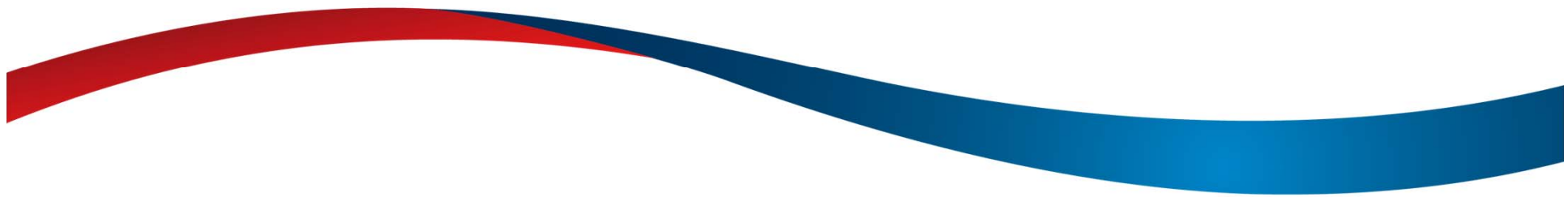


TELECOM ITALIA GROUP
Investor Meetings - May 2015

Telecom Italia Group

Company Presentation, 2015-2017 Plan Outline and 1Q15 Update



Investor Relations

Safe Harbour

This presentation contains statements that constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of estimates regarding future growth in the different business lines and the global business, financial results and other aspects of the activities and situations relating to the Telecom Italia Group. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors. Consequently, Telecom Italia makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward looking statements. Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results. Analysts and investors are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Telecom Italia undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telecom Italia business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events. Analysts and investors should consult the Company's Annual Report on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange Commission which may identify factors that affect the forward looking statements included herein.

Some financial data have been extracted or derived from the Abbreviated Consolidated Financial Statements as of and for the three months ended 31 March 2015 which have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as IFRSII). Such interim financial statements are unaudited.

The accounting policies adopted in the preparation of the Abbreviated Consolidated Financial Statements as of and for the three months ended 31 March 2015 have been applied on a basis consistent with those adopted in the Annual Consolidated Financial Statements at 31 December 2014, to which reference can be made, except for the new standards and interpretations adopted by the Telecom Italia Group starting from 1 January 2015 which had no effects on the Abbreviated Consolidated Financial Statements as of and for the three months ended 31 March 2015.



Telecom Italia Performance by Markets – Full Year 2014

Organic data, € mln, %YoY

FY'14	Group	Domestic	Brazil
Total Revenues	21.6 €bIn -5.4% YoY	15.3 €bIn -6.6% YoY	6.2 €bIn -2.1% YoY
Ebitda	8.8 €bIn -6.8% YoY	7.0 €bIn -9.6% YoY	1.8 €bIn +6.6% YoY
Capex	Excluding License ⁽¹⁾ 4.0 €bIn -5.4% YoY	2.8 €bIn -8.2% YoY	1.2 €bIn +1.5% YoY
	Including License ⁽¹⁾ 5.0 €bIn +13.3% YoY ⁽³⁾		2.2 €bIn +62.7% YoY ⁽³⁾
Net Debt	Excluding Licenses ⁽²⁾ 25.8 €bIn; (-1.0 €bIn vs FY'13)		
	Including Licenses ⁽²⁾ 26.65 €bIn; (-0.2 €bIn vs FY'13)		

- (1) Brazilian Spectrum & Clean-up cost
 (2) Brazilian & Argentinean Spectrum
 (3) Reported data

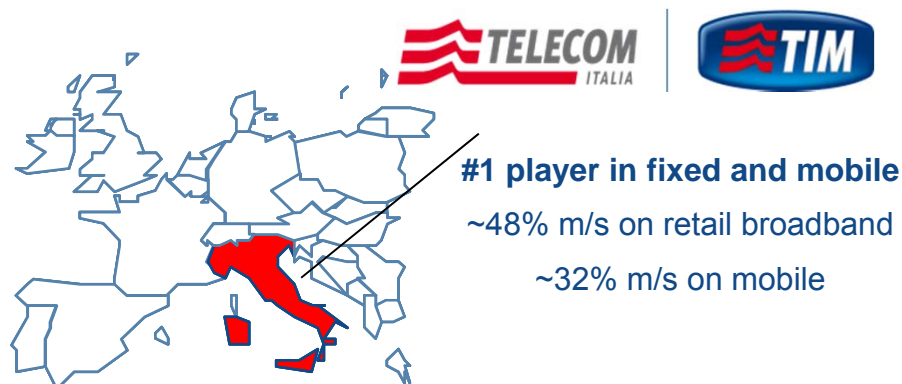


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TI Group International Footprint

Italy

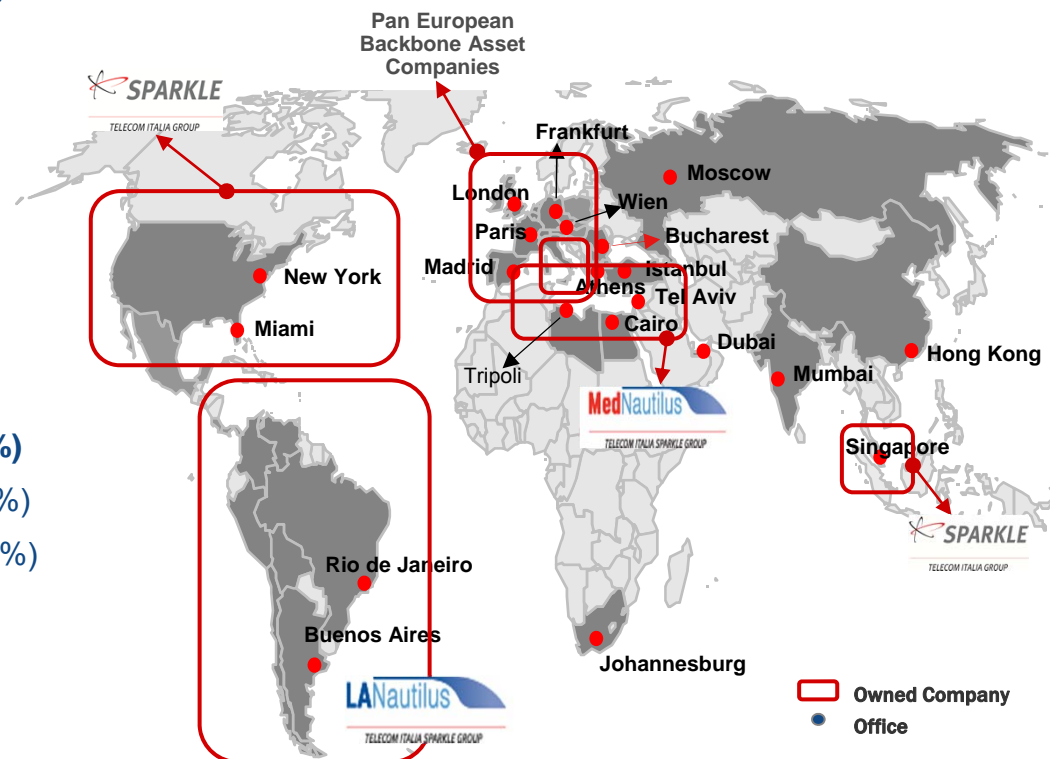


Brazil



International Wholesale Services

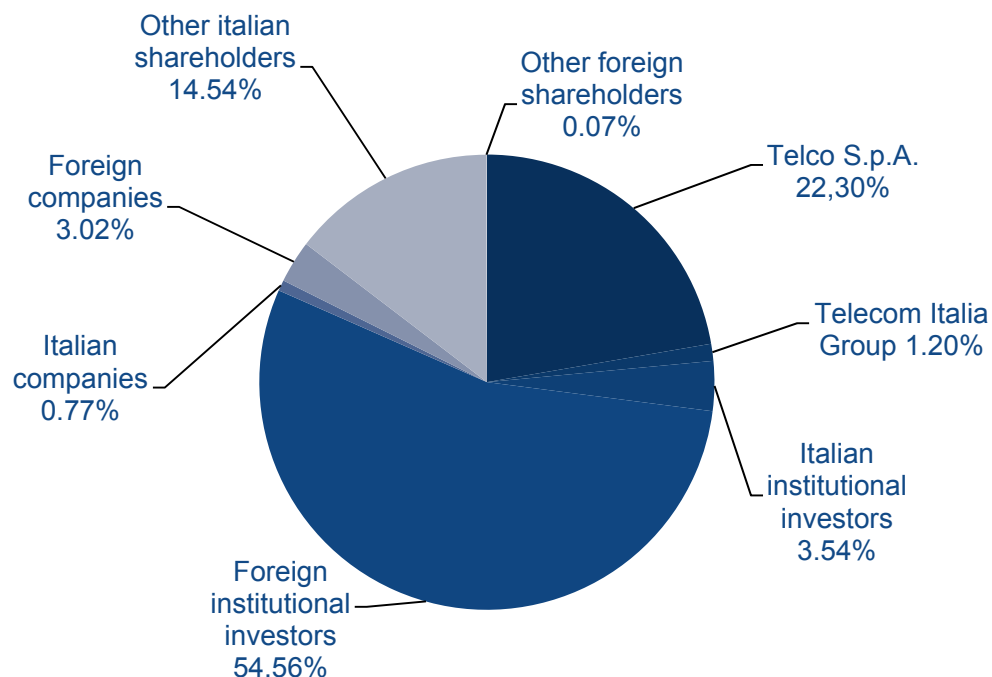
TI Sparkle is a leading global telecommunication service provider, offering a complete range of data, internet, mobile and voice solutions for fixed and mobile carriers, ISPs, content providers, multimedia players and corporate customers. TI Sparkle has a global presence based on its fully owned companies and offices in 40 countries.



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TI Group Shareholders Breakdown as of December 2014



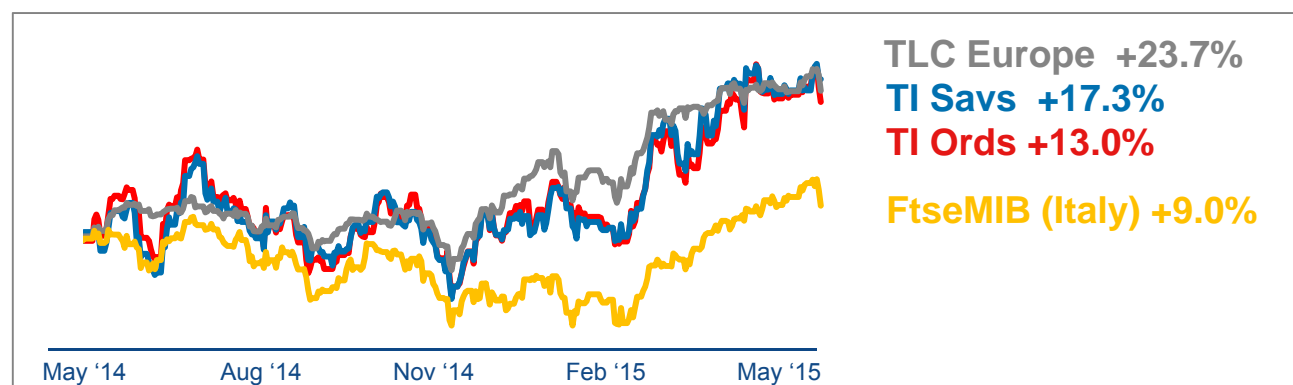
- ▶ Telecom Italia shares are listed on the Milan and New York stock exchange. Telecom Italia Media shares are quoted on the Milan Stock Exchange.
- ▶ Included in more than 50 indices. Among which: FTSE MIB, FTSE Italia All Share, FTSE Eurotop 100, DJ STOXX 600, DJS Telecom

Current Market Cap (€bn)*

19.4bn

Ordinary Shares 14.3
Saving Shares 5.1

Last 1 Year TI Shares Performance



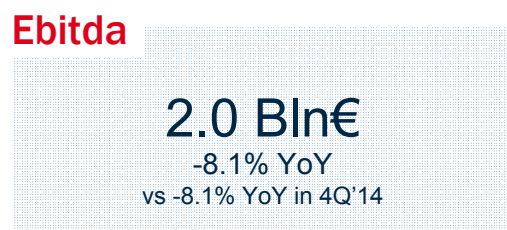
* As of May 8th, 2015.

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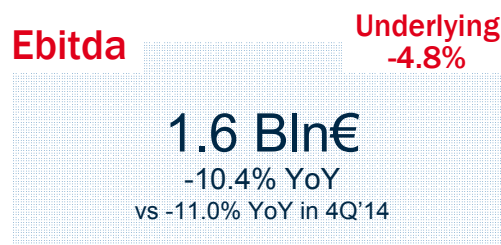
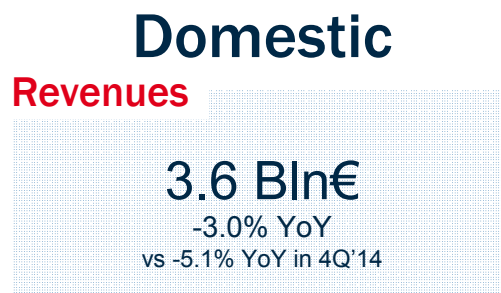
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Telecom Italia Performance by Markets – 1Q15 Main Financials

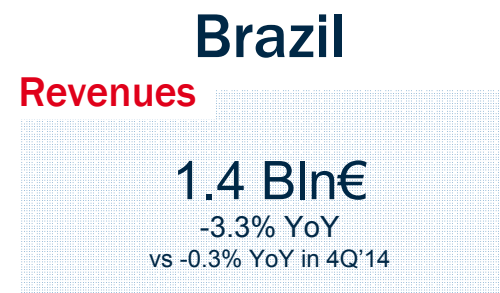
Organic data, € Bln, %YoY



▼ ▼ ▼
 YoY Improvements on-track
 with 2015-17 Plan



▼ ▼ ▼
 Robust Top Line Recovery
 Driven by Innovation



▼ ▼ ▼
 Positive Ebitda Performance
 against Slowing Macro



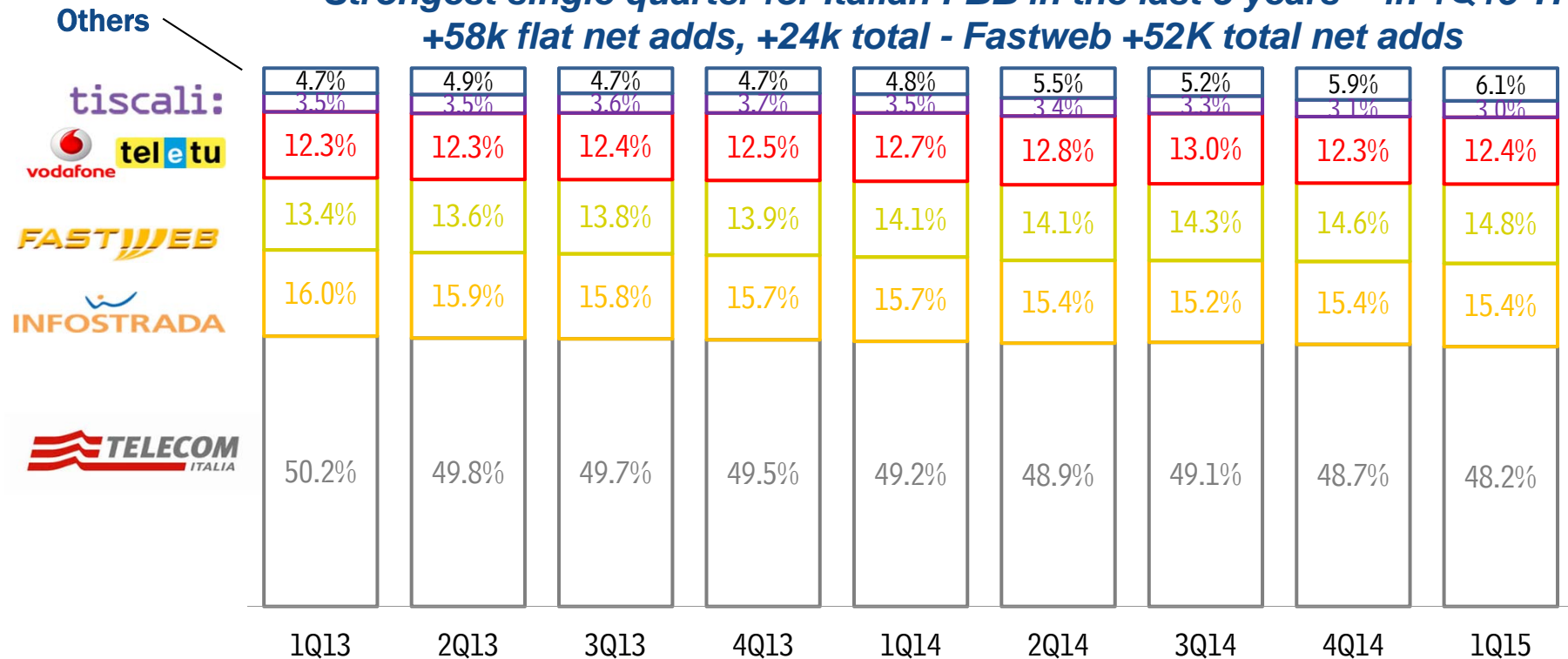
Domestic Fixed Revenues Breakdown

(€ mln)	4Q'14	YoY	FY'14	YoY	1Q'15	YoY
TOTAL WIRELINE REVENUES	2,773	-5.5%	10,999	-6.7%	2,657	-4.1%
Service Revenues	2,655	-5.3%	10,672	-7.1%	2,595	-4.4%
Equipments	118	-10.6%	327	7.9%	62	9.1%
TRADITIONAL SERVICES	1,226	-7.6%	5,021	-10.2%	1,193	-8.4%
Voice	1,072	-8.7%	4,342	-10.6%	1,038	-7.6%
Traffic	375	-8.9%	1,460	-17.3%	353	-6.3%
Access	620	-9.0%	2,562	-7.9%	612	-8.0%
Voice VAS	33	-5.4%	133	-0.6%	30	-6.7%
Rental & other	44	-3.6%	187	6.9%	43	-12.1%
Business Data & Others	155	0.8%	679	-7.3%	155	-13.9%
INNOVATIVE SERVICES	574	5.1%	2,199	2.6%	558	4.6%
Broadband	413	4.9%	1,622	2.5%	418	5.7%
Access	384	5.3%	1,506	2.9%	389	6.1%
Bundles Services	10	1.5%	40	5.1%	10	2.1%
Others	19	-1.5%	77	-5.5%	19	-0.8%
Content	5	8.6%	19	7.0%	5	12.7%
ICT Service	156	5.6%	558	2.9%	135	1.1%
DOMESTIC WHOLESALE	540	-14.7%	2,316	-11.9%	560	-7.7%
TI SPARKLE GROUP	339	3.4%	1,244	-1.5%	310	3.0%
SUBS. ADJ. and OTHER	-25	21.3%	-108	19.5%	-26	12.2%



Italian Broadband Market – Mkt Share on Accesses

Strongest single quarter for Italian FBB in the last 3 years - in 1Q15 TI
+58k flat net adds, +24k total - Fastweb +52K total net adds



NET ADDS (K)	TI Retail	(36)	(51)	(41)	23	18	6	(7)	(11)	24
	Wind	18	(17)	(20)	(0)	16	(27)	(33)	44	33
	Fastweb	94	26	24	31	42	10	22	56	52
	Tiscali	4	2	20	5	(17)	(13)	(20)	(15)	(6)
	Vodafone	4	0	9	28	39	25	31	38	30
	Others	72	37	(35)	5	26	104	(51)	(19)	38
	Total Mkt	156	(3)	(43)	93	124	105	(58)	93	171

1Q15: Company data for TI Retail, Fastweb and Wind. Market estimates for other operators



