

WASHINGTON REAL ESTATE INVESTMENT TRUST  
 Form 4  
 May 04, 2005

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 FITZGERALD BRIAN J

2. Issuer Name and Ticker or Trading Symbol  
 WASHINGTON REAL ESTATE INVESTMENT TRUST [WRE]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 6110 EXECUTIVE BLVD., SUITE 800  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/02/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Mnging. Dir. -Leasing

ROCKVILLE, MD 20852

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/02/2005		S	9,500 D	\$ 30 33,164.2813	D	
Common Stock	05/03/2005		S	500 D	\$ 30 32,664.2813	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)



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### *Long Term Incentive Plan 2011*

(capital increase in cash for

Selected Management) (°)

n.d. 5,000 n.d. n.d.

### *Long Term Incentive Plan 2011*

(bonus capital increase for

Selected Management) (°°)

n.d. 5,000

### *Long Term Incentive Plan 2011*

(bonus capital increase for

Top Management) (°°°)

n.d. 5,500

**Total additional capital increases not yet approved (ordinary shares) 909,047**

(^) On July 7, 2011, the board of directors approved a bonus capital increase for the same maximum par value and maximum number of shares. On August 2, 2011, the capital increase was set in motion with the grant of 8,876,296 bonus ordinary shares to those entitled, for a total par value of 4,881,962.80 euros.

(\*) A number of ordinary shares may be issued subscribable for a total maximum equivalent amount (including paid-in capital) originally equal to 5,000,000 euros (at June 30, 2011: 4,321,950 euros), with the subscription price to be determined by the board of directors.

(\*\*) A number of ordinary shares may be issued for the number needed to grant a bonus share for every share subscribed, up to a maximum amount originally equal to 5,000,000 euros (at June 30, 2011: 4,321,950 euros).

(°) A number of ordinary shares may be issued subscribable for a total maximum equivalent amount (including paid-in capital) originally equal to 5,000,000 euros, with the subscription price to be determined by the board of directors. On July 7, 2011, at the time of the start of the plan by the board of directors, a total maximum amount was determined equal to 4,894,650 euros.

(°°) A number of ordinary shares may be issued for the number needed to grant a bonus share for every share subscribed, up to a maximum amount originally equal to 5,000,000 euros. On July 7, 2011, at the time the start of the plan was approved by the board of directors, a total maximum amount was determined equal to 4,894,650 euros.

(°°°) A number of ordinary shares may be issued as a bonus grant for a maximum amount originally equal to 5,500,000 euros, with the subscription price to be determined by the board of directors. On July 7, 2011, when the start of the plan was approved by the board of directors, a total maximum amount was determined equal to 3,256,200 euros.

With regard to the additional capital increases not yet approved, the following changes are noted during the first half of 2011:

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the shareholders meeting held on April 12, 2011 granted the directors the right for five years from April 12, 2011 to increase share capital to service the Long Term Incentive Plan 2011, approved by the same shareholders meeting, as follows:

(i) in cash through the issue of new ordinary shares of par value 0.55 euros each, with normal dividend rights, for a maximum amount of 5,000,000 euros, with the exclusion of the pre-emptive right pursuant to art. 2441, paragraph 8, of the Italian Civil Code and art. 134, paragraph 2 of Legislative Decree 58/1998, reserved for a part of the employees (defined as Selected Management), beneficiaries of the Long Term Incentive Plan 2011, who in due time will be identified by the board of directors of the company, and, therefore, subsequently (ii) for a maximum amount of 5,000,000 euros through the appropriation of a corresponding maximum amount of profits or reserves in accordance with art. 2349 of the Italian Civil Code, with the issue of ordinary shares in the number needed to grant a bonus share for

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every share subscribed in cash as above, within the dates, according to the conditions and in keeping with the manner provided by the Long Term Incentive Plan 2011 ;

for a maximum amount of 5,500,000 euros through the appropriation of a corresponding maximum amount of profits or reserves pursuant to art. 2349 of the Italian Civil Code, with the issue of ordinary shares reserved for a part of the employees (defined as Top Management ), beneficiaries of the Long Term Incentive Plan 2011 , who in due time will be identified by the board of directors of the company, within the dates, according to the conditions and in keeping with the manner provided by the Long Term Incentive Plan 2011 .

As regards the share capital increase in cash, the board of directors shall fix the share issue price (including paid-in capital) in conformity with the provisions of the Long Term Incentive Plan 2011 and shall also fix the period for its subscription, establishing that, if the approved capital increase is not fully subscribed to within that period, the share capital shall be increased for an amount equal to the subscriptions received up to the end of that period.

On July 7, 2011, the board of directors approved the start of the Long Term Incentive Plan 2011 and conferred mandates for its implementation, defining the regulation and contractual documentation, identifying the Plan beneficiaries and establishing the total maximum amount of the capital increases for the Selected Management (4,894,650 euros for the capital increase in cash and 4,894,650 euros for the bonus capital increase) and for Top Management (3,256,200 euros for the bonus capital increase).

In reference to the Broad-based Employee Share Ownership Plan 2010-2014 , on July 7, 2011, the board of directors, by the power granted to it by the special shareholders meeting held on April 29, 2010, passed a resolution for a bonus increase in share capital, pursuant to articles 2443 and 2349 of the Italian Civil Code, for a maximum par value of 4,903,493.10 euros with the issue of a maximum 8,915,442 ordinary shares of par value 0.55 euros each, with normal dividend rights, to be granted under the Broad-based Employee Share Ownership Plan 2010-2014 by the latest date of September 15, 2011.

On August 2, 2011, the capital increase was set in motion with the grant of 8,876,296 bonus ordinary shares to those entitled, for a total par value of 4,881,962.80 euros.

Further details are provided in the Note Equity compensation plans .

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**NOTE 20 SEGMENT REPORTING**

**a) Operating segment reporting**

Segment reporting is based on the following operating segments:

Domestic;

Brazil;

Argentina;

Media;

Olivetti;

Other operations.

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Interim Consolidated Financial Statements****SEPARATE CONSOLIDATED INCOME STATEMENTS BY OPERATING SEGMENTS**

	Domestic		Brazil		Argentina		Media		Olivetti		Other Operations		Adjustments and eliminations		Consolidated total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Six months ended June 30, Unaudited (millions of euros)															
Third party revenues	9,314	10,064	3,489	2,865	1,509		108	116	123	136		42			14,543	13,223
Intragroup revenues	42	27	10	10	2		10	11	38	40	1	1	(103)	(89)		
<b>Revenues by operating segment</b>	<b>9,356</b>	<b>10,091</b>	<b>3,499</b>	<b>2,875</b>	<b>1,511</b>		<b>118</b>	<b>127</b>	<b>161</b>	<b>176</b>	<b>1</b>	<b>43</b>	<b>(103)</b>	<b>(89)</b>	<b>14,543</b>	<b>13,223</b>
Other income	85	89	9	7	3		4	1	8	11	1		(2)	(4)	108	104
<b>Total operating revenues and other income</b>	<b>9,441</b>	<b>10,180</b>	<b>3,508</b>	<b>2,882</b>	<b>1,514</b>		<b>122</b>	<b>128</b>	<b>169</b>	<b>187</b>	<b>2</b>	<b>43</b>	<b>(105)</b>	<b>(93)</b>	<b>14,651</b>	<b>13,327</b>
Acquisition of goods and services	(3,312)	(3,586)	(2,150)	(1,576)	(617)		(81)	(83)	(166)	(181)	(3)	(30)	97	88	(6,232)	(5,368)
Employee benefits expenses	(1,529)	(1,627)	(161)	(141)	(208)		(30)	(30)	(35)	(34)	(2)	(14)	1	1	(1,964)	(1,845)
<i>of which:</i> <i>accruals to employee severance indemnities</i>	21	(23)													21	(23)
Other operating expenses	(341)	(268)	(337)	(290)	(157)		(3)	(5)	(3)	(3)	(6)	(3)	3	(1)	(844)	(570)
<i>of which:</i> <i>Writedowns and expenses in connection with credit management and accruals to provisions</i>	(223)	(173)	(77)	(93)	(20)		(1)	(4)	(2)	(1)	(5)	(1)	4	(2)	(324)	(274)
Changes in inventories	44	(64)	52	(75)	(26)		1	(1)	11	15			(1)		81	(125)
Internally generated assets	244	285	36	23									5	6	285	314
Depreciation and amortization	(2,046)	(2,157)	(507)	(656)	(260)		(29)	(30)	(3)	(3)		(10)	2	11	(2,843)	(2,845)
Gains (losses) on disposals of non current assets	(5)		(1)	(2)	2					1			1	(1)	(3)	(2)

