

**REPORT ON THE RESERVE TO SAFEGUARD THE INTERESTS  
OF THE HOLDERS OF TELECOM ITALIA SAVINGS SHARES**

The special meeting of savings shareholders held on 21 June 1999 approved the establishment of a reserve of 2,582,284.50 euros for the expenses necessary to safeguard the common interests of the holders of savings shares.

***STATEMENT OF ACCOUNTS OF THE RESERVE***

|  | DATE       | Lit.                   | €                   |
|--|------------|------------------------|---------------------|
| Resolution adopted by the special meeting of holdings of savings shares: creation of the reserve | 21.06.1999 | + 5,000,000,000        | 2,582,284.50        |
| Advance paid to Professor Pasteris   | 29.10.1999 | - 800,000,000          | 413,165.52          |
| Amount repaid by Professor Pasteris  | 15.02.2000 | + 14,148,316           | 7,307.00            |
| Annual fee paid to Professor Pasteris  | 05.02.2003 | - 1,400,034            | 36,875.04           |
| Annual fee paid to Professor Pasteris  | 27.02.2004 | - 1,400,034            | 36,875.04           |
| Fees paid to the legal firm Benessia Maccagno for advice   | 05.08.2004 | - 31,283,927           | 16,156.80           |
| <b>RESERVE AVAILABLE AT 30.09.2004</b>   |            | <b>+ 4,040,064,321</b> | <b>2,086,519.10</b> |