SHAREHOLDERS’ MEETING
9, 11 AND 12 APRIL 2011

AGENDA

**Ordinary session**

1. Financial statements for the year ended 31 December 2010 - related and consequent resolutions
2. Appointment of the Board of Directors - related and consequent resolutions
3. Adjustment of the fees due to external auditors for the period 2011-2018 - related and consequent resolutions
4. Authorisation for share buy-back and subsequent acts of disposal
5. Long Term Incentive Plan 2011 - related and consequent resolutions
6. Amendment to the Regulations governing Shareholders’ Meetings - related and consequent resolutions

**Extraordinary session**

1. Amendment of Articles 15, 18 and 19 of the Bylaws - related and consequent resolutions.
2. Authorisations to increase the share capital for cash and free of charge, by a total amount of Euro 15,500,000 to service the Long Term Incentive Plan 2011 - related and consequent resolutions
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

The draft financial statements which are being submitted for the approval of the Shareholders’ Meeting show a net profit of Euro 3,512,580,577.

This result, in the light of the outlook for the 2011-2013 plan, enables us to propose to Shareholders the distribution of a dividend of Euro 0.058 per ordinary share and Euro 0.069 per savings share.

The amount of the total dividend distributed, without prejudice to the unit amount just indicated, will vary depending on the number of treasury shares in the Company’s portfolio (as of today 37,672,014 ordinary shares).

Besides the allocation to the legal reserve (up to one fifth of the capital issued), the proposed allocation for the profit for the period provides for the transfer to a special profits reserve (designated “Plans pursuant to Article 2349 of the Civil Code”) of:

- Euro 4,960,292.15 to service the capital increase to be resolved upon, by the allocation of a corresponding maximum amount of profits in accordance with Article 2349 of the Civil Code, with the issue of new ordinary shares in the number necessary for assigning one free share for each three shares subscribed for cash by employees who have signed up to the “2010-2014 Broad-based Employee Share Ownership Plan”, approved by the Shareholders’ Meeting of 19 April 2010, subject to the terms and conditions and by the methods specified therein;

- Euro 5,000,000.00 to service the capital increase to be resolved upon, by the allocation of a corresponding maximum amount of profits in accordance with Article 2349 of the Civil Code, with the issue of new ordinary shares in the number necessary for assigning one free share for each share subscribed for cash by employees who are beneficiaries of the “2010-2015 Long Term Incentive Plan”, approved by the Shareholders’ Meeting of 29 April 2010, subject to the terms and conditions and by the methods specified therein;

The amounts for dividends will be payable as of this coming 21 April 2011, while the coupon date will be 18 April 2011.
In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

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

- having examined the 2010 annual financial report;
- having taken note of the reports by the Board of Auditors and by the audit firm PricewaterhouseCoopers S.p.A.;
- having considered that the overall number of shares with regular entitlement on the proposed coupon date will be a maximum of 13,407,963,078 ordinary shares and 6,026,120,661 savings shares;
- having taken account of the current amount of the legal reserve;
- in view of the authority given to the Board of Directors to increase the share capital by allocating profits, as stated in Article 5.4 of the Bylaws;

resolves

1. to approve the annual accounts of Telecom Italia S.p.A. for the period ending 31 December 2010, showing an annual net profit of Euro 3,512,580,577;

2. as regards the profit for the year,
   a. to allocate to the legal reserve profits of 2,976,175.29, the sum required for the legal reserve to reach the amount of one fifth of the share capital at the time this resolution is adopted;
   b. to allocate to a special reserve (designated “Plans pursuant to Article 2349 of the Civil Code” the amounts of (i) Euro 4,960,292.15 to service the gratis increase in share capital, by the allocation of profits, as provided in the “2010-2014 Broad-based Employee Share Ownership Plan”, approved by the Shareholders’ Meeting of 29 April 2010 and (ii) Euro 5,000,000 to service the gratis increase in share capital, by the allocation of profits, as provided in the “Long Term Incentive Plan 2010-2015” approved by the Shareholders’ Meeting of 29 April 2010.
   c. to pay the Shareholders a total dividend calculated on the basis of the following amounts, which will be applied to the number of ordinary and savings shares
that they own (thus excluding the treasury shares in the Company’s portfolio) on
the coupon date of said dividend:

- Euro 0.058 for each ordinary share,
- Euro 0.069 for each savings share,
gross of the withholdings required by law. It remains understood that the profits
not distributed as dividends shall be carried forward;

d. to carry forward the residual profits;

3. to authorise the Board of Directors - and on its behalf its Chairman - to ascertain in
due course, on the basis of the actual number of shares for which dividends are paid,
the amount of profit distributed to shareholders and the amount carried forward;

4. to make the dividend payable starting on 21 April 2011, with a coupon date of 18
April 2011.
APPOINTMENT OF THE BOARD OF DIRECTORS - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

You are called upon to renew the Company’s Board of Directors, appointed by the Shareholders’ Meeting of 14 April 2008, whose term of office expires with the approval of the financial statements for the 2010 financial year.

Specifically, the Shareholders’ Meeting is called upon:

- to determine the number of Directors (under the Bylaws, between seven and nineteen), to establish the term of office of the new Board (up to a maximum of three financial years), and to determine its remuneration;
- to appoint the Directors (using a slate voting system).

Regarding the above, in accordance with established practice, the Board of Directors will not formulate its own proposals, inviting shareholders to do so. In this connection, you are reminded that – under the current regulations – renewal takes place on the basis of slates filed at the Company’s offices at least twenty-five days before the date fixed for the Shareholders’ Meeting on first call, submitted by holders of voting rights who own a total of at least 0.5% of the ordinary shares, or other proportion required by Consob. By Resolution no. 17633 of 26 January 2011, Consob fixed this percentage for Telecom Italia at 1%.

The procedures for exercising these voting rights are explained in detail in the notice convening the Shareholders’ Meeting.

This having been said by way of introduction, the Board of Directors, taking note of the provisions of law and of the Bylaws in the matter of the composition, term of office, remuneration and appointment procedure for the Board of Directors,

invites the Shareholders’ Meeting
to take the decisions within its competence on the appointment of the Board of Directors, as provided by the law and the Bylaws.
ADJUSTMENT OF THE FEES DUE TO EXTERNAL AUDITORS FOR THE PERIOD 2011-2018 - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

The Shareholders’ Meeting of 29 April 2010 appointed the auditing firm PricewaterhouseCoopers S.p.A., for each year of the nine-year period 2010-2018, to the tasks of:

- auditing the individual and consolidated financial statements of the Company;
- verifying the regular corporate bookkeeping and correct recording of management actions in the accounting entries;
- verifying the consistency of the management report with the individual and consolidated financial statements;
- limited auditing of the abbreviated half-yearly consolidated financial statements for each of the nine interim periods ending from 30 June 2010 to 30 June 2018;
- verification activities for the purpose of signing the Tax Returns (Modello Unico and Simplified and Ordinary 770 forms) for the 2010 - 2018 tax years;
- auditing the consolidated financial statements included in Form 20-F, prepared in accordance with SEC rules;
- auditing the internal controls pursuant to Section 404 of the Sarbanes-Oxley Act.