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Impairment reversals (losses) on non current assets	(3,182)	(5)												(3,182)	(5)
<b>Operating profit (loss)</b>	<b>(686)</b>	<b>2,758</b>	<b>440</b>	<b>165</b>	<b>248</b>	<b>(20)</b>	<b>(21)</b>	<b>(27)</b>	<b>(18)</b>	<b>(9)</b>	<b>(14)</b>	<b>3</b>	<b>11</b>	<b>(51)</b>	<b>2,881</b>
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(1)	(16)								(11)	55			(12)	39
Other income (expenses) from investments														15	2
Finance income														1,685	3,464
Finance expenses														(2,646)	(4,462)
<b>Profit (loss) before tax from continuing operations</b>														<b>(1,009)</b>	<b>1,924</b>
Income tax expense														(777)	(682)
<b>Profit (loss) from continuing operations</b>														<b>(1,786)</b>	<b>1,242</b>
Profit (loss) from Discontinued operations /Non current assets held for sale														(11)	(2)
<b>Profit (loss) for the period</b>														<b>(1,797)</b>	<b>1,240</b>
<i>Attributable to:</i>															
<i>Owners of the Parent</i>														(2,013)	1,211
<i>Non-controlling interests</i>														216	29

None of the Telecom Italia Group's customers exceeds 10% of consolidated revenues.



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Interim Consolidated Financial Statements**REVENUES BY OPERATING SEGMENT**

	Domestic		Brazil		Argentina		Media		Olivetti		Other Operations		Adjustments and eliminations		Consolidated total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Six months ended June 30, Unaudited (millions of euros)																
Revenues from equipment sales third party	364	373	348	138	127				123	136					962	647
Revenues from equipment sales intragroup		1							19	22			(19)	(23)		
<b>Total revenues from equipment sales</b>	<b>364</b>	<b>374</b>	<b>348</b>	<b>138</b>	<b>127</b>				<b>142</b>	<b>158</b>			<b>(19)</b>	<b>(23)</b>	<b>962</b>	<b>647</b>
Revenues from services third party	8,947	9,691	3,141	2,727	1,382		108	116				42			13,578	12,576
Revenues from services intragroup	42	26	10	10	2		10	11	19	18	1	1	(84)	(66)		
<b>Total revenues from services</b>	<b>8,989</b>	<b>9,717</b>	<b>3,151</b>	<b>2,737</b>	<b>1,384</b>		<b>118</b>	<b>127</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>43</b>	<b>(84)</b>	<b>(66)</b>	<b>13,578</b>	<b>12,576</b>
Revenues on construction contracts third party	3														3	
<b>Total revenues on construction contracts</b>	<b>3</b>														<b>3</b>	
Total third party revenues	9,314	10,064	3,489	2,865	1,509		108	116	123	136		42			14,543	13,223
Total intragroup revenues	42	27	10	10	2		10	11	38	40	1	1	(103)	(89)		
<b>Total revenues by operating segment</b>	<b>9,356</b>	<b>10,091</b>	<b>3,499</b>	<b>2,875</b>	<b>1,511</b>		<b>118</b>	<b>127</b>	<b>161</b>	<b>176</b>	<b>1</b>	<b>43</b>	<b>(103)</b>	<b>(89)</b>	<b>14,543</b>	<b>13,223</b>

**CAPITAL EXPENDITURES BY OPERATING SEGMENTS**

	Domestic		Brazil		Argentina		Media		Olivetti		Other Operations		Adjustments and eliminations		Consolidated total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Six months ended June 30, Unaudited (millions of euros)																
Purchase of intangible assets	546	619	226	261	57		23	15	1	1					853	896
Purchase of tangible assets	812	868	218	246	148		3	6	2	2	1	3			1,184	1,125

<b>Total capital expenditures</b>	<b>1,358</b>	<b>1,487</b>	<b>444</b>	<b>507</b>	<b>205</b>	<b>26</b>	<b>21</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>2,037</b>	<b>2,021</b>
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**EMPLOYEES BY OPERATING SEGMENT**

	Domestic		Brazil		Argentina		Media		Olivetti		Other Operations		Consolidated Total	
	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010	As of June 30, 2011 Unaudited	As of December 31, 2010
Employees	56,309	56,530	10,007	10,114	16,090	15,650	803	777	1,088	1,090	38	39	84,335	84,200

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Interim Consolidated Financial Statements****ASSETS AND LIABILITIES BY OPERATING SEGMENT**

	Domestic		Brazil		Argentina		Media		Olivetti		Other Operations		Adjustments and eliminations		Consolidated Total	
	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010
	Unaudited		Unaudited		Unaudited		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Non-current operating assets	54,683	58,532	6,245	6,296	3,553	4,017	456	459	15	14	88	40	(48)	(60)	64,992	69,298
Current operating assets	5,943	5,572	2,063	1,714	614	615	124	121	240	238	55	10	(105)	(119)	8,934	8,151
<b>Total operating assets</b>	<b>60,626</b>	<b>64,104</b>	<b>8,308</b>	<b>8,010</b>	<b>4,167</b>	<b>4,632</b>	<b>580</b>	<b>580</b>	<b>255</b>	<b>252</b>	<b>143</b>	<b>50</b>	<b>(153)</b>	<b>(179)</b>	<b>73,926</b>	<b>77,449</b>
Investments accounted for using the equity method	26	28									47	57			73	85
Discontinued operations/ Non current assets held for sale																389
Unallocated assets															8,306	11,208
<b>Total assets</b>															<b>82,305</b>	<b>89,131</b>
Total operating liabilities	10,025	10,347	2,007	2,263	1,016	1,075	162	185	193	205	31	32	(156)	(186)	13,278	13,921
Liabilities directly associated with Discontinued operations/ Non current assets held for sale																
Unallocated liabilities															39,673	42,600
Equity															29,354	32,610
<b>Total equity and liabilities</b>															<b>82,305</b>	<b>89,131</b>

## b) Reporting by geographical area

		Revenues				Non-current operating assets	
		Breakdown by location of operations		Breakdown by location of customers		Breakdown by location of operations	
		Six months ended		Six months ended		As of	As of
		June 30,		June 30,		June 30,	December 31,
		2011	2010	2011	2010	2011	2010
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
		(millions of euros)					
Italy	(A)	9,411	10,154	8,804	9,429	54,779	58,596
Outside Italy	(B)	5,132	3,069	5,739	3,794	10,213	10,702
<b>Total</b>	<b>(A+B)</b>	<b>14,543</b>	<b>13,223</b>	<b>14,543</b>	<b>13,223</b>	<b>64,992</b>	<b>69,298</b>

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**NOTE 21 RELATED PARTY TRANSACTIONS**

Transactions with related parties, when not dictated by specific laws, are in any case conducted at arm's length.

The following tables present the balances relating to transactions with related parties and the incidence of those amounts on the separate consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows.

