operator when, for other reasons, it's a question of applying conditions that are oppressive for Telecom Italia). On the other hand, perhaps to some extent because of this atmosphere, and to some because the collateral advantages had been incorrectly valued (remember the defence of the monthly rental, on the altar of which we sacrificed discussions and counterarguments about rules that today limit us on new services while the monthly rental is over?) we have, in our relations with the regulator, always adopted an attitude that is defensive, low profile, almost condescending.

Questions

1. Let's show the slide with a real example of "infrastructure competition" and urban decay! Are these the results of the AGCOM rules?

2. Mr Patuano we are asking ourselves if after the outcome of the various BUL and MISE bands, in which Telecom is practically the only one to have shown that it possesses the design capacity and resources to support them, there may not be elements, other than the "political" conditions, for requesting a slackening of these so strongly asymmetrical regulatory constraints (and more respect from the Regulator and politicians in general, including the off the cuff
statements of the Chairman of the Cassa Depositi e Prestiti) against the enormous contribution we are making to the modernisation of the country?

Finally, what do you think about a synergic collaboration with Enel, to accelerate the development and creation of the fibre to the building and fibre to the home projects, always in the interests of modernising our Country?"

Mr Davalli expressed his appreciation for the work of the management, and for the new climate that is developing in the company, evidence that the first aim must be that of stabilising EBITDA, inverting the trend of falling customers, and leveraging the existing assets by investing in new lines. He also expressed appreciation for the conditions at which the convertible bond was placed, demonstrating that the market believes that the Telecom Italia share price will rise over the next 5/6 years. And, finally, given his experience as a property consultant, he invited the company to consider disposing of the property it owns in Mantua, assuring the meeting that he himself was available.

Mr Rencurosi, welcomed the Chairman, reminding him that a lot of people had been "bruised" by the experience in Telecom Italia, such as Telco, Findim and, above all, the small shareholders. The shareholder then emphasised that the new Presidency, which he expected to introduce some novel elements, had not risen to people's expectations: everything has remained stationary in Telecom Italia. Mr Rencurosi then complained that Mr Patuano had stated that the performance of the shares on the stock exchange had increased by 50%, assuming the figure of 0.50 as starting datum (this is the lowest price ever reached by the shares), and not the figure at the date of the last shareholders' meeting (between 0.85 and 0.87), from which the increase is around 23%; he emphasised, on this point, that according to the analysis, the increase is in fact due to the market context rather than the merits of the company itself. The shareholder then spoke about a number of issues that had arisen during the year, firstly recalling that the only positive element was the circumstance that, by taking advantage of the favourable market conditions, Telecom Italia has issued a 1 billion bond at 3.25%, which, added to the bonds it had bought back (some of which had rates of up to 8.25%), had considerably reduced the mean cost of the outstanding debt. Mr Rencurosi emphasised that this was an operation similar to that carried out by many other companies, that cannot be considered an indicator of any particular experience of competence. The shareholder then spoke about the negative aspects of the exercise: despite the data on revenues, investments, net profits and cash, no dividend will be paid; he recalled that in 2014 the Chief Executive Officer had assured shareholders
that the lack of a dividend would be limited to that year; so he denounced the Company's lack of coherence, and the fact that it seems to want to use the cash just to service the stock options plan. As for the Telecom Argentina business, the shareholder recalled that of the price originally agreed, only part had been paid, while payment of the remaining portion had recently been renegotiated; on this point, he criticised the fact that there were no penalties in the original contract, which would have protected Telecom Italia's interests in the eventuality of delays in the payment of the price. On the question of technical and commercial assistance, the shareholder complained of some poor service he himself had experienced, both at a TIM centre and in dealings with the Call Centre; on this point, he reminded the meeting that in 2014 the German Quality Institute had awarded Wind first prize for best overall customer service, and the satisfaction scores of Telecom Italia's customers are constantly negative.

The shareholder then spoke about the issue that in May 2013 had led to the company being fined by the Italian Competition Authority for abuse of its dominant position in the supply of broadband and network access services; this business demonstrated major failings in the management, and on this point the shareholder asked how the company intended to proceed, and who would pay, expressing the hope that the disadvantage would not be to the shareholders only. Further, Mr Rencurosi complained that the Company had not pursued any acquisitions, unlike the other market operators such as Telefónica and Vodafone, which had also invested in home automation and intelligent solutions for automotive vehicles. Again, the shareholder expressed the hope for a spending review of management expenses and remuneration. He concluded by expressing the hope that the Chief Executive Officer and the Chairman, for coherence with the declarations that Telecom Italia is a company that sells technology and that as such it cannot have a workforce that is old, in terms of its people, should step back the next time the Board is renewed.

Mr Mosti pointed out that among the financial indicators in the 2014 financial statements, the incidence of the labour factor (i.e. the index that measures the wealth produced by the company that is destined to remunerate the employees) had worsened slightly, due to the fall in turnover, but was still extremely competitive. In this respect, the shareholder recalled that in 2012 a considerable number of people who were disabled or handicapped had been recruited and deployed in the function now called DAC, to be merged with the Caring division for the spin-off; the shareholder complained that in this way a kind of ghetto had been created to which disabled people could be relegated, constituting an evident discrimination against such people. The issue had drawn the attention of the media, and questions had been asked about it in the Italian Senate; as prescribed in the Code of Ethics, the facts had been reported to the head of Audit, as behaviours that did not
constitute respect for the provisions of article 4.6 of the Code of Ethics, which expressly prohibits any act of discrimination. The shareholder expressed the hope that the mentality had changed on this issue, which would enable an end to be finally put to behaviours which had been shown many times towards disabled people, throughout history. He denounced the attitude of the Company in these situations, complaining, for example, that a decision was made to appeal the judgement which had found in favour of a young woman with multiple sclerosis, or to transfer someone with anorexia, against their will. The shareholder pointed out that these acts were not only discriminatory, they were also senselessly overbearing, to the detriment of a small minority of the company that deserves help and respect. On this point, he emphasised how the Company should respect the negative judgements made against it, and should comply with its obligations to attend hearings, including settlement hearings. The shareholder recognised that the new policies on diversity and smart working act in the hoped-for direction, but stated that they must become part of the common cultural patrimony, otherwise they will remain sophisticated intellectual arguments with no capacity to influence reality. He concluded by expressing the hope that there would be a change that reconstitutes a true business culture of respecting difference, of real inclusion of the weakest, of mutual respect and trust, putting an end to the systematic recourse to legal disputes, without fearing new directions that may in appearance seem risky: that it then grasp the opportunity of the recruitment initiative that had been announced to select differently able people and bring them into the company in various career paths, promoting the affirmation of a new company culture.