On 15 February 2011 the Company received a request to adjust the financial remuneration for the office of external auditors, in view of the occurrence of circumstances allowed for in the current provisions, and as indicated in the contract proposal formulated at the time by the auditing firm.

The request was transferred for action to the Board of Auditors which, on the basis of a special investigation conducted with the support of the Company departments, formulated the following proposal which the Board of Directors invites the Shareholders’ Meeting to approve.

This translation is merely for the purposes of comprehension by non-Italian readers, in the event of dispute the Italian text shall prevail.
Reasoned proposal by the Board of Auditors on the adjustment of the fees for the task of the legal auditing of the consolidated annual financial statements and internal controls, pursuant to the Sarbanes-Oxley Act, for each financial year in the nine-year period 2010-2018

The Board of Auditors of Telecom Italia S.p.A.

whereas

- the ordinary Shareholders’ Meeting of Telecom Italia S.p.A., held on 29 April 2010, resolved to confer the appointment of legal auditors (formerly accounts auditors)\(^1\) for the period 2010 – 2018 on PricewaterhouseCoopers S.p.A. with a total annual honorarium of Euro 1,811,300;

- the proposal for the appointment of legal auditors approved by the Shareholders’ Meeting specifies that the times and the fees for the appointment can be reviewed in the event of the occurrence of the cases provided for in the current provisions and as indicated in the proposal itself \(^2\), in accordance with the applicable authorisation procedures;

- in the course of the 2010 financial year, following the acquisition of control of Sofora Telecomunicaciones SA and its subsidiaries, the structure of the Telecom Italia Group significantly changed, a circumstance which constitutes one of the conditions referred to in the previous paragraph;

\(^1\) The appointment includes the auditing for Telecom Italia S.p.A. of the separate financial statements, the consolidated annual financial statements, the abbreviated six-months consolidated financial statements, the consolidated financial statements included in Form 20-F and the internal controls under section 404 of the Sarbanes Oxley Act.

\(^2\) The specific provision contained in the proposal is reproduced below:

“Exceptional or unforeseeable circumstances – If circumstances should arise such as to entail a significant increase in audit time compared to what is estimated in our proposal (such as, by way of example, a change in the structure and size of the Company or of companies in the Telecom Italia group, changes in the controls instituted as part of the internal control system, regulatory changes, changes in auditing standards, the performance of complex transactions carried out by your Company or companies in the Telecom Italia group, additional audit procedures required by Consob by means of its notices or reference auditing standards), these will be discussed beforehand with the Company Management so that a written proposal can be submitted to increase the compensation originally provided for, also taking into account the requirements of the Issuer Regulations issued by Consob. It will be up to you to forward this supplement to the competent Governance Body. Likewise, if less time should be spent than foreseen, the compensation will be reduced proportionately.”
- this alteration will entail increased effort on the part of PricewaterhouseCoopers S.p.A. for the legal auditing of the consolidated financial statements and for the coordination and supervision of the auditing of the internal controls which govern the process of drafting the consolidated financial statements, pursuant to section 104 of the Sarbanes-Oxley Act;

- due to the increased activity which the auditing firm is required to perform for Telecom Italia S.p.A. for the legal auditing of the consolidated financial statements and the internal controls pursuant to section 404 of the Sarbanes Oxley Act, PricewaterhouseCoopers S.p.A., in a letter dated 15 February 2011, has asked for the adjustment of its remuneration for each of the financial years 2010-2018, observing that the case comes under the heading of exceptional and unforeseeable circumstances which justify reviewing the fees originally agreed for legal auditing services;

  observing that

- the proposal by PricewaterhouseCoopers S.p.A. for adjustment of its remuneration contains information relating to (i) the hours which are estimated to be necessary for performing the above increased activity; (ii) the diverse professional categories of the individuals involved in the performance of the activity; (iii) the respective remuneration;

- the increase requested by PricewaterhouseCoopers S.p.A. amounts to Euro 34,700 per annum for auditing the Company’s consolidated financial statements and Euro 45,900 per annum for coordination and supervision in relation to the auditing of the internal controls which govern the process of drafting the consolidated financial statements, pursuant to section 104 of the Sarbanes-Oxley Act;

- therefore, the hours and the remuneration for the auditing of the consolidated financial statements of Telecom Italia S.p.A. will be respectively increased from 1,900 hours to 2,360 hours and from Euro 112,100 to Euro 146,800, while the hours and the remuneration provided for the auditing of the internal controls which govern the process of drafting the consolidated financial statements of Telecom Italia, pursuant to section 104 of the Sarbanes-Oxley Act, will be respectively increased from 12,000 hours to 12,510 hours and from Euro 658,100 to Euro 704,000, all in
addition to VAT (where applicable) and out-of-pocket expenses, to be invoiced on the terms and conditions agreed upon the conferment of the original appointment;

considering that

- with reference to the above proposal, the Board of Auditors has received the positive assessments made by the competent bodies within Telecom Italia which, in their turn, have discussed with the executives of the external auditing firm the terms, including the economic terms, of the proposal, and the latter has also been examined, without comment, by the Company’s Internal Control and Corporate Governance Committee;

- in formulating the proposal for increasing the remuneration, PricewaterhouseCoopers S.p.A. has provided suitable assessment considerations concerning, in particular, the economic conditions envisaged in the proposal;

- the remuneration appears appropriate, substantially in line with the proposed appointment approved by the Shareholders’ Meeting of 29 April 2010, and also consistent with the use of professional resources required for the auditing activities described above.

The Board of Auditors, as a result of the assessments referred to above and of checks which it has made directly proposes

to this Shareholders’ Meeting

• for each of the financial years 2011-2018, to increase to Euro 146,800 the annual remuneration for the legal auditing of the consolidated financial statements of Telecom Italia S.p.A., and to Euro 704,000 the annual remuneration provided for the auditing of the internal controls which govern the process of drafting the consolidated financial statements of Telecom Italia, pursuant to section 404 of the Sarbanes-Oxley Act, in addition to VAT (where applicable) and out-of-pocket expenses, to be invoiced on the terms and conditions agreed upon the conferment of the original appointment and, consequently,

• to increase, for each of the financial years 2011-2018, to Euro 1,891,900 the total annual honorarium to be paid to PricewaterhouseCoopers S.p.A.
all the other terms of the appointment conferred by the Shareholders’ Meeting of 29 April 2010 to remain unaltered.