The effects on the individual line items of the separate consolidated income statements for the first six months of 2011 and 2010 are as follows:

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(\*) Other related parties through directors, statutory auditors and key managers.

The **effects on the individual line items of the consolidated statements of financial position** at June 30, 2011 and at December 31, 2010 are as follows:

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Interim Consolidated Financial Statements****Consolidated Statement of financial position line items**

At June 30, 2011

	Total	Related parties			Pension funds	Key managers	Total related parties	Transaction of Discontinued Operations	Total related parties net of Disc.Op	% incidence on financial statement line item
		Associates and joint ventures	Companies controlled by associates and joint ventures	Other related parties (*)						
Securities, financial receivables and other non-current financial assets	1,542			97		97		97	6.3	
Securities other than investments (Current assets)	1,301			11		11		11	0.8	
Financial receivables and other current financial assets	386			14		14		14	3.6	
Cash and cash equivalents	3,760			95		95		95	2.5	
Non-current financial liabilities	33,086	182		237		419		419	1.3	
Current financial liabilities	5,408	134		49		183		183	3.4	
Miscellaneous receivables and other non-current assets	1,131	15				15		15	1.3	
Trade and miscellaneous receivables and other current assets	8,474	27	1	250		278		278	3.3	
Miscellaneous payables and other non-current liabilities	1,059			3		3		3	0.3	
Trade and miscellaneous payables and other current liabilities	10,409	11	42	170	30	253		253	2.4	

(\*) Other related parties through directors, statutory auditors and key managers.

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Interim Consolidated Financial Statements****Consolidated Statement of financial position line items****At December 31, 2010**

	Total	Related parties				Transaction of Discontinued Operations	Total related parties net of Disc.Op	% incidence on financial statement line item
		Associates and joint ventures	Companies controlled by associates and joint ventures	Other related parties (*)	Pension funds Key managers (millions of euros)			
Securities, financial receivables and other non-current financial assets	<b>1,863</b>			109		<b>109</b>	<b>109</b>	5.9
Securities other than investments (Current assets)	<b>1,316</b>			14		<b>14</b>	<b>14</b>	1.1
Financial receivables and other current financial assets	<b>438</b>			23		<b>23</b>	<b>23</b>	5.3
Cash and cash equivalents	<b>5,526</b>			113		<b>113</b>	<b>113</b>	2.0
Non-current financial liabilities	<b>34,348</b>	193		238		<b>431</b>	<b>431</b>	1.3
Current financial liabilities	<b>6,882</b>	118		128		<b>246</b>	<b>246</b>	3.6
Miscellaneous receivables and other non-current assets	<b>934</b>	15				<b>15</b>	<b>15</b>	1.6
Trade and miscellaneous receivables and other current assets	<b>7,790</b>	65	1	204		<b>270</b>	<b>270</b>	3.5
Miscellaneous payables and other non-current liabilities	<b>1,086</b>			4		<b>4</b>	<b>4</b>	0.4
Trade and miscellaneous payables and other current liabilities	<b>10,954</b>	18	39	236	32	<b>325</b>	<b>325</b>	3.0

(\*) Other related parties through directors, statutory auditors and key managers.

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The effects on the individual line items of the consolidated statements of cash flows for the first six months of 2011 and 2010 are as follows:

**Consolidated Statement of Cash flows line items****Six months ended June 30, 2011**

	Related parties					Transaction of Discontinued Operations	Total related parties net of Disc.Op	% incidence on financial statement line item
	Total joint ventures	Associates and joint ventures	Companies controlled by associates and joint ventures	Other related parties (*)	Pension funds Key managers Unaudited (millions of euros)			
Purchase of intangible and tangible assets on an accrual basis	2,037	1	89		90		90	4.4
Dividends Paid	1,325			191	1		192	14.5

(\*) Other related parties through directors, statutory auditors and key managers.

**Consolidated Statement of Cash flows line items****Six months ended June 30, 2010**

	Related parties					Transaction of Discontinued Operations	Total related parties net of Disc.Op	% incidence on financial statement line item
	Total joint ventures	Associates and joint ventures	Companies controlled by associates and joint ventures	Other related parties (*)	Pension funds Key managers Unaudited (millions of euros)			
Purchase of intangible and tangible assets on an accrual basis	2,021	1			1		1	0.0
Dividend Paid	1,060			161			161	15.2

(\*) Other related parties through directors, statutory auditors and key managers.



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Interim Consolidated Financial Statements****Transactions with associates and joint ventures**

The most significant amounts are summarized as follows:

	As of June 30, 2011	As of June 30, 2010	Type of contract
	Unaudited (millions of euros)		
<b><u>Separate consolidated income statement line items</u></b>			
<b>Revenues</b>			
ETECSA		3	International telecommunications services, roaming and technical assistance
LI.SIT. S.p.A.		3	Lombardy Region social health system information networking and telephone services
Nordcom S.p.A.		1	Telephone, data network connections and applications software and call center services
Telbios S.p.A.		2	Supply of telephone services, ADSL, sale of equipment and property leases
Teleleasing S.p.A.	42	52	Sale of equipment as per the 2000 collaboration agreement
Other minor companies	1	1	
<b>Total revenues</b>	<b>43</b>	<b>62</b>	
<b>Other income</b>		<b>1</b>	Recovery of costs of personnel on secondment and recovery of costs for services rendered
<b>Acquisition of goods and services</b>			
ETECSA	5	31	International telecommunications services and roaming
Nordcom S.p.A.	1	1	Purchase and development of computer solutions, supply of rented equipment and computer services, professional assistance services and applications maintenance services, supply and operation of customized offerings
Telbios S.p.A.		2	Supply of audio/visual products and hardware systems and software services for remote medicine offerings and call center services
Teleleasing S.p.A.	2	2	Purchase of goods sold under leasing arrangements with Telecom Italia customers as per the 2000 collaboration agreement
Tiglio I S.r.l.		2	Property leases
TM News S.p.A.	2	2	Supply of information content for the TimSpot service, services and photos for intranet, supply of journalistic information (news, APCOM News data flow)
Other minor companies	1	1	
<b>Total acquisition of goods and services</b>	<b>11</b>	<b>41</b>	

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<b>Finance expenses</b>	<b>12</b>	<b>15</b>	Interest expenses for finance leases of equipment and finance leases with Teleleasing S.p.A.
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	As of June 30, 2011 Unaudited (millions of euros)	As of December 31, 2010	Type of contract
<b><u>Consolidated statement of financial position line items</u></b>			
<b>Non-current financial liabilities</b>			
Teleleasing S.p.A.	181	192	Finance lease of equipment and finance leases
Tiglio I S.r.l.	1	1	Sale and leaseback transactions
<b>Total non-current financial liabilities</b>	<b>182</b>	<b>193</b>	
<b>Current financial liabilities</b>	<b>134</b>	<b>118</b>	Interest expenses for finance leases of equipment and finance leases with Teleleasing S.p.A.
<b>Other Statement of financial position line items</b>			
<b>Miscellaneous receivables and other non-current assets</b>	<b>15</b>	<b>15</b>	Miscellaneous receivables net of provision for bad debts
<b>Trade and miscellaneous payables and other current liabilities</b>			
ETECSA		29	International telecommunications services, roaming and dividends collectible
Nordcom S.p.A.		1	Supply of data network connections and applications software
Teleleasing S.p.A.	25	33	Sale of equipment as per the 2000 collaboration agreement
TM News S.p.A.	1	1	Property leases and telecommunications services
Other minor companies	1	1	
<b>Total trade and miscellaneous receivables and other current assets</b>	<b>27</b>	<b>65</b>	
<b>Trade and miscellaneous payables and other current liabilities</b>			
ETECSA		2	Telecommunications services and roaming
Movenda S.p.A.	1	1	Development of computer solutions and applications software for SIM card laboratories and mobile handsets and professional services
Nord.Com S.p.A.	1	1	Purchase and development of computer solutions
Teleleasing S.p.A.	6	11	Purchase of goods sold under leasing arrangements with Telecom Italia customers as the 2000 collaboration agreement
TM News S.p.A.	2	1	Press agency services and supply of information content
Tiglio I S.r.l.	1	2	Property leases
<b>Total trade and miscellaneous payables and other current liabilities</b>	<b>11</b>	<b>18</b>	