Mr Barzaghi, after presenting himself as a long-standing employee shareholder who had retired some time ago, expressed his pride in belonging to that category of shareholders who, not having received big financial returns for years, due to the share price, still believed that change was possible. In this respect, he mentioned the attention paid to the world of the stakeholders, and a relaunching of employee participation in the context of a new project for more transparent and sustainable governance, elements that could finally lay the foundations for an authentic change of pace and direction. The shareholder expressed his appreciation for the letter to shareholders in which the Chairman and Chief Executive Officer proudly claimed that targets had been achieved; while he believed that the increase in the share price was also due to the favourable market context, the shareholder expressed his satisfaction with the year's results (achieved in a social and political context that certainly was not favourable for the Group), and in particular for the initiatives on the debt. So he expressed his thanks to the Group's employees, stating that their work constituted the true know-how of Telecom Italia, as the deserved recognition achieved in European circles for the
best performance in terms of profitability had demonstrated. The shareholder then made some comments of a general nature on the recent stances taken by the Government on the scenarios linked to the development of broadband: in his opinion, the strategy is "extravagant", and its effect is that Italy risks being the only Country in Europe, and maybe in the world, to have - in addition to a high public debt - three "ultrabroad" fibre networks built independently by different operators, without any coordination and without direction focussed on containing the costs of investment, preparation and management, or on maximising the revenues. On this point, the shareholder could not share the opinion expressed by the Chairman, according to whom the presence of more competitors could lead to a more competitive system: Italian experience in fact teaches that not all the market operators are able to act at the same conditions, since an obtuse political class focussed on patronage had assured access to public funds to some of them, perhaps in exchange for seats on the administration and control bodies of subsidiaries. The shareholder pointed out that any industrial plan whose objective is to improve the quality of life of the Country must be based on the shortening of the public and private bonds of control, and on the creation of synergies, but also in the context of a major industry; he therefore expressed the hope that - in a period of history in which the philosophy of "a single man in control" seemed to prevail, once again - Telecom would be able to find its own role inside an industrial system that needs rethinking and reform. The shareholder complained that the repeatedly cited need to align company strategy with the Government's aims had not meant that it had not been possible to identify a credible and sustainable process to reform the telecommunications system in Italy, leaving opportunities for government initiatives that were damaging for the Company, such as the recent ultrabroadband project which, if confirmed, could impose a heavy price on Telecom Italia. Again, the shareholder hoped that in the future the effects of many years of instability and economic and financial decline could be remedied, effects that the company had been forced to suffer after the privatisation (considered to be the most sensational political and financial case in Italy since World War 2), damages that only the choices of the last two years had been able to partially mend.

He concluded his speech with some detailed questions, and, more precisely, asking what the future of the company shops, once the pride of the company, would be; what would be the future of shops managed in mono- and multi-brand franchising; how many shops had stopped trading in 2014 and how many had started; how the company was thinking of restoring its relationship with customers, today entirely entrusted to the relationship with call centre staff; if a plan to incentivise voluntary redundancy, for older staff, was being considered; what the future might be for the role of Telecom sales person, freelance or directly employed, as had occurred to date; in what areas the company intended to use the 4,000 new employees to be recruited over the next three years; if the company
intended to make use of solidarity contracts again, to reduce management costs, and to what extent;
what the company intends to do if the Ultrabroadband Plan is assigned to a competitor if, as what is
hopefully the strong partner, it intends to approve the plan to involve retired employees as
shareholders; what prospects there are for Telecom's towers; in relation to the Brazilian market,
what the Board's intentions are, particularly in relation to possible sales of businesses; what is the
added value deriving from the merger by incorporation of TI Media into Telecom; how the
company intends to proceed to decommission and possibly sell the exchanges.

Mr Mancuso, firstly denounced the absence of so many Directors from the Shareholders' Meeting,
and asked if the absentees had provided justification in advance; he also asked how many times the
Board met during the year, and if the Directors attended these meetings and received reimbursement
for the journey from their place of residence. After having formulated some general remarks on the
Italian public debt, the shareholder asked to know the Company's total expenditure on legal, tax,
and financial consultants, expressing the hope that such expenses were being contained, as he hoped
advertising expense was too. He also asked for details of the criminal proceedings, employment
disputes and tax disputes. He also asked: if there were any extraordinary audits/inspections
underway; what the total amount of bad debt was, and how did this compare with 2013 and
preceding financial reports; the Company's total debt and the average interest rate. He ended by
asking for clarification on the leaks about the investment strategies of the Bolloré group and on
relations with Sky and Mediaset.

Mr Marino, first of all pointed out that, at the start of the Shareholders’ Meeting, there had been a
"self-congratulatory speech" by the Chief Executive Officer, who had cited the 23% increase in the
share price without taking account of the fact - which as Chief Executive Officer he must certainly
be aware of - that in 2010 the share price was about one euro. Five years later, the shareholder
continued, the value had returned to this level: so for people who invested in 2010, purchasing
Telecom Italia shares can be compared to an investment paying interest below zero. For Mr Marino
- who recalled how Chairman Recchi had also purchased 320,000 shares - the share price will not
rise further in the future, and in fact it was marvellous that it had reached its current level: this was
confirmed when looking at the failures of Mr Patuano, the shareholder stated. Recently, Mr.
Patuano had also quarrelled with the Cassa Depositi e Prestiti, the only body the company could
count on for future loans, in his view. However, Mr Patuano had refused the intervention of the
Cassa Depositi e Prestiti, putting the Company in difficulty, given its debts of around 30 billion,
and, as Mr Bassanini had stated recently, goodwill that was overvalued, since the copper network is
overvalued to the tune of at least 20 billion euros. Mr Marino recalled that he had in the past asked for Mr Patuano to be replaced, and for the Chairman of the Board of Statutory Auditors to be replaced as well, since he considered that a team that "had done nothing" should be replaced: in these years, he emphasised, there have been only losses and increases in the debt.

The shareholder then formulated a complaint to the Board of Statutory Auditors pursuant to article 2408 of the Italian Civil Code, asking it to carry out investigations regarding the following statements made by the Chairman of Cassa Depositi e Prestiti: "The copper network is overvalued, according to some", and then report to the shareholders if these statements have any foundation, undertaking appropriate initiatives (delivery to the desk of the chairman a document regarding this compliant). The shareholder referred to the news in the press according to which the Company had, at this point, filed a complaint with CONSOB, considering that this was a completely fruitless action that would go no further. For Mr Marino, the only possible action to take against such statements would be to sue, but this had not happened since, the shareholder stated, these statements by Mr Bassanini are true.

He then asked some questions, asking, specifically: for details about the impairment test carried out on the goodwill figure, particularly the value of the copper network, given the recent declarations made by Mr Bassanini, stating which company bodies and consultants had prepared the related data, who had provided the basic information and who had checked its reliability; what the status of the disputes that had arisen from the investigations in the Tavaroli case was, and for which of these the company had been ordered to pay damages and, again on this point, what control activities had been undertaken by the Board of Statutory Auditors; if there had been transactions on the Tavaroli case, and if there had, why; what the status of the proceedings against Messrs. Marianna and Gianfranco D'Atri was; how many residential customers Telecom had lost in 2014 (since Mr Marino believed that many had been lost). The shareholder then referred to the case of the two former employees of the Group who had been arrested and then declared innocent: he spoke about the declarations made at the time by Mr Patuano, who had been of the view that the "honour of these two employees would be restored", once the papers were available; he complained that no action appeared to have been taken in this sense, and asked for clarification, fearing that this was one of the many promises not maintained that shareholders had grown used to, since they had had experience of this in the meetings of the shareholders' of other companies chaired by Mr Nagel. An example to be avoided.

**Mr Corato**, did not think he had to express any thanks for the work of the Directors, who carry out their task in the interests of the shareholders; the shareholder then referred to his own speeches at
previous shareholders' meetings on the topic of Telecom Italia's "original sin", still current, considering that Telco would only be broken up in June; on this point, he expressed the hope that Generali would remain a shareholder and that the "great puppeteer" (that the shareholder did not want to cite) would leave the stage. He then recalled the transaction in which Vivendi sold GVT to Telefónica for a price of 7.45 billion, also acquiring 7.4% of Telefónica Brasil and 5.7% of Telecom, and the declarations made by Chief Executive Officer of Vivendi concerning possible forms of collaboration; in the shareholder's view, based on these initial statements, Vivendi does not seem a better shareholder than Telefónica. After expressing the hope that there would be a return to dividends, the shareholder referred to the operation on the convertible bond subscribed by BlackRock, Telefónica and Och Ziff Capital Management, reiterating his opposition to the decision to favour these subjects, particularly Telefónica. The shareholder proposed that, to remunerate the shareholders, as many foreign listed companies had already done, a bond issue be carried out reserved to the small shareholders, which would also allow the Company to raise funds at reasonable rates. As for Inwit, after having reiterated the economic terms of the transfer operation, the shareholder expressed his "consternation", if the information is correct, with the decision to broaden the board, ahead of possible listing, allocating 600 million euros for their remuneration. He concluded by asking the Chairman, who had referred to the possible entry of new shareholders to the company, of "the puppeteer's permission had been sought".