THE BOARD OF AUDITORS
Dear Shareholders,

we submit for your approval the request for authorisation to buy-back and dispose of savings treasury shares, in the light of the reasons, according to the procedures, and on the terms set forth below.

Reasons for which this authorisation is requested

The principal objectives which the Board of Directors intends to pursue by means of the transactions for which authorisation is being proposed are as follows:

- to intervene, in compliance with the current dispositions and accepted market practices, over the Company's savings shares in relation to contingent market situations, in order to promote liquidity and the orderly transaction of share dealings;
- to offer savings shareholders an additional tool for converting their investment into cash;
- to use savings treasury shares as a form of investment for efficient use of the corporate liquidity generated by the Company’s ordinary activity.

Any repurchasing would be carried out consistently with the corporate objectives of reducing indebtedness. The proposal, if approved, would not imply any obligation to buy-back.

We declare that the request for authorisation for buying-back treasury shares is not currently a preliminary to operations to reduce the share capital by cancelling the treasury shares purchased. As regards the disposal of treasury shares, the Board considers it advisable to be able to dispose of them in order to take opportunities for the maximisation of value that market conditions may present, in pursuance, therefore, of trading objectives.
Maximum number, category and par value of the shares to which the authorisation refers

At the date of formulating this proposal, the certified share capital of Telecom Italia S.p.A. is represented by 19,434,083,739 shares, of which 13,407,963,078 are ordinary shares and 6,026,120,661 are savings shares, all with a par value of Euro 0.55 per share. Currently the Company directly holds 37,672,014 ordinary treasury shares, and through subsidiaries a further 124,544,373 ordinary shares, which represent altogether about 0.835% of the share capital; there are no savings shares in the Company’s portfolio nor in those of its subsidiaries.

We ask you to authorise the buy-back of savings shares within the maximum limits permitted by law, fixing Euro 800,000,000 as the maximum spending limit for the purchase of savings treasury shares, on the understanding that purchases cannot be made for amounts for which there is no capacity in the available reserves as stated in the Company’s latest approved financial statements. The draft financial statements for the year ended 31 December 2010, submitted for the approval of the same Shareholders’ Meeting as is called for the approval of this proposal for authorisation, show available reserves of a total of approximately Euro 8,628,695,000.

In the event of disposals of treasury shares, it shall be possible, until the expiry of the authorisation by the Shareholders’ Meeting, to carry out subsequent buy-back transactions, provided always that the quantitative limits laid down by law (including in relation to the number of treasury shares that may be held by the Company at any one time) are not exceeded, and provided also that the spending limits and other conditions laid down by the Shareholders’ Meeting are not breached.

In the event of buy-backs or disposals of shares, the appropriate accounts postings must be made, in accordance with the provisions of law and applicable accounting principles. In particular, in accordance with IAS 32 (Financial instruments: presentation in accounts) the equivalent of the buy-back price of the treasury shares must be shown in the balance sheet as reducing the share capital by an amount corresponding to their par value, and as reducing the other net asset reserves by the difference; in the event of subsequent disposal the corresponding amounts of capital and reserves must be reinstated in the balance sheet.

This translation is merely for the purposes of comprehension by non-Italian readers, in the event of dispute the Italian text shall prevail.
**Duration of authorisation**

The duration of the authorisation requested is 18 months from the date that the Shareholders’ Meeting adopts the corresponding resolution. The Board may proceed with the authorised transactions in one or more tranches and at any time.

**Minimum and maximum prices**

The Board proposes that, subject to the maximum spending limit specified above, the purchase price of the shares should be set on each occasion in compliance with any regulatory prescriptions and accepted market practices, between a minimum and a maximum to be determined according to the following criteria:

- the minimum purchase price must not in any event be lower than the weighted average of the official prices of the savings shares recorded by Borsa Italiana S.p.A. in the last ten business days before the date of purchase or of fixing the price, less 20%;
- the maximum purchase price must not in any event be more than the weighted average of the official prices of the savings shares recorded by Borsa Italiana S.p.A. in the last ten business days before the date of purchase or of fixing the price, plus 20%;

As regards the disposal of the Company’s own treasury shares, the Board will establish the criteria on each occasion for determining the relative price, having regard to the procedures used for achieving this, the behaviour of prices of the shares in the period preceding the transaction, and the best interests of the Company.

In terms of daily volumes, the purchasing transactions would in any event be conducted in compliance with regulatory prescriptions and accepted market practices.

**Method of carrying out the transactions**

In consideration of the various purposes achievable by means of transactions on treasury shares, the Board proposes that authorisation be granted for making purchases on regulated markets, according to the operative procedures laid down by Borsa Italiana S.p.A., under Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis, paragraph 1, letters b) and c) of Consob Regulation 11971/1999 (purchases on
regulated markets according to operative procedures laid down in the organisation and
management regulations of the markets themselves, which do not permit direct
matching of purchase dealing orders with predetermined selling orders; purchase and
sale of derivative instruments negotiated in regulated markets which require the
physical delivery of the underlying shares, on the conditions and with the characteristics
specified by the said regulations).

As regards disposal transactions, the Board proposes that the authorisation should allow
the adoption of any procedure which appears appropriate for achieving the desired
objective.

**Possible cancellation of the treasury shares bought-back**

As we have said, the buy-back of treasury shares is not, at the present time, a
preliminary to operations to reduce the share capital by cancellation of the treasury
shares purchased.

