



Le Président du Directoire

Mr. Marco Vicinanza
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Paris, December 3, 2015

Dear Sirs,

We make reference to your letter dated November 30, 2015 and thank you for providing us with the opportunity to express in greater detail our view regarding our 20.116% investment in Telecom Italia (the "Company") and our willingness to designate candidates to join the Company's Board of Directors, as requested on the occasion of the next Shareholders' Meeting scheduled on December 15, 2015.

Your primary remark regarding Vivendi's legitimate request makes reference to Telecom Italia's actual governance and points out, as a potential prejudice from the Institutional investors' standpoint, the increase (via the addition of "*three executives of the Vivendi Group*") in the number of Directors on the Board, which would result in the "*dilution of the representation of independent minority members appointed by institutional investors within the Board of Directors*".

As a preliminary comment, we strongly believe that all directors, once appointed, should act in the sole interest of the Company and all its shareholders. We are therefore surprised to see that, around such an important institution as Telecom Italia and its future, the debate and concerns are mainly focused on preserving the proportion between groups of directors based on the original designated shareholders, instead of debating the merit of the proposals, the experiences of the candidates and their roles as possible contributors to the Board's work towards the long term value creation in the interest of all shareholders.



As regards more specifically the concerns and questions raised in your letter, we wish to point out the following:

- Over the past few months, Vivendi has devoted a significant portion of its resources - over three billion euros - to acquire a material shareholding interest in Telecom Italia, as repeatedly stated, with a long-term view and approach, sharing Telecom Italia's current strategic plan and objectives, including the development of high speed connections and new technologies in a very competitive market;
- After having made this significant investment in Telecom Italia, it has seemed natural for Vivendi to take the opportunity of the next shareholders' meeting, convened by the Board of Directors for the conversion of the saving shares, to submit to the shareholders the proposal to appoint new directors, representative of the current capital structure, with proven experience and the ability of contributing to the future that a company such as Telecom Italia deserves;
- Vivendi's proposal - to temporarily increase the number of directors outside the slates mechanism applicable in the event of Board renewal - respects the decision of last April 2014 shareholders' meeting and, as such, is aimed at integrating the Board for a limited time to complete the current mandate expiring with the approval of the 2016 financial statements. As regards the Board composition from 2017, Vivendi shares the belief that it should be structured to achieve the most efficient governance of Telecom Italia and certainly in compliance with the Company's current by-laws;
- Vivendi's proposal does not call into question the work carried out by the current Board of Directors and its executive members. Through the proposal of new experienced directors - who would certainly perform their duties in the best interest of the Company as any director is expected to do - Vivendi believes that such a Board would be enriched, as all proposed candidates have multidisciplinary academic and strong international managerial experience with significant roles within multinational groups (i.e. Hearst, SFR, Havas and Areva). Moreover, the addition of an independent female director such as Ms. Herzog would add value to the Board dynamics given her unrivalled international expertise;
- Vivendi has no plan to exercise a relevant influence on the Company nor to integrate the two Groups, but rather to add value to the already high quality and standing of the current Board and management. The fact that the three proposed candidates are top figures within the Vivendi Group only confirms the utmost attention given by Vivendi to the future of Telecom Italia. Based on the historic attendance at the Telecom Italia' shareholders' meeting, Vivendi does not share the view that the proposed directors would lead to an over representation of its investment;



- As regards your reference to the "director already in office", if this relates to Mr. Tarak Ben Ammar's position, we point out that Mr. Ben Ammar has no management or executive position within the Vivendi Group, where he is an independent member of the Vivendi Supervisory Board ("*Conseil de Surveillance*"), as you're certainly aware a body with no management powers. Mr. Ben Ammar has not been appointed to the Telecom Italia Board upon Vivendi's request;
- As a final technical remark, we do not share the concern expressed with reference to the requested release of the proposed directors from the non-competition obligation under article 2390 of the Italian Civil Code, as the two Groups are active in different businesses, with different clients and are certainly not competitors among themselves. The request is simply aimed at giving all directors the same position in such respect.

We sincerely hope that the above clarifications will contribute to sharing a constructive approach as to the potential contribution that an industrial investor such as Vivendi, also through its top management, may add to Telecom Italia's Board of Directors, certainly keeping in mind to ensure the best possible governance of the Company in the interest of all shareholders and in total alignment with the objective of future value creation for all parties.

Sincerely,

Très cordialement,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Arnaud de Puyfontaine