Mr Iemmi, congratulated the Chief Executive Officer on the recent issue of the convertible bond, although he emphasised the great divergence between the economic terms of this operation and those of the similar issue in 2013, from which the minority shareholders had been excluded; he emphasised the damage suffered by the savings shareholders in particular, blameless victim of the dilution of the equity, who had even been denied the possibility of expressing themselves in a special shareholders' meeting which, in the shareholder's opinion, should instead have been held, also because of the abolition, at the same time, of the unit par value of the shares. He complained that the operation had been carried out in the absolute silence of the common representative, Mr Trevisan, a lawyer, who although physically present at the extraordinary shareholders' meeting in the dual institutional role of protector of the category and representative of the law studio that had received a proxy to vote on behalf of, among others, a foreign fund that was one of the major beneficiaries of the convertible bond. The operation, Mr Iemmi went on, had been characterised by an evidently low conversion price and a "stellar coupon", a circumstance that is particularly serious, given the absence of a dividend for the shareholders. He asked if in relation to this mandatory convertible bond any civil proceedings were underway, brought by shareholders who could rightly
have appealed the operation based on their exclusion from this favourable opportunity. He concluded by asking if, given the depreciation of the Real and the synergies now being sought everywhere between fixed and mobile services, if aggregations in Brazil were being considered, and the amount posted in the financial statements as the value of the copper network, and if there were any risks regarding the valuation of goodwill; on this point, he considered that politicians should pay more and better attention to the company.

Mr Arini, firstly emphasised that he was one of the shareholders who had been damaged by the intermediaries’ non-compliance with communications to Telecom. He then asked some detailed questions, namely: he asked the Chairman of the Board of Statutory Auditors if it was the case that in the Board Meeting on 8 May there had been Directors who had opposed Mr Patuano’s plan for the creation of the TIM Citadel in Rome's EUR, and if there had been Directors who had reported a conflict of interest on the issue, in the form of links with funds operating in the property sector; he asked the Chief Executive Officer what the trend in the direction of the business had been in the last five years; and why the public sector direction had been eliminated, despite the considerable weight that issues such as the relationship with government, the development of the digital agenda and the development of the modernisation of the government machine have in the Country and on the Telecom Italia financial statements (the shareholder himself believed that this choice had meant a loss of the focus that had been greatly appreciated by the market and the customers, and thus business opportunities had been lost). Finally, he asked the Chairman if it was true that a costly translation service was provided for a member of the Board of Directors who did not know Italian.

Mr Ferrante stated first of all that he was speaking as a proxy since the intermediary had erroneously registered his shares in his wife's name, thus committing a seriously stupid mistake. As a shareholder, Mr Ferrante declared himself interested in the objectives of increasing revenues and reducing costs: he recalled in this connection the agreement concluded with Sky for broadcasting the video signal over the internet and asked what incentives it was planned to offer potential customers, recalling his personal experience as a satellite television customer since 1991. On the subject of reducing costs, he expressed appreciation both for the decommissioning of telephone switching equipment (which would lead to very large savings both from the point of view of rented space, and from the point of view of energy), and for sharing (a common operation with Wind and Vodafone to combine the equipment distributed over the territory in a single radio tower, thus reducing equipment rental costs and energy costs). He concluded by asking whether the sharing operation and the listing of Inwit were consistent with each other.
Mr Braghero asked first of all for an update on the Directors present (remarking that not all the Directors had had their photographs printed in the financial statements document) and emphasised that there was limited number of shareholders present at the meeting. He then mentioned the matter of the so-called suspension of Telefónica's shareholder rights and asked whether the vote by Telco, in which Telefónica was a shareholder, was consistent with this suspension. In relation to the sale of Telecom Argentina, he asked whether it was not preferable to prevent the renewal of the contracts, which would make it possible to regain possession of the shareholding, which had been sold at a time when Telecom Italia's economic situation had been, he stated, “tragic”. As for the appointment of the statutory auditors, he congratulated the new candidates and expressed his thanks to the outgoing auditors, while also believing that it would be preferable to have a Board of Auditors consisting of only three members. Recalling a personal experience of his own, he asked whether or not the call centre operators kept their jobs according to the votes in the customer care survey and concluded by saying that he, too, had been the victim of the unpreparedness of the banks regarding the certification relating to the submission of slates for the Board of Statutory Auditors.

Mr Bava mentioned his own website www.marcobava.it, and pointed out that the challenge of the future was to create value through the network. Returning to Mr Braghero's speech, the shareholder indicated that the fear of operators in Italian call centres, of losing their job in favour of Albanian call centres, was well-founded. He then asked for updates on the smart cabin project, which seemed to have fallen through, but which could function as a strategic electric point. He also called for close attention to the domestic videosurveillance and telesurveillance sector using the public energy network, complaining that the Domus Life project, which indeed had very advanced technology, had not been taken forward. He also mentioned his own proposals made at the time, relating to the Telecom Energia project, which could be found on the aforementioned website, concerning ideas for videosurveillance using electricity poles. He hoped that business plans and strategic plans would be implemented, even by means of the vital involvement of the employees who are too often not listened to when they formulate ideas and proposals, which, however – especially when they are well rewarded – can give significant added value to the Company, and must therefore bring them back to having pride in Telecom Italia.

Mr Cardarelli, speaking as a proxy for certain institutional shareholders, among them the shareholders who had submitted the slate indicated as second for the appointment of the Board of Statutory Auditors, in the event that said list proved to be the minority list and that therefore the
Mr Sbrocchi indicated that today many people doubted that Telecom Italia was capable of competing with the OTTs; the shareholder believed, however, that not only was it possible to compete, but Telecom could make the difference for the country, for Europe and for the whole world, thanks to the company's human capital which had no equal for tenacity, passion, determination and skills. The company structure had already demonstrated its capacity for relating to the customer in new ways, oriented to creating value for all shareholders and stakeholders with the aim of growing the customer base and growing together with it. He then delivered to the Chairman's table a prototype solution to which he called the management's attention, in the spirit of a relationship between company and employees based on the acronym LRJ: Loyalty, Respect in the broadest sense of the word and Justice for working people. He delivered a watercolour which summarised the business model and tools to be used, to remind the management that at its side there were thousands and thousands of invisible people, who against every prediction successfully pursued results that created value for everybody. As regards the towers, the shareholder believed that they had an inestimable value because they could not be replicated.

As no-one else asked to speak, the Chairman started the replies to the questions that had been asked.

With reference to the current system of powers, Mr Recchi stated that it had been studied, constructed and approved by the Board of Directors, which was made up for the most part of independents. The Board paid constant attention to assessing and updating its own operation and its own system of powers; the latter, he emphasised, was perfectly efficient and functional and fully satisfactory not only for the Board but also for the Chairman and the Chief Executive Officer. With regard to the logistics of corporate meetings, he mentioned that they usually took place at the Milan and Rome offices. Legal expenses, he continued, were being reduced, and this trend would continue over time; they consisted, in any case, of expenses necessary for safeguarding the Company in all jurisdictions, including legal proceedings.