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	As of June 30, 2011	As of June 30, 2010	Type of contract
	Unaudited (millions of euros)		
<b>Consolidated statement of cash flows line items</b>			
<b>Purchase of intangible and tangible assets on an accrual basis</b>	<b>1</b>	<b>1</b>	Acquisition from other minor companies

**Transactions with companies controlled by associates and joint ventures**

Following the September 23, 2010 subscription to Italtel Group S.p.A.'s capital increase, the stake held in that company by the Telecom Italia Group, through ordinary and preferred shares, rose from 19.37% to 34.68%, with a concomitant modification of governance. Consequently, from that date, the company is considered an associate and the companies controlled by Italtel Group S.p.A. are considered related parties of the Telecom Italia Group.

On October 13, 2010, the Sofora group entered the scope of consolidation after the stake held in the share capital of Sofora Telecomunicaciones S.A., the holding company of the Telecom Argentina group, was increased from 50% to 58%. Up to that date, Sofora Telecomunicaciones S.A. had been an associate and therefore a related party; the companies controlled by Sofora Telecomunicaciones S.A. had been related parties in that they had been subsidiaries of associates.

The most significant amounts are summarized as follows:

	As of June 30, 2011	As of June 30, 2010	Type of contract
	Unaudited (millions of euros)		
<b>Separate consolidated income statement line items</b>			
<b>Revenues</b>			
Italtel group	1		Supply of telephone and data transmission services, contact center and sale of LAN and MAN networks
Sofora group - Telecom Argentina group		14	International telecommunications services and roaming; data and voice services, supply of IRU transmission capacity; supply of advanced platforms and technical assistance provided by Telecom Italia for the development of broadband and the study of Value-Added Services for the Telecom Argentina group
<b>Total revenues</b>	<b>1</b>	<b>14</b>	
<b>Acquisition of goods and services</b>			
Italtel group	23		Hardware revision services, software development, maintenance and assistance contracts, platform updates, supply and management of customized offerings and supply and maintenance of switching equipment
Sofora group - Telecom Argentina group		3	International telecommunications services and roaming
<b>Total Acquisition of goods and services</b>	<b>23</b>	<b>3</b>	

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	As of June 30, 2011 Unaudited	As of December 31, 2010	Type of contract
(millions of euros)			
<b><u>Consolidated statement of financial position</u></b>			
<b><u>line items</u></b>			
<b>Trade and miscellaneous receivables and other current assets</b>	<b>1</b>	<b>1</b>	Supply contracts related to CAPEX and OPEX to Italtel Group
<b>Trade and miscellaneous payables and other current liabilities</b>	<b>42</b>	<b>39</b>	Hardware revision services, software development and maintenance and assistance contracts to Italtel Group

	As of June 30, 2011 Unaudited	As of June 30, 2010 Unaudited	Type of contract
(millions of euros)			
<b><u>Consolidated statement of cash flows line items</u></b>			
<b>Purchase of intangible and tangible assets on an accrual basis</b>	<b>89</b>		Telecommunications devices from Italtel Group

At June 30, 2011, the Telecom Italia Group has provided guarantees on behalf of associates for a total of 5 million euros on behalf of Aree Urbane S.r.l.. At December 31, 2010, guarantees had been provided for a total of 16 million euros: on behalf of: Aree Urbane S.r.l. 5 million euros, EtecSA (Cuba) 3 million euros, TM News S.p.A. 2 million euros and Italtel Group 6 million euros and weak comfort letters had been issued for a total of 32 million euros on behalf of EtecSA (Cuba) on vendor loans.

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**Transactions with other related parties (through directors, statutory auditors and key managers)**

The most significant amounts are summarized as follows:

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	As of June 30, 2011	As of June 30, 2010	Type of contract
	Unaudited (millions of euros)		
<b>Separate consolidated income statement line items</b>			
<b>Revenues</b>			
ATM group	1	1	Supply of customized services and business data network
Generali group	38	29	Supply of telephone and data transmission services, peripheral data networks, connections, storage and telecommunications equipment and services for foreign holdings
Intesa SanPaolo group	36	48	Telephone, data and international network services, ICT services, LAN network management and applications platform
Mediobanca group	3	3	Telephone and MPLS data network services and marketing of data and VoIP devices
Telefónica group	408	322	Interconnection services, roaming, broadband access fees, supply of IRU transmission capacity and software
<b>Total revenues</b>	<b>486</b>	<b>403</b>	
<b>Other income</b>		3	Damage compensation from the Generali group
<b>Acquisition of goods and services</b>			
Generali group	15	13	Insurance premiums and property leases
Intesa SanPaolo group	7	7	Mobile banking services, commissions for payment of telephone bills by direct debit and collections via credit cards
Mediobanca group	1	1	Credit recovery activities
Telefónica Group	298	211	Interconnection and roaming services, site sharing, co-billing agreements, broadband line sharing and unbundling
Other minor companies	1		
<b>Total acquisition of goods and services</b>	<b>322</b>	<b>232</b>	
<b>Employee benefits expenses</b>	2	2	Non-obligatory employee insurance taken out with the Generali group
<b>Finance income</b>			
Intesa SanPaolo group	28	162	Bank accounts, deposits and hedging derivatives
Mediobanca group	12	22	Bank accounts, deposits and hedging derivatives
<b>Total Finance Income</b>	<b>40</b>	<b>184</b>	
<b>Finance expenses</b>			
Intesa SanPaolo group	35	10	Term Loan Facility, Revolving Credit Facility, hedging derivatives, loans and bank accounts
Mediobanca group	13	10	Term Loan Facility and Revolving Credit Facility and hedging derivatives

<b>Total Finance expenses</b>	<b>48</b>	<b>20</b>
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	As of June 30, 2011 Unaudited	As of December 31, 2010	Type of contract
(millions of euros)			
<b><u>Consolidated statement of financial position</u></b>			
<b><u>line items</u></b>			
<b>Securities, financial receivables and other non-current financial assets</b>			
Intesa SanPaolo group	81	81	Hedging derivatives
Mediobanca group	16	28	Hedging derivatives
<b>Total Securities, financial receivables and other non-current financial assets</b>	<b>97</b>	<b>109</b>	
<b>Securities other than investments (current assets)</b>			
Generali group	1	2	Bonds
Intesa SanPaolo group	5	7	Bonds
Mediobanca group	5	5	Bonds
<b>Total Securities other than investments (current assets)</b>	<b>11</b>	<b>14</b>	
<b>Financial receivables and other current financial assets</b>			
Intesa SanPaolo group	9	10	Hedging derivatives
Mediobanca group	5	13	Hedging derivatives
<b>Total Financial receivables and other current financial assets</b>	<b>14</b>	<b>23</b>	
<b>Cash and cash equivalent</b>	<b>95</b>	<b>113</b>	Bank accounts and deposits with Intesa Sanpaolo group
<b>Non-current financial liabilities</b>			
Intesa SanPaolo group	175	176	Revolving Credit Facility, hedging derivatives, loans and finance lease liabilities
Mediobanca group	62	62	Revolving Credit Facility and hedging derivatives
<b>Total non-current financial liabilities</b>	<b>237</b>	<b>238</b>	
<b>Current financial liabilities</b>			
Intesa SanPaolo group	48	127	Bank accounts, hedging derivatives, finance lease liabilities and other financial payables
Mediobanca group	1	1	Hedging derivatives
<b>Total current financial liabilities</b>	<b>49</b>	<b>128</b>	
<b>Other statement of financial position line items</b>			