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

**Proposed Resolution**

The Ordinary Shareholders’ Meeting of Telecom Italia S.p.A.,
- having examined the explanatory report of the Board of Directors,
- having examined the financial statements for the period ending 31 December 2010

resolves

1. to authorise, for a period of 18 months starting from the date of this resolution of
the Shareholders’ Meeting, the purchase, in one or more tranches and at any time,
of savings shares in Telecom Italia S.p.A., within the quantitative limits laid down
by law and in any event within a maximum expenditure limit of Euro 800,000,000.
The purchase price must lie – in compliance with regulatory prescriptions or
accepted market practices – between a minimum and a maximum corresponding to
the weighted average of the official prices of the savings shares recorded by Borsa
Italiana S.p.A. in the last ten business days before the date of purchase or of fixing
the price, respectively minus or plus 20%. The purchase of the treasury shares must in any event take place within the limits of the available reserves, as appearing in the latest financial statements approved at the time of effecting the transaction. The purchases may be effected on regulated markets, according to the procedures laid down by Borsa Italiana S.p.A., in accordance with Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis, paragraph 1, letters b) and c) of Consob Regulation 11971/1999;

2. to authorise, for the same period of 18 months starting from the date of this resolution of the Shareholders’ Meeting, the disposal, in one or more tranches and at any time, of the Telecom Italia S.p.A. savings shares in the Company’s portfolio, with the power, in the event of disposals, to carry out subsequent buy-back transactions until the expiry of the authorisation by the Shareholders’ Meeting, provided always that the limits laid down by law as to the number of treasury shares that may be held by the Company at any one time are not exceeded, and provided also that the spending limits and other conditions as laid down above by these resolutions are not breached.

The disposals may be effected in accordance with the procedures permitted by the current legal and regulatory rules, at the discretion of Board of Directors;

3. to mandate the Board of Directors to arrange for the appropriate accounts postings to be made, following transactions to buy back or dispose of treasury shares, in accordance with the provisions of law and the accounting principles applicable at the time;

4. to mandate the Chairman of the Board of Directors and the Chief Executive Officer, jointly and severally and by means of agents, to undertake the transactions that are the subject of this resolution.
Dear Shareholders,

Pursuant to Art. 114-bis of Legislative Decree no. 58/1998, we are submitting for your approval the “Long Term Incentive Plan 2011” (hereinafter the “Plan”).

The Plan consists in a long-term incentivisation initiative which, for the first time in Telecom Italia, unites the Senior Executives, the Top Management and a selected part of the management (“the Selected Management”) with regard to the achievement of specific predetermined triennial performance objectives, identical for the three categories of beneficiary.

This opportunity follows from:

- the renewal, by the forthcoming Shareholders’ Meeting, of the Board of Directors, with the resulting appointment – to follow – of the new Senior Executives;

- the expiry during the course of the 2011 financial year of the Performance Share Granting Plan 2008-2011, approved by the ordinary Shareholders’ Meeting of 16 April 2007 and aimed at the time at strategic resources of Telecom Italia or its subsidiaries (so-called Top Management), who as such did not have access to the “Long Term Incentive Plan 2010-2015” approved by the ordinary Shareholders’ Meeting of 29 April 2010.

The new initiative replicates the fundamental logic of the LTI Plan of last year, but involves in addition a broader swathe of management and has a rolling aspect to it, that is to say, it is designed in such a way that – normally, and subject to approval on each occasion by the Shareholders’ Meeting, on motions proposed by the Board – each year a new incentivisation cycle will be triggered, tailored to fit the timescale of the Company’s strategic planning. The incentivisation of the Senior Executives is an exception to this: it is set up as a one-off scheme, consistently with the standard duration of their term of office.

The objective is to reinforce the link between the remuneration of the management and, on the one hand, the Company’s performance as defined in the 2011-2013 industrial plan in terms of cumulative Free Cash Flow (so-called absolute performance: weight
35%), on the other hand, increase in value relative to a group of peers (so-called relative performance: weight 65%).

The level of performance over the three-year incentive period affects the level of the benefit that, at the end of the period,

- for Selected Executives, is represented by a cash bonus commensurate (at target level) with up to 30% of current gross annual remuneration, with the option of investing 50% of the accrued bonus in ordinary shares of the Company at market price (and in any case not below par value), and the free assignment of matching shares by the issuer after two years, applying a ratio of one free share for each paid share, provided ownership of the subscribed shares, and the employment, have been maintained;

- for the Top Management, is represented by a bonus commensurate (at target level) with up to 60% of current gross annual remuneration, 50% in cash and 50% in non-transferable rights to the free assignment of shares of equivalent market value (based on the price at the moment the three year performance was assessed, and it being understood that – if the market value should be lower than the par value, the par value will be used), provided that the employment with the Group has continued;

- for the Senior Executives (to whom this single incentive measure applies for the entire three-years of their term of office), is represented, at target level by: (i) a bonus of up to 150% of their fixed annual remuneration, as established by the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, pursuant to article 2389, subsection 3, of the Italian Civil Code, and (ii) a number of shares of market value (at the moment the right is assigned, i.e. at the moment the Senior Executive becomes eligible for the Plan) equal to the bonus payable in cash.

To service the Plan, the scheme provides for mandates to increase the share capital for cash and/or free of charge, proposed to the Shareholders’ Meeting in extraordinary session and, residually, with regard to beneficiaries who do not have an employment relationship with Telecom Italia or one of its subsidiaries, the use of the treasury shares in the Company’s portfolio (always with the possibility of satisfying the assigned rights by payment of an equivalent, in the event of the non-availability of shares). The Board
of Directors therefore asks the Shareholders’ Meeting for authorisation to use the aforesaid treasury shares, reserving the option to ask later for authorisation to purchase more shares, but only in the event that there is found to be an insufficiency in the above portfolio.

The Board of Directors invites you to see the information document analytically explaining the schemes, and submits for your approval the following

Proposed Resolution

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

- having examined the information document made available to the public in accordance with the applicable regulations,

resolves

1. to approve the “2011 Long-Term Incentive Plan” in the terms appearing in the information document published in accordance with the applicable regulations;

2. to confer on the Board of Directors any power necessary or expedient for implementing the 2011 Long-Term Incentive Plan, making any changes and/or additions to it that prove necessary for the implementation of what has been resolved, including for purposes of compliance with any applicable regulatory provision; in particular, and merely by way of example, the Board of Directors shall have the power: (i) to identify the beneficiaries and determine for each of them the limitations and terms of the long-term incentive initiative; (ii) to prepare and approve the regulations for the initiative, to amend them and/or add to them; (iii) to make any changes to the terms and conditions of the 2011 Long-Term Incentive Plan in the event of changes to the applicable regulations or of extraordinary events liable to affect the said Plan;

3. to authorise the performance of actions to dispose of the Company’s ordinary treasury shares that are in its possession, on terms and according to procedures functional to the execution of the 2011 Long Term Incentive Plan, conferring a mandate (i) on the Chairman of the Board of Directors and the CEO, jointly and severally and by means of agents, to effect the transfer transactions and (ii) on the Board of Directors to arrange for the appropriate accounts postings to be made, in
accordance with the provisions of law and the accounting principles applicable at the time.
AMENDMENT TO THE REGULATIONS GOVERNING SHAREHOLDERS’ MEETINGS - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

with regard to the amendments to the reference regulatory framework, which are essentially made necessary by the incorporation into the Italian legal system of the so-called Shareholders’ Rights Directive (Legislative Decree no. 27/2010), you are called upon to update the regulations governing Shareholders’ Meetings, as approved by the Shareholders’ Meeting of 6 May 2004 and subsequently amended in April 2007.

