With an order dated 15 October 2012 Consob asked for the dissemination of some information, set out below, to supplement that contained in the report explaining the Board's proposals to the Shareholders’ Meeting called for 18 October 2012.

Amount of costs/disbursements identified by Deloitte with reference to the Security stream

Consob asked that the amount of “costs/disbursements identified by Deloitte” with reference to the Security stream be identified, as was done for the prepaid card affair.

Reference is made to the information on the in-depth analysis carried out by Deloitte in relation to the Security Department in the period 2000-2007 already contained in the Appendix to the report on corporate governance and share ownership that accompanied the financial statements at 31 December 2010, which may be consulted on the www.telecomitalia.com website, Governance section/Governance System/Annual report on corporate governance. As detailed in that report, and in the report to the Shareholders, on completion of the review as part of the Greenfield Project regarding the economic effects of the Security affair, the consultant provided evidence of both costs/disbursements that are or can be directly linked (mainly consultancy and professional services costs), and costs/disbursements (even potential) that are or can be indirectly linked (costs for legal fees, costs for penalties, compensation already paid or that might be paid in relation to cases and civil actions taken following the matter in question). More specifically, the Deloitte report highlighted:

- costs for consultancy and professional services associated with the unlawful operations indicated in the indictment decree on 21 November 2008, amounting to approx. 7 million euros
- further costs for consultancy and professional services not supported by the appropriate documentation for the services rendered, for a total of approximately 26 million euros;
- professional services costs of approximately 12 million euros charged to the Company during the tax assessment (and related interest and fines of approximately 5 million euros);
- costs for legal aid and other consultancy incurred in relation to criminal and civil proceedings ensuing from the matters in question, for an approximate total of 9 million euros;
- costs incurred to define various positions (employees, Public Administrations, plea bargaining), for an approximate total of 3 million euros;
- costs incurred for transactions with former employees of the Security Department of 1,705 thousand euros;
- costs for IT consultancy provided by KPMG of approximately 2.6 million euros.

Deloitte also noted, but did not quantify, the presence of other “potential economic risks”, linked to requests for payment and/or compensation in the context of pending cases. As explained in a note to the report to this Shareholders’ Meeting, the judgement against the Company, jointly with F.C. Internazionale Milano S.p.A., awarding the sum of one million euros to Mr Christian Vieri, pronounced by the Milan Court in August 2012, should be considered of this kind.

It should be noted that the issues considered by Deloitte in the description of the economic effects of the Security affair (in the same way as for the Sim card affair) can at most represent a guide to the sums that are hypothetically liable to be requested as compensation for the pecuniary damage. In the liability proceedings, however, the damage imputable to the breach of Director’s obligations must be proven in terms of the subjective element (fault) and causal nexus. In these terms, the amounts quoted are higher than those that
might usefully be formulated in any proceedings, which – on the other hand – could also relate to the non-
pecuniary damage suffered by the Company, always provided that breaches by the Director were shown to be
the cause.

Bonuses paid to Mr. Buora and Mr. Ruggiero

Consob has requested an indication of the amounts of the bonuses paid to former Executive Directors Carlo
Orazio Buora and Riccardo Ruggiero during their respective terms of office, and all other economic
remuneration paid in connection with the termination of such office.

The detailed table below was developed from the evidence in the Company financial statements for the years
2001-2007 (available on the www.telecomitalia.com website, Investors section, Financial Statements and
Reports channel) and, for severance pay, the report on corporate governance that accompanied the financial
statements at 31 December 2007 (available on the www.telecomitalia.com website, Governance
section/Governance System/Annual report on corporate governance). The amounts are indicated gross of sums
withheld by law; for Mr. Buora, they include the non-competition agreement, with payment of 4 million euros
gross, to be paid in semi-annual instalments postponed starting from the end of the employment relationship;
for Mr Ruggiero, they include the short- and long-term incentive plans and the non-competition agreement, the
payment of which was settled during his employment relationship and, for the 2007 financial year, the
remuneration paid as general settlement and early retirement bonus in relation to his employment contract with
Telecom Italia.

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<thead>
<tr>
<th>Bonus/incentives (in thousands of euros)</th>
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<td>Carlo Orazio Buora</td>
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Qualification of the amount of the settlement as not merely symbolic

Consob asks for clarification on the assessments at the base of the assertion that the amount of the proposed
settlements “would in any event represent a form of compensation that is not merely symbolic for Telecom
Italia”, indicating the main grounds for the legal opinions obtained to support this statement.

It should be noted that the Board of Directors has carried out a discretional assessment of the
advantageousness of the proposed settlement, in terms of cost/benefit trade-off (and time), comparing the
solution of the preventive settlement of the dispute out of court and the solution of starting legal proceedings. In
making this comparison, the Board considered the opinion of the consultants, who confirmed, based on their
personal professional experience, that there is a history of settlements concluded at values very much lower
than the amount claimed in the legal proceedings. In particular, they provided details of historical cases
(without the names of the parties, for reasons of confidentiality) of settlements concluded between companies
established under Italian law against their directors, all for individual amounts considerably less than one
million euros, against requests for damages for tens and sometimes hundreds of millions of euros.
Dissenting votes in the Board Meetings on 1 August and 13 September 2012

As requested by Consob, it should be noted that no dissenting votes were expressed on the resolutions of the board concerning the convening of this shareholders’ meeting and the proposed resolutions submitted to the shareholders for approval.

For his part, Director Zingales qualified his vote on 13 September 2012, explaining that he agreed with the formulation of the settlement proposal to the Shareholders Meeting, the settlement solution itself and the amount specified for this purpose for Mr. Buora, but not the sum offered by Mr. Ruggiero, which he considered too low when compared with the sum offered by Mr. Buora.

*Milan, 17 October 2012*

This document has been translated into English solely for the convenience of the readers. In the event of a discrepancy, the Italian language version prevails.