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<b>Trade and miscellaneous receivables and other current assets</b>			
ATM group		1	Supply of customized services and business data network
China Unicom group	1	1	Supply of international telecommunications services and roaming
Generali group	33	26	Supply of telephone and data transmission services, peripheral data networks, connections, storage, applications services and supply of telecommunications equipment and services for foreign holdings
Intesa SanPaolo group	134	89	Supply of telephone and data and international network services, ICT services, LAN network management and applications platform
Telefónica group	81	86	Interconnection services, roaming, broadband access fees, supply of IRU transmission capacity and software
Other minor companies	1	1	
<b>Total trade and miscellaneous receivables and other current assets</b>	<b>250</b>	<b>204</b>	

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	As of June 30, 2011 Unaudited	As of December 31, 2010	Type of contract
<b>Miscellaneous payables and other non-current liabilities</b>	<b>3</b>	<b>4</b>	Deferred income relating to the supply of IRU transmission capacity to the Telefónica group
<b>Trade and miscellaneous payables and other current liabilities</b>			
A1 Investments group	1	1	Acquisition of FISM rights
China Unicom group	1	1	International telecommunications services and roaming
Generali group	4		Deferred income relating to outsourcing of data networks and central and peripheral telephony systems
Intesa SanPaolo group	89	159	Mobile banking services, commissions for payment of telephone bills by direct debit and collections via credit cards
Mediobanca group	2	1	Credit recovery activities and factoring commissions
Telefónica group	72	73	Interconnection services, roaming, site sharing, co-billing agreements, broadband line sharing and unbundling
Other minor companies	1	1	
<b>Total trade and miscellaneous payables and other current liabilities</b>	<b>170</b>	<b>236</b>	

	As of June 30, 2011	As of June 30, 2010	Type of contract
<b>Consolidated statement of Cash flows line items</b>			
<b>Dividends Paid</b>			
Telco	174	150	Dividends paid
Other minor companies	17	11	Dividends paid
<b>Total dividends Paid</b>	<b>191</b>	<b>161</b>	

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Interim Consolidated Financial Statements**TRANSACTIONS WITH PENSION FUNDS**

The most significant amounts are summarized as follows:

	As of June 30, 2011	As of June 30, 2010 Unaudited	Type of contract
(millions of euros)			
<b><u>Separate consolidated income statement line items</u></b>			
<b>Employee benefits expenses</b>			Contributions to pension funds
Fontedir	6	7	
Telemaco	36	37	
Other Italian and foreign pension funds	4	3	
<b>Total employee benefits expenses</b>	<b>46</b>	<b>47</b>	

	As of June 30, 2011 Unaudited	As of December 31, 2010	Type of contract
(millions of euros)			
<b><u>Consolidated statement of financial position line items</u></b>			
<b>Trade and miscellaneous payables and other current liabilities</b>			Payables for contributions to pension funds
Fontedir	4	5	
Telemaco	24	25	
Other Italian and foreign pension funds	2	2	
<b>Total trade and miscellaneous payables and other current liabilities</b>	<b>30</b>	<b>32</b>	

**Remuneration to key managers**

In the first half of 2011, the total remuneration recorded on the accrual basis by Telecom Italia S.p.A. or by companies controlled by the Group in respect of key managers amounts to 7.2 million euros (4.3 million euros in the first half of 2010), analyzed as follows:

	Six months ended June 30, 2011	2010 Unaudited
(millions of euros)		
Short-term remuneration	6.2	3.7
Long-term remuneration	0.4	
Share-based payments (*)	0.6	0.6

(\*) These refer to the fair value of the rights, accrued to June 30, under Telecom Italia S.p.A.'s share-based incentive plans (PSG, TOP 2008 and LTI 2011).

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In the first half of 2011, the contributions paid in to defined contribution plans (Assida and Fontedir) by Telecom Italia S.p.A. or by subsidiaries of the Group on behalf of key managers amount to 175,000 euros (168,000 euros in the first half of 2010).

At June 30, 2011, key managers, that is, those who have the power and responsibility, directly or indirectly, for the planning, direction and control of the operations of Telecom Italia Group, including directors, are the following:

**Directors:**

Gabriele Galateri di Genola  
Franco Bernabè

Chairman of Telecom Italia S.p.A. (1)  
Chief Executive Officer of Telecom Italia S.p.A. (1)

Marco Patuano

Executive Chairman and Chief Executive Officer of Telecom Italia S.p.A. (2)  
Domestic Chief Executive Officer and

Chief Operating Officer of Telecom Italia S.p.A. (2)

**Managers:**

Franco Bertone  
Oscar Cicchetti (3)  
Stefano Ciurli  
Antonino Cusimano  
Luca Luciani  
Andrea Mangoni  
Antonio Migliardi  
Giuseppe Roberto Opilio (4)

Dirección General Ejecutiva (CEO) Telecom Argentina  
Head of Technology & Operations  
Head of Supply Chain & Real Estate  
Head of Corporate Legal Affairs  
Director Chairman of Tim Brasil  
Head of Administration, Finance and Control & International Development  
Head of Human Resources and Organization  
Head of Technology

- (1) To April 12, 2011.
- (2) From April 13, 2011.
- (3) To April 14, 2011.
- (4) From April 15, 2011.

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**NOTE 22 EQUITY COMPENSATION PLANS**

Equity compensation plans in effect at June 30, 2011 and at December 31, 2010 give the right to the subscription or to the grant of Telecom Italia ordinary shares depending on the period of each beneficiary's participation in the plan and, in some cases, the extent to which the pre-set performance targets have been met.

These plans are used by Telecom Italia for retention purposes and as a long-term incentive for the managers and employees of the Group.

For the plans outstanding at June 30, 2011 and in place at December 31, 2010, reference should be made to the Telecom Italia Group consolidated financial statements at that date.

However, it should be noted that these plans do not have any significant effect on the economic result or on the financial position or on cash flows at June 30, 2011.

*Description of Telecom Italia S.p.A. stock option plans*

**Top 2008 Plan**

On April 15, 2011, the 8,550,000 options, already outstanding at December 31, 2010, became exercisable, in a ratio of 1 Telecom Italia ordinary share for each option, at the price of 1.95 euros per option. From April 15, to June 30, 2011, no options were exercised and the situation is therefore unchanged compared to December 31, 2010.

*Description of other Telecom Italia S.p.A. equity compensation plans*

**Performance Share Granting Plan 2008 - 2011**

Since the performance targets were not met, all the rights were forfeited and the plan expired on June 30, 2011.

**Broad-based Employee Share Ownership Plan**

The Broad-based Employee Share Ownership Plan consists of a subscription offering for Telecom Italia ordinary shares at a discount off the market price, reserved for employees of Telecom Italia or companies controlled by Telecom Italia with registered offices in Italy. A further grant of ordinary shares shall be made, in a ratio of one bonus share for every three subscribed shares, subject to retaining the subscribed shares and maintaining an employment relationship with companies of the Telecom Italia Group for one year from the subscription date.

On August 2, 2011, the capital increase was set in motion with the grant of 8,876,296 bonus ordinary shares to those entitled, for a total par value of 4,881,962.80 euros.

**Long Term Incentive Plan 2010-2015 (LTI Plan 2010-2015)**

The Long Term Incentive Plan 2010-2015 (LTI Plan 2010-2015) grants, to a selected number of Group management who are not already beneficiaries of other long-term incentive plans, a cash bonus based on three-year performance measured against pre-set targets, with the option of investing 50% of the bonus in Telecom Italia ordinary shares at market price. By retaining these shares and maintaining an employment relationship with companies of the Group for the next two years, the employees shall be granted a bonus ordinary share for each share subscribed.