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Benchmark 1Q15 Results

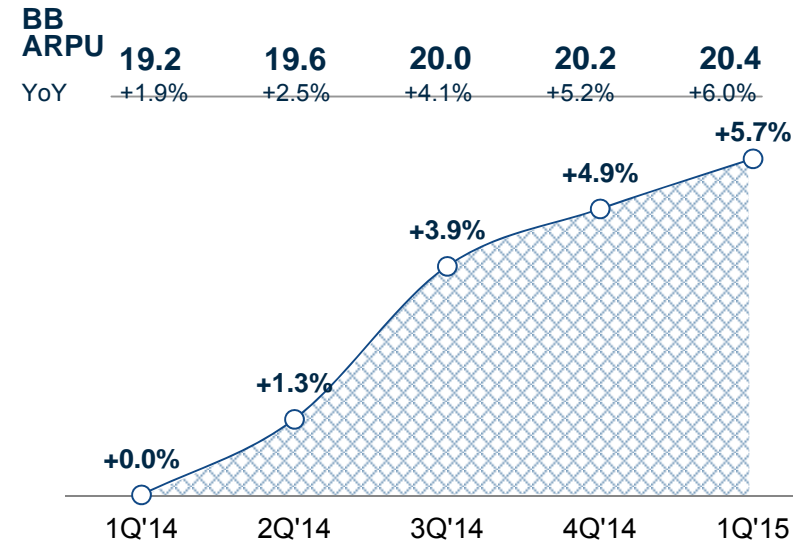
Domestic Fixed

€ mln, %YoY

Fixed Revenues Breakdown

Total	2,771	-4.1%	2,657
Handset	56	+9.1%	62
Fixed Service	2,715	-4.4%	2,595
Int'l Wholesale	301	+3.0%	310
Domestic Wholesale	606	-7.7%	560
Retail Service	1,836	-4.6%	1,751
Innovative Service	533	+4.6%	558
Traditional Service	1,303	-8.4%	1,193
	-29		-25
	1Q'14		1Q'15

Focus on BB Service Revenues



Broadband Access

Total	6,933	+6	6,939	-7	6,932	-11	6,921	+24	6,945
Free	655	-30	625	-28	597	-30	568	-34	534
Flat	6,278	+35	6,313	+21	6,334	+19	6,353	+58	6,411
	1Q'14		2Q'14		3Q'14		4Q'14		1Q'15

Fixed Access

Total	21,000		20,882		20,656		20,588		20,498
OLO	7,973	+81	8,054	-55	7,999	+108	8,108	+107	8,215
Retail	13,027	-200	12,828	-171	12,656	-176	12,480	-196	12,283
	1Q'14		2Q'14		3Q'14		4Q'14		1Q'15



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Marco Patuano
Investor Relations

Domestic Mobile Revenues Breakdown

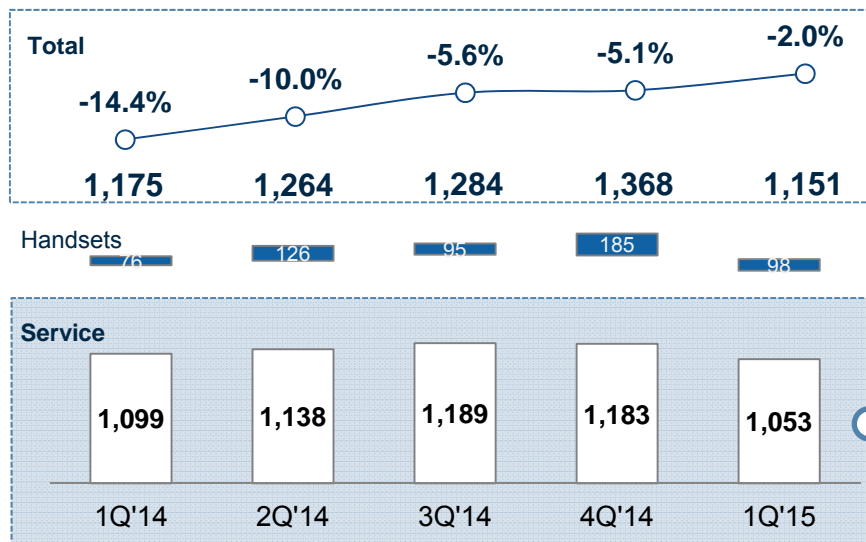
	4Q'14	YoY	FY'14	YoY	1Q'15	YoY
TOTAL WIRELESS REVENUES	1,368	-5.1%	5,091	-8.7%	1,151	-2.0%
Handsets	185	-1.2%	483	9.3%	98	29.0%
SERVICE REVENUES	1,183	-5.7%	4,608	-10.3%	1,053	-4.2%
Traditional Services	695	-16.1%	2,861	-19.9%	621	-12.9%
Outgoing voice	501	-18.3%	2,098	-21.5%	463	-12.6%
Incoming voice	59	15.6%	224	-2.4%	58	12.3%
Messaging	135	-18.2%	540	-19.7%	100	-24.2%
Innovative Services	404	13.1%	1,464	12.1%	375	14.4%
Browsing	326	10.9%	1,171	11.7%	306	16.0%
Internet Content	78	22.9%	293	13.8%	69	8.1%
Wholesale Services	83	23.0%	283	9.1%	57	-1.6%



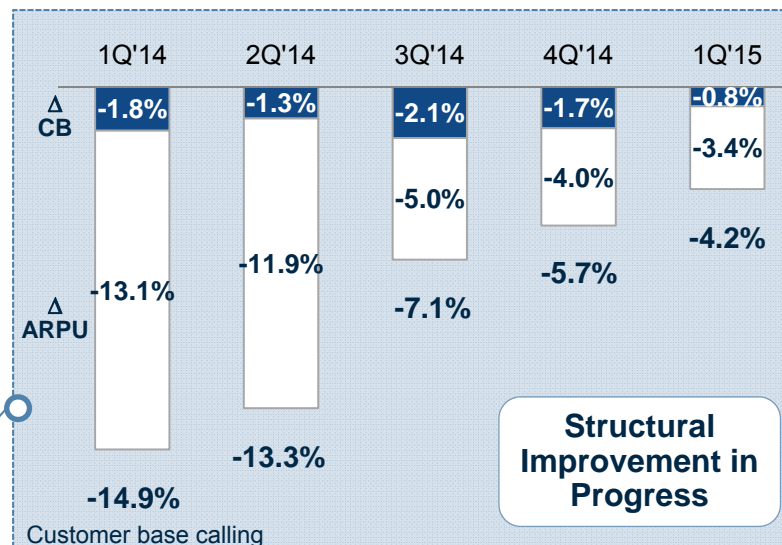
Domestic Mobile

€ mln, %YoY

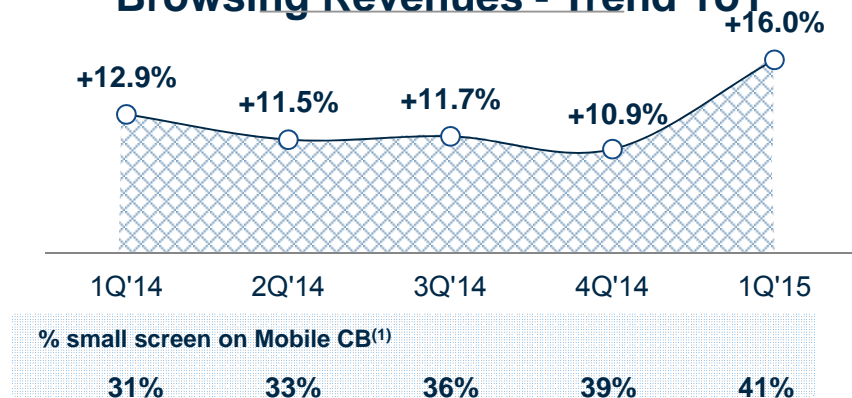
Total Revenues



Service Revenues - Trend YoY

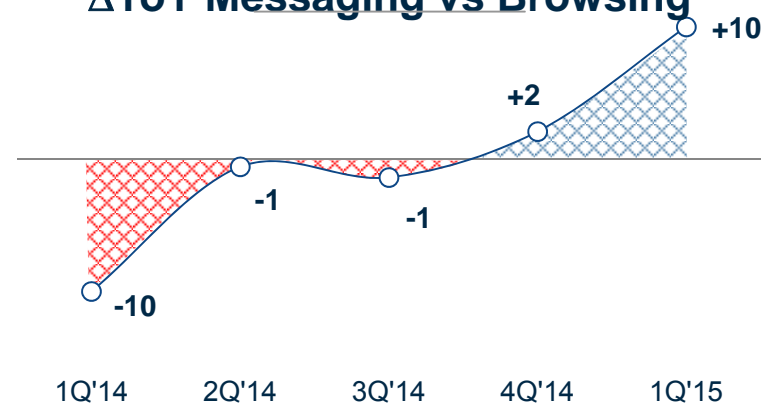


Browsing Revenues - Trend YoY



(1) on avg CB calling Human

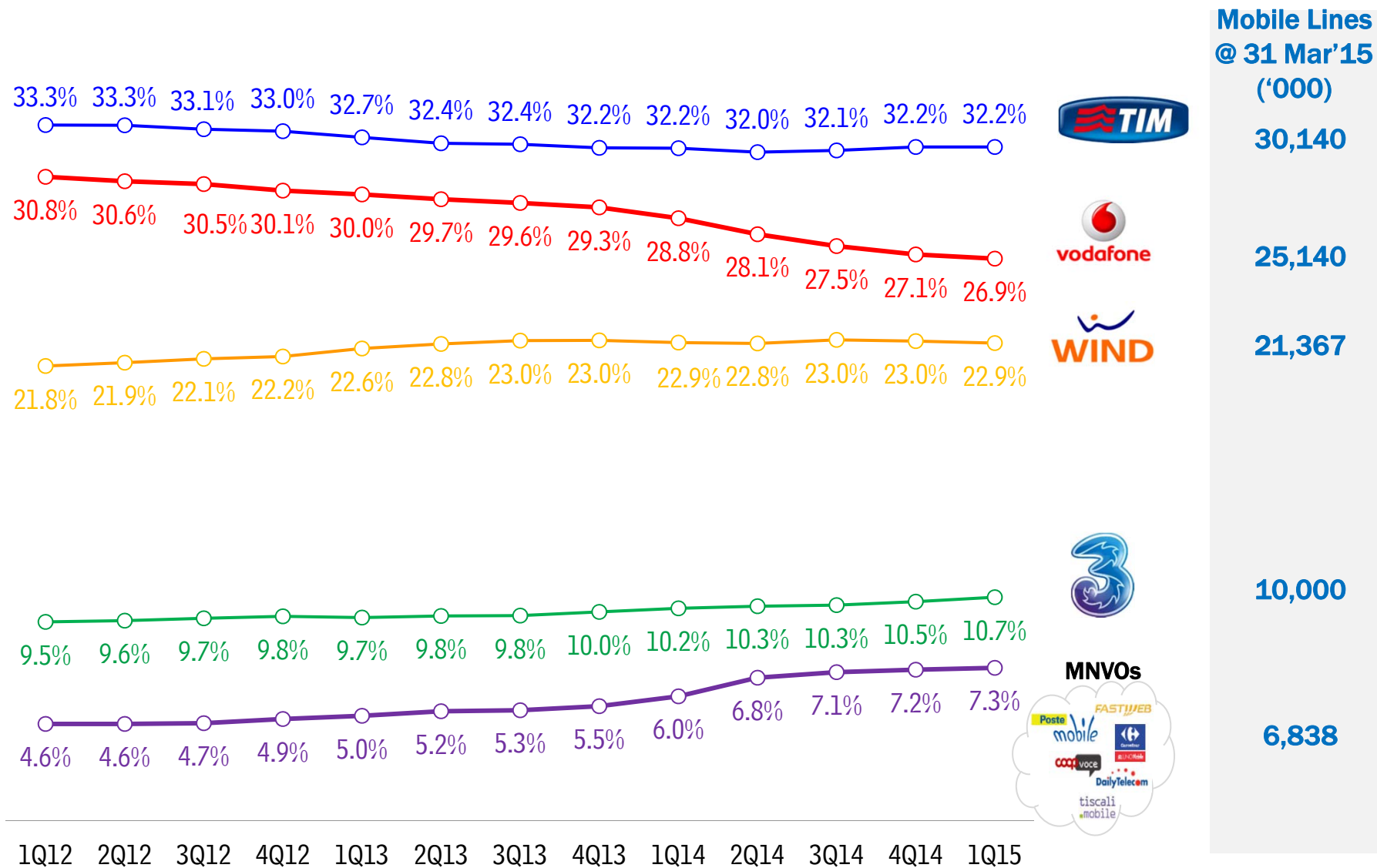
ΔYoY Messaging vs Browsing



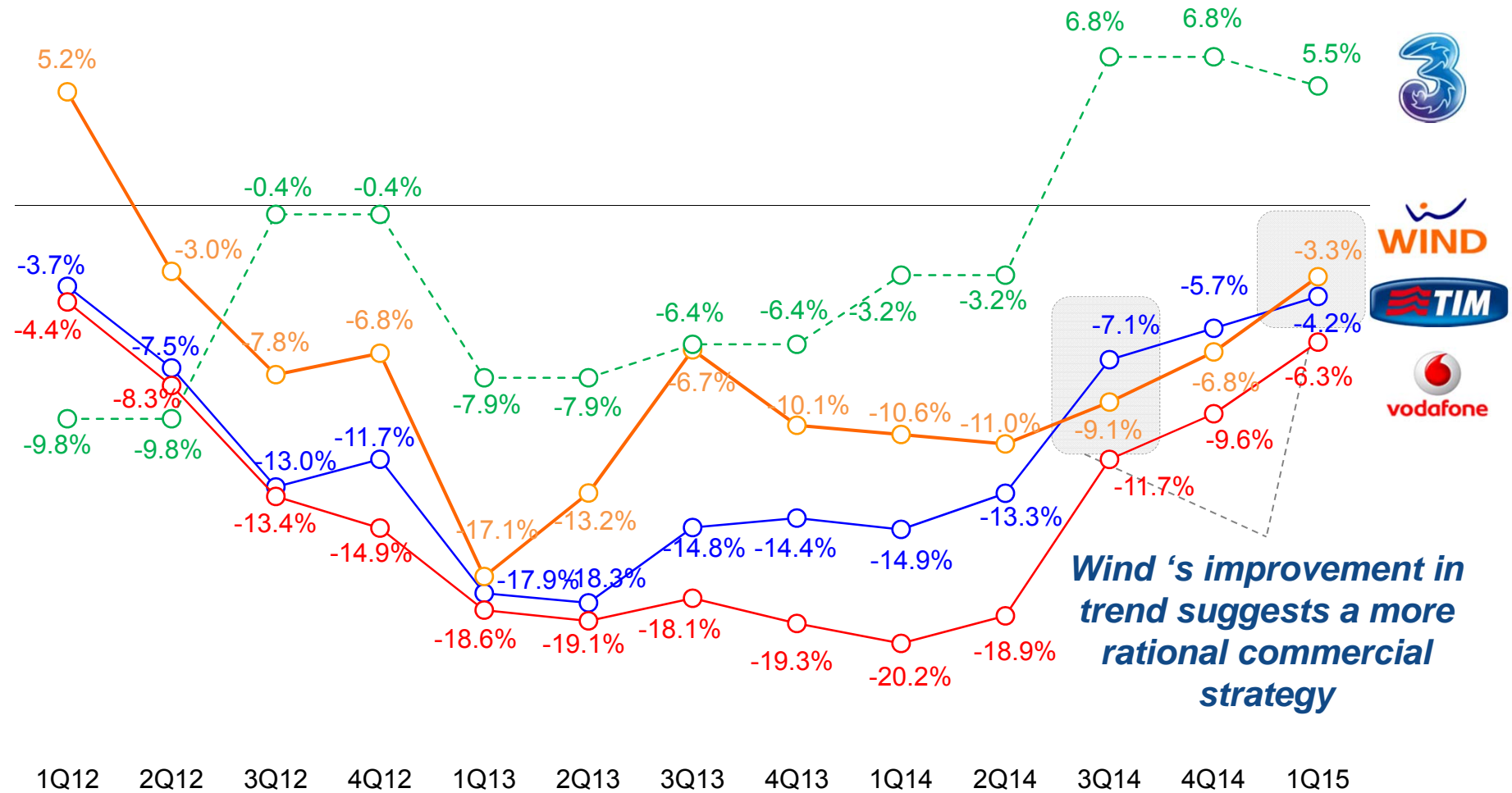
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Italian Wireless Market – Customer Market Share Evolution



Italian Wireless Market – Service Revenues Growth Trend



Source: Company data for TI and Wind. Consensus expectations for Vodafone and market estimates for H3G. Historical trend for H3G is estimated since the operator provides only trend by half.



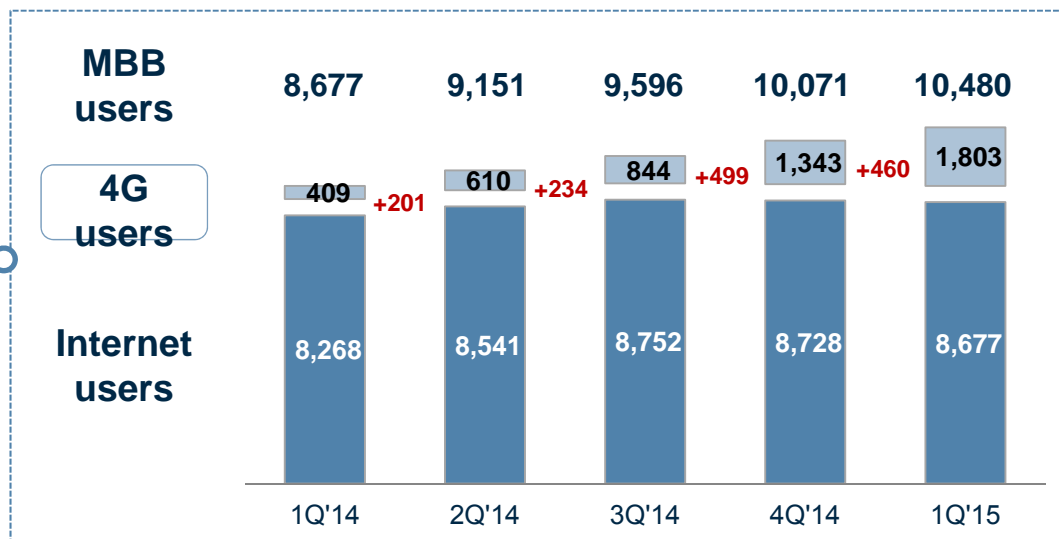
Italy: Enabling Continued 4G and Fiber Take-Up

