PRESS RELEASE

TELECOM ITALIA PRESENTS THE GROUP’S UPDATED 2011-2013 PLAN

Milan, 25 February 2011

During today's conference call, Telecom Italia CEO Franco Bernabè, together with CFO Andrea Mangoni, head of Domestic Market Operations Marco Patuano, CEO of TIM Brasil Luca Luciani and CEO of Telecom Argentina Franco Bertone, will present the latest guidelines and targets for the 2011-2013 Plan to the financial community and the press.

2011-2013 PLAN

The updated 2011–2013 Plan confirms Telecom Italia Group's strategic priorities:

- Reinforcement of cash flow generation via:
  - focus on strategic markets - Italy, Brazil and Argentina - with the aim of stabilizing consolidated revenues thanks to the contribution of Latam;
  - continual gains in operational efficiency and targeted investments;

- Constant and progressive reduction of the Group's financial indebtedness;

Moreover, the Group will focus on a policy of increasing dividend distribution.

2011 Group Targets

2011 Group targets for the main economic indicators include the Argentina Business Unit and are at constant perimeter, exchange rates, and exclude non organic items:

- Revenues and organic EBITDA broadly stable compared with 2010 (restated considering the Argentina BU consolidated for 12 months);

- Capex of around €4.8 billion;

- Adjusted net financial debt of around €29.5 billion.
2011-13 Group Targets

2011-2013 targets for the main financial indicators are:

- Cumulative operating free cash-flow over €22 billion;
- Adjusted net financial position of around €25 billion year-end 2013;
- 15% annual increase in dividends.