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At June 30, 2011, the total maximum bonus that may be granted to the beneficiaries is 8,643,900 euros; the maximum amount of the investment at market price, and the relative capital increase in cash, is therefore equal to 4,321,950 euros and the bonus share grant and the relative bonus increase in capital is the same amount.

### **Long Term Incentive Plan 2011 (LTI Plan 2011)**

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The new plan, approved by the shareholders' meeting on April 12, 2011, replicates the basic rationale of the LTI 2010-2015 Plan. It covers Executive Management, Top Management and a selected number of management. The plan is formulated according to a rolling perspective so that, normally, each year a new incentive cycle comes into effect, factored over the time frame of the company's strategic planning.

The objective of the plan is to reinforce the connection between management's compensation and, on one hand, the company performance defined in the business plan 2011-2013 (absolute performance: 35% weighted), and on the other hand, the growth of value relative to a group of peers (relative performance: 65% weighted).

The plan calls for granting:

to Selected Management, a cash bonus, with the option of investing 50% of the bonus in Telecom Italia ordinary shares at market price and the grant of bonus Matching Shares when specific conditions are met two years after subscription;

to Top Management, a 50% bonus in cash and 50% for rights to a bonus grant of Telecom Italia ordinary shares after two years;

to Executive Management, a bonus in cash and an equivalent number of Telecom Italia ordinary shares determined when the person is included in the Executive Management group of the Plan.

On July 7, 2011, the board of directors approved the start of the Plan. Besides the Executive Chairman and the Domestic Chief Executive Officer, the Plan covers 17 Top Managers and 128 Selected Management. The estimated maximum incentive is equal to:

9,789,300 euros for Selected Management, corresponding to a maximum number of 8,899,364 shares subscribable at market price (in the event of the determination of the estimated minimum price, equal to the par value of the share);

6,512,400 euros for Top Management, corresponding to a maximum number of 5,920,363 shares (in the event of the determination of the estimated minimum price, equal to the par value of the share);

5,400,000 euros for Executive Management, corresponding to a maximum number of 5,795,234 shares (in the event of the determination of the estimated minimum price, equal to the par value of the share).

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Interim Consolidated Financial Statements**NOTE 23 OTHER INFORMATION****a) Exchange rates used to translate foreign currency financial statements (\*)**

(Local Currency against 1 euro)	Period end exchange rates (statements of financial position)		Average exchange rates for the Period (income statement and statements of cash flows)	
	At June 30, 2011	At December 31, 2010	As of June 30, 2011	As of June 30, 2010
<b>Europe</b>				
BGN Bulgarian Lev	1.95580	1.95580	1.95580	1.95580
CZK Czech Koruna	24.34500	25.06100	24.34950	25.73356
HUF Hungarian Forint	266.11000	277.9500	269.44953	271.68738
CHF Swiss Franc	1.20710	1.25040	1.26943	1.43591
TRY Turkish Lira	2.35000	2.06940	2.20814	2.02163
GBP Pound Sterling	0.90255	0.86075	0.86818	0.87000
RON Romanian Leu	4.24350	4.26200	4.17980	4.14944
<b>North America</b>				
USD U.S. Dollar	1.44530	1.33620	1.40325	1.32683
<b>Latin America</b>				
VEF Venezuelan Bolivar	3.75308	3.46978	3.64366	3.41576
BOB Bolivian Boliviano	10.13160	9.36676	9.83578	9.31804
PEN Peruvian Nuevo Sol	3.97963	3.75086	3.90360	3.77559
ARS Argentinean Peso	5.93151	5.30994	5.67941	5.13422
CLP Chilean Peso	677.86400	625.27500	667.10592	695.91634
COP Colombian Peso	2,571.82000	2,571.3800	2,577.86362	2,584.85543
MXN Mexican Peso	16.97650	16.54750	16.68623	16.81108
BRL Brazilian Real	2.25626	2.22638	2.28778	2.38434
PYG Paraguayan guarani	5,742.18000	6,090.40000	5,964.67236	6,240.39135
UYU Uruguayan peso	26.61090	26.86160	27.10947	26.09315
<b>Other countries</b>				
ILS Israeli Shekel	4.94390	4.73775	4.93694	4.98714

(\*) Source: data processed by the European Central Bank, Reuters and major Central Banks.

**b) Research and development**

Expenditures for research and development activities are represented by external costs, labor costs of dedicated staff and depreciation and amortization. Details are as follows:

	As of June 30, 2011 2010 Unaudited (millions of euros)	
Research and development costs expensed during the period	34	22
Development costs capitalized	224	328



<b>Total research and development costs (expensed and capitalized)</b>	<b>258</b>	<b>350</b>
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Moreover, in the separate consolidated income statement for the first half of 2011 amortization charges are recorded for development costs, capitalized during the period and in prior periods, for an amount of 391 million euros.

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**NOTE 24 EVENTS SUBSEQUENT TO JUNE 30, 2011**

**4GH**

On July 27, 2011, after having received the Antitrust's approval, Telecom Italia finalized the acquisition of a 71% stake in the company 4G Holding S.p.A., with an outlay of about 8.4 million euros. The transaction was carried out through the wholly-owned subsidiary TLC Commercial Services S.r.l.

The acquisition of 4GH, with its roughly 200 points of sale located in the most important shopping centers in Italy, will make it possible for Telecom Italia to build up its positioning in the retail distribution market specialized in the sale of telephony equipment, extending its reach throughout the territory.

**Aes Atimus**

On July 8, 2011, Telecom Italia Group announced that it had signed an agreement for the acquisition of the AES Atimus group from Companhia Brasileira de Energia. AES Atimus is an operator in the telecommunications infrastructure sector in the states of São Paulo and Rio de Janeiro, the most densely populated and wealthiest areas of the South American nation, which produce 27% of Brazilian GDP. Specifically, AES Atimus is the owner of a fiber optic network extending over 5,500 kilometers covering the 21 cities forming the metropolitan areas of São Paulo and Rio de Janeiro. With sales in 2010 of 211 million reais, the AES Atimus group represents a vital asset in enabling the Tim Brasil group to reinforce its competitive position. The transaction has an enterprise value of 1.6 billion reais, equal to about 700 million euros. The closing is expected to take place by the fourth quarter of 2011, once the necessary approvals are obtained from the company and the competent authorities.

**Auction of frequencies**

Telecom Italia was admitted by the Ministry for Economic Development to the bidding for the use of the 800, 1800, 2000, 2600 Mhz frequencies. By August 29, 2011, the companies must have presented their economic bids which will be opened at a public meeting scheduled for August 30, 2011.

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Interim Consolidated Financial Statements**

**NOTE 25 LIST OF COMPANIES OF THE TELECOM ITALIA GROUP**

The list is divided by type of investment, consolidation method and operating segment.

The following is indicated for each company: name, head office, country and share capital in the original currency, in addition to the percentage holding of share capital, the percentage of voting rights in the ordinary shareholders meeting if different than the percentage holding of share capital, and which companies hold the investment.

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Interim Consolidated Financial Statements****Telecom Italia Group**

Name	Head Office	Currency	Share Capital	% ownership	% of voting rights	Held by
<b>PARENT COMPANY</b>						
TELECOM ITALIA S.p.A.	MILAN  (ITALY)	EUR	10,688,746,056			

**Subsidiaries consolidated line-by-line**

<b>DOMESTIC BUSINESS UNIT</b>						
FLAGSHIP STORE BOLOGNA 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	BOLOGNA (ITALY)	EUR	20,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE BOLZANO 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	BOLZANO (ITALY)	EUR	20,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE CATANIA 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	CATANIA (ITALY)	EUR	20,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE FIRENZE 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	FLORENCE (ITALY)	EUR	20,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE MILANO 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	MILAN (ITALY)	EUR	50,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE MILANO 2 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	MILAN (ITALY)	EUR	50,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIP STORE MODENA 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	MODENA (ITALY)	EUR	20,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.
FLAGSHIPSTORE ROMA 1 S.r.l. (marketing of products and services in the field of fixed and mobile	ROME	EUR	50,000	100.0000		TLC COMMERCIAL SERVICES S.r.l.

