

PRESS RELEASE

TELECOM ITALIA PRESENTS THE GROUP'S UPDATED 2012-2014 PLAN

Milan, 24 February 2012

Telecom Italia Chairman Franco Bernabè, together with COO Marco Patuano, CFO Andrea Mangoni, TIM Brasil CEO Luca Luciani and Telecom Argentina CEO Franco Bertone, will present the Group's updated 2012-2014 Plan to the financial community during this morning's conference call.

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

- ▶ Reinforcement of cash flow generation via:
 - repositioning on markets with best growth prospects, setting the company back on the path to growth;
 - continued improvement in operational efficiency, especially in the domestic market;
 - a demand-driven approach to investments.

- ▶ Steady and persistent deleveraging to reduce the Group's financial indebtedness, coupled with sustainable shareholder remuneration.

2012 Group Targets*

- ▶ Stable Revenues and EBITDA broadly stable YoY;
- ▶ Adjusted net financial position of around €27.5 billion (target unchanged from the 2011-2013 Plan, which did not contemplate the cash out for the LTE frequencies).

2012-14 Group Targets*

The main KPI targets for the period 2012-2014 are:

- ▶ Cumulated cash generation (EBITDA – Capex) of over €22 billion;
- ▶ Cumulated Capex of over €15 billion;
- ▶ Adjusted net financial position further reduced to around €25 billion in 2013 and an adjusted net financial position/EBITDA ratio of less than 2 times from 2014 onwards.

() Revenues, EBITDA and Cash generation (EBITDA – Capex) targets are to be understood as organic (at constant perimeter and exchange rates, and excluding non organic income and expenses). The above targets as well as the net financial position are exclusive of any acquisitions of frequencies in Latin America.*

Note that this release contains forward-looking statements about the Group's intentions, beliefs and current expectations with regard to its financial results and other aspects of operations and strategies. Readers should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the statements owing to a number of factors, the majority of which are beyond the Group's control.

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