The current text does not give special consideration to the matter of questions formulated before the Shareholders’ Meeting (articles 10.2 and 13.2), nor to the possibility of exercising the right to vote by electronic means (which it is proposed to the Shareholders’ Meeting to introduce: Article 15.1). On the other hand, it makes reference to a regulation in the Bylaws on the right to add to the agenda at the request of shareholders, which has now fallen into disuse, because it has been superseded by the legal requirement (Article 12.1), and considers scrutinising procedures in the course of the voting which are now obsolete, in view of the adoption some time ago of the instrument called the televoter (Articles 6.2 and 16.1).

It is therefore considered that giving shareholders the right to ask questions before the meeting justifies a review of the regulatory provision on the power given to the Chairman of the meeting to impose a maximum length on speeches during the debate. In view of the new opportunity granted to shareholders by the legislation to ask their own questions, it is now proposed to leave the determination of the time available for speeches and replies to the prudent judgement of the Chairman, without predefined limits (Articles 10.2 and 11.2).

The amendment proposed to Article 4.1, finally, serves to clarify the possibility that representatives of the external auditors should be present at proceeding in the Shareholders’ Meeting, while in Article 11.1 the intention is to overcome excessive rigidity in the mechanisms for conducting the proceedings, deferring the matter of the procedures for pre-booking speeches to a decision to be taken at the time.
In view of all this, the Board of Directors submits for your approval the following

Proposed Resolution

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

- having examined the explanatory report of the Board of Directors,
- having considered Article 20 of the Company Bylaws;

resolves

to amend the present Articles 4, 6, 10, 11, 12, 13, 15 and 16 of the Regulations governing Shareholders’ Meetings in the terms appearing in the text reproduced below, showing the amendments introduced:

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<td>4.1 The meetings may be attended by directors, as well as - in accordance with the methods established by the Chairman — by executives and employees of the Company or of the Group companies, and by other parties whose presence is deemed useful in relation to the matters to be discussed.</td>
<td>The meetings may be attended by directors, as well as - in accordance with the methods established by the Chairman - by executives and employees of the Company or of the Group companies, <strong>representatives of the firm of external auditors</strong> and by other parties whose presence is deemed useful in relation to the matters to be discussed.</td>
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4.2 With the agreement of the Chairman and in accordance with the methods established by the same, professionals, consultants, experts, financial analysts and qualified journalists, accredited for a Meeting, may follow the proceedings. | Unchanged. |

4.3 Persons accredited to follow the proceedings must report for identification by the Company’s appointees at the entrance of the premises where the meeting is to be held and collect a special badge to be exhibited upon request. | Unchanged. |

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<td>6.1 The Chairman shall be assisted in the conduct of the meeting and the preparation of the minutes by a Secretary, where a Notary public is not present. The Secretary or the Notary public may in turn arrange to be assisted by persons whom they trust.</td>
<td>Unchanged.</td>
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6.2 The Chairman **may use auxiliary staff** for the purposes of conducting the voting procedures (including the verification of the validity of mail votes), shall be assisted by

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auxiliary staff to provide the necessary technical support and to maintain order.

<table>
<thead>
<tr>
<th>Article 10</th>
<th>Article 10</th>
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<tbody>
<tr>
<td>10.1 It is up to the Chairman to direct and regulate the discussion, ensure its correctness and prevent the regular course of the meeting from being disturbed.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>10.2 The Chairman, taking account of the subject matter and importance of the individual items on the agenda, may establish at the start of the meeting the time - not less than 15 minutes - available to each speaker.</td>
<td>10.2 The Chairman, taking account of the subject matter and importance of the individual items on the agenda and also of any questions formulated before the Shareholders’ Meeting, may establish at the start of the meeting the time - not less than 15 minutes normally not more than ten minutes - available to each speaker.</td>
</tr>
<tr>
<td>10.3 The Chairman shall call on Participants to comply with the time limits established in advance for interventions and to keep to the matters specified in the agenda. In the event of an overrun and/or an abuse, the Chairman shall interrupt the speaker.</td>
<td>Unchanged.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Article 11</th>
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<tbody>
<tr>
<td>11.1 Persons who intend to speak must apply to the Chairman or the Secretary, indicating the subject they will address. Such requests may be submitted until the Chairman closes the discussion on the subject to which they refer.</td>
<td>11.1 Persons who intend to speak must apply to the Chairman or the Secretary following the procedure from time to time announced by the Chairman, indicating the subject they will address. Such requests may be submitted until the Chairman closes the discussion on the subject to which they refer.</td>
</tr>
<tr>
<td>11.2 Participants may ask to take the floor a second time during the same discussion, for a period of not more than five minutes, exclusively in response to other interventions or to declare how they intend to vote.</td>
<td>11.2 Participants may ask to take the floor a second time during the same discussion, for a period determined by the Chairman at the opening of the meeting and normally of not more than five minutes, exclusively in response to other interventions or to declare how they intend to vote.</td>
</tr>
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<table>
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<tr>
<th>Article 12</th>
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<tbody>
<tr>
<td>12.1 The Board of Directors and the Participants may put forward, giving reasons, proposals for alternative resolutions or with amendments or additions with respect to those put forward by the Board of Directors or by the shareholders who have requested the addition of the topic to the agenda, pursuant to the law and the Bylaws.</td>
<td>12.1 The Board of Directors and the Participants may put forward, giving reasons, proposals for alternative resolutions or with amendments or additions with respect to those put forward by the Board of Directors or by the shareholders who have requested the addition of the topic to the agenda, pursuant to the law and the Bylaws.</td>
</tr>
<tr>
<td>12.2 The Chairman shall evaluate the</td>
<td>Unchanged.</td>
</tr>
</tbody>
</table>
compatibility of such proposals in relation to the agenda of the meeting and to the applicable provisions.