000, YoY

4G

>80%
population coverage

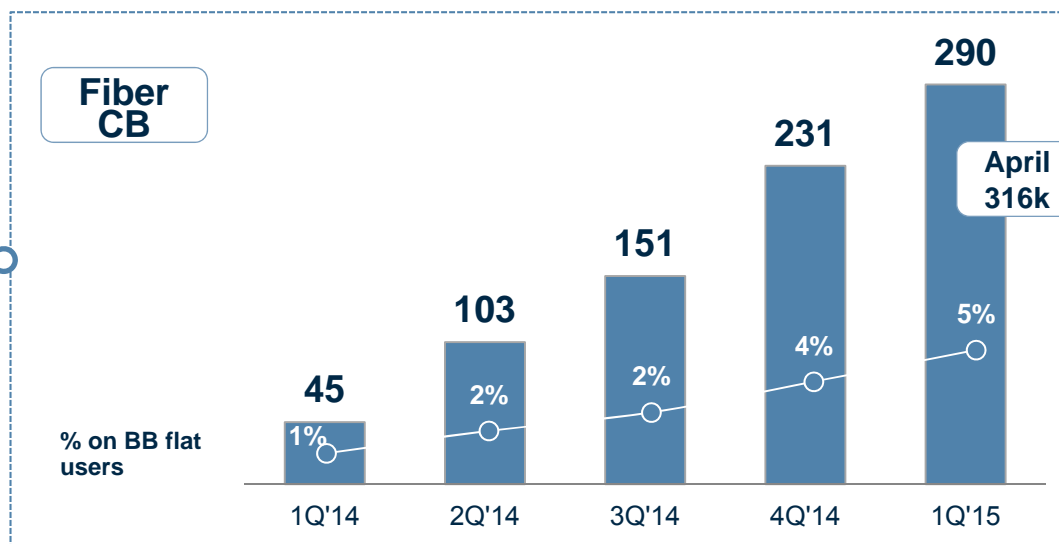
60%
geographic coverage



Fiber

~32%
coverage

~8mln
homes

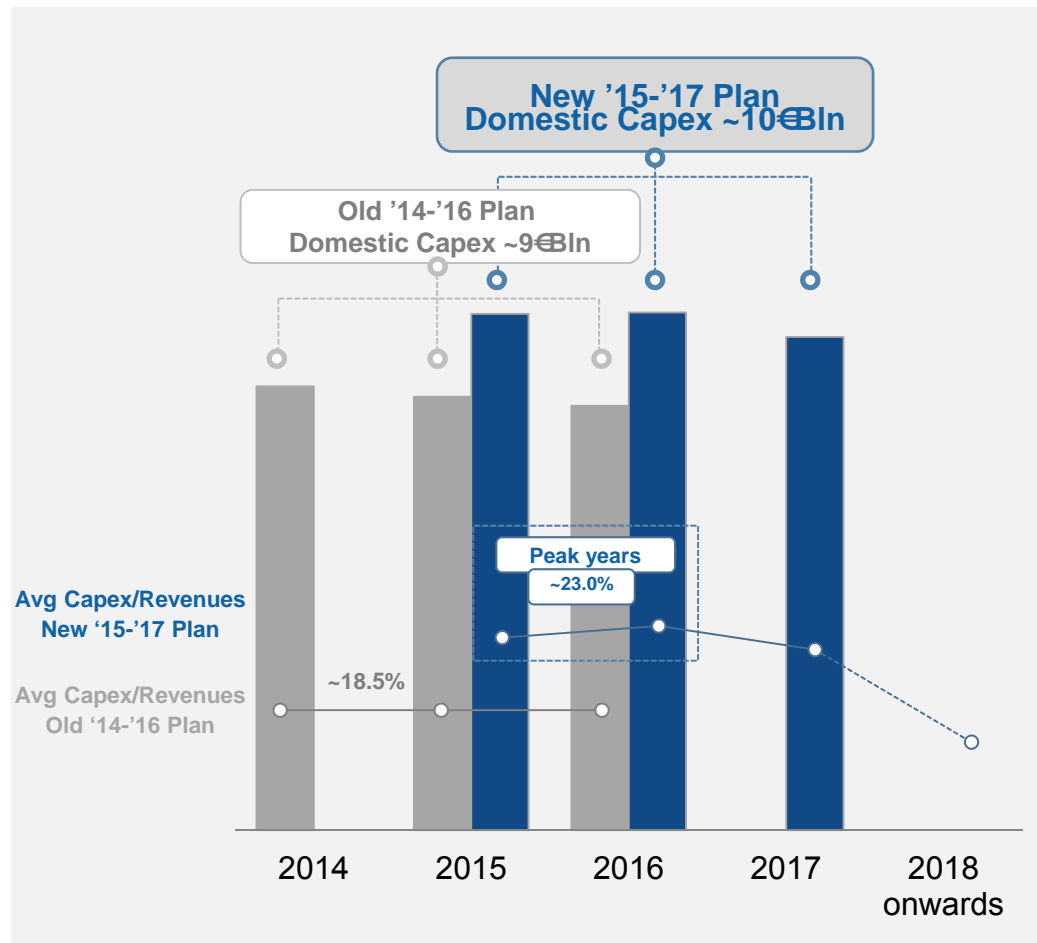


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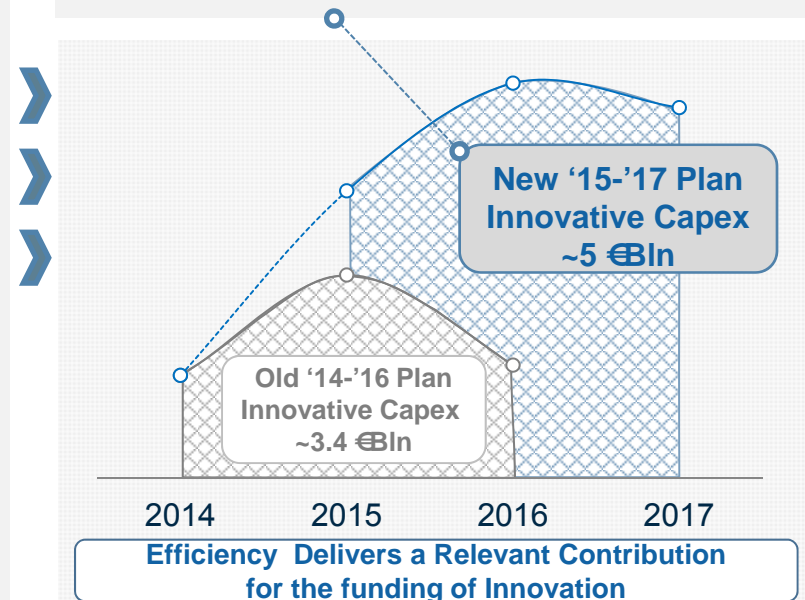
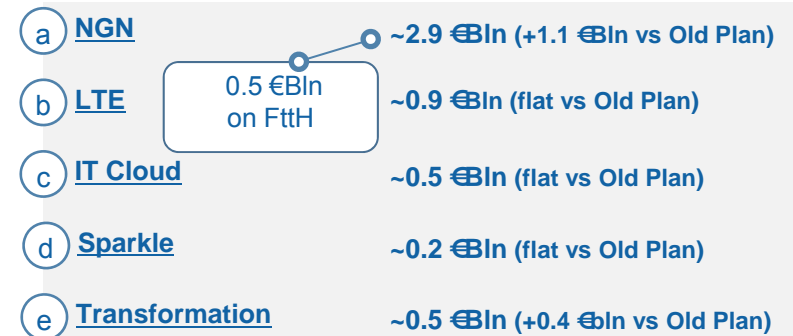
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Creating Value through Next-Generation Networks Acceleration

Domestic Capex Plan

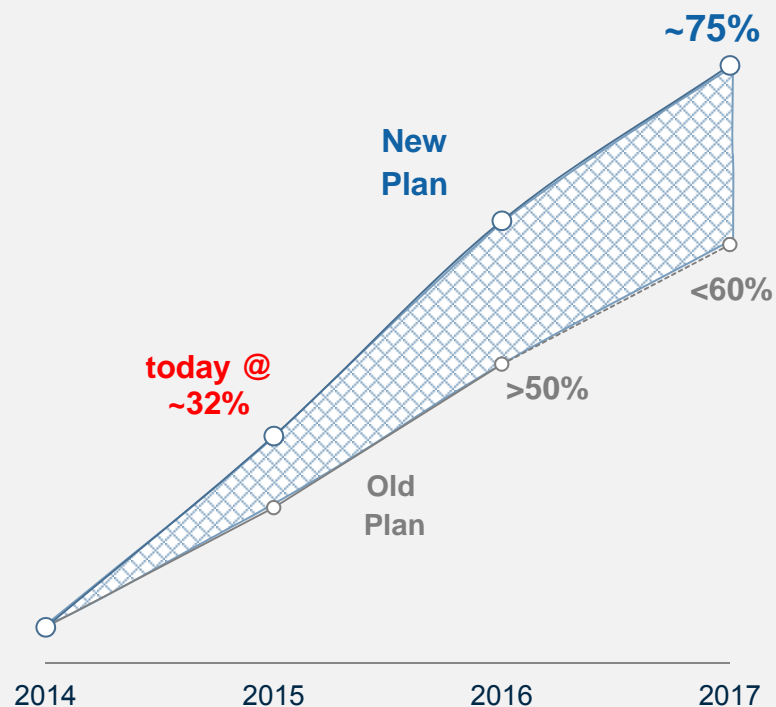


Innovative Capex Breakdown



Fiber Italy: We are increasing our Competitive Advantage

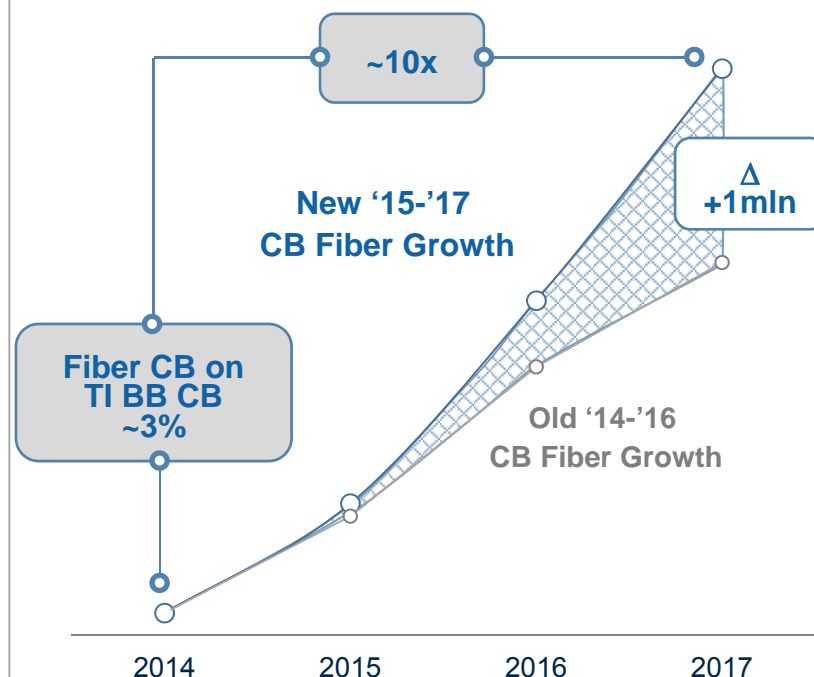
Fiber Coverage Plan



Connection speeds faster than DAE targets:

- ▶ 50 Mb/s currently
- ▶ 100 Mb/s through Vectoring
- ▶ Up to 1Gb/s with FttH

Fiber CB Growth



Expected Ebitda monthly uplift from Fiber ranges 5-10 €/line coming from:

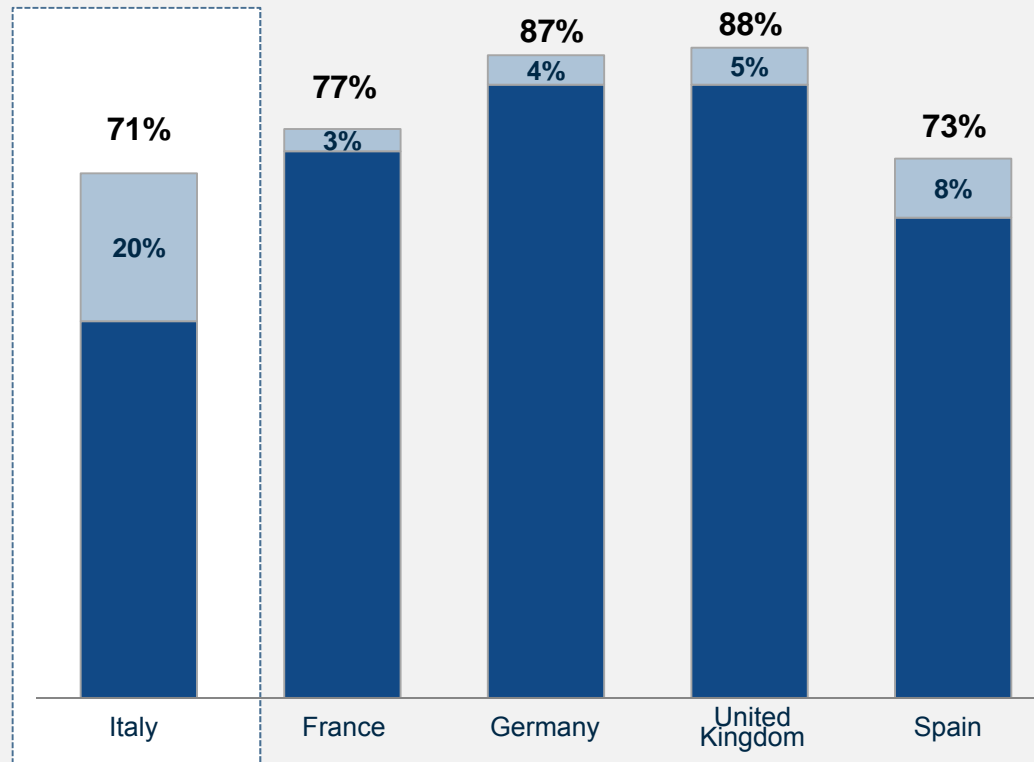
- ▶ Fiber Premium;
- ▶ +ve contribution from New Services Content
- ▶ Lower churn



Benchmark on Italian BB penetration...

The Weight of Mobile BB-Only Households

% of households on total



■ Fixed-BB Households

■ Mobile BB only Households

BB Household Penetration in Italy is roughly in line with other main European Countries, but with a different Mix



