

TELCO S.p.A.

Sede legale in Milano, Via Filodrammatici n. 3
Capitale sociale euro 4.849.038.420,00 versato
Numero di iscrizione presso il Registro delle Imprese di Milano,
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PRESS RELEASE

With reference to the recent share price performance of Telecom Italia and reports which have appeared in the press, at the request of market regulator Consob, Telco informs that:

- as of today Telco's investment in Telecom Italia is made up of n. 3,278,702,623 ordinary shares or 24,5% of Telecom Italia ordinary share capital, of which n. 2,866,008,849 (21,42%) shares are pledged to guarantee outstanding loans obligations and n. 412,693,774 (3,08%) are currently not pledged;
- some of the loans provide that, depending upon the average share price of Telecom Italia ordinary share, Telco may be asked to pledge additional shares or, at its sole discretion, make a partial prepayment of an equivalent amount of relevant loans;
- if needed, depending upon the performance of Telecom Italia ordinary share price, Telco's intention is to raise, also with the support of its shareholders, the financial resources necessary to meet the financial covenants.

Telco, also on behalf of its shareholders, confirms the strategic value of the investment in Telecom Italia.

Milan, 7 October 2008