<table>
<thead>
<tr>
<th>Article 13</th>
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<tbody>
<tr>
<td>13.1 The members of the Board of Directors and the Board of Auditors may intervene in the discussion; at the invitation of the Chairman, persons attending the meeting pursuant to the first paragraph of Article 4 may also take the floor, inter alia to respond to requests for clarification.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>13.2 Shareholders' questions received before the meeting, and complying with the procedures and conditions indicated in the notice convening the meeting, shall receive a reply during the course of the proceedings if they have not been satisfied by publication on the Company's website in &quot;question and answer&quot; format.</td>
<td></td>
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<table>
<thead>
<tr>
<th>Article 15</th>
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</tr>
</thead>
<tbody>
<tr>
<td>15.1 Votes may be cast by mail using the tools issued by the Company.</td>
<td>15.1 Votes may be cast by mail before the Shareholders' Meeting and, when specified in the notice convening the meeting, electronically, with the procedures indicated using the tools issued by the Company.</td>
</tr>
<tr>
<td>15.2 - Determining the legitimacy of a voter’s ballot and in general determining the validity of the vote cast and its interpretation are the responsibility of the Chairman.</td>
<td>Renumbered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Article 16</th>
<th>Article 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.1 Upon completion of the scrutiny operations with the help of the scrutineers and the Secretary, the results of the voting are announced.</td>
<td>16.1 Upon completion of the scrutiny operations with the help of the scrutineers and the auxiliary staff, the results of the voting are announced.</td>
</tr>
</tbody>
</table>

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AMENDMENT OF ARTICLES 15, 18 AND 19 OF THE BYLAWS - RELATED AND CONSEQUENTIAL RESOLUTIONS.

Dear Shareholders,

in this Extraordinary Meeting, you are called on to examine a series of proposals to make changes to the Bylaws, completing the work done directly by the Board of Directors on 30 September 2010 last, to adapt the text of the bylaws to the regulations introduced with the implementation of the so-called Shareholders’ Rights Directive into Italian law (legislative decree no. 27/2010), and to legislative decree no. 39/2010 on the legal auditing of company accounts.

On that occasion the Board made minimal amendments necessitated by the coming into force of the legal provisions mentioned above, which on the one hand replaced the concept of “external auditor” with that of “legal auditor” (legislative decree no. 39/2010), and on the other introduced a series of important novelties concerning – for our purposes on this occasion – the process of appointing boards of auditors, the right of shareholders to request additions to the agenda of the shareholders’ meeting, the arrangements for establishing entitlement to vote in the shareholders’ meeting and electronic notification of proxies (legislative decree no. 27/2010). Today’s proposals are for some amendments relating to the exercising of options delegated by the lawmakers to be dealt with independently by the bylaws of the issuer, specifically regarding:

- the possibility of calling the ordinary and extraordinary meeting of the shareholders in a single call, with the application of the quorums specified, respectively, for the ordinary meeting on second call, and for the extraordinary meeting on third call;
- the possibility, for those companies required to prepare consolidated financial statements, to hold the shareholders’ meeting to approve the financial statements within 180 days of the end of the financial year, without prejudice to the 120 day limit within which the related documentation must be made available to the public;
- the possibility of allowing electronic voting (in addition to postal voting);
- the possibility of waiving the obligation to designate, for each shareholders’ meeting, a representative on whom those entitled might confer a proxy free of charge, with the application of the specific Consob regulations.

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These are all options to be welcomed, where they take the form of faculties that are referred on each occasion to the prudent evaluation of the Board of Directors, which may exercise them, as appropriate, at individual shareholders’ meetings, taking the actual circumstances into account, particularly regarding developments in the regulatory and operational context. As regards the role of a representative designated by the company, a further intention of the proposed clause is to make the concept flexible, in the light, among other things, of the differing requirements of the diverse categories of shareholders. These might be best satisfied by designating several people to offer shareholders a service that matches their individual needs.

The interventions described affect articles 18 and 19, and it is further proposed to amend them as follows:

- to modify the competencies of the shareholders’ meeting, consistently with the provisions in the Procedure for undertaking transactions with related parties adopted by the Board of Directors in its meeting of 4 November 2010, pursuant to Consob Regulation no. 17221/2010 (authorisation of transactions of great importance with related parties, in the absence of the approval of the independent directors). The Telecom Italia procedure in fact provides a mechanism for authorisation of transactions of major importance to be escalated to the ordinary shareholders’ meeting, where the transactions have not been approved by the independent directors (paragraph 37, letter b of the Procedure, which may be consulted on the company website www.telecomitalia.com - Corporate section of the Governance area). A resolution on this matter (in the form of an authorisation to proceed, subject to the need to obtain the favourable vote of a majority of the shareholders who are not related parties, pursuant to article 11, subsection 3 of Consob Regulation no. 17221/2010, a so-called whitewash) would be assigned to the shareholders’ meeting, pursuant to article 2364, subsection 1, no. 5, of the Italian Civil Code;

- to add uploading in a specific section of the website to electronic mail as a tool for the electronic notification of a proxy. In this case too, the spirit of the intervention is to give the Board of Directors the greatest operational flexibility in the calling and organisation of the shareholders’ meeting;
to update the language of article 19, which contains references to the institution (now obsolete) of proxy collection by shareholders’ associations.

Finally, to take the opportunity presented by this extraordinary meeting called to update the bylaws to add a second section to article 15, merely for the purpose of clarifying – insofar as it might be necessary and possible – the fact that legal representatives may in turn confer their powers of representation of the Company, including in legal proceedings and with the right to subdelegate.

Shareholders who do not agree with the proposal to approve the modifications do not have the right of withdrawal.

The proposed resolution of the shareholders’ meeting is reproduced below, with a comparison of the relevant articles of the bylaws in their current form and after incorporation of the proposed amendments.

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

**Proposed Resolution**

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

- having examined the explanatory report of the Board of Directors;

resolves

1. to amend articles 15, 18 and 19 of the Bylaws of Telecom Italia S.p.A. in the text reproduced below, with indications of the amendments made.