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telecommunications and all types of analog and digital devices)	(ITALY)					
FLAGSHIPSTORE ROMA 2 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	ROME (ITALY)	EUR	50,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
FLAGSHIPSTORE SANREMO 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	SANREMO (ITALY)	EUR	20,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
FLAGSHIPSTORE TARANTO 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	TARANTO (ITALY)	EUR	20,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
FLAGSHIPSTORE TORINO 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	TURIN (ITALY)	EUR	20,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
FLAGSHIPSTORE VERONA 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	VERONA (ITALY)	EUR	20,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
FLAGSHIPSTORE VICENZA 1 S.r.l. (marketing of products and services in the field of fixed and mobile telecommunications and all types of analog and digital devices)	VICENZA (ITALY)	EUR	20,000	100.0000	TLC COMMERCIAL SERVICES S.r.l.	
H.R. SERVICES S.r.l. (personnel training and services))	L AQUILA (ITALY)	EUR	500,000	100.0000	TELECOM ITALIA S.p.A.	
I.T. TELECOM S.r.l. (other service activities connected with NCA information technology)	POMEZIA (ROME ITALY)	EUR	7,000,000	100.0000	TELECOM ITALIA S.p.A.	
LAN MED NAUTILUS Ltd (installation and Management of submarine cable systems)	DUBLIN (IRELAND)	USD	1,000,000	100.0000	TELECOM ITALIA SPARKLE LUXEMBOURG S.A.	
LATIN AMERICAN NAUTILUS ARGENTINA S.A. (installation and management of submarine cable systems)	BUENOS AIRES (ARGENTINA)	ARS	9,998,000	95.0000	LAN MED NAUTILUS Ltd TELECOM ITALIA SPARKLE LUXEMBOURG S.A.	
LATIN AMERICAN NAUTILUS BOLIVIA SRL (installation and management of submarine cable systems)	LA PAZ (BOLIVIA)	BOB	1,747,600	99.9943	TELECOM ITALIA SPARKLE LUXEMBOURG S.A.	
LATIN AMERICAN NAUTILUS BRASIL Ltda	RIO DE JANEIRO	BRL	6,850,598	99.9999	LATIN AMERICAN NAUTILUS USA Inc. LATIN AMERICAN NAUTILUS BRASIL PARTICIPACOES Ltda	0.0057

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(installation and management of submarine cable systems)	(BRAZIL)				0.0001	LATIN AMERICAN NAUTILUS USA Inc.
LATIN AMERICAN NAUTILUS BRASIL PARTICIPACOES Ltda (investment holding company)	RIO DE JANEIRO (BRAZIL)	BRL	8,844,866	99.9999		LAN MED NAUTILUS Ltd
					0.0001	TELECOM ITALIA SPARKLE LUXEMBOURG S.A.
LATIN AMERICAN NAUTILUS CHILE S.A. (installation and management of submarine cable systems)	SANTIAGO (CHILE)	CLP	13,101,482,259	100.0000		LAN MED NAUTILUS Ltd
LATIN AMERICAN NAUTILUS COLOMBIA Ltda (installation and management of submarine cable systems)	BOGOTA (COLOMBIA)	COP	240,225,000	100.0000		LAN MED NAUTILUS Ltd
LATIN AMERICAN NAUTILUS MEXICO S.A. (installation and management of submarine cable systems)	MEXICO D.F. (MEXICO)	MXN	100,000	99.9999		LAN MED NAUTILUS Ltd
					0.0001	LATIN AMERICAN NAUTILUS USA Inc.
LATIN AMERICAN NAUTILUS PANAMA S.A. (installation and management of submarine cable systems)	PANAMA	USD	10,000	100.0000		LAN MED NAUTILUS Ltd
LATIN AMERICAN NAUTILUS PERU S.A. (installation and management of submarine cable systems)	LIMA (PERÚ)	PEN	56,865,179	100.0000		LAN MED NAUTILUS Ltd
LATIN AMERICAN NAUTILUS St. Croix LLC (installation and management of submarine cable systems)	VIRGIN ISLANDS (USA)	USD	10,000	100.0000		LAN MED NAUTILUS ltd
LATIN AMERICAN NAUTILUS USA Inc. (installation and management of submarine cable systems)	FLORIDA (USA)	USD	20,000	100.0000		LAN MED NAUTILUS ltd
LATIN AMERICAN NAUTILUS VENEZUELA C.A. (installation and management of submarine cable systems)	CARACAS (VENEZUELA)	VEF	981,457	100.0000		LAN MED NAUTILUS ltd

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LOQUENDO S.p.A. (research, development and marketing of technologies, equipment and services for voice synthesis recognition and/or interaction)	TURIN (ITALY)	EUR	3,573,741	99.9846		TELECOM ITALIA S.p.A.
MATRIX S.p.A. (internet connection services)	MILAN (ITALY)	EUR	2,100,000	100.0000		TELECOM ITALIA S.p.A.
MED-1 (NETHERLANDS) B.V. (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	18,200	100.0000		MED-1 SUBMARINE CABLES Ltd
MED-1 ITALY S.r.l. (construction and management of submarine cable in Italian territorial waters)	ROME (ITALY)	EUR	548,477	100.0000		MED-1 (NETHERLANDS) B.V.
MED-1 SUBMARINE CABLES Ltd (construction and management of the submarine cable Lev-1)	RAMAT GAN (ISRAEL)	ILS	55,886,866	99.9123		TELECOM ITALIA SPARKLE S.p.A.
MEDITERRANEAN NAUTILUS BV (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	18,003	100.0000		LAN MED NAUTILUS Ltd
MEDITERRANEAN NAUTILUS BULGARIA EOOD (telecommunications services)	SOFIA (BULGARIA)	BGN	100,000	100.0000		MEDITERRANEAN NAUTILUS B.V.
MEDITERRANEAN NAUTILUS GREECE S.A. (installation and management of submarine cable systems)	ATHENS (GREECE)	EUR	111,600	100.0000		MEDITERRANEAN NAUTILUS B.V.
MEDITERRANEAN NAUTILUS ISRAEL Ltd (international wholesale telecommunications service)	RAMAT GAN (ISRAEL)	ILS	1,000	100.0000		MEDITERRANEAN NAUTILUS B.V.
MEDITERRANEAN NAUTILUS ITALY S.p.A. (installation and management of submarine cable systems)	ROME (ITALY)	EUR	3,100,000	100.0000		MEDITERRANEAN NAUTILUS B.V.
MEDITERRANEAN NAUTILUS TELEKOMÜNİKASYON HİZMETLERİ TICARET ANONİM ŞİRKETİ (telecommunications services)	ISTANBUL (TURKEY)	TRY	5,639,065	99.9996		MEDITERRANEAN NAUTILUS B.V.
				0.0001		LAN MED NAUTILUS Ltd
				0.0001		MEDITERRANEAN NAUTILUS ITALY S.p.A.
				0.0001		MEDITERRANEAN NAUTILUS ISRAEL Ltd
				0.0001		MEDITERRANEAN NAUTILUS GREECE

