

PRESS RELEASE

TELECOM ITALIA SUBSCRIBES TIM PARTICIPAÇÕES CAPITAL INCREASE

The Group does not intend to dilute its presence in the Brazilian market

Rome, 15 September 2011

Telecom Italia has declared its intention to underwrite the planned capital increase announced by TIM Participações.

The sub-holding TIM Brasil (100% controlled by Telecom Italia) will underwrite a pro-quota stake (therefore 66.94%) in the share offering announced by TIM Participações. The exact amount of the capital increase will be determined after bids have been received and taking into account the greenshoe option for a maximum 15% of the offering not underwritten by TIM Brasil's controlling shareholder, to be exercised in the eventuality of surplus demand.

The TIM Participações capital increase is designed to help fund the development and expansion of the fixed and mobile network infrastructure—foreseen in the Group's latest Industrial Plan— and the Aes Atimus operation, necessary to enable TIM Brasil to grasp the substantial business opportunities offered by the Brazilian telecommunications market.

By backing the operation Telecom Italia confirms Brazil's strategic role as a core market for the Group.

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