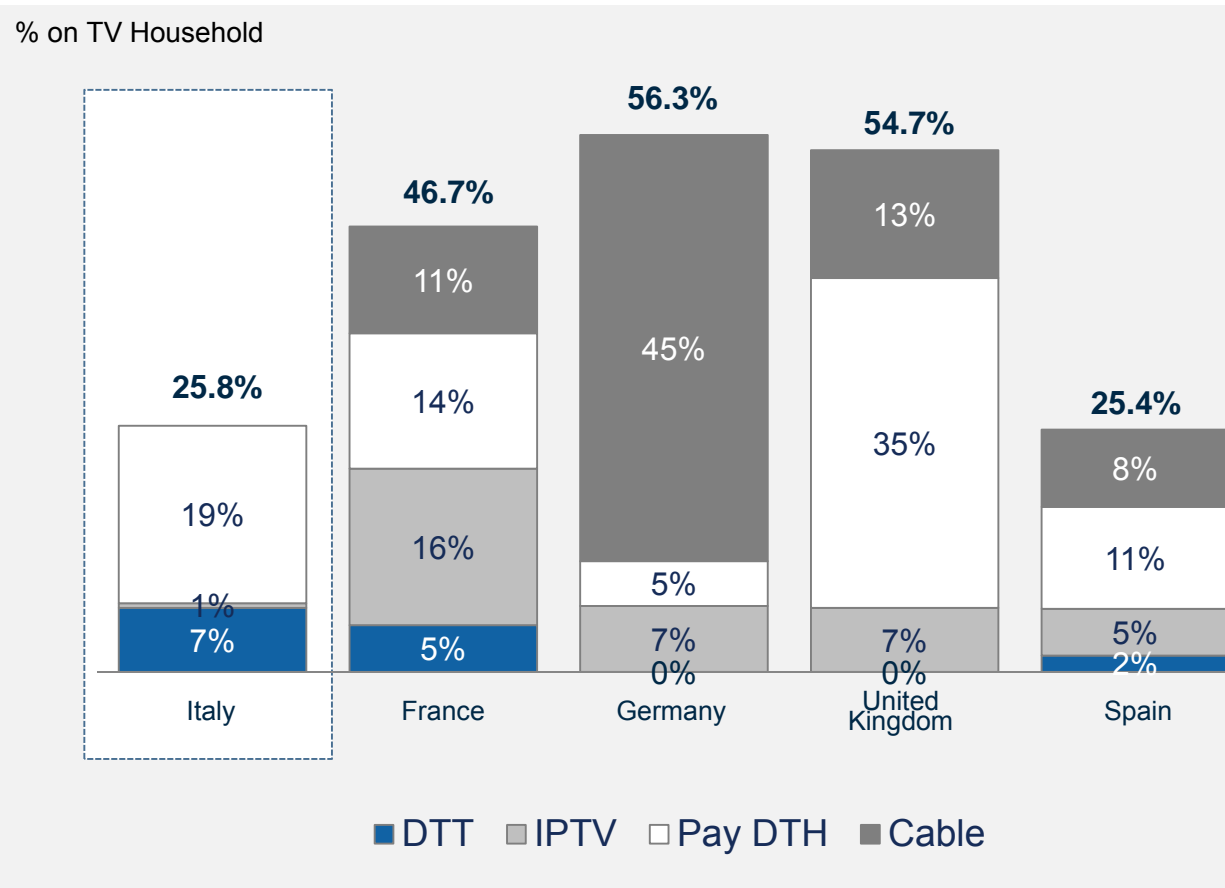
Source: Eurostat 1Q 2014

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...and on PayTV

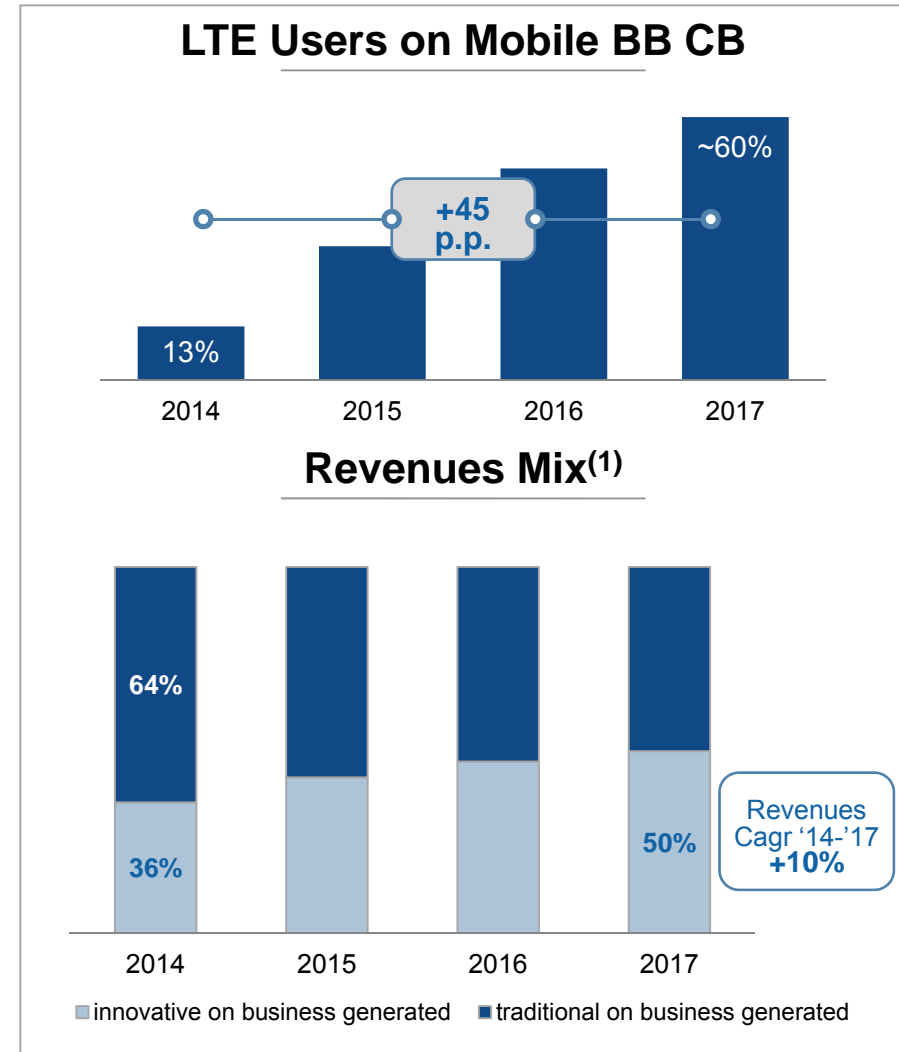
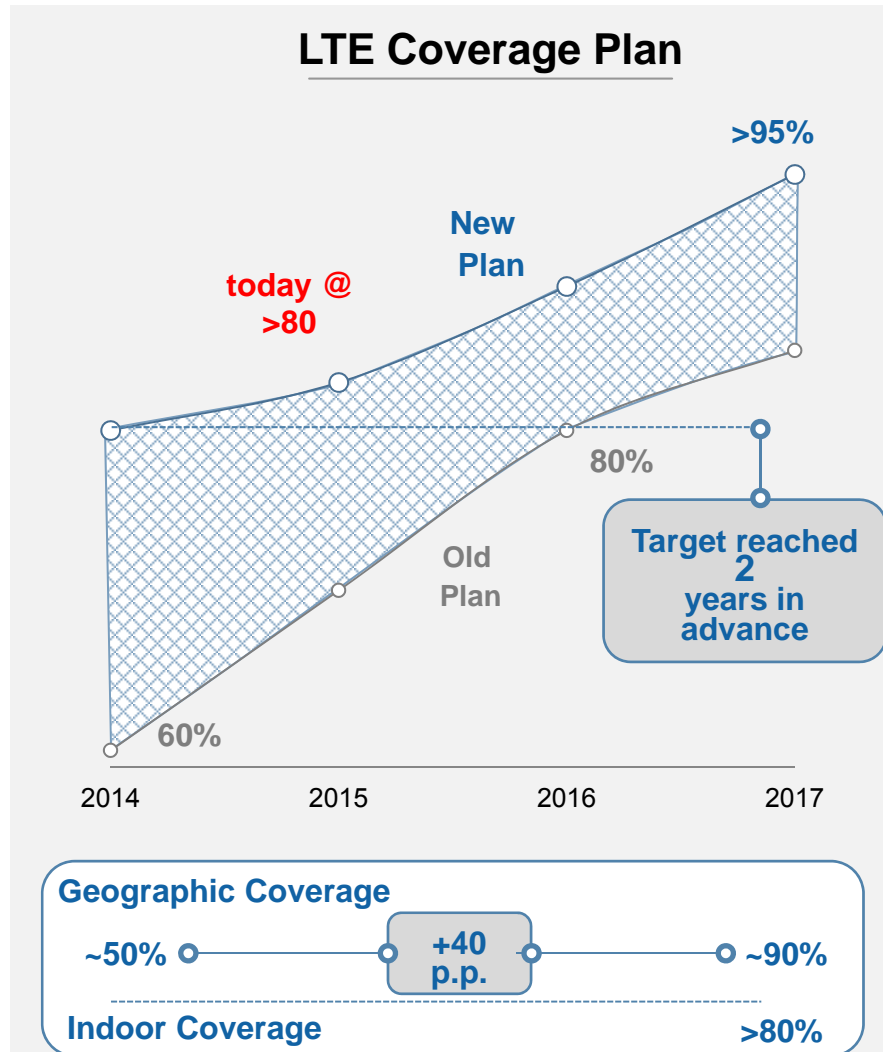
PayTV Penetration



Source: Ovum elaboration as of 3Q14

The Italian PayTV Market is mainly concentrated on DTT & Pay-DTH, while in the other main European Countries there is a strong presence of Cable TV & IPTV

LTE Italy: Pushing on Quality, Not on Price

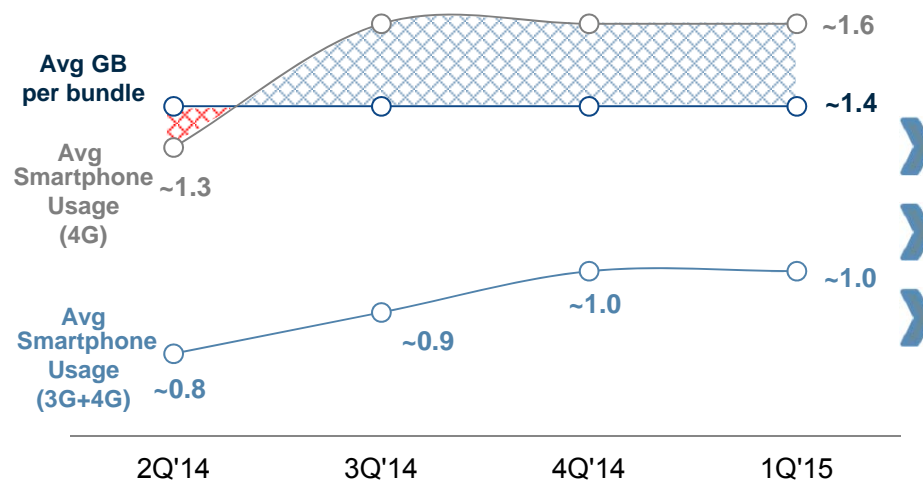


(1) Innovative revenues = browsing+data content; traditional revenues =voice+SMS

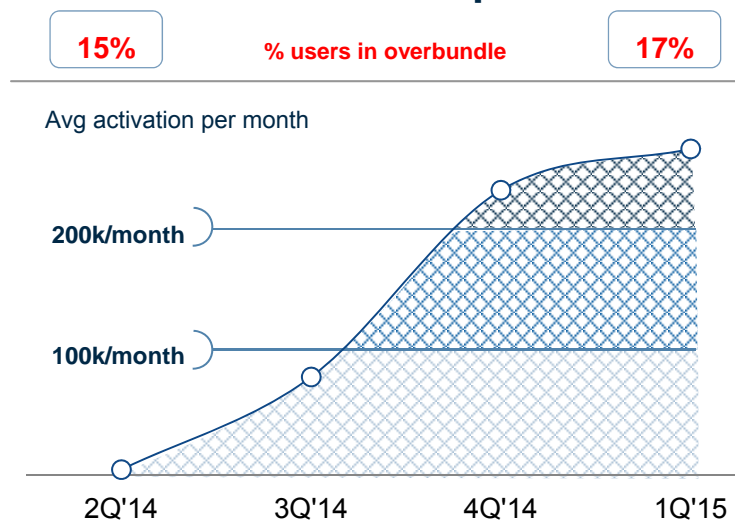


Monetizing the Data Surge

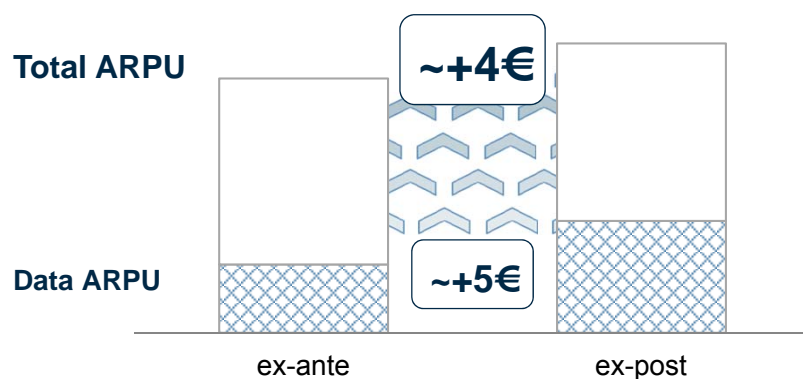
Data Overage



Overbundle Options



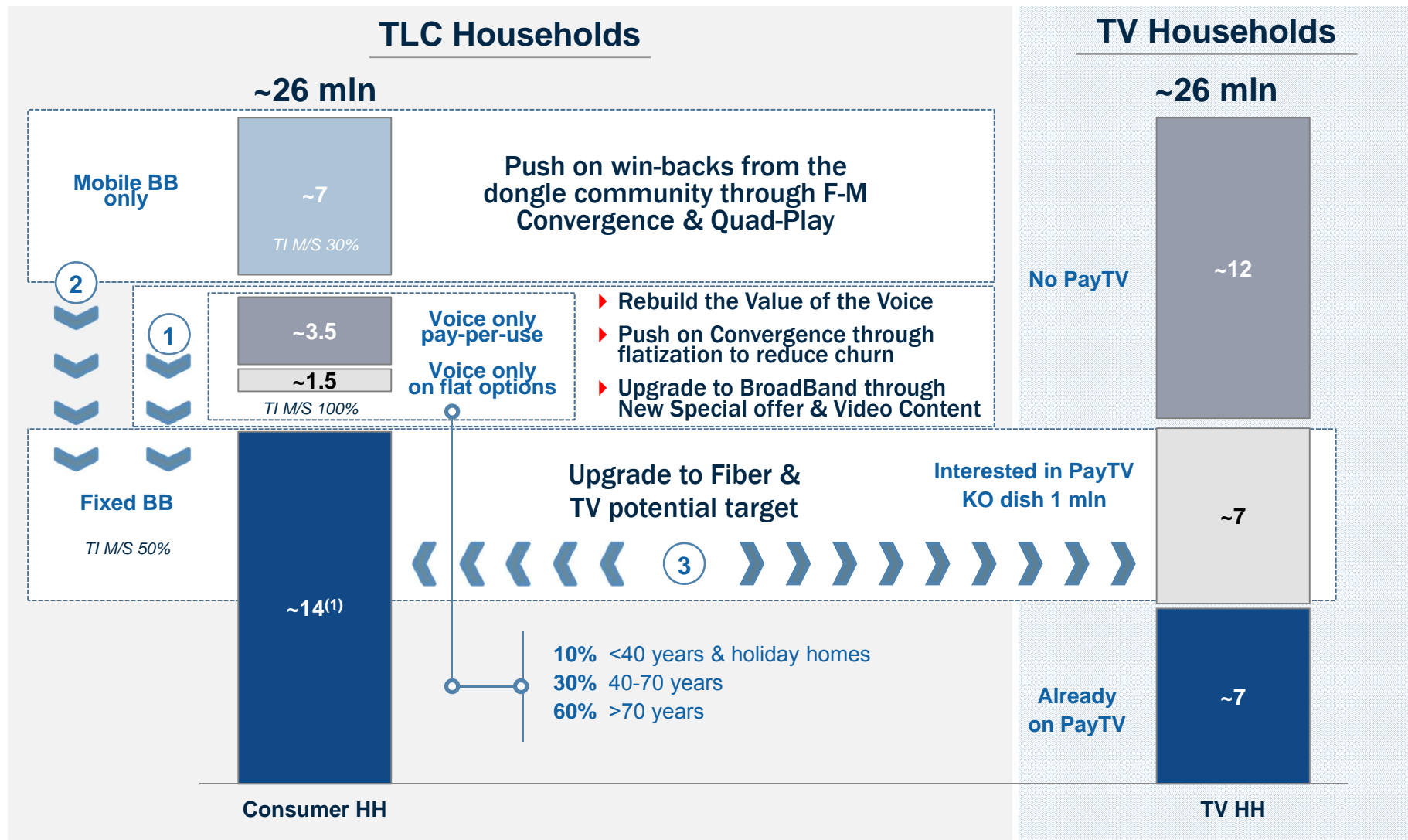
ARPU Uplift



Highlights

- ▶ Data Usage is increasing, especially for 4G users
- ▶ 4G users are breaking their bundles: data usage is higher than average bundle size
- ▶ Increasing trend in additional data bundle activations
- ▶ Customers buying new data options are not cannibalizing other services: 5€ reloads convert, on average, into a total 4€ ARPU uplift

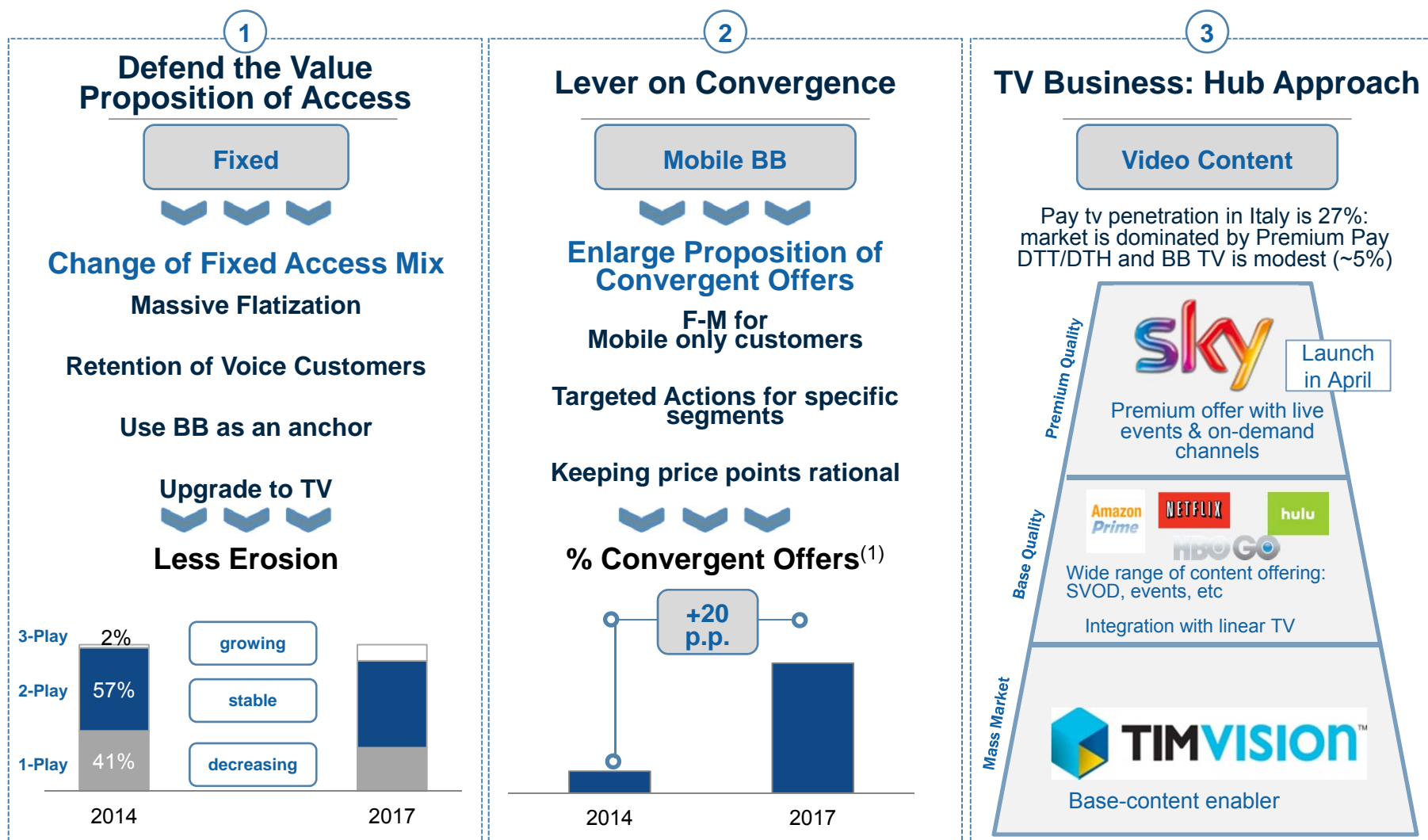
The TI Plan fits into the Italian Market



(1) Addressable market



A n-Play Strategy to Grow the Value of our Access



Defend traditional, Drive Mobile BB – to – Fixed BB substitution and further expand Fixed BB penetration through Video Content

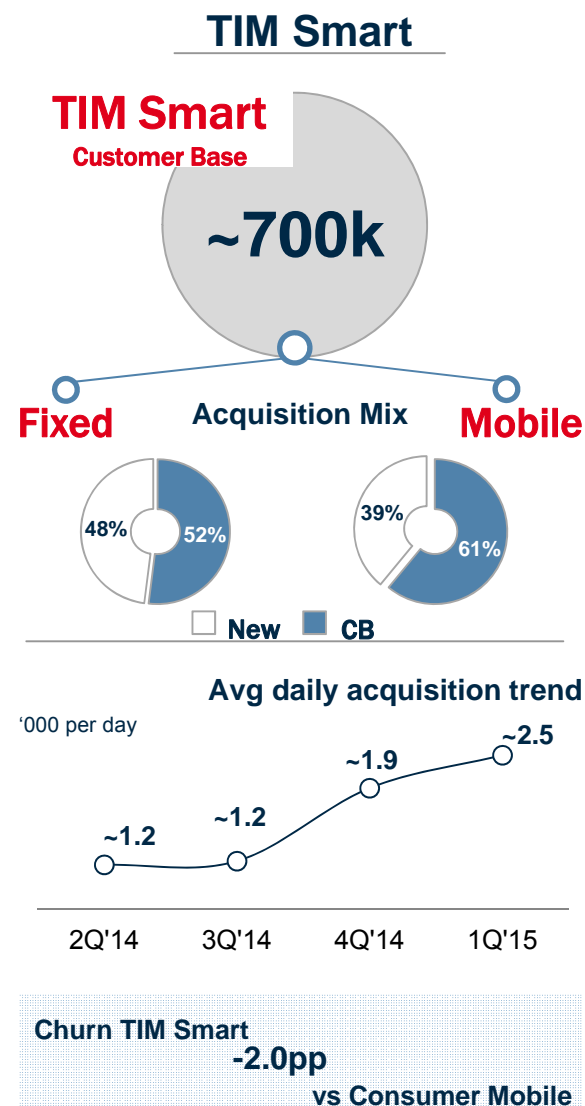


(1) % Convergent offers on Total Consumer Fixed Access

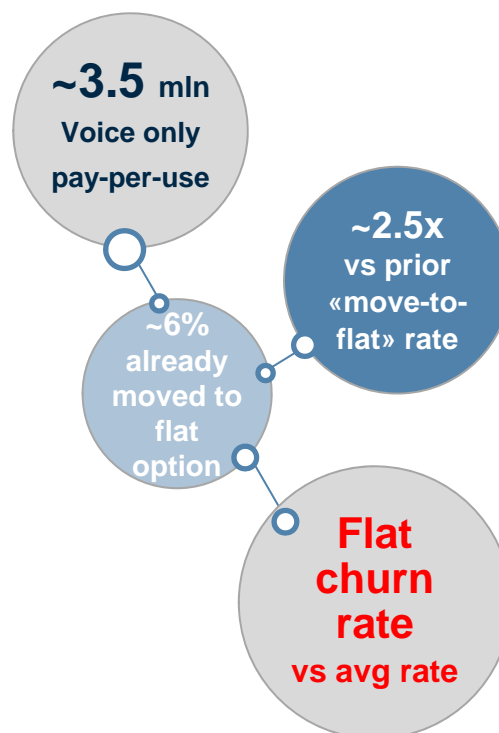
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1Q15 Checkpoint: Fixed-anchored N-Play Offers Gain Traction Across All Our CB



«Flatization» Program



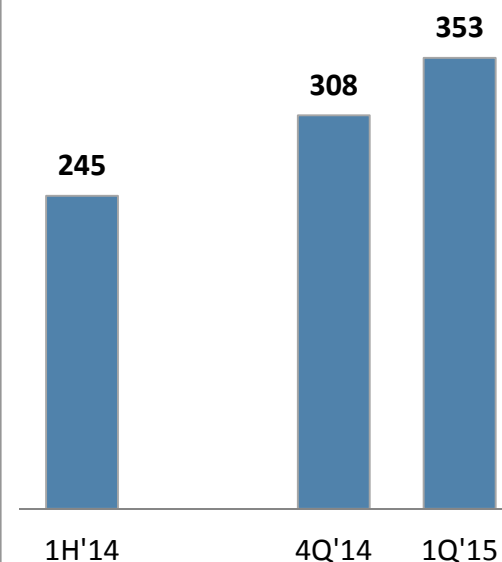
Early Wins

- ▶ Good early signals of “flatization” adoption
- ▶ No acceleration in churn versus average rate
- ▶ No ARPU dilution expected

Focus on TIM Vision

'000, TIM vision + IPTV

SVOD Customer Base



- ▶ Growing YoY Unique User trend: +8pp
- ▶ Solid usage performance in subscriptions: 3x YoY due to the constant improvement in the offer portfolio
- ▶ TIM & SKY offers launched