Mr. Recchi then referred to a number of questions raised by the Chairman of Asati, Mr Lombardi, and recalled that Friday's Board Meeting would be of an informative nature: various subjects would be discussed, including the real estate. Besides, in-depth investigation of the questions surrounding the so-called Telecom Citadel were justified by the fact that the Board had not managed to deal with the subject adequately in previous meetings: no extraordinary Board meetings had therefore been
called. As for the press news relating to Metroweb and the corresponding reactions, the Chairman observed that Telecom Italia's press office had in the last few months handled relations with the media on a daily basis, with the object of conveying in the most suitable way the Company's position which had been expressed several times by the senior management. It is precisely thanks to the work of the press office, also, that the indicators expressed by independent research bodies relating to the quality of the Company's visibility and reputation are at their highest levels since 2004.

The replies were continued by the **Chief Executive Officer, Mr Marco Patuano**, who first of all stated that a first budget allocation had been made to the FTTB and FTTH project, for about 500 million euros. Investigations are now in progress aimed at checking the possibility of reducing the unit cost of the installations, so as to be able to cover 40 cities by the end of 2017 with an investment of about 700 million euros. In relation to the net financial debt he said that the modest reduction of 2014 was justified by the purchases of the LTE licences in Brazil and Argentina, with an impact, as regards Argentina, of 900 million euros. Up to now, he continued, there had not been a recruitment plan aimed at giving preference to the children of employees, behaviour which, besides, could be considered discriminatory. The process of bringing services back in-house would continue in 2015, with the aim of favouring high-value processes. Returning to personnel management, he added that managers' contracts did not envisage the solidarity mechanism: an agreement had been reached in 2014 under which management personnel had reduced their salaries, without reducing the number of days worked. The result of this agreement was put into a fund for the benefit of colleagues subject to the solidarity regime, with a matching contribution from the Company. Also, he stressed that the use of company cars was limited to the Chairman and the Chief Executive Officer, while there was a further pool of drivers charged with various functions.

The Chief Executive Officer continued with the replies, discussing the conversion of the savings shares, and clarifying that this was a subject which aroused interest, even considering that the international scene does not contain situations and structures similar to those of Telecom Italia. In 2014, he observed with reference to other questions asked, travel expenses had been reduced by 15%, especially thanks to the use of video conferencing. He then mentioned the data on financial revenues and costs shown on page 297 of the financial statements, and stated that there were no particular positions existing with Telco or its shareholders. More generally, in cases of transactions with related parties an appropriate analysis had been carried out by the Control and Risk Committee, which considered the economic and other conditions, without prejudice to the management's liability in proposing the transaction itself. After stating that he was not aware of any
agreement between Telefonica, Vivendi and Slim concerning Brazil, Mr Patuano emphasised that Telecom Italia's position was that of asking itself whether maintaining an operator concentrating solely on mobile telephony in Brazil was a sustainable option in the medium term, or whether the trend towards convergence imposed a need to evaluate other paths. The Brazilian market was characterised by an average age of consumers of under 30 years, and consequently by a strong demand for connectivity. At the same time the buying power of the middle class was not comparable to that in Europe: this meant that there was a demand for low-cost internet, a demand that only a mobile operator could satisfy. A further consequence was that it became indispensable to have a well-performing mobile network, including through investments in antennae such as the Group is actually making. There was also a maximum limit to the number of users who could be served simultaneously. All the considerations mentioned led him to believe that for the next four or five years non-convergence was not a specially prejudicial element, but it was, however, necessary to work hard to improve transmission capacity. It was against this background that new frequencies had been acquired and that investment would be made in back hauling in fibre.

Mr Patuano then dwelt on the EUR Citadel project, and in general on Telecom Italia's real estate presence, and observed first of all that technological development and rationalisation of the number of employees led to the need to free up some of the spaces occupied. To do this, the necessary restructuring of the exchanges must be carried out; many of them, moreover, would have to be eliminated as a result of the new architecture of fibre. A start would naturally have to be made with the principal cities, in order to achieve greater savings. With reference, however, to existing leases, a process of renegotiation was being performed with the aim of adjusting costs to current market conditions and to the company's current needs. Again in relation to the occupation of properties, it was then necessary to improve the distribution of personnel, in order also to reduce transport costs. The totality of these activities would be carried out in three stages, the first of which would close in 2016. The benefit within three years was estimated at 200 million euros each year. The EUR project fitted into the context of all these initiatives, and was designed to safeguard the interests of employees; the possibility was being studied of running a shuttle service for those located at Acilia.

The Chief Executive Officer then referred to the observations concerning the history and development of fibre, to emphasise that Telecom Italia would continue to engage in training in this sector, and would seek to fill the need for technological updating including by new recruitment. Mr Patuano then moved on to the submission of the slates for the Board of Statutory Auditors, and assured the meeting that the internal corporate structures had tried to do everything possible to facilitate the process, so that thanks should therefore be expressed in particular to the shareholder service. As for the slates actually submitted by a group of funds, he confirmed that for each
shareholder submitting a slate, a declaration had been certified that no relationship existed connecting the submitter with the relative majority shareholder: the documentation was available. For its part, the Board of Directors had not expressed any particular position with respect to the matter of the slates, limiting itself to taking account of what was taking place as it happened and of the related regulatory obligations. In any event, no reasons had emerged for believing that a liability action by Telecom Italia was possible against the intermediaries. Still on the same subject, he stated that the Company had checked the completeness of the declarations made by the individual candidates about the possession of the necessary requirements of independence: activity that may have been performed by a candidate for a professional office who also provides their services for the benefit of Telefonica does not seem to constitute in itself a reason for ineligibility or forfeiture.

Mr Patuano then moved on to the subject of over the top services, emphasising that a first strategy to be followed was to avoid making the data traffic a mere commodity, as happened in the past with voice traffic. A second strategy was to improve the streamlining of the offer, for example including in a data sales package also a certain quantity of text messaging. He also stated that the Company was committed to broadening participation by employees in corporate initiatives, and that every possible collaboration also by middle managers was naturally welcome.

The unitary union representatives in Telecom Italia involve 468 people, and for performing their functions each member is entitled to 96 hours of paid annual leave. The Accenture consultancy was less than 1 million euros, an amount which naturally did not include the cost of maintenance of the software. He added, also, that the Company was carrying out transfers from the Caring division to Open Access, although discussions with the trade union organisations had to be taken into account.

Again continuing to reply to the questions raised in the course of the speeches, the Chief Executive Officer assured the meeting that the rules on state aid were very strict and that in the case of contributions that violated the applicable provisions, all the companies involved would act, as they did act, to protect their own rights. Returning to the hypothetical profiles of the next batch of recruits, he stated that some would come from an engineering background, and would be destined to carry out the “softwarisation” of the network. Others would be engaged in the ICT area, while others again would have Big Data skills. There would finally be a more operational part of these new recruits, as such not necessarily holding university degrees, who would have to have skills connected with new generation technologies. With reference to the recruitment of new managers, the Chief Executive Officer stated in relation to a further specific question that Telecom Italia had hitherto given priority to internal candidates: there was, however, also a need to have closer contact with the outside world and not to be too closed in on itself.
Still on the subject of personnel, he then mentioned that the new process of internal assessment was changing viewpoints, by providing an opportunity for fellow-workers to judge their own bosses. As for the results of the so-called work sites, Mr Patuano observed that, first of all, the use of eTOM standards had been generalised. Succession plans and career paths had then been reviewed, as also had the rewards system. In 2016 assessment of intermediate bosses would also come into effect.

