

TELCO S.p.A.

Registered office: Via Filodrammatici 3, Milan, Italy
Share capital: Euro 879,206,489.00 fully paid up
Registration no. in Milan Companies' Register,
Tax identification code and VAT no.: 05277610969

PRESS RELEASE

At the Board meeting held today, the Board of Directors of Telco, in connection with the vote to be held at the ordinary and extraordinary general meeting of Telecom Italia to be held on 20 December 2013, unanimously confirmed it would vote against the proposal to dismiss the current Board of Directors of Telecom Italia submitted by shareholder Findim. The Board of Telco also adopted the following resolutions:

- if the shareholders of Telecom Italia vote not to dismiss the company's current Board of Directors, to propose - and vote for - the following two candidates for appointment to be added to the Board of Directors of Telecom Italia: Stefania Bariatti and Angelo Tantazzi;
- if the shareholders of Telecom Italia do vote to dismiss the company's current Board of Directors:
 - (i) to vote in favour of a new Board of Directors made up of 15 members;
 - (ii) to vote in favour of its own list, submitted on 25 November 2013, which has reduced to 2 members after notification was received of Julio Linares' unavailability;
 - (iii) if all candidates contained in the two lists submitted so far were elected, to propose - and vote for - the following further 6 candidates for the purpose of the vote to be taken pursuant to, and within the meaning of, Article 9.8 of the Articles of Association of Telecom Italia: Gabriele Burgio, Paolo Fumagalli, Mario Notari, Francesco Profumo, Angelo Tantazzi and Giorgio Valerio. The aforementioned candidates all qualify as independent;
 - (iv) to propose - and vote for - that the term of office for the new Board of Directors be set at three years, to expire therefore with the approval of the financial statements for the year ending 31 December 2015;
 - (v) to propose - and vote for - that the annual aggregate remuneration payable to the new Board of Directors of Telecom Italia be set at €2,200,000.00, based on the assumption of 15 Directors;
- to vote in favour of the proposals submitted by the Board of Directors of Telecom Italia to the approval of shareholders at the extraordinary general meeting of the company.

The representatives of Telefonica taking part in the Telco Board meeting did not propose any name for the Board of Directors of Telecom Italia and abstained from voting on the resolutions adopted in respect of all the above candidates.

Milan, 19 December 2013