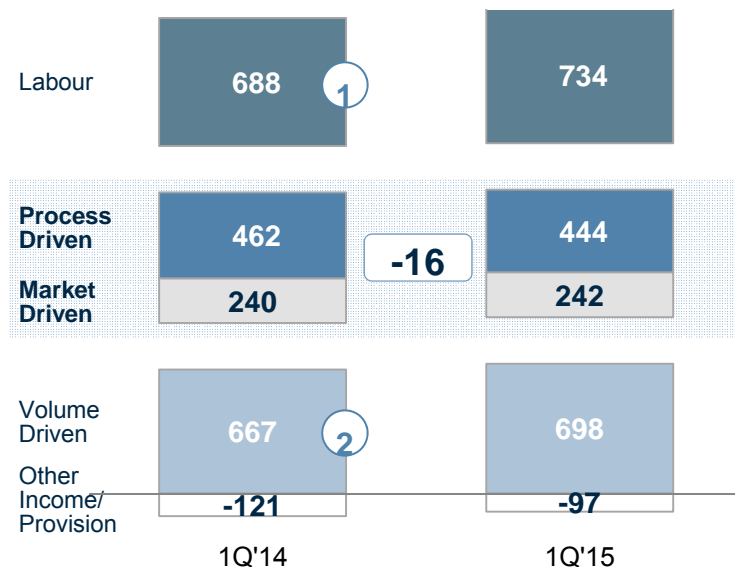
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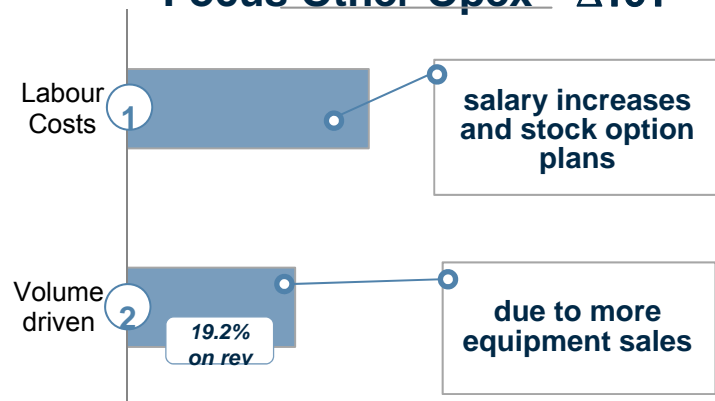
Focus on Opex Efficiencies

€ mln, %YoY

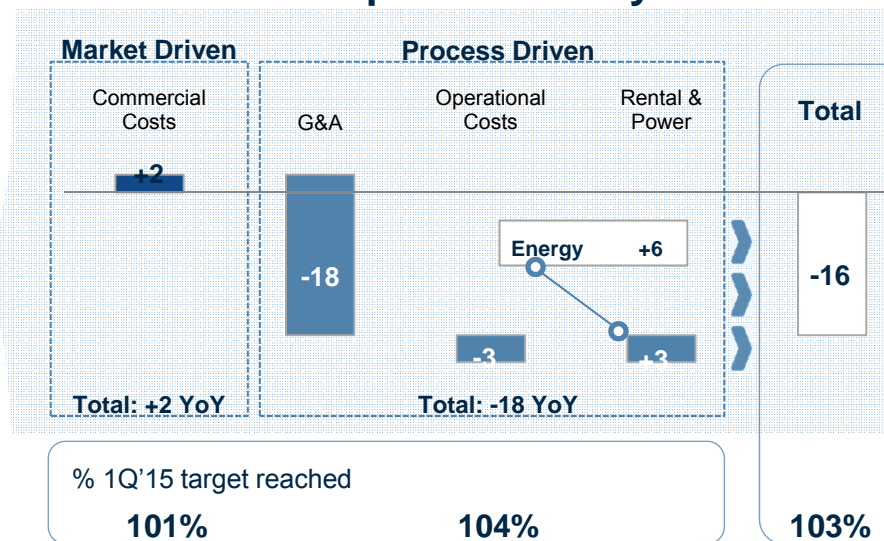
Domestic Costs



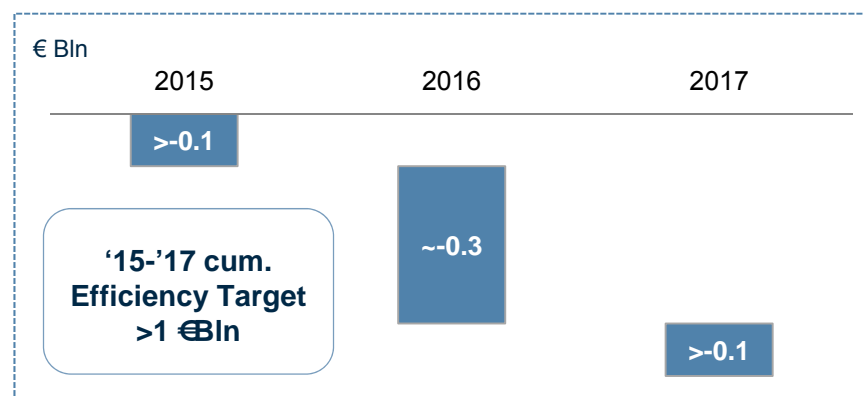
Focus Other Opex - ΔYoY



Focus on Opex Efficiency - ΔYoY



Efficiency Plan 2015-2017



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TLC Brazilian Market – 1Q15 Competitive Positioning

TIM

Mobile



BL Fixa



intelig23

LIVE™

	Mobile	Fixed	Fixed Bband	Pay-TV
1Q15 Market Share*	26.7%	1.2%	0.7%	n/a
Challenges	Structural Limitation for Integrated Offers; MTR Decline			
Key Shareholder	Telecom Italia (66.6%)			

Telefônica Brasil

Mobile



Fixed Voice/Broadband/Pay-TV



Telefônica

vivo

GVT

	Mobile	Fixed	Fixed Bband	Pay-TV
1Q15 Market Share*	28.9%	33.7%	29.2%	8.8%
Challenges	Integrating GVT			
Key Shareholder	Telefônica			

América Móvil

Fixed/ Mobile



Fixed Bband/ Pay TV



Embratel

Claro

NET

	Mobile	Fixed	Fixed Bband	Pay-TV
1Q15 Market Share*	25.4%	25.9%	31.5%	51.9%
Challenges	Integrated Offers Lag Behind			
Key Shareholder	America Móvil			

Oi

Fixed



Mobile



	Mobile	Fixed	Fixed Bband	Pay-TV
1Q15 Mkt Share*	17.8%	36.2%	26.9%	6.2%
Challenges	TAC (Anatel Fees); Absence of 4G Spectrum			
Key Shareholder	Portugal Telecom + AG + La Fonte			

Mobile accounts for 78% of the overall industry access growth

TIM represents 30% of the mobile industry revenues and ~27% of its market share

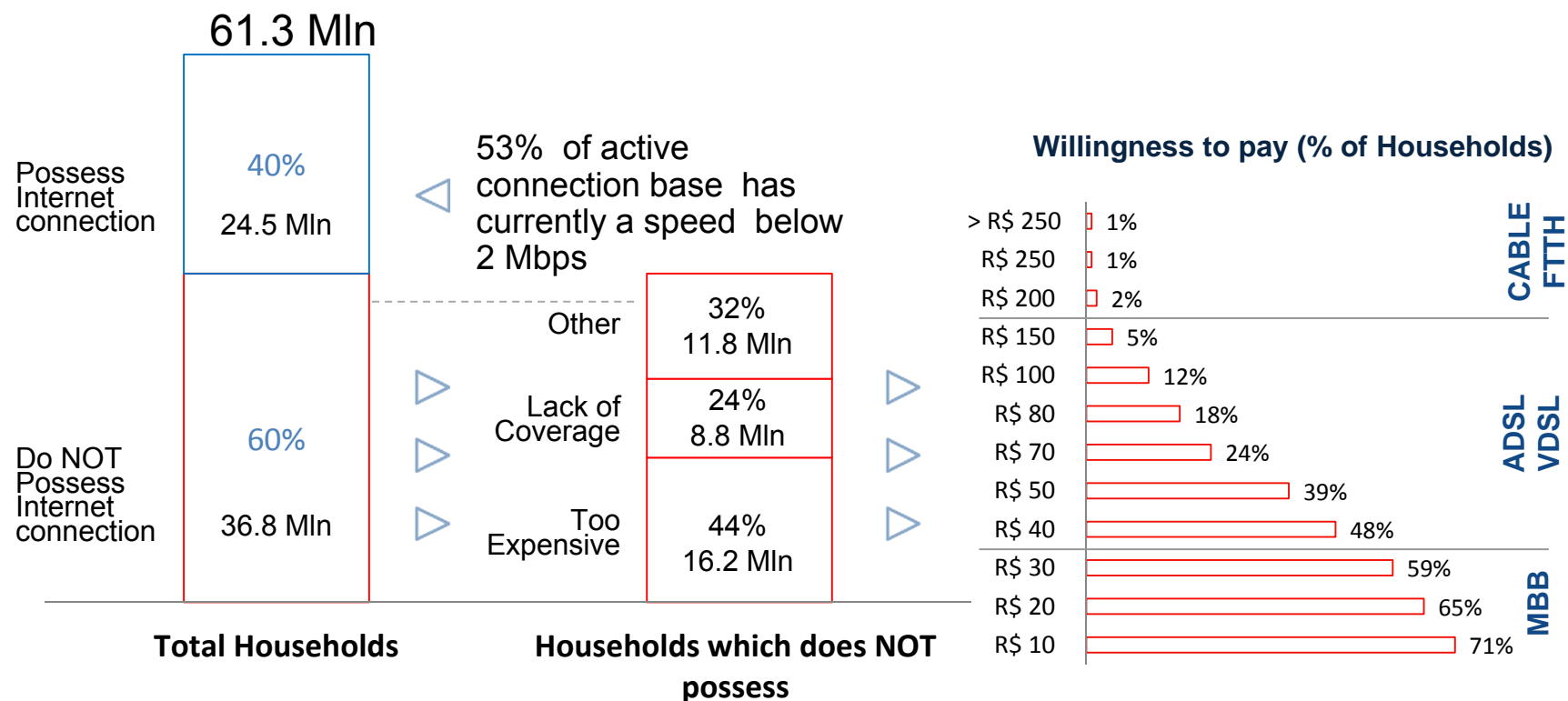


* 1Q15 Market Share: Data as published by Anatel on Mobile (figures as of Mar'15), Fixed (figures as of Jan'15), Broadband (figures as of Feb'15), Pay TV (figures as of Mar'15)

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Brazil: The Mobile Data Opportunity



Source: CETIC '13

Market Data Revenues Growth 2016 vs. 2012

>13 bn Reais on Mobile (+100%)
>7 bn Reais on Fixed (+35%)



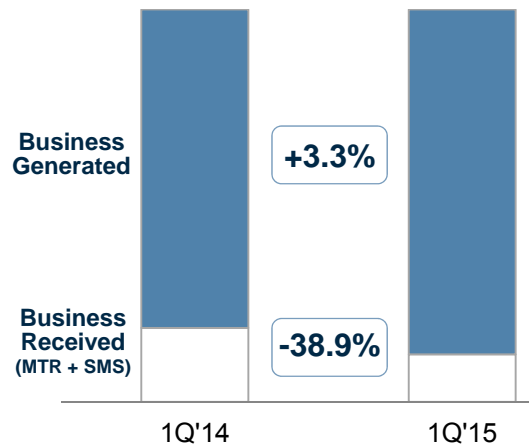
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TIM Brasil: Moving from a Resilient Core Business to Fully Grasp Data Opportunities

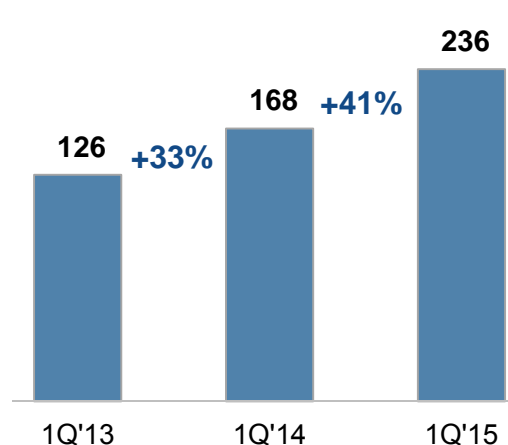
Core Business Growing, Despite Macro and Regulatory Headwinds

Mobile Serv. Net Rev.
(%YoY)



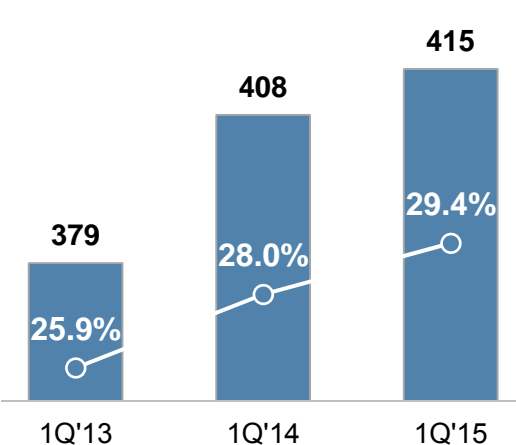
Data Growth Continues Fueled by 4G

Organic Data Revenues
€mln, % YoY



Continuous Cost Efficiency Ensuring EBITDA Margin Expansion

Organic EBITDA (€ mln)
and margin (%)



Tower “Asset Swap” Enables Accelerated 4G Expansion



- ▶ First tranche of sale completed for a cash-in of R\$ 1.9bln, 4,176 towers sold
- ▶ Sites densification



- ▶ MBB: 195 cities to be covered by 2015 (vs 125 already covered in 2014)
- ▶ Spectrum Optimization expanding to new cities (1800 MHz)



- ▶ 3 thousand additional small cells in the next three years

R\$/€AoP 1Q'15: 3,22251



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Future-Proofing our Infrastructure for Enhanced Cash Flow

New Investments

Italy

~10 €Bln in '15-'17
of which 5 €Bln for innovation

Brazil

>14 R\$Bln
in '15-'17

Innovation

Italy

NGN: ~75% coverage
in 2017

LTE: >95% coverage
in 2017

Single Brand
& Convergence

Brazil

LTE: ~80% coverage
in 2017

4G Sites: >15k in 2017

3G Sites: >14k in 2017

Hetnet Strategy

Business Transformation

Italy

Investment Monetization
& Core Revenues
Stabilization

Efficiency & Process
Transformation

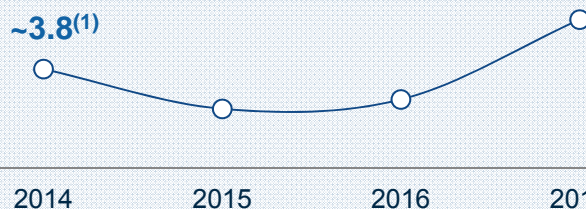
People: Change of Mix

Brazil

Commercial Efficiency
Evolution

Network Costs Optimization
Process-Driven Efficiency

Moving Cash Flow ⁽²⁾ beyond Stabilization



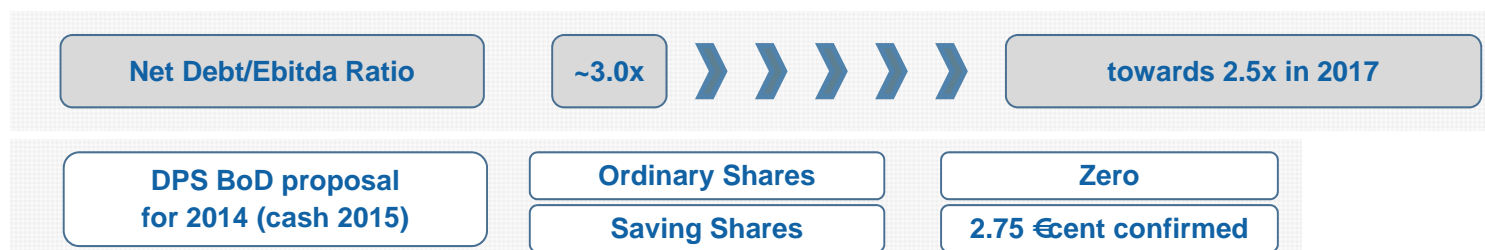
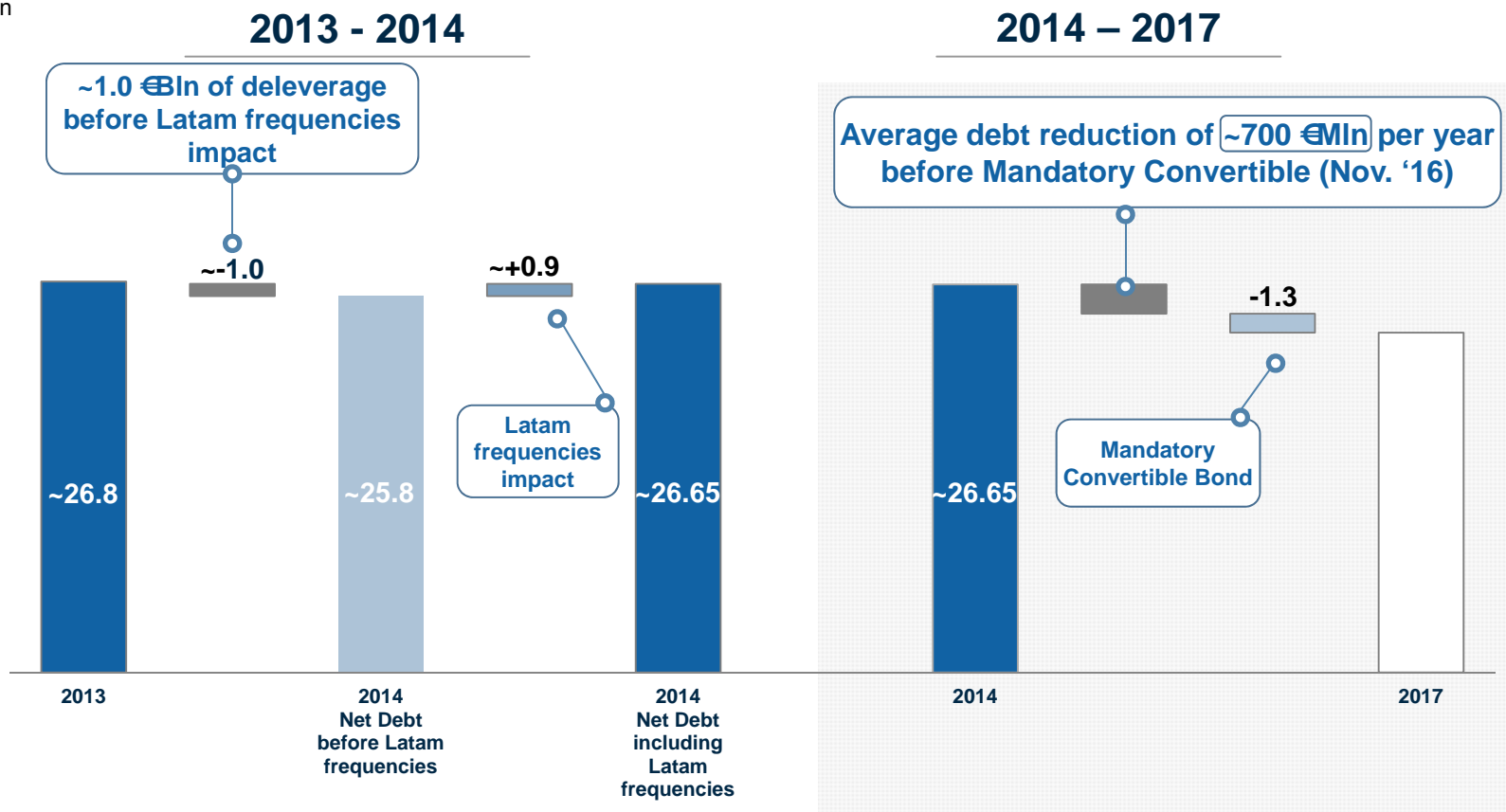
(1) Including Brazil License & Clean-up costs
(2) Group Ebitda-Capex