The enquiry into the corporate climate had revealed concern among employees about the Caring division in relation to their medium-term professional future: many meetings had taken place with the trade union and a balanced solution had been reached which, however, had not been approved by the referendum among the employee population. The Company had therefore gone back to applying the 2013 agreements, but it should be emphasised that a Group such as Telecom Italia has a duty to ensure long-term sustainability. Mr Patuano mentioned, finally, that it was envisaged that the implementing decrees for the Jobs Act should be completed by the end of June.

The Chairman then took the floor again to announce that with regard to the Tavaroli affair there was no indication of significant transactions. In relation to the so-called Security proceedings, he continued, Messrs. Marianna and Gianfranco d’Atri had joined the action as a civil injured party, demanding compensation of 50,000 euros apiece and citing the Company as liable in civil law. At the outcome of the judgements of first instance only the natural persons were convicted without Telecom Italia being found jointly liable: compensation was paid in the amount of 15,000 euros apiece, and it did not appear that Mr. and Mrs. d’Atri had appealed. As for the former employees of TI Sparkle, on the other hand, he stated that the development of the proceedings in progress was being monitored carefully in order to identify the most appropriate and adequate actions. He referred shareholders to the information in the draft financial statements as regards the pending disputes relating to the so-called Tavaroli affair.

Continuing, he stressed that the leadership role with respect to the institutions regarding the modernisation of the network would be enhanced by maintaining the commitments already made and announced. Responding to another question on the subject, the Chairman emphasised that Telecom Italia's relationship with the institutions was managed in a spirit of transparency and collaboration, while giving priority to the need to protect the Company's interests. The fact of being the legacy operator, but in a totally liberalised market, did not affect Telecom's relationship with the parties with which it interacted, even taking account of the fact that regulatory functions were performed by an independent authority. After stating that there were no civil cases in regard to the transaction of issuing the mandatory convertible bonds, the Chairman announced with respect to the questions relating to the disputes with employees with disabilities that Telecom Italia was
complying with judgements unfavourable to the Company, as required by law. The Company appeared at the hearings through its attorneys, and by personal appearance by the parties when required. Regarding the professional qualifications of the candidates for the position of Statutory Auditor, he recalled that their selection was naturally left to the responsibility of the shareholders. According to the applicable legislation at least one or two Statutory Auditors (where the Board consists of five members), must be listed in the Registry of External Auditors; generally speaking, qualified engineers can also occupy the position of Statutory Auditor if they are in possession of the requirements under the regulations and the bylaws. Referring then to a question about the level of customer satisfaction, the Chairman stated that the surveys showed a broadly positive rate of satisfaction.

The Chief Executive Officer continued on this last subject, mentioning that monitoring of customer satisfaction was carried out on a scale of 1 to 10: Telecom Italia had values higher than 8. Besides, in the Caring sector there was no significant difference between the various operators, while from an objective point of view it should be noted that Agcom had certified that the greatest internet speed was that provided by Telecom Italia. He also mentioned that customer satisfaction indicators impacted on the remuneration of the management.

In the latter connection, the Chairman in turn emphasised that in his opinion it was fair that managers should have a share of their remuneration invested in the Company's shares, and this was the reason that had led him to make an investment of this kind himself. The Italian regulatory system, he added, currently did not allow for any form of participation by employees in the corporate bodies.

The Chief Executive Officer took the floor again, observing that there was in fact room for partnerships with the OTT operators, as was happening with Netflix: the emphasis in this context was on supplementing a service which was typically a “best effort”, like those provided by the OTT operators, with an operation more oriented towards the customer, including in terms of customer care. The battle with the OTT operators must therefore not be considered lost; notice should rather be taken of the fact that there are respects in which the OTTs have certain structural advantages, but there are also respects in which it is the telcos that have a privileged position, such as for example the capacity to transform a global service into a local service centred on the relationship with the customer.
Moving on to some questions concerning the future entry of Vivendi into the shareholder structure, he said that Vivendi was a group active in the area of media content and music: although being a shareholder did not constitute a necessary preference factor, it remained natural that opportunities for collaboration could be considered. Continuing, he stated that the Company was working to improve synergies between business and consumer: the marketing activities were in fact different, but other areas such as sales or purchase channels could certainly be better coordinated. He then returned to caring services, and recalled that the Company handles about 65 million contacts every year: a number of contacts which did not end successfully was completely normal, although naturally efforts must be made to deliver an ever better service. Suitable measures also needed to be taken in cases where people proved not to be up to the job which they were performing. Referring to other questions, Mr Patuano then mentioned that the scheduled investments were aimed not just at cutting costs, but also and especially at improving services for customers. Improving services in turn inevitably presupposed the development of new generation networks; he added, on this point, that the necessary decommissioning of the network also implied decommissioning services.

The Chief Executive Officer then dwelt on instances of safeguarding the telecommunications infrastructure, and assured shareholders that the greatest attention would be paid to the subject. The commitment was aimed first of all at protection from external attacks, and to this end the agreement with the State Police on the prevention of cyber-crime had recently been renewed. As regards the Telecom Argentina affair, he said that the sale transaction had been agreed in market conditions which today anyway appeared even more advantageous, following the strengthening of the dollar. The decision to sell was in response to the strategic to focus the Group's activity on Italy and Brazil. Subsequent events had led to negotiating further specific guarantees with the selling party, particularly as regards payment times. In any case, Telecom Italia had already received a third of the payment, and the remaining two thirds had already been deposited with Telecom Italia itself, in anticipation of authorisation from the competition authority.

In response to another series of questions, Mr Patuano mentioned that the Commercial Support Activity in the caring division started in 2012. No discriminatory action had been taken, indeed the process was one of rigorously safeguarding jobs. What had actually happened was an attempt to requalify employees who had in certain respects lost physical suitability for their jobs, while seeking not to penalise them in any way: naturally, the Company was available for assessing any specific case where critical issues should emerge. Returning to strategic subjects, the Chief Executive Officer observed that the communications media were no longer giving any particular prominence to the idea of integration into the Brazilian market with Oi. The theme of convergence, within the Group, still remained a subject of close attention. As for the recent and already
mentioned press stories about the value of the copper network, the Chief Executive Officer mentioned that this value had been established on the basis of Agcom resolution no. 747/13 at 14.9 billion euros. This amount was the subject of assessment with the Company's advisors, the independent auditors and the Control and Risk Committee, but above all, he emphasised, it was consistent with the Authority's tariff framework. It therefore appeared singular that, in the face of all these safeguards, estimates could be expressed from outside: in view of the recent and well-known speculation, Telecom had therefore made a necessary report to Consob.

The floor was then taken by the **Chairman of the Board of Statutory Auditors, Mr Bignami**, who noted, on the last subjects discussed by Mr Patuano, the complaint made under article 2408 by shareholder Marino. With regard to the Tavaroli affair, he stated that the Board of Statutory Auditors had followed its entire development, and accounted for it in the reports relating to several financial years, starting with the financial statements for 2006. Finally, he stated that in the Board meeting discussion on 8 May concerning the Citadel project, some directors had declared the existence of interests in the real estate transactions: the control body had attended the debate, exercising its functions in accordance with the law.