<table>
<thead>
<tr>
<th>CURRENT TEXT</th>
<th>PROPOSED AMENDMENT</th>
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</thead>
<tbody>
<tr>
<td>Art. 15.1 The representation of the Company vis-à-vis third parties and in legal proceedings shall pertain to the Chairman or if he/she is absent or unable to act, the Deputy Chairman, if one is appointed; it shall also pertain severally to each of the Chief Executive Officers.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>15.2 – The legal representatives mentioned in the previous subsection have the right to confer powers of representation of the Company, including in legal proceedings, with the</td>
<td></td>
</tr>
<tr>
<td>CURRENT TEXT</td>
<td>PROPOSED AMENDMENT</td>
</tr>
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</tr>
<tr>
<td>Article 18</td>
<td>Article 18</td>
</tr>
<tr>
<td>18.1 - An Extraordinary Shareholders’ Meeting shall be called whenever it is deemed desirable by the Board of Directors and when it is required in accordance with the law. If the quorum is not reached at the second call, there may be a third call.</td>
<td>18.1 - An Extraordinary Shareholders’ Meeting shall be called whenever it is deemed desirable by the Board of Directors and when it is required in accordance with the law. If the quorum is not reached at the second call, there may be a third call. <strong>It is, moreover, the right of the Board of Directors to call an ordinary or extraordinary Shareholders’ Meeting in a single call, as provided by law.</strong></td>
</tr>
<tr>
<td>18.2 - Special meetings of savings shareholders shall be called by the common representative of the savings shareholders or by the Company’s Board of Directors whenever they deem this to be desirable or when requested in accordance with the law.</td>
<td>Renumbered</td>
</tr>
<tr>
<td>18.3 - Ordinary and Extraordinary Shareholders’ Meetings and special meetings of savings shareholders may be held in a place other than the registered office, provided it is in Italy.</td>
<td>Renumbered</td>
</tr>
<tr>
<td>Article 19</td>
<td>Article 19</td>
</tr>
<tr>
<td>19.1 - Those entitled to vote in the Ordinary Shareholders’ Meeting may exercise their right by mail in accordance with the applicable law.</td>
<td>19.1 - <strong>In accordance with the current regulations, those</strong> those entitled to vote in the Ordinary Shareholders’ Meeting may exercise their right <strong>before the Shareholders’ Meeting</strong> by mail or, if specified in the call notice and in the ways specified therein, electronically. <strong>in accordance with the applicable law.</strong></td>
</tr>
<tr>
<td>19.2 - Every person entitled to vote may be represented at the Shareholders’ Meeting</td>
<td>19.2 - Every person entitled to vote may be represented at the Shareholders’ Meeting</td>
</tr>
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</table>
by giving a proxy to an individual or legal entity, subject to the restrictions established by law.

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<thead>
<tr>
<th>19.3 - Electronic notification of the proxy may be carried out by electronic mail, following the procedures indicated in the notice calling the Shareholders’ Meeting.</th>
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<tbody>
<tr>
<td>19.3 - Electronic notification of the proxy may be carried out by using the specific section of the Company internet site or by electronic mail, following the procedures indicated in the notice calling the Shareholders’ Meeting.</td>
</tr>
</tbody>
</table>

19.2 - In order to facilitate the collection of proxies among employees of the Company or its subsidiaries who hold ordinary shares of the Company and belong to shareholder associations satisfying the requirements established by law, special areas shall be made available in accordance with the procedures and time limits established by the Board of Directors either directly or through its agents where information can be provided and proxy forms collected.

| 19.2 - In order to facilitate the collection of proxies—the expression of voting among employees of the Company or its subsidiaries who hold ordinary shares of the Company and belong to shareholder associations satisfying the requirements established by law, special areas shall be made available to those associations requesting them in accordance with the procedures and time limits established by the Board of Directors either directly or through its agents where information can be provided—and proxy forms collected. |

2. to separately confer on the legal representatives pro tempore of the Company the powers necessary to fulfil all formalities needed for the resolutions adopted to be entered in the Business Register, accepting and introducing the amendments, additions or non-substantial deletions that may be required by the competent Authorities.
AUTHORISATION TO INCREASE SHARE CAPITAL FOR PAYMENT AND FREE OF CHARGE BY A TOTAL SUM OF EURO 15,500,000 TO SERVICE THE LONG TERM INCENTIVE PLAN 2011 - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

A remuneration plan based on financial instruments was placed before the ordinary Shareholders’ meeting; it proposed that the beneficiaries of the plan would have the right to subscribe ordinary Telecom Italia shares for cash and/or receive ordinary Telecom Italia shares free of charge, according to their category.

In particular, the “Long Term Incentive Plan 2011” provides

- for one category of employees, the offer of subscribing to ordinary shares in the Company, for cash, for a maximum total sum of Euro 5,000,000 (including share premium) reserved to the employees who are beneficiaries of the initiative, with subsequent free assignment of ordinary shares to those subscribing to the reserved increase in capital according to a pre-established ratio (one free share for each share subscribed for cash), provided that certain pre-established conditions are met;

- for a different category of employees, the free assignment of ordinary shares for a total maximum of Euro 5,500,000.

To service the incentive and retention plan for the employees specified above, we therefore ask you to approve the assignment to the Board of Directors of powers to increase the share capital as indicated below, pursuant to article 2443 of the Italian Civil Code for a period of five years from the date of your resolution today:

- power to increase the share capital, (i) for cash, by the issue of new ordinary shares of Euro 0.55 par value each, with dividend entitlement, by a maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, and of article 134, subsection 2, of legislative decree no. 58/1998, to be reserved to some of the employees who are beneficiaries of the “Long Term Incentive Plan 2011” as previously identified by the Board of Directors of the Company, and then, subsequently (ii) for a maximum amount of
Euro 5,000,000 by assignment of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Italian Civil Code, with the issue of a sufficient number of ordinary shares for the assignment of one free share for every paid share subscribed, as above, subject to the terms and conditions and by the methods specified in the “Long Term Incentive Plan 2011”.

- power to increase the share capital by a maximum amount of Euro 5,500,000 by assignment of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Italian Civil Code, with the issue of ordinary shares reserved to some of the employees who are beneficiaries of the “Long Term Incentive Plan 2011” as previously identified by the Board of Directors of the Company, subject to the terms and conditions and by the methods specified for the initiative.

In relation to the aforementioned increase in capital for cash, the right to determine the amount of share premium for the new shares, in compliance with the applicable regulations, shall be attributed to the Board of Directors. Regarding the share issues to be carried out by allocation of the profits, the power to identify, in due course, the profits and/or retained profits to be used for this purpose, shall be assigned to the Board of Directors, with a mandate to make the appropriate changes to the accounts consequent on the issue operations, in accordance with the legal provisions and the accounting principles that are applicable in each case.

It should be noted that shareholders who do not agree with the proposals do not have the right of withdrawal.

The proposed resolution for the shareholders’ meeting is reproduced below, with a comparison of the current form of article 5 and the revised version incorporating the proposed amendments.