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2014 Debt reduction & 2015-2017 Free Cash Flow Evolution

€ Bln



Investor Meetings –May 2015

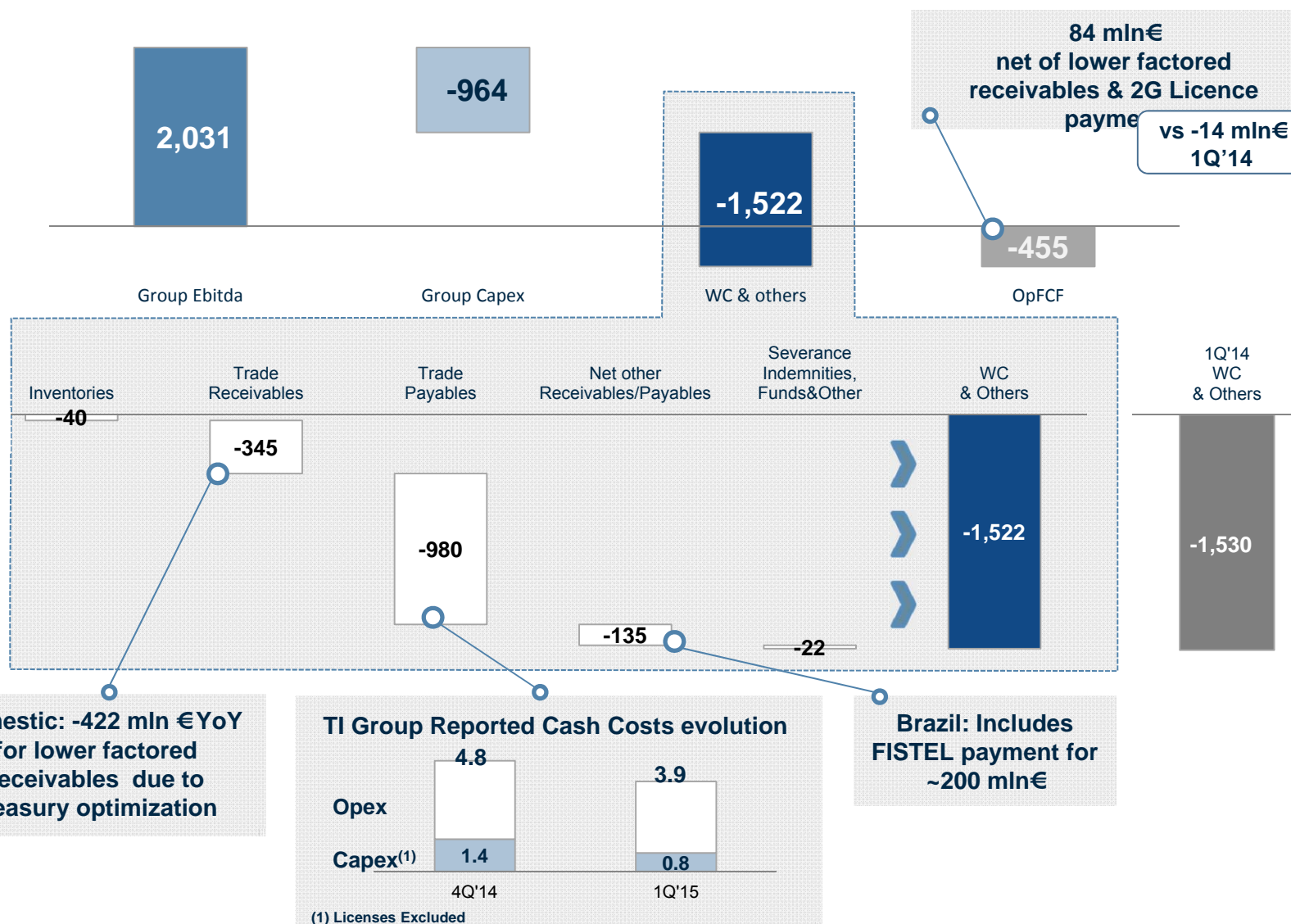
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1Q'15 Operating FCF

€ mln

Operating FCF

DWC & Others
(impact on 1Q'15)

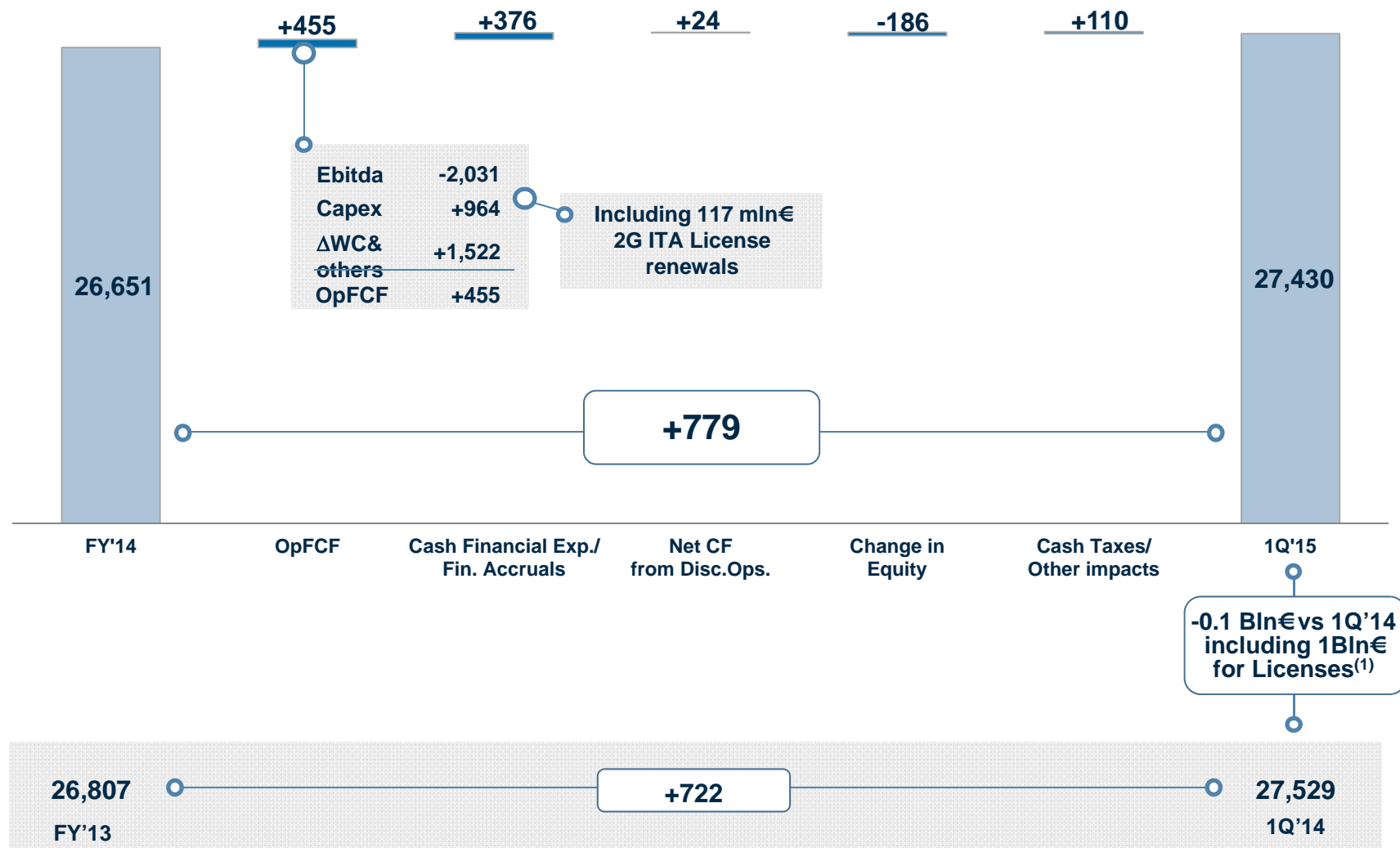


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1Q'15 Net Debt Evolution

€ mln



⁽¹⁾ ~0.9 Bln€ Latam & ~0.1 Bln€ Italian License



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Group Operating and Financial Outlook

Organic data

	Group	Domestic	Brazil
Ebitda	YoY Growth in 2017	YoY Stabilization in 2016 YoY Growth in 2017	Continued Growth
Capex⁽¹⁾ Cum. '15-'17	~14.5 €Bln	~10 €Bln	>14 R\$Bln
Net Debt Adj. /Ebitda 2017	Reducing Towards 2.5x ⁽²⁾		

(1) Including Italian GSM license extension

(2) On reported EBITDA; ratio includes Mandatory Convertible equity strengthening effect for 1.3€Bln in November 2016

Note: Organic data exclude impact from change in perimeter and FX.
Avg €/Reals exchange rate: 3.21



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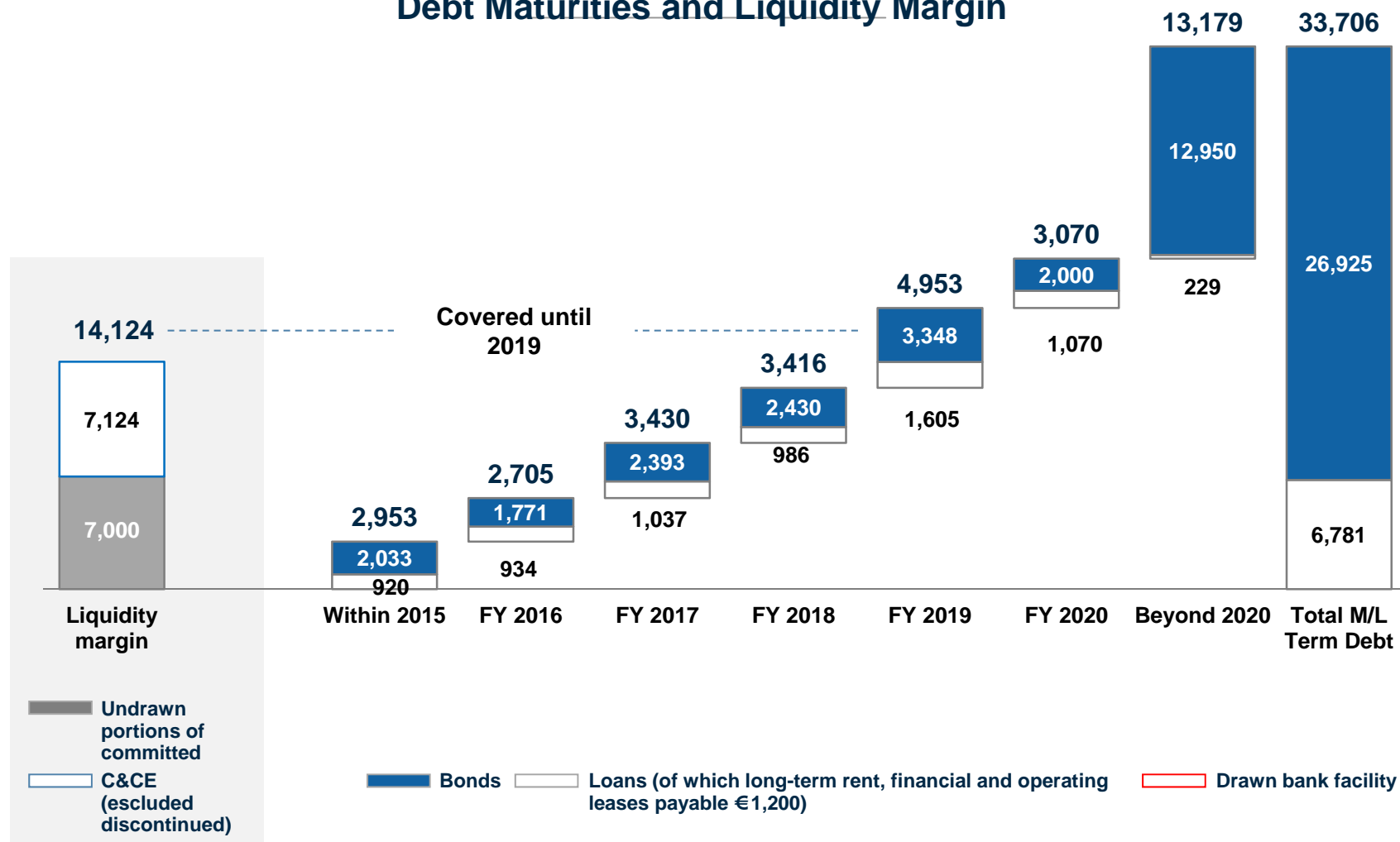
Appendix



Record-rate Refinancing Continues

€ mln

Debt Maturities and Liquidity Margin



(1) €33,706 mln is the nominal amount of outstanding medium-long term debt. By adding Mandatory Convertible Bond (€1,300 mln), discontinued operations (€119 mln), IAS adjustments (€1,608 mln) and current financial liabilities (€570 mln), the gross debt figure of €37,303 mln is reached.

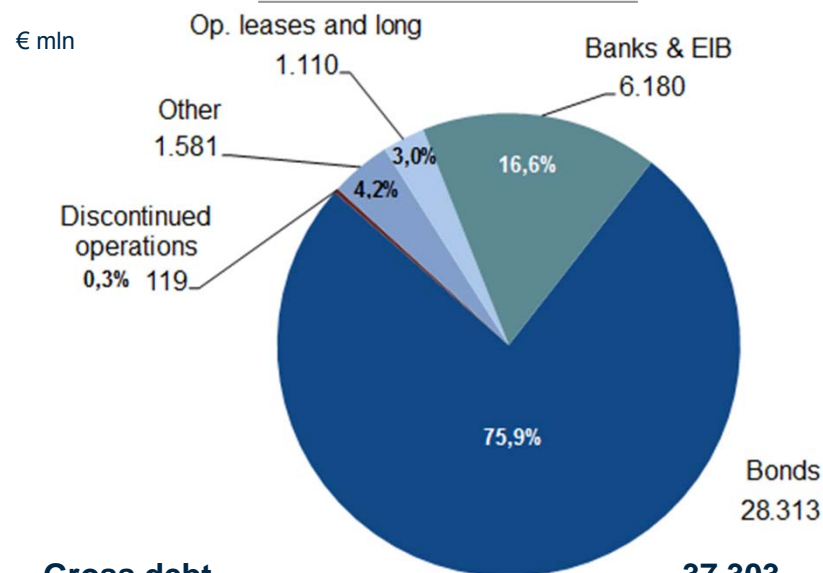


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Well-Diversified and Hedged Debt

Total Gross Debt net of Adjustment: Euro 37.303 mln



Gross debt	37,303
(of which 119 mln disc. Operations)	
Financial assets	(9,656)
of which Cash & CE and marketable securities	(7,124)
Cash & Cash Equivalent	(5,057)
Marketable securities	(1,617)
Government Securities	(997)
Other	(620)
Discontinued operations	(217)
Net Financial Position	27,430

N.B. The figures are net of the adjustment due to the fair value measurement of derivatives and related financial liabilities/assets, as follows:

- the impact on Gross Financial Debt is equal to 3,179 €/mln (of which 676 €/mln on bonds)
- the impact on Financial Assets is equal to 1,606 €/mln.

Therefore, the Net Financial Indebtedness is adjusted by 1.573 €/mln.

N.B. The difference between total financial assets (€9,656 mln) and C&CE and marketable securities (€7,124 mln) is equal to €2,532 mln and refers to positive MTM derivatives (accrued interests and exchange rate) for €2,341 mln, financial receivables for lease for €138 mln, Argentina deposits beyond 3 months for €0 mln and other credits for €53 mln.



Maturities and Risk Management

- ▶ Average m/l term maturity: **7,06 years**
(bond only 7,86 years)
- ▶ Fixed-rate portion on gross debt approximately **69,9%**
- ▶ Around **40%** of outstanding bonds (nominal amount) is denominated in USD, GBP and YEN and is fully hedged



Cost of debt:
~ 5.4%

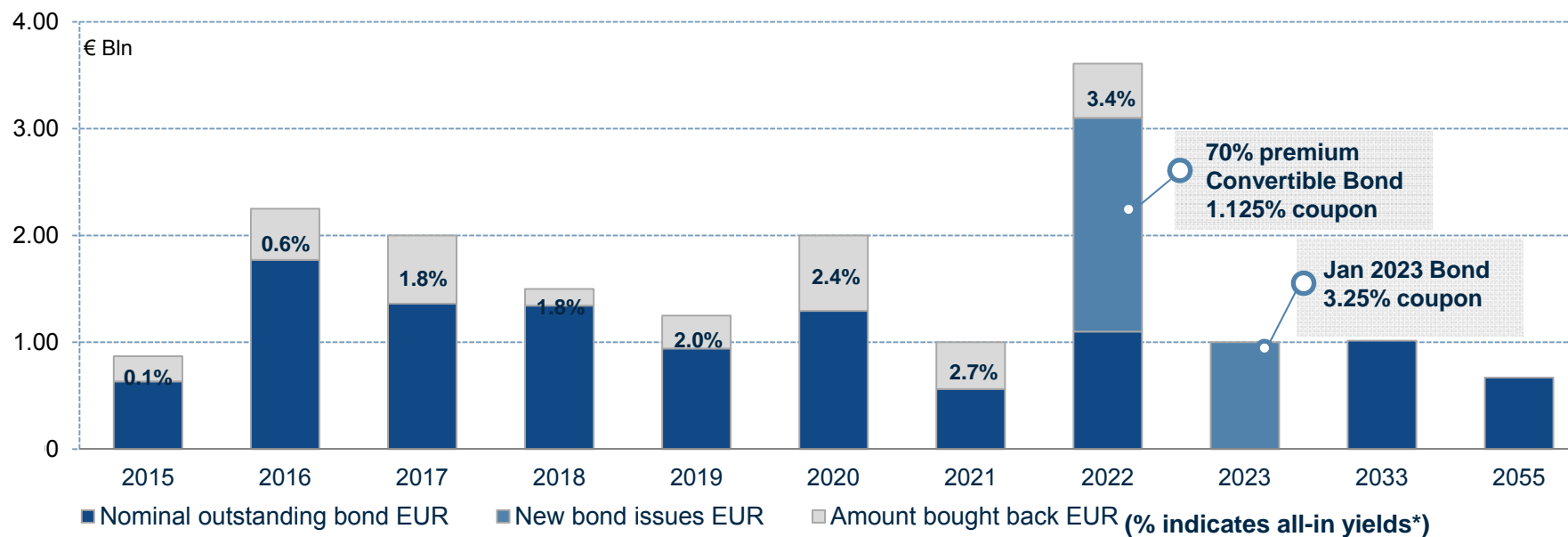
Successful Placement of 2€bln Equity-Linked Bond due 2022

Telecom Italia Convertible Bond	
Issuer	Telecom Italia S.p.A.
Gross proceeds	€2,000 mln
Maturity	March 2022 (7 years)
Coupon p.a.	1,125%
Conversion premium	70%
Initial Conversion price	€ 1.8476
Issue / redemption at maturity	100%
Issuer Call (at 130% trigger)	After 4 years
Shares delivered at maturity based on conversion price	1.082 mln shares

Following the successful placement of the 2€bln equity-linked bonds due 2022”, the Board of Directors resolved to supplement the agenda of the Shareholders' Meeting of 20 May 2015 to include the proposed authorisation to convert the bonds and increase the share capital, by means of the issue of new-issue ordinary shares reserved to service the initiative, with the exclusion of preferential subscription rights.