The **Chief Executive Officer** continued once more, and stated that in 2014, 403,000 residential customers had been lost, a similar number to what is found in the principal European competitors: the only company which appeared to tend in the opposite direction was British Telecom. He then remarked that the presence of directors at the shareholders’ meeting was recommended but not obligatory, indicating besides that Ms Calvosa was following the proceedings via a link; the regulations, however, made no provision for the disqualification of directors for failure to attend the meeting. After mentioning the data from the financial statements concerning the number of Board meetings, he informed shareholders that the expenses for legal consultancy in 2014 had been 32 million euros (40 million in 2013), and 2 million for financial consultancy; advertising and sponsorship costs, on the other hand, had been 186 million, 27 million down compared with 2013. The details and criteria for doubtful receivables were shown in the financial statements: the total amount of receivables was, however, 4.74 billion Euros, with a bad debt provision of 685 million euros. Net financial costs had been 2.2 billion, for a net financial debt of 26.6 billion. He remarked, with reference to another question, that naturally nothing could be said about possible strategies of the future shareholder Vivendi and he mentioned the details from the financial statements with regard to current disputes. Continuing again, he said that there was a five year contract with Sky, without exclusivity clauses: Telecom Italia marketed only the IP platform and not the satellite
platform. There were further discussions with Mediaset and other operators, on which information would be given once they were finalised. He also stated that the travel expenses of directors attending the shareholders' meeting were being paid, and mentioned that the dividend on the savings shares was 0.0275 euro per share.

In relation to customer loyalty-building strategies, the Chief Executive Officer said that the central point was to improve the quality of service, not only from the technological point of view but also under the heading of customer satisfaction, which was the reason why the corresponding indices were included in the parameters of the management's variable remuneration. There was also the conviction that a very important role could be performed by convergent offers, not only between fixed and mobile, but also between telephony and media. Referring then to some critical remarks which had been made in the course of the debate, Mr Patuano said first of all that he could certainly not imagine the available liquidity being used to pay for the managers' stock options, as the conditions had not been met for exercising them. In reality, preserving a good level of liquidity was of great importance at the present time for maintaining ratings, especially for a company with a gross debt of over 30 billion euros. In any case, the decision not to pay dividends was connected not so much with the available liquidity, but with the decision, fully discussed in Board meetings, to give preference to investment and debt reduction. Regarding the performance of the share price, after saying that a look at the data from the last shareholders' meeting would reveal that the share price had anyway increased by 33%, Mr Patuano emphasised that the important element in reality consisted of target prices. Recommendations to buy rose to 50%, recommendations to sell fell to 10%, and the price range was between 1.30 and 1.50. Nor should it be forgotten that the Company had placed a convertible bond at a conversion price of 1.84 euro. Looking at the results of operations, it must be emphasised that free cash flow generation from operations was 10 percentage points higher than that actually achieved by Deutsche Telekom and France Télécom, and 15 percentage points higher than the data from British Telelcom. This did not detract from the fact that the Company paid close attention to rationalising costs, as had already been mentioned in connection with real estate projects. As for possible acquisitions, he emphasised that there were currently no particularly interesting opportunities for geographical expansion. A discussion had been started in Italy on the purchase of fixed network infrastructures, whose outcome was, however, known to everyone. Telecom Italia was also alert to opportunities for the purchase of adjacent services, especially through Telecom Italia Digital Solutions: transactions would naturally be notified when concluded. Rationalisation of the Company's bond exposure, he stressed, had allowed an extra value of 70%, a result which was far from uninteresting. As for his own remuneration, he indicated that that was a matter for the Nomination and Remuneration Committee.
The Chief Executive Officer dwelt once more on the trend in the business sector, which indicated a general contraction: against a growth in the ICT sector, it showed a decline in traditional services, a dynamic which was also observable in other European countries. The Public Sector Unit, he continued, was located within the Business Division. Interest was being aroused by the video surveillance sector, in which Telecom Italia had a presence with Nuvola IT E-surveillance and with Nuova IT Urban Security, the technology used for Expo. Discussions were also in progress on the subject with the Municipality of Rome and with the State Police for the Jubilee. As for personnel training, he stated that 900,000 hours had been devoted to the specialist training for the former Technology department in 2014, equivalent to 36.8 hours per person, with a coverage of 81.2%. With regard to the occupation of spaces, he stated that the number of staff involved was 35,000, with not only People Value, but also Business Transformation, Business Support and Brand Strategy. The Smart Working project did not have a reduction in the cost of labour as its principal driver, but an increase in productivity. Still on subjects concerning personnel, Mr Patuano stated that there were 307 teleworking jobs in the Directory Assistance sector: this was an area which would shortly be re-examined.

Continuing again with the replies to the questions which had been asked, the Chief Executive Officer stated that it was not possible to ask for a reduction in the regulatory constraints: they were imposed on the basis of so-called significant market power, which, however, was assessed in turn on a national scale, something that Telecom Italia had contested for some time, claiming that individual local situations should be looked at. Interest in forms of collaboration with Enel was very lively, as shown by the contacts which started at the beginning of the fibre strategy: currently Enel's widespread distribution over the country gave rise to important opportunities for collaboration as regards the FTTB or FTTH component. On this point, Mr Patuano emphasised more generally that large companies such as Enel and Telecom Italia should be able to work together, and he expressed the opinion that if these opportunities were not taken it would be a chance wasted.

As for the possibility of issuing bonds in favour of the retail division, the Chief Executive Officer pointed out that from the regulatory point of view such an option would entail numerous additional and particularly onerous compliance obligations: this did not mean, naturally, that in future such an option could not be evaluated. Completing the replies, the CEO again stated that with respect to Inwit the intention was to keep 60% or at any rate to retain control. The future of mobile networks, more generally, rested on hybrid networks, and therefore on macro and micro sites. Leveraging the towers, however, was a good opportunity for releasing invested capital, in favour of further frequencies.
The Chairman, having mentioned that the replies to the pre-meeting questions were available and annexed to the minutes, passed the floor to the shareholders for their responses, reminding them that the time available was two minutes and that any declarations of voting intentions should be made at this stage.

Mr Corato, after noting that Telecom Italia, too, had made long-term issues, indicated his intention of contacting an important operator to seek the possibility of collecting a packet of shares in Telecom Italia.

Mr Arini, after expressing his regret that he had not received a reply about conflict of interest situations and the cost of translation for Board meetings, hoped that the next reference shareholder assesses the Company's performance according to more objective parameters, without regarding the achievement of a smaller loss than expected as satisfactory. He hoped that consultancies and travel expenses would be further reduced, using the available technology. He also invited greater cohesion in relation to the institutions and the media between the Chairman and the Chief Executive Officer, believing that it was necessary that Telecom Italia should speak with a single voice. He finally urged the Company to make better use of the human capital of its employees, actually practising the principles of meritocracy, and replacing managers who did not achieve the promised results.

Mr Marino, after requesting that an audio and video recording should be made of his speech, asked whether or not in the dispute with Mr and Mrs d’Atri there had been a judgement against Telecom Italia. Referring then to the customer losses recorded in the residential sector, he believed that this loss was due to a mistaken policy by Mr De Angelis, who had replaced Mr Rossetto as Head of the Consumer Business Unit. In the replies to the pre-meeting questions, moreover, the increase in the number of customers had been mentioned, evidently without thinking about the fate of those who had previously been customers. With regard to loyalty building, he hoped to be able to hear the convergent offers that people talked about, and in general he hoped a policy would be adopted that was useful for not driving people away: without the spirit of loyalty, even the shareholders would have left by now.

