Telecom Italia:
The SME and SoHo Perspective

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PIETRO LABRIOLA – Head of Business Market
Safe Harbour

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“Impresa Semplice”: the leader offer in the SME and SoHo Italian market

Total Italian Market breakdown

<table>
<thead>
<tr>
<th># Companies</th>
<th>Revenues (Bln €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME</td>
<td>8,2 3,4 2,4 2,3</td>
</tr>
<tr>
<td>SoHo</td>
<td>40% 54% 40% 76%</td>
</tr>
<tr>
<td>Overall</td>
<td>46% 60% 24%</td>
</tr>
</tbody>
</table>

Market Share

- Fixed: Leader > +60 p.p.

Impresa Semplice

An integrated value proposition

- Offer
- Sales
- Caring

for

- Fixed
- Mobile
- IT

First Mover: copied by all competitors

Top of Mind

<table>
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<tr>
<th>Offer Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st follower</td>
</tr>
<tr>
<td>66% 60%</td>
</tr>
</tbody>
</table>

Excellence in Brand Awareness

Source: Sirmi 2Q 2011

Breakdown by customer needs

- Shops / craftsmen
- Small companies
- Nomadics
- Professionals

Source: Eurisko Oct. 2011
Innovative Fixed and Mobile offers

**CLOUD YOUR VoIP**
- 100% remote mgmt and support
- Can support “in the cloud” managed services
- 100% open to installers

Based on the best-in-class technology

**BROADBAND YOUR COMPANY**
- The best smartphones
- Mail and browsing plans included
- Automatic renewal of smartphone every 2 years
- All-risk insurance policy on smartphone

**CHURN RATE REDUCTION**

**CLOUD YOUR COMPANY**
- Web collaboration
- Reliable video and call conferencing from any device
- Document and application sharing
- Online meetings, webinars, press conferences

Based on Cisco WebEx platform

**PAY AS YOU GO**
- The best of prepaid and postpaid calling
  - Full control on phone costs and no government tax
  - Billing and collection as for postpaid plans
  - Business continuity (automatic credit reload)

**Copy by the competitors**
Innovative offers in IT

**Ospit@ Virtuale**
- "Your server just a click away"
- Cloud Computing by Impresa Semplice
- 8 pre-configurated settings
- Shared storage
- Full scalability
- Multilevel architecture
- Configurable security policies

**Ospit@ suite**
- Vertical solutions and applications
- Ospit@ Applicazioni IT SaaS
- Ospit@ Piattaforma IT PaaS

**Il Mio Sito**
- Build your website with just few clicks
- Online management and support
- Domain+website+eMail
- Unlimited website templates
- Forum and remote support
- eFax
- Company Intranet + FaceB
- Collaboration Share point
- Full E-Commerce ready

**PEC**
- The new Certified Electronic Mail (PEC) service for Companies and Professionals
- Grants legal validity to Email
- Email content and attachments cannot be modified
- Compliant with Italian government requirements

Partnership with Rete Impresa Italia (2.6 mln members)
A new approach to address the IT Market

Building a robust ecosystem...

The “IT” cycle

1. Massive recruiting
2. Push of TI’s solutions
3. High redemption

The traditional “Telco” cycle

1. Advertising
2. Ask for TI’s solutions
3. Brokers ask for affiliation

IT Brokers (resellers, distributors, consultants, ...) act as middlemen between TI and the customer

IT Brokers facilitate the sales of TI products and services as the customer trusts them in the purchase of IT solutions

IT IS is the new TI’s sales channel for the IT market, made up by IT Brokers (target size: 20-25% out of the ~30k Italian IT brokers)

ITIS members push TI solutions to the customer and sell their own professional services

... by applying different business models

B2B2B

Customer
ITIS
Reseller billing
IT Broker

B2B

Customer
ITIS
Billing of consulting and professional services
IT Broker

Direct Billing (platform, P/S)