Active Liability Management



2015 YTD Group Capital Markets Activity

- ▶ Record-low coupon **2015 TI Bond Issues** met strong investor appetite:
 - ▶ **January: €1 Bln 3.25% senior unsecured bond** had the lowest coupon in TI history.
 - ▶ **March: €2 Bln 1.125% 7yr convertible bond** was a new benchmark in the capital market with a 70% conversion premium (highest in EMEA since 2003) featuring a 1.50% p.a. saving vs same tenor straight senior unsecured bond.
- ▶ Moreover, TI successfully executed to-date **2 bond buybacks** worth in total **€2.8 Bln**, considerably improving the yield of its liquidity.
- ▶ TI's treasury management in 1Q'15 included lower commercial receivables factoring for 422 mln€, given the relevant liquidity of recent issuance. It is worthwhile noting that the average financial cost of such sales is 0.20%.

YTD 2015 Buybacks will deliver more than €300 mln pre-tax savings until 2022 net of 2015 negative impact

* including buyback price and derivative unwind



Inwit IPO

- ▶ **Public offer in Italy (*)**
- ▶ **Free float: minority stake**
- ▶ **Secondary component: 100%**
- ▶ **Timing: expected within the summer**

- ▶ **Company:**
Is the largest independent operator of wireless network infrastructure in Italy;
is the result of the carve-out of the entire Tower Business.
- ▶ **Assets**
manages about 11.500 Sites that represent ca 27% of the total number of telecom towers in Italy.
- ▶ **Customers**
Telecom Italia is the main customer;
customer portfolio includes the other MNOs and other radio operators.
- ▶ **Services**
offers to its clients a full suite of services, including:
 - (i) integrated hosting;
 - (ii) management and maintenance of sites;
 - (iii) development of new sites;
 - (iv) design and development of turnkey radio network solutions.



(*) Shares offered to institutional investors outside the USA under Reg S and in the USA to QIBs under 144A

High Quality Asset

PURE TLC PLAYER

BIGGEST TLC
PORTFOLIO IN ITALY

TOP SITES due to FIRST
MOVE ADVANTAGE

Solid Trajectory for Growth

LONG-TERM
CONTRACTED REVENUES

CONTRACTED TENANCY
INCREASE 2015-18

FUNDATION FOR A
FUTURE GROWTH
Small Cell, new tenants

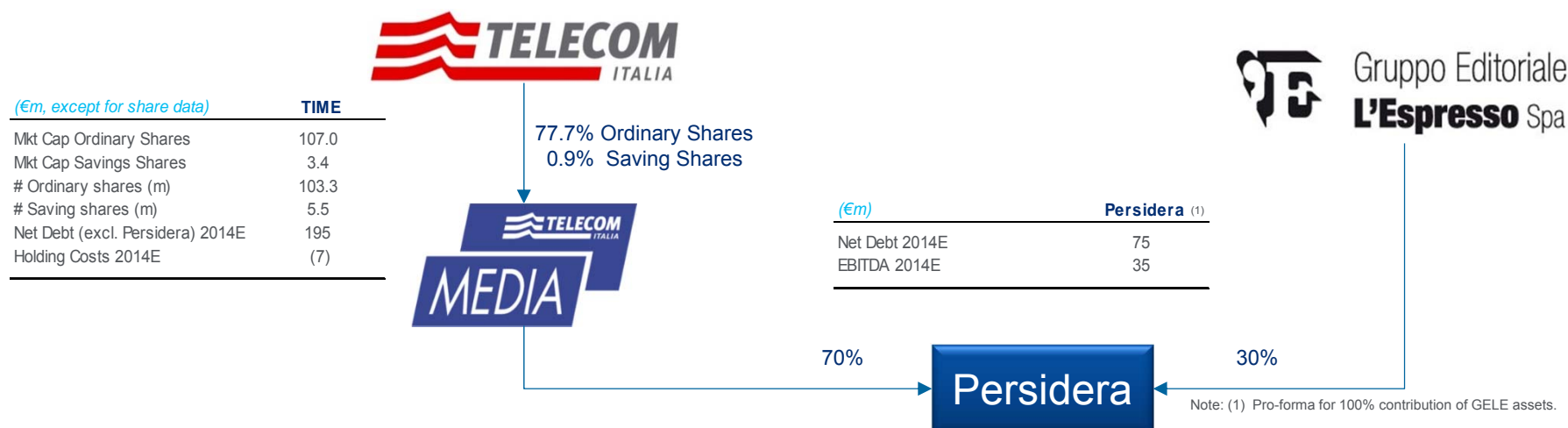


PLAY A ROLE IN THE
SECTOR CONSOLIDATION

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TI Merger with Telecom Italia Media



Transaction Pillars and Impact on Telecom Italia

- ▶ Simplification will extend to the Telecom Italia Group structures
- ▶ Elimination of costs associated with listing, in light of the limited stock liquidity
- ▶ Enhanced flexibility to manage Persidera disposal process
- ▶ Minority-friendly: cash withdrawal right (as per Italian Civil Code) at 6-month arithmetic average share price
- ▶ Limited impact on TI
 - ▶ 0.1% ordinary share voting dilution if no withdrawal right exercised
 - ▶ €28 million max cash outlay if all minority shareholders exercise withdrawal right
 - ▶ Moderate EPS accretion (0.1%) / savings of ca. €2 million corporate costs

Key Terms and Milestones

- ▶ 0.66x Telecom Italia ordinary shares for each Telecom Italia Media ordinary share
- ▶ 0.47x Telecom Italia saving shares for each Telecom Italia Media saving share
- ▶ Exchange ratios to be confirmed on 19th March
- ▶ Cash withdrawal right granted to TIME shareholders (€1.06 per ordinary share and €0.60 per saving share)
 - ▶ TI to purchase any withdrawing share not pre-empted
- ▶ Transaction to be approved in April/May 2015
- ▶ Closing expected in July/August 2015

Persidera Merger

- ▶ Telecom Italia and GELE to continue assessing options for a short-to-medium-term disposal of Persidera
- ▶ The only frequency platform available to non-integrated TV broadcasters in the digital terrestrial TV landscape in Italy
- ▶ Business poised to grow meaningfully through 2018
 - ▶ Most contracts with TV broadcasters successfully renegotiated and in place for multiple years
 - ▶ Contractual visibility on the large majority of revenues forecast over the plan horizon
- ▶ Call option for Telecom Italia on Channel 55 (700 MHz frequency)

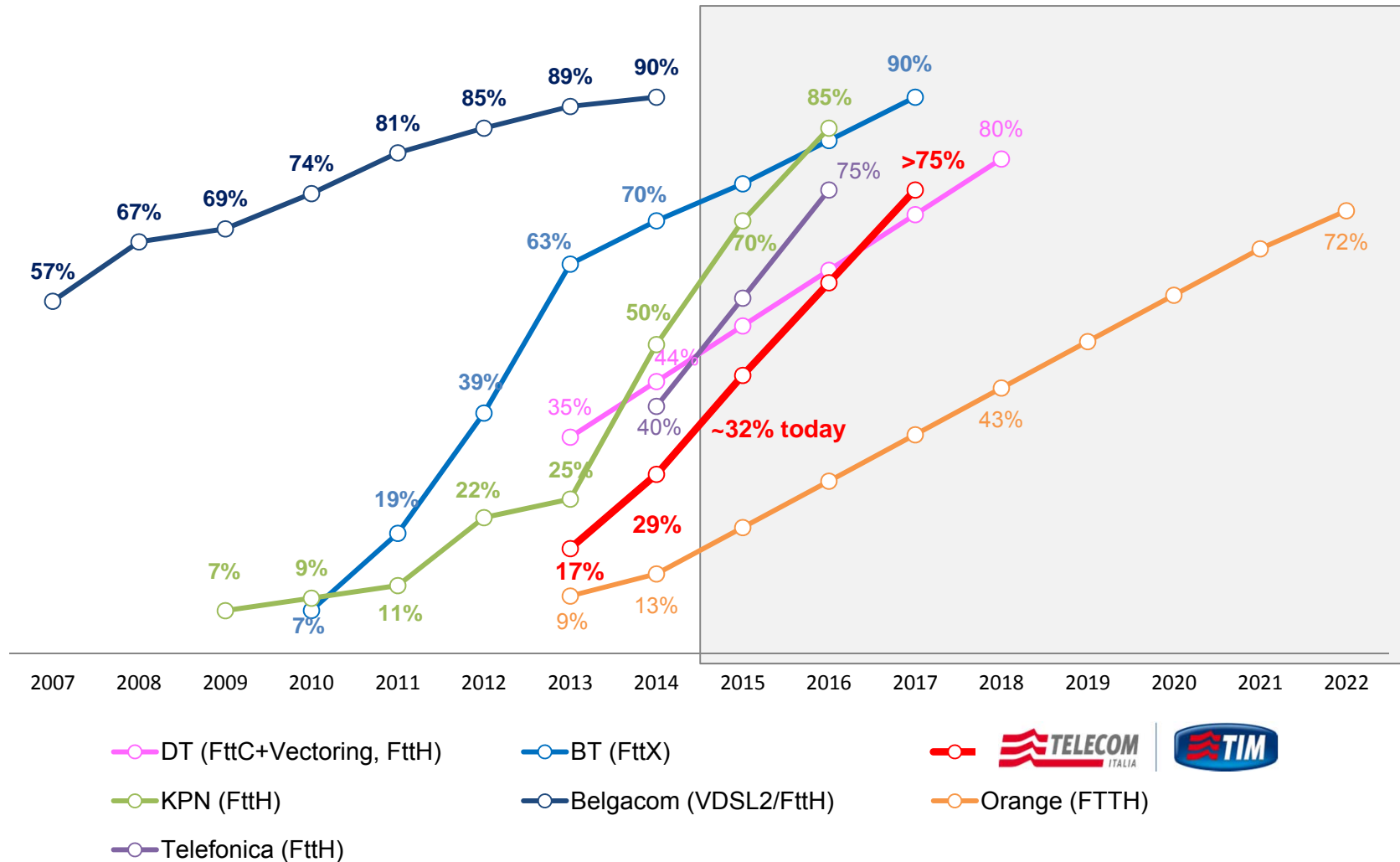


TI Group Share - Capital Composition

Total Telecom Italia Share capital (euros)	10,723,391,861.60
# ordinary shares (without nominal value)	13,470,955,451
# savings shares (without nominal value)	6,026,120,661
Number of TI S.p.A. ordinary treasury shares	37,672,014
Number of TI S.p.A. ordinary shares held by TI Finance S.A.	124,544,373
% of ordinary treasury shares held by the Group to total share capital	0.83%
Market capitalization (based on December 2014 average prices)	16,568 €mIn

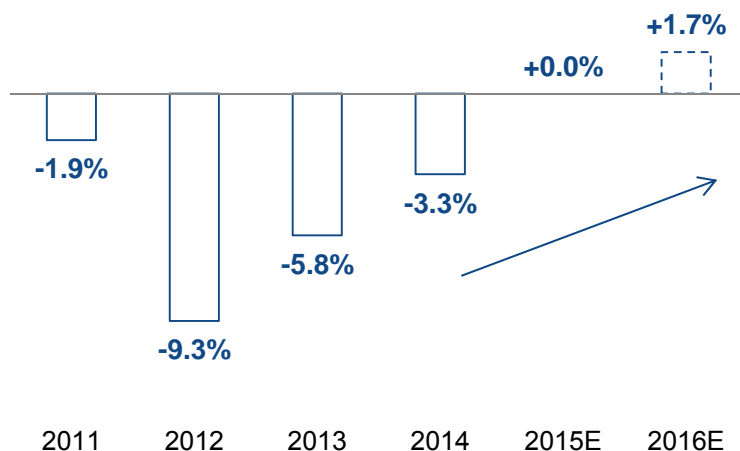


NGN coverages across Europe: TI is driving Italy to pick-up

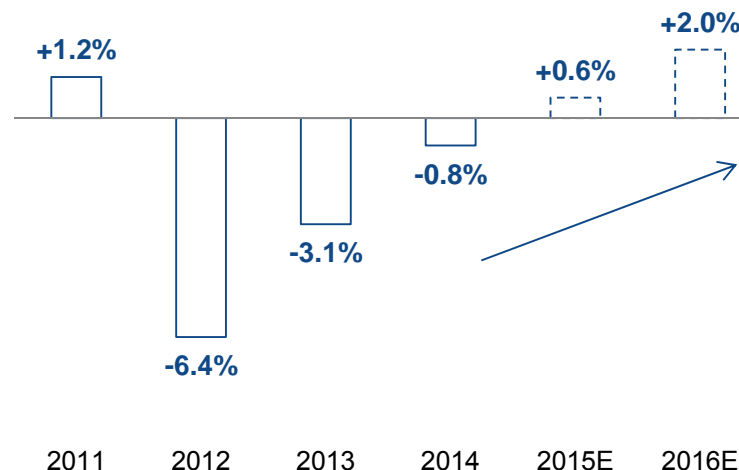


Improving Macro-Economic Outlook in Italy: (1/2)

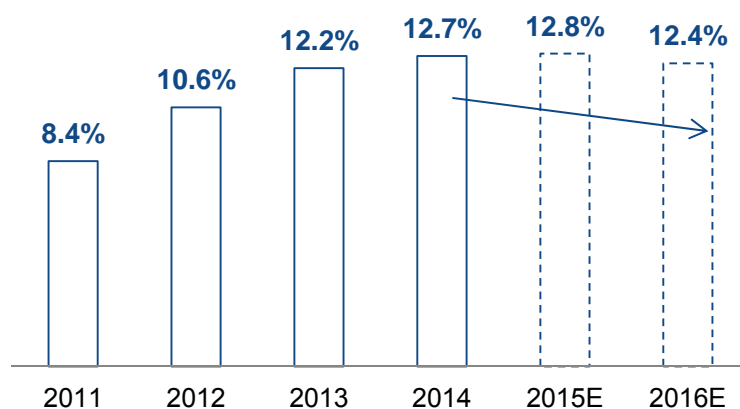
Gross Fixed Investments (YoY %)



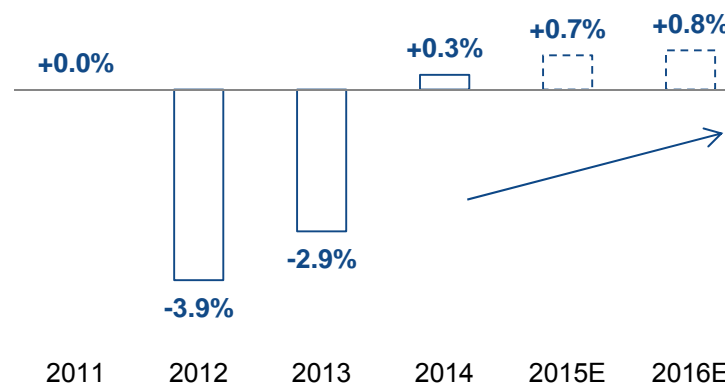
Industrial Production (YoY %)



Unemployment Rate



Household Consumption (YoY %)



Source: Consensus Economics Inc 2015 (March 9, 2015), consensus based on a survey of 19 prominent financial and economic research institutes.



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Improving Macro-Economic Outlook in Italy: GDP trend (2/2)

GDP YoY growth%, as of March 2015	2015	2016
Centro Europa Ricerche	0.9	1.2
Banca Nazionale del Lavoro	0.7	1.3
Prometeia	0.7	1.4
REF Ricerche	0.7	1.2
ABI	0.6	1.1
Credit Suisse	0.7	1.6
ING Financial Markets	0.7	1.3
UBS	0.5	1.0
Confindustria	0.5	1.1
HSBC	0.5	0.8
Econ Intelligence Unit	0.5	0.9
UniCredit	0.6	1.2
Barclays Capital	0.4	1.1
Goldman Sachs	0.4	0.9
Intesa Sanpaolo	0.4	1.0
Moody's Analytics	0.4	1.1
Citigroup	0.8	1.4
Oxford Economics	0.3	1.0
Bank of America - Merrill	0.3	0.9
Average Consensus	0.6	1.1
Italian Government (Mar 15)	0.7	1.4
Bank of Italy (Jan 15)	0.4	1.2
EU Commission (Feb 15)	0.6	1.3
IMF (Jan 15)	0.4	0.8
OECD (Feb 15)	0.4	1.3

2015 Annual General Meeting on May 20th

Proposed Resolutions:

- ▶ Approval of the FY2014 financial statements
- ▶ Distribution of only the privileged dividend to savings shares, in the amount of 2.75 euro cents per share (in line with that already announced when presenting the industrial plan).
- ▶ Approval of the report on remuneration;
- ▶ Appointment of the Board of Statutory Auditors for FYs 2015-2017, to be made by means of the slate voting system (and for the first time applying the gender balance rule);
- ▶ Authorization to convert the “€2€bn equity-linked bonds due 2022” and increase the share capital.
- ▶ Introduction of a deferral mechanism by means of the liquidation in ordinary shares of a portion of the short-term incentive, with reference to the 2015 MBO cycle for the Top Management and a selected number of executives.
- ▶ Granting of powers to increase the share capital to service said remuneration plan, by means of the allocation of profits for up to a maximum of 25.5mln euros, to be allocated when approving the financial statements.
- ▶ Merger by incorporation of the subsidiary TI Media, as per separate joint press release.
- ▶ Amendment of some statutory rules regarding the Board of Directors and Board of Statutory Auditors;

Proposed changes on TI Bylaws essentially relate to:

- ▶ Introduction of a **principle of independence** (in accordance with the law and/or the Corporate Governance Code of Borsa Italiana), when renewing the Board of Directors, **for at least half of the candidates and elected directors on each slate**;
- ▶ the amendment of the **majority premium, when renewing the administrative body, to 2/3 of the Directors to be elected (at present, the Bylaws establish that 4/5 of the seats shall be assigned to the majority slate)**;
- ▶ a change to the mechanism for convening the Board of Directors at the request of the Directors, attributing this right to 2 Directors (rather than to one fifth of the Directors in office), in a similar way to the legal provisions regarding Auditors.