Mr Esposto emphasised that the sense of his speech had been not so much as a historic record, as to attract attention to investment. Over the course of the years the costs of digging trenches had gone down considerably, as also had the costs of laying cable. Attention should currently be directed to the cost of junctions, which represented a very significant part of the construction of the network. For his part he assured the meeting of his maximum willingness to help with the training of technical personnel engaged on these same junctions, also for the purpose of giving new pride to those who worked in Telecom Italia, and avoiding further outsourcing.
**Mr Lombardi** observed that Mr Patuano had replied to almost all the questions except the thorniest one regarding the network company, while he thought the Chairman's replies inadequate. He emphasised that Asati had by now collected a great number of proxies, and would collect increasing numbers, and it was therefore appropriate to stigmatise the absence of full answers. Among the questions to which an adequate response had not been given, he continued, there was first and foremost the matter of the absence of Board members from the shareholders' meeting, and in particular the absences of Messrs Tarak Ben Ammar and Cattaneo: the number of directors present, he emphasised, was among the lowest on record. He then expressed his deep disappointment about the failure to reply on the question of the powers conferred on the Company's Executive Directors, believing that this silence confirmed the existence in practice of two Chief Executive Officers. He went back to criticising the conduct of the press office, guilty, in his opinion, of keeping silent "when the house was on fire". He concluded by maintaining that the replies made by Mr Patuano deserved a vote of 7, while those of the Chairman merited only a vote of 4.

**Mr Corneli** emphasised that the declarations which shareholders presenting slates have to make are obligatory by law, and that therefore it is not possible to replace them with declarations by the issuer. He asked anyway for a copy of the documentation. Still with regard to the matter of submitting slates, he emphasised that the only activity performed by Telecom Italia had been the distribution of summary procedural guidelines, but this activity as such was not suitable for resolving the short circuit which had occurred at the intermediaries. He also noted with regret that the Company did not believe that it had a legitimate right to act against the latter. He announced in advance that the Asati associates would abstain in the voting for the Board of Statutory Auditors.

**Mr Frasca** stated that with reference to the questions asked about UILCOM, there was an intention to launch a feasibility study to verify the possibility of creating within Asati a trade association which would group employees together, federating all the forces representing employee shareholders, like for example the CNQ (National Coordinating Committee of Middle Managers). He asked furthermore whether it was possible to develop an application for mobile phones to enable the open access technicians to access the Shares Management website and thus also manage the proxies for the Shareholders’ Meeting.

**Mr Testini** expressed thanks for the replies and announced that there were in fact some testimonials in the Company relating to the positive effect of the new People Strategy activity conducted by Mr Di Loreto.
Mr Rencurosi observed that prospects depending on the improvement of the target price still appeared distant. He also complained that the details contained in the sustainability report with reference to customer care were constantly diminishing.

Mr Barzaghi regretted that he had not received replies to the questions asked, calling attention in particular to the questions concerning negotiations and any plans to involve pensioners in share ownership. Lastly, he asked whether the solidarity contracts would apply also to the current year.

Mr Iemmi, after mentioning topics relating to goodwill (recalling that Mr Patuano had said on this point that it was no longer amortizable) indicated that if there was an obligation to change over rapidly to fibre, Telecom Italia would find itself in a very problematic situation. He mentioned that precisely in this connection he had indicated the need to improve contacts with environments in which decisions of this type were taken. He finally asked for further information on the possible conversion of savings shares, believing moreover that it was very unlikely that the prime shareholders would allow such a transaction.

Mr Savina announced that Asati would abstain with reference to the financial statements: this was justified by a modest reduction in the debt, and with the failure to remunerate shares even by a possible share allocation. For these reasons Asati would also abstain on the allocation of the profits for the year. Asati would vote against the report on remuneration because the results of the last three years did not justify high remuneration, also taking into account the solidarity regime that was still in effect for employees. He also believed that the shareholders' meeting should be called on to vote on the entire report, and not on just a part of it. Asati, finally, would vote against the deferment of a portion of the short-term incentive for the 2015 cycle, considering that too little information was available to shareholders on this subject.

Mr Napoleoni reported the success encountered by the conference organised by Asati in Piazza Venezia.

In relation to the questions that had been asked, the Chairman stated that one member of the Board did not speak Italian and that the Company was obliged to ensure full comprehension by all directors, in accordance with Consob's rules: the costs incurred were proportional to the necessary commitment.

At the Chairman's invitation the secretary stated lastly that in the dispute relating to Mr and Mrs d'Atri the Court of Assizes had ordered the accused natural persons to pay compensation of fifteen thousand euros, without, however, any judgement against Telecom Italia.

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No-one else having asked to speak, the Chairman declared the discussion closed and invited the Secretary to explain how to use the televoters, and how to vote, also using slides. The Secretary complied.

The Chairman then, in relation the first item on the agenda, invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of said vote.

The Chairman:
- since 7,713,480,898 shares with voting rights were present, equivalent to 57.26% of the total number of ordinary shares, at 5.38 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

*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 the independent auditor PricewaterhouseCoopers S.p.A.;

*resolves*

*to approve the financial statements of Telecom Italia S.p.A. for the year 2014*

The resolution was approved by a majority of the shareholders.

Against: 167,651 shares.
Abstained: 127,152,930 shares.
All as detailed in the annexes.

The Chairman announced the result.

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The Chairman then, in relation the second item on the agenda, invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of said vote.

The Chairman:
- since 7,713,480,898 shares with voting rights were present, equivalent to 57.26% of the total number of ordinary shares, at 5.40 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

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

- having examined the annual financial report of Telecom Italia S.p.A.;
- having taken account of the current amount of the legal reserve and considering the capital increases taking place;
- considering that the total number of savings shares with regular dividend entitlement as of the record date of 23 June 2015 will be equal to 6,026,120,661;
- in view of the proposals made to the Shareholders’ Meeting, both ordinary and extraordinary sessions, regarding the deferment and liquidation in equities of a portion of the 2015 bonus, as part of the 2015 remuneration policy reserved for a qualifying part of the management;

resolves

- to allocate profits for the financial year to the legal reserve in the amount required to ensure that this reserve reaches one fifth of the share capital existing at the time of the Shareholders’ Meeting, subject to a maximum limit of 5% of the profits for the financial year;
- to allocate savings Shareholders, based on the number of savings shares they hold as of the record date, a privileged dividend of 0.0275 euros per savings share, gross of withholdings required by law;
- to allocate profits for the financial year of 25,500,000 euros to the “Plans pursuant to article 2349 of the Civil Code” reserve, in order to service the powers being granted to increase the share capital through the allocation of profits, further to liquidation of the 2015 bonus component that is the subject of the deferment and liquidation in equities;
- to authorise the Board of Directors - and on its behalf the legal representatives pro tempore - to ascertain in due course, on the basis of the actual share capital at the time of the Shareholders’ Meeting, the amount of profits to be allocated to the legal reserve and to be carried forward;
- to make the dividend payable starting on 24 June 2015, with a coupon date of 22 June 2015 (record date 23 June 2015).
The resolution was approved by a majority of the shareholders.

For: 7,543,691,111 shares.
Against: 40,968,482 shares.
Abstained: 128,821,305 shares.
All as detailed in the annexes.

The Chairman announced the result.

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The Chairman then, in relation the third item on the agenda, invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of said vote.

The Chairman:
- since 7,713,415,898 shares with voting rights were present, equivalent to 57.26% of the total number of ordinary shares, at 5.42 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

*The Shareholders’ Meeting of Telecom Italia S.p.A.,*
- *given the applicable legal provisions regarding the report on remuneration;*
- *having acknowledged the non-binding nature of the resolution required,*
  resolves
to approve the first section of the remuneration report.

The resolution was approved by a majority of the shareholders.

