

## PRESS RELEASE

**TELECOM ITALIA: CHIEF OPERATING OFFICER MARCO PATUANO MEETS CONSUMER ASSOCIATIONS TO PRESENT THE COMPANY'S ACHIEVEMENTS OVER THE LAST TWO YEARS, ITS QUALITY AND TRANSPARENCY DEVELOPMENT GUIDELINES, AND THE NEW SIMPLER TARIFFS THAT WILL COME INTO EFFECT IN JULY**

**COO illustrates the measures taken over the last two years to tackle growing market challenges, including investments in fixed-line and mobile broadband networks, the positive quality of service results and the improvement in relations with consumer protection organizations**

**Telecom Italia is one of the first carriers in Europe to introduce a single price band for local and long-distance calls which does away with the distinction between peak and off-peak times for the basic rate. From July, customers will be able to make calls without worrying about the time of day, every day of the week, on weekdays, weekends and holidays. The cost of the basic subscription will be adjusted**

**These new, simpler and more transparent prices will lead to a significant reduction compared with current local call bands and average long-distance call costs. The move caters to recent trends among Italian families, who are increasingly making calls at peak times in the last years**

*Rome, 15 April 2011*

Telecom Italia Chief Operating Officer Marco Patuano today met with Consumer Associations to present the company's achievements over the last two years, the steps it has taken to ensure that levels of service meet customer expectations, and plans for major infrastructure network upgrade work. This initiative is part of the dialogue-based approach adopted by the company in the past, oriented towards developing a close and effective relationship with Associations, with the focus squarely on the customer.

During the meeting, the COO highlighted market trends and illustrated what Telecom Italia has done to meet the increasing challenges in terms of technology and competition. The company is focusing its efforts particularly on investing in the fixed-line and mobile broadband network, where its priority is to build the Next Generation Network (already underway in five Italian cities). The company is also focused on the positive results it has achieved in terms of quality of service.

A new price simplification scheme that Telecom Italia has prepared was also presented to the Consumer Associations. The new scheme has been conceived to offer customers more transparent landline call pricing by doing away with time bands and being easier to remember.

From 1 July 2011, basic local and long-distance call rates will become clearer and simpler following the introduction of a single time band that applies every day of the week, and removes distinctions between



peak and off-peak bands, weekdays and weekends/holidays. Telecom Italia is one of the first major carriers in Europe to roll out a single price band.

Through this initiative, Telecom Italia is catering to emerging demand among Italian families, which are increasingly making calls during what currently qualifies as peak time: between 2003 and 2009, peak time telephone traffic grew by 15% for local calls, and around 11% for long-distance calls.

The new single price for local calls has been set at €0.007 per minute, compared with the current peak price of €0.0143 per minute and €0.0082 per minute off-peak. This corresponds to a 38% reduction compared with rates averaged over the two time bands.

The new single price for long-distance calls will be €0.05 per minute, compared with the current cost of €0.1069 per minute peak time, and €0.031 per minute off-peak. In this case, the price cut corresponds to 27% compared with rates averaged over the two time bands. The amount charged on answer remains unchanged.

When these new standard prices come into force, the credit of up to one hour of local calls and 30 minutes of long-distance calls per standard phone line two-month billing period will be rescinded. At the same time, the subscription fee for Telecom Italia's standard telephone service, which has remained unchanged since February 2009, is going up from €16.08 per month to €16.50 per month – still one of the lowest rates in Europe. This price change is below the rate of inflation recorded over the last two years.

Based on a single price band, the price restructuring scheme offers customers greater savings the more they use the phone, which they are now able to do with greater freedom. From both its mobile and fixed-line operations, the company has learned that price plan simplification results in more aware phone usage and greater customer appreciation of the service.

Customers who qualify for subsidized terms and conditions will continue to enjoy a 50% reduction on their subscription fee and Social Card holders will see no change in the cost of their subscription.

*All of the prices indicated above are inclusive of VAT.*

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