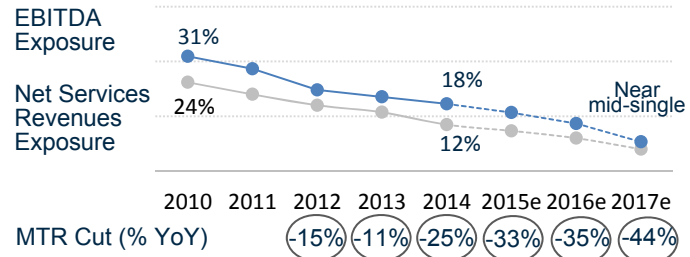


Brazilian Market Outlook 2015-2017

A Close Look at Business Performance

MTR Impact Analysis

(R\$; %)



Mobile Net Revenues Analysis

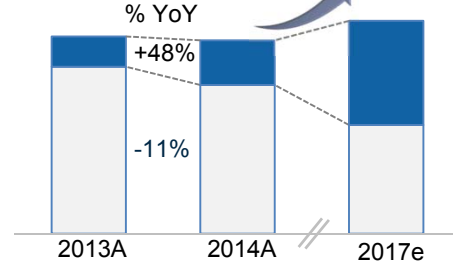
(R\$; %)

Innovative:

Data
Content
Other

Traditional:

Voice
Incoming
SMS

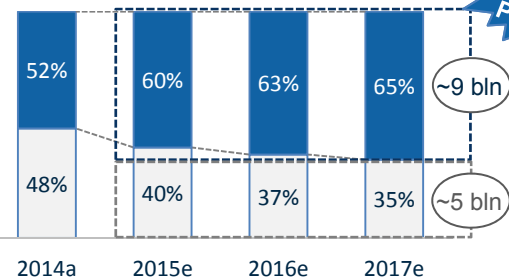


Innovative and Traditional Investments

(R\$; %)

Innovative

Traditional

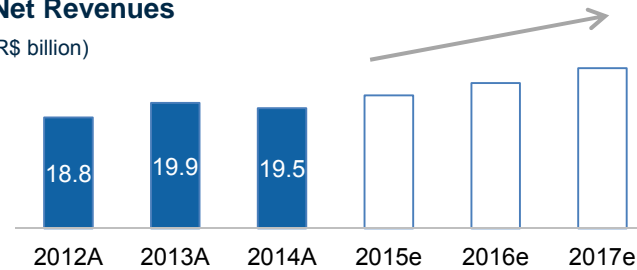


TURBO Project

2015-2017 Guidance

Net Revenues

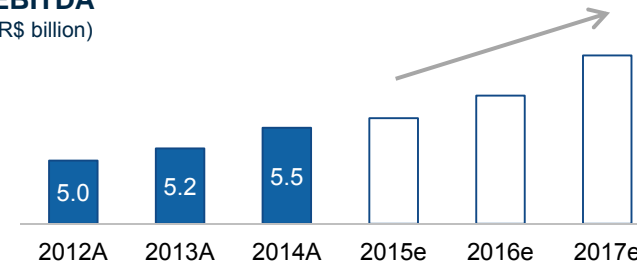
(R\$ billion)



Continued growth

EBITDA

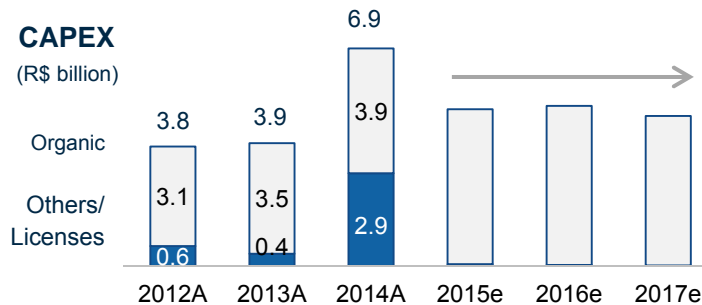
(R\$ billion)



Continued growth, improving margin

CAPEX

(R\$ billion)



CAPEX 2015-2017: >14 R\$Bln



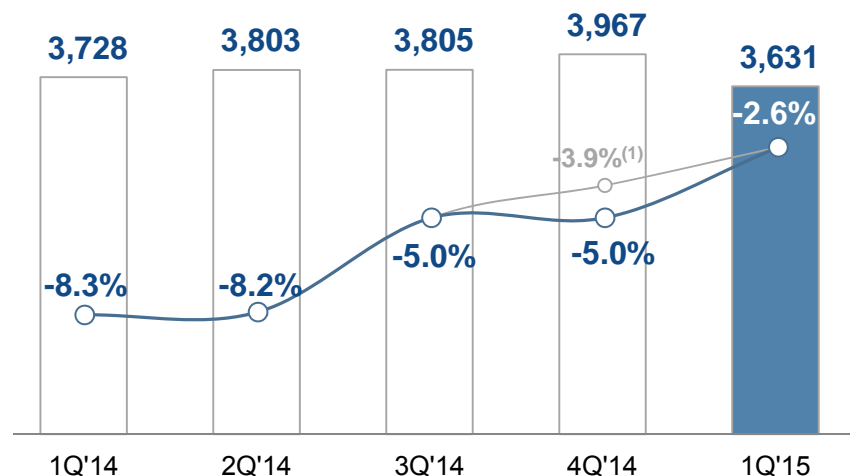
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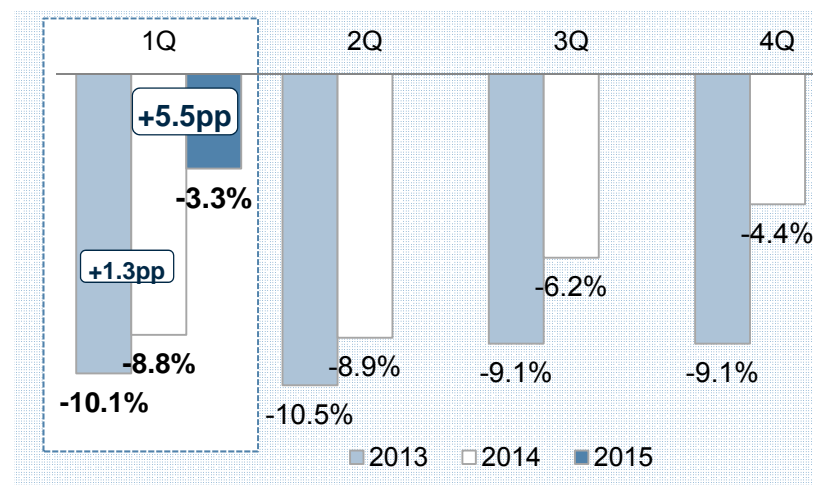
Domestic Revenues

Reported data, € Mln, %YoY

Total Revenues

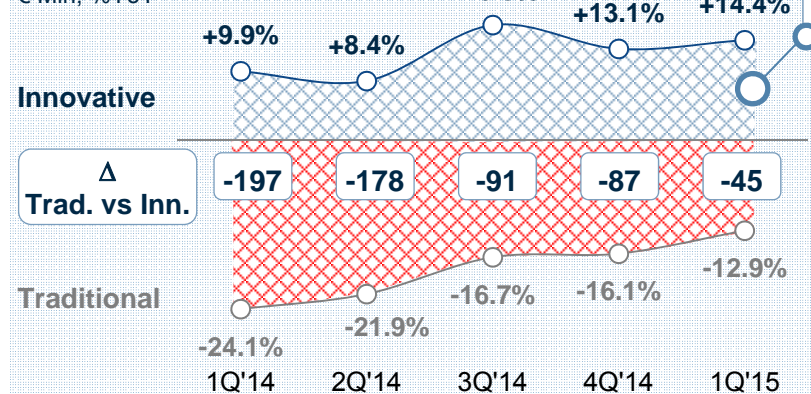


Service Revenues - Trend YoY



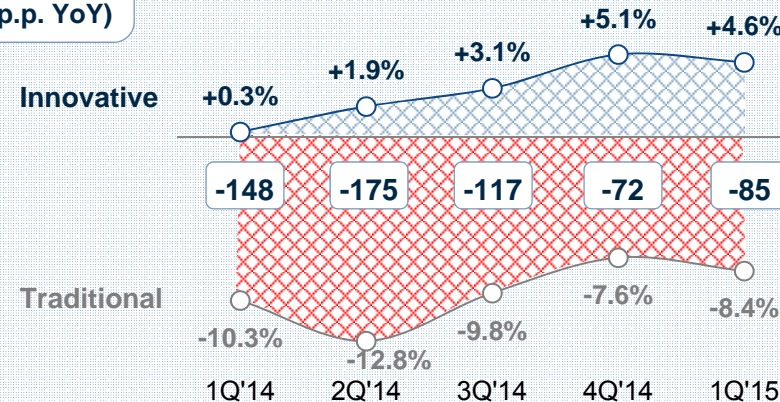
Mobile Service Revenues

€ Mln, %YoY



Bundles adoption: 65% (+8 p.p. YoY)

Fixed Service Revenues



(1) Adjusted for access price 2010-2012

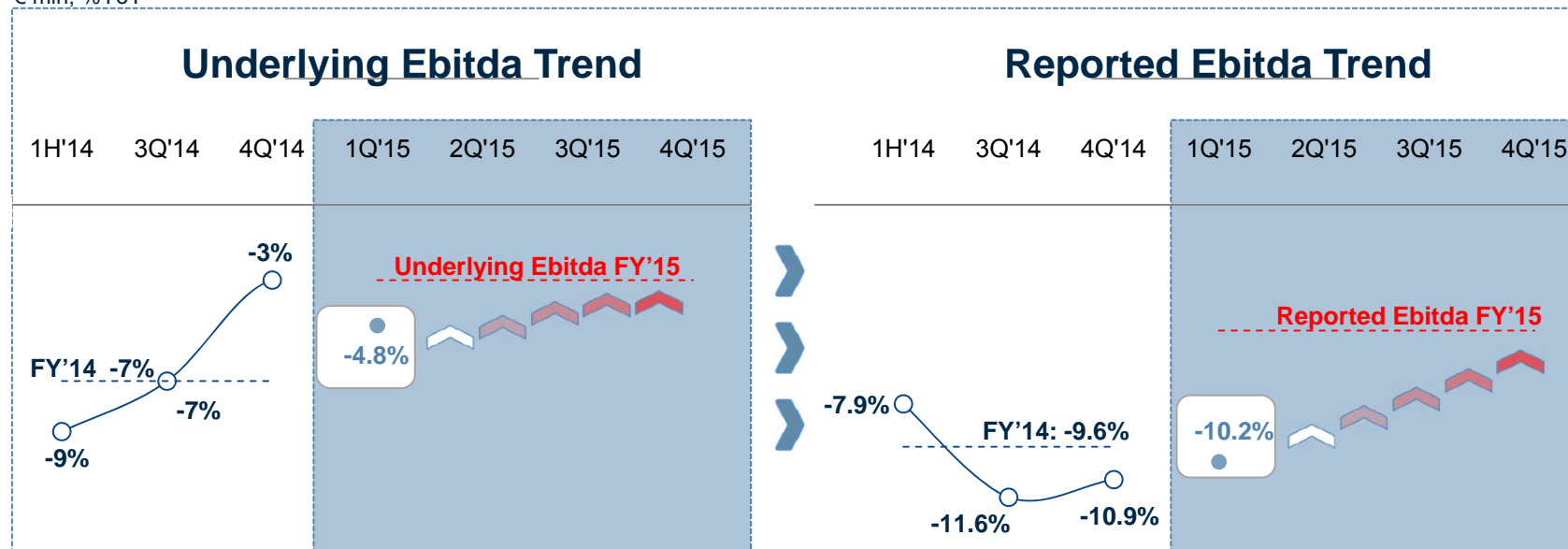


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Domestic Ebitda: Strong Profitability further Recovering

€ mln, %YoY



Domestic Discontinuities

Adjustments for one-off effects in 1Q Ebitda YoY performance are:

in 1Q'15:

- ▶ ~ +25 mln€ for salary increases and stock option plans
- ▶ ~ +20 mln€ for accruals on Risk Provisions

in 1Q'14:

- ▶ ~ -20 mln€ for release of labor incentive provisions
- ▶ ~ -20 mln€ for income from energy management
- ▶ ~ -15 mln€ for release of Risk Provisions

Highlights

- ▶ TI Domestic 1Q'15 EBITDA margin stands at 44.3%, one of the highest among European peers
- ▶ Notwithstanding relevant Network renovation, no increase in industrial costs
- ▶ Commercial costs remain under control
- ▶ Reduction in Real Estate costs drive down G&A expenses
- ▶ One-off increases in labor costs will support Key Targets achievement



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Domestic Fixed Breakdown

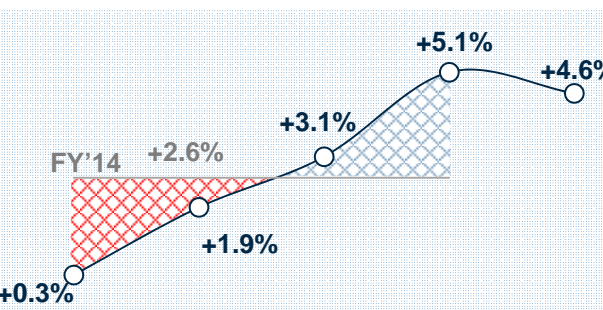
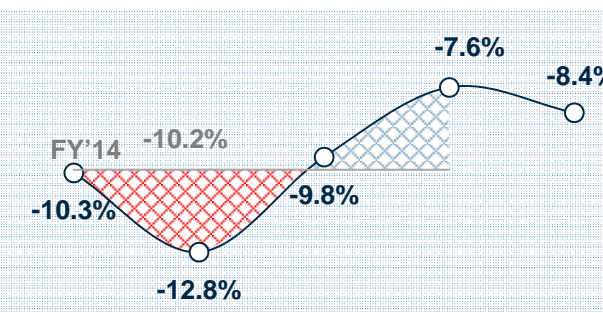
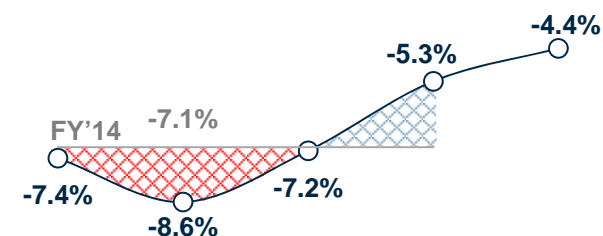
€ mln, QoQ

Quarterly Fixed Revenues Breakdown

	1Q'15	1Q'14	YoY
Total	2,657	2,771	-4.1%
Service	2,595	2,715	-4.4%
Equipments	62	56	+9.1%
Traditional Service	1,193	1,303	-8.4%
Voice	1,038	1,123	-7.6%
Business Data & other	155	180	-13.9%
Innovative Service	558	533	+4.6%
Broadband	418	395	+5.7%
Content	5	5	+12.7%
ICT Service	135	133	+1.1%
Domestic Wholesale	560	606	-7.7%
TIS Group	310	301	+3.0%
Subs., Adj. & others	-26	-29	-12.2%

Service Revenues Trend YoY

1Q'14 2Q'14 3Q'14 4Q'14 1Q'15



Domestic Mobile Breakdown

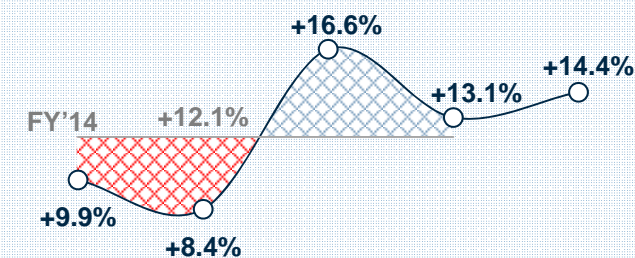
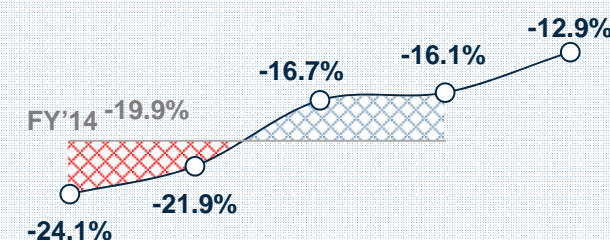
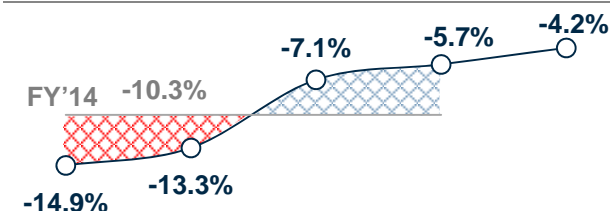
€ mln, QoQ

Quarterly Mobile Revenues Breakdown

	1Q'15	1Q'14	YoY
Total	1,151	1,175	-2.0%
Service	1,053	1,099	-4.2%
Handsets	98	76	+29.0%
Traditional Service	621	713	-12.9%
Outgoing	463	530	-12.6%
Incoming	58	52	+12.3%
Messaging	100	132	-24.2%
Innovative Service	375	328	+14.4%
Browsing	306	264	+16.0%
Internet Content	69	64	+8.1%
Wholesale Service	57	58	-1.6%

Service Revenues Trend YoY

1Q'14 2Q'14 3Q'14 4Q'14 1Q'15



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TI Group – 2014 P/L by Main Business Unit

<i>Euro mln</i>	Full Year Actual 2014					
	TI Group	Domestic	Brazil	Media	Other Activities	Elimin./Adj ust. (*)
REVENUES	21,573	15,303	6,244	71	0	(45)
Other Operating Income	401	382	18	1	0	0
TOTAL REVENUES & OTHER INCOME	21,974	15,685	6,262	72	0	(45)
Total Purchases of materials and external services	(9,430)	(5,831)	(3,593)	(35)	(6)	35
Personnel	(3,119)	(2,730)	(379)	(8)	(2)	0
of which payroll	(3,079)	(2,691)	(379)	(7)	(2)	0
Other operating costs	(1,175)	(570)	(598)	(4)	(4)	1
Capitalized Cost and Others	536	444	82	0	0	10
Change in inventories	(52)	(41)	(11)	0	0	0
Capitalized internal constructions costs	588	485	93	0	0	10
EBITDA	8,786	6,998	1,774	25	(12)	1
% on Revenues	40.7%	45.7%	28.4%	35.2%		
Depreciation & Amortization	(4,284)	(3,290)	(976)	(19)	0	1
Writedowns and revaluations of non current assets	(1)	(1)	0	0	0	0
Gains/losses of non current assets realization	29	31	(3)	0	0	1
EBIT	4,530	3,738	795	6	(12)	3
% on Revenues	21.0%	24.4%	12.7%	8.5%		
Income (loss) equity invest. valued equity method	(5)	(5)	0	0	0	0
Other income (expenses) from investments	16	(40)	0	0	220	(164)
Net Financial Income / (Expenses)	(2,194)	(2,239)	(90)	(9)	145	(1)
Income before Taxes & Disc. Ops.	2,347	1,454	705	(3)	353	(162)
% on Revenues	10.9%	9.5%	11.3%	(4.2%)		
Taxes	(928)	(702)	(208)	0	(19)	1
Income before Disc. Ops.	1,419	752	497	(3)	334	(161)
Net income (loss) of assets disposed	541	0	0	0	(1)	542
Net Income (ante Minorities)	1,960	752	497	(3)	333	381
% on Revenues	9.1%					
Minorities	(610)					
Net Income (post Minorities)	1,350					
% on Revenues	6.3%					



(*) includes TI Finance, TI Capital, TI international and other companies not included in the other Business Units.

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TI Group – 2014 Balance Sheet by Main Business Unit

	Full Year Actual 2014				
	TI Group	Domestic	Brasile	Media	Other & Elim (*)
<i>Euro mln</i>					
Intangible Assets	36,770	32,719	3,887	172	(8)
<i>of which Goodwill</i>	29,943	28,443	1,470	30	0
Tangible Assets	13,387	10,542	2,764	81	0
Equity Investments	79	9,309	0	0	(9,230)
Other L/T Investments	584	66	512	16	(10)
Deferred Tax Assets	1,118	783	276	6	53
TOTAL NET ASSETS	51,938	53,419	7,439	275	(9,195)
WORKING CAPITAL & FUNDS	(4,307)	(2,856)	(1,213)	(28)	(210)
Operating Working Capital & Funds	(3,786)	(2,862)	(931)	6	1
Operating Working Capital	(1,791)	(1,098)	(716)	15	8
<i>Total net inventories</i>	313	231	82	0	0
<i>Total net trade accounts receivable</i>	4,132	3,008	1,106	32	(14)
<i>Trade accounts payable</i>	(5,041)	(2,958)	(2,082)	(14)	13
<i>Other operating current assets/liabilities</i>	(1,195)	(1,379)	178	(3)	9
<i>Other operating current assets</i>	2,434	1,774	659	1	0
<i>Other operating current liabilities</i>	(3,629)	(3,153)	(481)	(4)	9
Other Operating Allowances	(934)	(705)	(215)	(7)	(7)
Total Severance Indemnities	(1,061)	(1,059)	0	(2)	0
Non Operating Working Capital & Funds	(521)	6	(282)	(34)	(211)
Net assets/liabilities of Disc. Ops.	2,089	0	0	0	2,089
NET INVESTED CAPITAL	49,720	50,563	6,226	247	(7,316)
Shareholders Equity	21,699	17,483	5,835	(22)	(1,597)
Net Financial Position Reported	28,021	33,080	391	269	(5,719)
MtoM derivati	1,370				
Net Financial Position Adj	26,651				



(*) includes TI Finance, TI Capital, TI international and other companies not included in the other Business Units.

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