For: 5,082,761,003 shares.
Against: 2,587,854,331 shares.
Abstained: 42,800,564 shares.
All as detailed in the annexes.
The **Chairman** announced the result.

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Then the **Chairman**, in relation to the fourth item on the agenda:
- reported that there would be five distinct votes, on, respectively:
  - the appointment of five Standing Auditors and four Alternate Auditors, using a slate voting system,
  - the appointment of the Chairman of the Board of Statutory Auditors,
  - the remuneration to be assigned.

The Chairman reminded the meeting that resolutions other than the slate vote must be taken in the ordinary legal ways, and hence for their approval require the favourable vote of an absolute majority (more than half) of the shares with which those entitled to vote take part in the Shareholders' Meeting and as such registered at the shareholders' meeting: for the purpose of forming the quorum for resolutions (and hence of the determination of the basis for calculation upon which the achievement of a majority of 50% +1 would be checked), the shares for which those entitled may decide to abstain or express a "non voting" position shall also be included. To not be included in the shares counted for the purpose of the basis of calculation, shareholders would have to leave to meeting or otherwise the shares would have to be expressly registered as not participating in the voting.

In relation to the **appointment of the Board of Statutory Auditors, to be elected using the slate voting system**, the Chairman stated that the slates were divided into two sections: one for candidates for the office of standing Auditor and the other for candidates for the office of alternate Auditor. As per the Bylaws, three standing Auditors and two alternate Auditors were to be chosen, in the order in which they were listed, from the slate which obtained the majority of the votes (the "Majority Slate"), and two standing Auditors and two alternate Auditors were to be chosen from the other slate (the "Minority Slate");

The Chairman:
- stated that, since this was the first renewal of the Board of Statutory Auditors after the introduction of the rule on gender balance, the quota to be assigned to the less represented gender was limited to
one fifth of the total, rounding any fractions up to the nearest whole number: therefore at least one standing Auditor and one alternate Auditor;
- recalled that two slates had been submitted, as indicated in the booklet distributed on entering the hall:

the TELCO Slate, submitted by Telco S.p.A. and composed of

Candidates for Standing Auditor position
1. Gianluca PONZELLINI
2. Ugo ROCK
3. Paola MAIORANA
4. Simone TINI
5. Stefania BARSALINI

Candidates for Alternate Auditor position
1. Francesco DI CARLO
2. Gabriella CHERSICLA
3. Maurizio DATTILO
4. Barbara NEGRI

the SGR and Institutional Investors Slate, submitted by a group of asset management companies and international institutional investors and composed of

Candidates for Standing Auditor position
1. Roberto CAPONE
2. Vincenzo CARIELLO
3. Daria Beatrice LANGOSCO DI LANGOSCO

Candidates for Alternate Auditor position
1. Piera VITALI
2. Riccardo SCHIOppo

- invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of the vote itself;
- since 7,712,990,898 shares with voting rights were present, equivalent to 57.26% of the total number of ordinary shares, at 5.50 pm, put the slates submitted to the vote, using the televoter.
The following results were obtained:

For **TELCO Slate**: 6,074,402,974 shares.
For **SGR and Institutional Investors Slate**: 1,428,874,214 shares.
Against all the lists: 40,542,101 shares.
Abstained 169,171,609 shares.
All as detailed in the annexes.

The **Chairman** announced the result, indicating that the Telco List had received the most votes and that therefore three standing Auditors and two alternate Auditors would be drawn from it, in the order in which they were listed, and specifically:

**Standing Auditors**
1. Gianluca Ponzellini
2. Ugo Rock
3. Paola Maiorana

**Alternate Auditors**
1. Francesco Di Carlo
2. Gabriella Chersicla

As per the Bylaws, the remaining two standing auditors and two alternate auditors shall be chosen from the other slate. In particular, the following were elected as standing Auditors:
1. Roberto Capone
2. Vincenzo Cariello

and as alternate Auditors:
1. Piera Vitali
2. Riccardo Schioppo

The **Chairman** announced the result, and,
- declared the following elected, as standing Auditors Messrs. Gianluca Ponzellini, Ugo Rock, Paola Maiorana, Roberto Capone and Vincenzo Cariello, and as alternate Auditors: Francesco Di Carlo, Gabriella Chersicla, Piera Vitali and Riccardo Schioppo;
- stated that the list of the positions held in management and control bodies of other companies by the Auditors just appointed was shown in the document containing their curricula vitae, which had
been distributed at the entrance to the hall and of which there were some copies in front of the platform;
- acknowledged that the composition of the Board of Statutory Auditors respected the principle of gender equality as prescribed by the law and the company by-laws, upon the first application of the regulation;
- he then expressed his thanks, in the name of the entire Board, to the outgoing Board of Statutory Auditors for the work which they had done.

The Chairman then:
- in relation to the **appointment of the Chairman of the Board of Statutory Auditors** said that in accordance with the law, the Chairman of the Board of Statutory Auditors must be chosen from the two Standing Auditors elected from the minority slates;
- invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of the vote itself;
- since 7,712,469,726 shares with voting rights were present, equivalent to 57.25% of the total number of ordinary shares, at 5.55 pm, put to the vote, using the televoter, the resolution regarding the appointment as Chairman of the Board of Statutory Auditors of the Auditor Roberto Capone, the first person listed on the slate submitted by the shareholder Assogestioni which had been the minority slate.

**The resolution was approved by a majority of the shareholders.**

For: 4,883,155,736 shares.
Against: 2,510,083,876 shares.
Abstained: 319,230,114 shares.
All as detailed in the annexes.

The Chairman announced the result and then, in relation to the determination of the annual remuneration to be assigned to the members of the Board of Statutory Auditors:
- announced that a total of 7,712,987,898 shares were present, entitled to the same number of votes and equivalent to 57.26% of the ordinary shares;
- put the proposal of the Shareholder Telco to establish the annual gross remuneration of each of the Standing Auditors at 95,000 euros and the annual gross remuneration of the Chairman of the Board
of Statutory Auditors at 135,000 euros (in addition to the reimbursement of expenses incurred due to his position) to the vote at 6 p.m. using the televoter.

**The resolution was approved by a majority of the shareholders.**

For: 7,337,947,590 shares.
Against: 214,986,454 shares.
Abstained: 160,053,854 shares.
All as detailed in the annexes.

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And the Chairman then, in relation the fifth item on the agenda, invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of said vote.

The Chairman:
- since 7,712,987,898 shares with voting rights were present, equivalent to 57.26% of the total number of ordinary shares, at 5.57 pm, put to the vote, using the televoter, the resolution proposed by the Board of Directors and transcribed below:

_The Shareholders’ Meeting of Telecom Italia S.p.A.,_

- having examined the explanatory report of the Board of Directors,
- having examined the information document made available to the public in accordance with the applicable regulations,

  **resolves**

- to approve the mechanism of deferment by liquidation in equities of a portion of the short-term incentive for the 2015 financial year, under the general terms stated above and detailed in the information document published pursuant to the applicable regulations;
- to confer on the Board of Directors all powers necessary or expedient for implementing the initiative, 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 free of charge ordinary treasury shares existing at the appropriate time in the Company portfolio.
The resolution was approved by a majority of the shareholders.

For: 5,396,872,719 shares.
Against: 2,259,691,544 shares.
Abstained: 56,423,635 shares.
All as detailed in the annexes.

The Chairman announced the result and, the ordinary part of the agenda having been dealt with, moved on to consider the extraordinary part, which was minuted separately, at 6.20 pm.

The Chairman

The Secretary