



PRESS RELEASE

NOTICE TO US INVESTORS

The merger described herein relates to the securities of two foreign companies. The merger in which Telecom Italia Media S.p.A. ordinary shares and savings shares will be converted into Telecom Italia S.p.A. ordinary shares and saving shares, respectively, is subject to disclosure and procedural requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since Telecom Italia S.p.A. and Telecom Italia Media S.p.A. are located in Italy, and some or all of their officers and directors may be residents of Italy or other foreign countries. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that Telecom Italia S.p.A. may purchase securities of Telecom Italia Media S.p.A. otherwise than under the merger offer, such as in open market or privately negotiated purchases.

PLAN FOR MERGER BY INCORPORATION OF TELECOM ITALIA MEDIA INTO TELECOM ITALIA APPROVED

**Exchange ratio confirmed: 0.66 Telecom Italia ordinary shares for each TI Media ordinary share; 0.47 Telecom Italia savings shares for each TI Media savings share.
Alternatively: withdrawal at market prices.**

Rome, 19 March 2015

The Boards of Directors of Telecom Italia and Telecom Italia Media (a company controlled and subject to the direction and coordination of Telecom Italia, which directly and indirectly holds 77.71% of the ordinary share capital and 2.25% of the savings share capital), confirming the merger itinerary announced on 19 February 2015, today approved the plan for merger by incorporation of Telecom Italia Media into Telecom Italia (the “**Merger Plan**”).

The Boards of Directors of the two companies, assisted by their respective advisors, have each independently confirmed the following exchange ratio, already preliminarily approved on 19 February 2015:

- 0.66 new ordinary shares in Telecom Italia with the same dividend entitlement as the existing Telecom Italia ordinary shares as of the date on which the Merger takes effect, for each ordinary share in Telecom Italia Media.
- 0.47 new savings shares in Telecom Italia with the same dividend entitlement as the existing Telecom Italia savings shares as of the date on which the Merger takes effect, for each savings share in Telecom Italia Media.

No cash balance payments are envisaged.



Citigroup and Studio Tasca, for Telecom Italia, and Equita SIM and Professor Stefano Caselli, for Telecom Italia Media, have issued specific fairness opinions confirming that the above exchange ratio is financially appropriate. This was approved, preliminarily, using the 2014 draft financial statements of Telecom Italia Media (approved on the same date), and the Telecom Italia preliminary data for the 2014 financial year, while awaiting today's approval of its draft financial statements.

On 16 March 2015, the Milan Court appointed Reconta Ernst & Young as expert responsible for drawing up the report on the fairness of the exchange ratio. This report will be published within the time period prescribed by law, together with the merger plan and the explanatory reports prepared by the Boards of Directors of the two companies.

The merger plan will be submitted for approval to the ordinary shareholders' meetings on 30 April 2015 (single call) for Telecom Italia Media, and on 20 May 2015 (single call) for Telecom Italia.

Since the initiative does not adversely affect the rights of the savings shareholders, it is confirmed that the merger is not subject to the approval of the respective special shareholders' meetings.

Notwithstanding this, the Board of Directors of Telecom Italia Media acknowledged that the common representative of the savings shareholders of the company, Mr. Carlo Aime, also in light of a specific request made by a shareholder whose holding is more than 1% of the shares of this category, will call a special meeting of the savings shareholders to examine the transaction, and other matters, at a date prior to the ordinary shareholders' meeting called to approve the merger plan.

Since, for Telecom Italia Media, the merger represents a major transaction with a related party of greater importance, the Board of Directors of the company passed its resolutions with the favourable opinion of the Board Committee (competent on matters of related party transactions and comprising all the independent directors of Telecom Italia Media, pursuant to the specific current regulations), which recognised and confirmed the company's interest in the merger and the convenience and the substantial correctness of its terms.

In the next few days, Telecom Italia Media will make available to the public a specific supplement to the information document published on 26 February 2015 pursuant to the applicable Consob regulations.

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