Telecom Italia
Key Takeaways & Plan Targets

FRANCO BERNABE'
Safe Harbour

These presentations contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company and the Group.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.

Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Telecom Italia S.p.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telecom Italia S.p.A. business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange Commission.

It should also be noted that starting from the year 2010, Telecom Italia reclassified some taxes paid in Brazil of non-material amount, previously included in “Other operating expenses”, in reduction of “Revenues” and “Other income” in order to ensure a better comparability and intelligibility of the financial information.
A More Diversified Group to Capture Growth Opportunities

**A Dual World**

<table>
<thead>
<tr>
<th>TLC Service Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature Economies</td>
</tr>
<tr>
<td>Emerging Economies</td>
</tr>
</tbody>
</table>

- **TLC Market – Service Revenues Growth (Cagr ’10-’13)**
  - Argentina
  - Italy
  - Brazil

**Doing business in a dual world:**

- **Italy is our cash cow** – mature economy, far better than peripherals, with private sector debt and net external debt position among the lowest in Europe. Very competitive and mature TLC market.

- **Latam is our growth enabler** – boosting economies with appealing and growing TLC markets that are among the biggest in the world.

---

**Revenues Mix**

- **2007**:
  - Italy: 83%
  - Latam: 17%

- **2010**:
  - Italy: 76%
  - Latam: 24%

- **2013**:
  - Italy: 64%
  - Latam: 36%

**Revenues Trend**

- **2010**:
  - Italy: 24%
  - Latam: 36%

- **2013**:
  - Italy: 36%

Reported data, 2007 and 2010 include only Brazil, Argentina results consolidated starting from 01/01/11. Italy excludes TI Media & Olivetti.
Telecom Italia Conference Call
2010 Results & Plan Update

Strong OFCF Generation Confirmed

OFCF Evolution

€ Bln, Organic Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Ebitda</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>7.2 Bln €</td>
<td>4.9</td>
</tr>
<tr>
<td>2011</td>
<td>12.4</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grow
Stabilize

2011-2013 Cum. OFCF*: >22 Bln €

* Based on reported Ebitda and Capex, including Δ Working Capital. Includes Telecom Argentina

2009 and 2010 Group data, for comparison purposes only, includes Telecom Argentina consolidated data for 12 months (Unaudited proforma figures)

Assuming 2010 exchange rates (R$/€ 2.33; ARS/€ 5.19) and excluding non organic items impact

Acquisition of Domestic Mobile Licenses (2.6 Ghz, 1800 Mhz, 800 Mhz, probably in 2011) and Brazilian Mobile 4G licenses non included
Continued Capital Discipline: Focus on de-leverage and Shareholders Remuneration


- OCF: >22
- Financial Expenses/Taxes & Others: ~11
- Etossa Cuba: +0.5
- FCF before Dividends: ~12

Net Financial Position Adjusted

- Euro Bln:
  - 2008: 34.5
  - 2009: 33.9
  - 2010: 31.5
  - 2011: ~29.5
  - 2012: ~27.5
  - 2013: ~25

- Target: <28 Bln

Dividend Policy

- Yearly Growth: ~15%
- DPS ord.:
  - 2010: 5.0
  - 2011: 5.8
  - 2013:

*Includes financial charges not related to Debt
** Acquisition of Domestic Mobile Licenses (2.6 Ghz, 1800 Mhz, 800 Mhz, probably in 2011) and Brazilian Mobile 4G licenses non included
### Telecom Italia Group – Target Plan Update

<table>
<thead>
<tr>
<th></th>
<th>TI Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues 2011</strong></td>
<td>Broadly Stable vs 2010 (29.5 € bln)</td>
</tr>
<tr>
<td><strong>Ebitda 2011</strong></td>
<td>Broadly Stable vs 2010 (12.5 € bln)</td>
</tr>
<tr>
<td><strong>Capex 2011</strong></td>
<td>~4.8 € bln</td>
</tr>
<tr>
<td><strong>NFP Adj. 2011</strong></td>
<td>~29.5 € bln</td>
</tr>
</tbody>
</table>

**TI Group**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFCF cum ’11-’13</strong></td>
<td>&gt;22.0 € bln</td>
</tr>
<tr>
<td><strong>NFP Adj. 2013</strong></td>
<td>~25.0 € bln</td>
</tr>
</tbody>
</table>

2010 Group data, for comparison purposes only, includes Telecom Argentina consolidated data for 12 months. (Unadited proforma unadited)
Assuming 2010 exchange rates (R$/€ 2.33; ARS/€ 5.19) and excluding non organic items impact
OFCF: Based on reported Ebitda and Capex, including Δ working Capital & Telecom Argentina
### Telecom Italia Core Markets – Target Plan Update

<table>
<thead>
<tr>
<th>Country</th>
<th>Revenues 2011</th>
<th>Ebitda 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Italy</strong></td>
<td>~ -4% vs 2010 (20.0 € bln)</td>
<td>&gt;9.4 € bln</td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
<td>+7%/+8% vs 2010 (14.5 R$ bln)</td>
<td>&gt;4.5 R$ bln</td>
</tr>
<tr>
<td><strong>Argentina</strong></td>
<td>&gt;17.7 ARS bln</td>
<td>&gt;5.5 ARS bln</td>
</tr>
</tbody>
</table>

**Organic Data**

Assuming perimeter as December 2010, and excluding non organic items impact.