

Notice in respect of the termination of the shareholders' agreement as required by Article 122, para. 1, letter b) of Italian Legislative Decree 58/98 and Articles 129 and 131 of the regulations adopted by Consob resolution no. 11971/99 as amended

On 16 June 2014, Assicurazioni Generali S.p.A., also in the name and on behalf of its group companies (“**Generali**” and the “**Generali Group**”), Intesa Sanpaolo S.p.A. (“**Intesa**”) and Mediobanca S.p.A. (“**Mediobanca**”) exercised their right to request the demerger of Telco S.p.A. (“**Telco**” or the “**Company**”) pursuant to and within the meaning of Article 11 of the shareholders' agreement entered into by and between Mediobanca, Generali Group companies, Intesa and Telefonica S.A. (“**Telefonica**”) on 29 February 2012, as amended (the “**Agreement**”) – in respect of Telco, and indirectly, the investment held by Telco in Telecom Italia S.p.A. (“**Telecom Italia**”) – by sending due notice to such effect to Telco and all its shareholders (the “**Demerger**”).

At a Board meeting held on 26 June 2014, the Directors of Telco approved the proposed partial non-pro rata demerger of the Company as a result of which four newly-incorporated beneficiary companies, each 100%-owned by each of the shareholders Telefonica, Mediobanca, Generali and Intesa, will be allocated the respective shareholder's stake in Telecom Italia currently held by Telco (equal in the aggregate to approx. 22.39% of Telecom Italia's ordinary share capital), as follows: 14.77% to the newco owned by Telefonica, 4.32% to the newco owned by the Generali Group, and 1.64% to each of the newcos owned respectively by Intesa and Mediobanca.

Completion of the Demerger is subject to the approval of Telco shareholders gathered in an extraordinary general meeting which has been called for 9 July 2014, and completion of the procedural duties required by the applicable regulations as well as to the requisite clearances from the following authorities: *Conselho Administrativo de Defesa Econômica* “CADE” (Brazilian antitrust authority); *Agência Nacional de Telecomunicações* “ANATEL” (Brazilian regulatory authority); *Comision Nacional de Defensa de la Competencia* “CNDC” (Argentinian antitrust authority) and, for those matters which fall within its scope of responsibility, *Istituto per la Vigilanza sulle Assicurazioni* IVASS (Italian insurance regulatory authority).

As part of the Demerger, Telco will also repay all its bank debt outstanding and the bond issue subscribed to by its shareholders, via funds to derive from a shareholders' loan to Telco, which will be disbursed pro rata to the shareholders' investment in the Company immediately prior to the Demerger's execution. With the Demerger, then, each newco will be allocated the respective share of the shareholders' loan as well as the relevant Telecom Italia stake.

Termination of the Agreement shall be subject to completion of the Demerger and shall commence as from the date on which the Demerger takes effect.

This notice is being published on the website of Telecom Italia and should be read in addition to the excerpt from the Agreement, including the description of the events referred to above and published on the same website (and also the website of Mediobanca), which shall continue to be binding between the parties until the date on which the Demerger becomes effective.

Milan, 4 July 2014