The Board of Directors therefore submits for your approval the following further

**Proposed Resolution**

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

- having examined the explanatory report of the Board of Directors,
given the statement by the Board of Auditors that the current share capital has been fully paid in

resolves

• to attribute to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the right to increase the share capital as follows, for a period of five years from the date of this resolution:
  
  o (i) for cash, by the issue of new ordinary shares of Euro 0.55 par value each, with regular dividend entitlement, up to a maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, and of article 134, subsection 2, of legislative decree no. 58/1998, to be reserved for some of the employees who are beneficiaries of the “Long Term Incentive Plan 2011” as previously identified by the Board of Directors of the Company, and then, subsequently (ii) for a maximum amount of Euro 5,000,000 by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Italian Civil Code, by the issue of a sufficient number of ordinary shares for the allocation of one free share for every paid share subscribed, as above, subject to the terms and conditions and by the methods specified in the “Long Term Incentive Plan 2011”.

  o by a maximum amount of Euro 5,500,000 by allocation of the corresponding maximum amount of profits or retained profits pursuant to article 2349 of the Italian Civil Code, with the issue of ordinary shares reserved to some of the employees who are beneficiaries of the “Long Term Incentive Plan 2011” as previously identified by the Board of Directors of the Company, subject to the terms and conditions and by the methods specified in the “Long Term Incentive Plan 2011”.

Regarding the increase in capital for cash, the Board of Directors shall establish the share issue price (inclusive of the share premium) in accordance with the provisions of the “Long Term Incentive Plan 2011”, and shall also set the period of time within which they may be subscribed, providing that, if the resolved increase should not be fully subscribed within said period of time, the share capital shall be understood to have been increased by an amount equal to the subscriptions received up until that
date. Regarding the increases in capital to be made available by allocation of the profits, the Board of Directors shall have the right to proceed to properly identify the profits and/or retained profits according to the last properly approved financial statements to be used for this purpose, with a mandate to make the appropriate changes to the accounts consequent on the issue operations, in accordance with the legal provisions and the accounting principles that are applicable in each case.

- to amend article 5 of the bylaws as follows:

<table>
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<tr>
<th>CURRENT TEXT</th>
<th>PROPOSED TEXT</th>
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<tbody>
<tr>
<td>5.1 - The subscribed and fully paid-up share capital shall be equal to Euro 10,688,746,056.45, divided into 13,407,963,078 ordinary shares with a par value of Euro 0.55 each and 6,026,120,661 savings shares with a par value of Euro 0.55 each.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>5.2 - In resolutions to increase the share capital by issuing shares for cash, the right of pre-emption may be excluded for up to a maximum of ten per cent of the previously existing capital, provided the issue price corresponds to the market value of the shares and this is confirmed in a report prepared by the firm appointed as accounts auditor.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>5.3 - The extraordinary Shareholders’ Meeting may resolve to allocate profits to employees of the Company or subsidiaries, by the issue of shares, including those of special categories, in accordance with paragraph one of Art. 2349 of the Civil Code.</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>5.4 - For five years starting from 29 April 2010 the Directors may increase the share capital as follows:</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>- to service the “2010-2014 Broad-based Employee Share Ownership Plan,” as approved by the Company Shareholders’ Meeting of 29 April 2010, up to a maximum amount of Euro 4,960,292.15 by the allocation of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issue of new ordinary shares with a par value of Euro 0.55 each, with regular dividend entitlement, in the number necessary for the allocation of one free share for every three shares subscribed for cash by employee beneficiaries of the “2010-2014 Broad-based Employee Share Ownership Plan,” within the time periods and under the terms and conditions provided for therein;</td>
<td></td>
</tr>
</tbody>
</table>
to service the “2010-2015 Long-Term Incentive Plan,” as approved by the Company Shareholders’ Meeting of 29 April 2010 (i) by the issue for cash of new ordinary shares with a par value of Euro 0.55 each, with regular dividend entitlement, in the maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code, and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be offered by subscription to employee beneficiaries of the “2010-2015 Long-Term Incentive Plan”, and subsequently (ii) up to a maximum amount of Euro 5,000,000 by the allocation of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issue of new ordinary shares with a par value of Euro 0.55 each, with dividend entitlement, in the number necessary for the allocation of one free share for every share subscribed for cash, as described above, by employee beneficiaries of the “2010-2015 Long-Term Incentive Plan,” subject to the terms and conditions and by the methods specified therein.

With respect to the capital increase for cash, the Board of Directors shall set the subscription price (including any premium) in accordance with the “2010-2015 Long-Term Incentive Plan,” respectively, and it shall also set suitable time limits for its subscription, providing that if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time.

5.5 - For five years starting from [●] April 2011 the Directors may increase the share capital to service the “Long Term Incentive Plan 2011” as follows, as approved by the Company Shareholders’ Meeting of that date:

− (i) for cash, by the issue of new ordinary shares of Euro 0.55 par value each, with regular dividend entitlement, up to a maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to article 2441, subsection 8, of the Italian Civil Code, and of article 134, subsection 2, of legislative decree no. 58/1998, to be reserved for some of the employees who are beneficiaries of the “Long Term Incentive Plan 2011” as previously identified by the Board of Directors of the Company, and then,
| 5.5 - For five years starting from 8 April 2009 the Directors may increase the share capital in one or more tranches by up to a maximum total amount of Euro 880,000,000 by means of cash issues, with or without a share premium, of up to a maximum of 1,600,000,000 ordinary shares with a par value of Euro 0.55 each (i) to be offered with the right of pre-emption to persons having entitlement, even if only for some of the shares, (ii) to be offered by subscription to employees of Telecom Italia S.p.A. and its subsidiaries with the exclusion of the right of pre-emption, pursuant to the combined effects of the last paragraph of Article 2441 of the Civil Code and Article 134(2) of Legislative Decree 58/1998. | Renumbered |
5.6 - Resolutions to increase the share capital adopted by the Board of Directors in exercising the powers assigned above shall set the subscription price (including any premium) and a time limit for the subscription of the shares; they may also provide, in the event that the increase approved is not fully subscribed within the time limit established for each issue, for the capital to be increased by an amount equal to the subscriptions received up to such time.

5.7 - The Board of Directors may issue, in one or more tranches and for up to a maximum of five years from 8 April 2009, bonds convertible into ordinary shares to be offered with the right of pre-emption to persons having entitlement, up to a maximum nominal amount of Euro 1,000,000,000.

- to confer on the Board of Directors, and, on behalf thereof, on the legal representatives pro tempore of the company, jointly or severally, all powers necessary to:

  ✓ make the variations required on a case by case basis to article 5 of the Company Bylaws that are consequent on the resolutions, execution and completion of the increases in share capital described above, and to that end to make provision for all the advertising and other matters required by the regulations;

  ✓ to complete all the necessary formalities for the adopted resolutions to be entered in the Business Register, accepting and introducing into said resolutions the modifications added or suppression of non-substantial parts that might be requested by the competent authorities, as well as all powers necessary for the legal and regulatory compliances deriving from the resolutions adopted.