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OLIVETTI MULTISERVICES S.p.A. (real estate management)	MILAN (ITALY)	EUR	20,337,161	100.0000	S.A. TELECOM ITALIA S.p.A.
PATH.NET S.p.A. (interconnection and telecommunications services)	ROME (ITALY)	EUR	25,800,000	100.0000	TELECOM ITALIA S.p.A.
SHARED SERVICE CENTER S.r.l. (planning, design, creation and running of information services)	ROME (ITALY)	EUR	3,061,006	100.0000	TELECOM ITALIA S.p.A.
TECNOSERVIZI MOBILI S.r.l. (management of movable assets)	ROME (ITALY)	EUR	26,000	100.0000	TELECOM ITALIA S.p.A.
TELECOM ITALIA AUDIT AND COMPLIANCE SERVICES-SCARL (internal auditing for the Telecom Italia Group)	MILAN (ITALY)	EUR	2,750,000	81.8182	TELECOM ITALIA S.p.A.
TELECOM ITALIA NETHERLANDS B.V. (telecommunications services)	AMSTERDAM (THE NETHERLANDS)	EUR	18,200	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SAN MARINO S.p.A. (telecommunications management in San Marino)	ROVERETA-FALCIANO REPUBLIC OF SAN MARINO	EUR	1,808,000	99.9999	TELECOM ITALIA SPARKLE S.p.A.
				0.0001	TELECOM ITALIA S.p.A.
TELECOM ITALIA SPAIN SL UNIPERSONAL (telecommunications services)	MADRID (SPAIN)	EUR	2,003,096	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE CZECH S.R.O. (telecommunications services)	PRAGUE (CZECH REPUBLIC)	CZK	6,720,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE EST S.R.L. (telecommunications services)	BUCHAREST (RUMANIA)	RON	3,021,560	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE HUNGARY K.F.T. (telecommunications services)	BUDAPEST (HUNGARY)	HUF	2,870,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE LUXEMBOURG S.A. (investment holding company)	LUXEMBOURG (LUXEMBOURG)	EUR	41,625,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE OF NORTH AMERICA. INC. (telecommunications and promotional services)	NEW YORK (USA)	USD	15,550,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.
TELECOM ITALIA SPARKLE S.p.A. (public and private telecommunication services management)	ROME (ITALY)	EUR	200,000,000	100.0000	TELECOM ITALIA S.p.A.
TELECOM ITALIA SPARKLE SINGAPORE PTE. LTD (telecommunications services)	SINGAPORE	USD	17,238,615	99.9999	TELECOM ITALIA SPARKLE S.p.A.
				0.0001	TELECOM ITALIA SPARKLE OF NORTH AMERICA. INC.
TELECOM ITALIA SPARKLE SLOVAKIA S.R.O.	BRATISLAVA (SLOVAKIA)	EUR	300,000	100.0000	TELECOM ITALIA SPARKLE S.p.A.



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(telecommunications services)					
TELECONTACT CENTER S.p.A. (telemarketing services)	NAPLES  (ITALY)	EUR	770,000	100.0000	TELECOM ITALIA S.p.A.
TELEFONIA MOBILE SAMMARINESE S.p.A. (mobile telephone services)	B.GO MAGGIORE REPUBLIC OF SAN MARINO	EUR	78,000	51.0000	TELECOM ITALIA SAN MARINO S.p.A.
TELENERGIA S.r.l. (import, export, purchase, sale and exchange of electrical energy)	ROME  (ITALY)	EUR	50,000	100.0000	TELECOM ITALIA S.p.A.
TELSY ELETTRONICA E TELECOMUNICAZIONI S.p.A. (manufacturing and sale of electronic equipment and systems for encrypted telecommunications)	TURIN  (ITALY)	EUR	390,000	100.0000	TELECOM ITALIA S.p.A.

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TI BELGIUM S.P.R.L. B.V.B.A (telecommunications services)	BRUSSELS (BELGIUM)	EUR	3,000,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI GERMANY GmbH (telecommunications services)	FRANKFURT (GERMANY)	EUR	25,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI SWITZERLAND GmbH (telecommunications services)	ZURICH (SWITZERLAND)	CHF	2,000,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI TELECOM ITALIA (AUSTRIA) TELEKOMMUNICATIONDIESTE GMBH (telecommunications services)	VIENNA (AUSTRIA)	EUR	2,735,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TI UNITED KINGDOM Ltd (telecommunications services)	LONDON  (UK)	GBP	4,150,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TIS France S.A.S. (installation and management of telecommunication services for the fixed network and relating activities)	PARIS  (FRANCE)	EUR	18,295,000	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TLC COMMERCIAL SERVICES S.r.l. (acquisition and management of investments holdings involved in the marketing of products and services in the field of telecommunications and ICT)	ROME (ITALY)	EUR	500,000	100.0000		TELECOM ITALIA S.p.A.
TMI TELEMEDIA INTERNATIONAL Ltd (telecommunications services)	LONDON  (UK)	EUR	3,983,254	100.0000		TELECOM ITALIA SPARKLE S.p.A.
TMI TELEMEDIA INTERNATIONAL DO BRASIL LTDA (telecommunications services)	SAO PAULO (BRAZIL)	BRL	8,909,639	100.0000		TMI TELEMEDIA INTERNATIONAL Ltd
<b>BRAZIL BUSINESS UNIT</b>						
INTELIG TELECOMUNICAÇÕES LTDA (telecommunications services)	RIO DE JANEIRO (BRAZIL)	BRL	3,279,157,267	99.9999 0.0001		TIM PARTICIPAÇÕES S.A. TIM CELULAR S.A.
TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A. (holding company)	RIO DE JANEIRO (BRAZIL)	BRL	6,067,040,293	100.0000		TELECOM ITALIA INTERNATIONAL N.V.
TIM CELULAR S.A. (telecommunications services)	SAO PAULO (BRAZIL)	BRL	7,747,215,720	100.0000		TIM PARTICIPAÇÕES S.A.
TIM PARTICIPAÇÕES S.A. (holding company)	RIO DE JANEIRO (BRAZIL)	BRL	8,164,664,629	66.2808	77.1512	TIM BRASIL SERVIÇOS E PARTICIPAÇÕES S.A.
<b>ARGENTINA BUSINESS UNIT</b>						
MICRO SISTEMAS S.A. (telecommunications services)	BUENOS AIRES (ARGENTINA)	ARS	360,000	99.9900		TELECOM ARGENTINA S.A.  NORTEL INVERSORA S.A.

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NORTEL INVERSORA S.A. (investment holding company)	BUENOS AIRES (ARGENTINA)	ARS	76,208,510	69.9449	100.0000	0.0100 SOFORA TELECOMUNICACIONES S.A.
NUCLEO S.A. (mobile telephone services)	ASUNCION (PARAGUAY)	PYG	146,400,000,000	67.5000	1.5430	TELECOM ITALIA INTERNATIONAL N.V. TELECOM PERSONAL S.A.
SOFORA TELECOMUNICACIONES S.A. (investment holding company)	BUENOS AIRES (ARGENTINA)	ARS	439,702,000	35.5000		TELECOM ITALIA INTERNATIONAL S.A.  TELECOM ITALIA S.p.A.
SPRINGVILLE S.A. (mobile telephone services)	MONTEVIDEO (URUGUAY)	UYU	8,082,112	100.0000	32.5000	TELECOM PERSONAL S.A.
TELECOM ARGENTINA S.A. (telecommunications services)	BUENOS AIRES (ARGENTINA)	ARS	984,380,978	54,7417		NORTEL INVERSORA S.A.
TELECOM ARGENTINA USA INC. (telecommunications services)	DELAWARE (USA)	USD	219,973	100.0000		TELECOM ARGENTINA S.A.
TELECOM PERSONAL S.A. (mobile telephone services)	BUENOS AIRES (ARGENTINA)	ARS	310,514,481	99.9923		TELECOM ARGENTINA S.A.  NORTEL INVERSORA S.A.
				0.0077		
<b>MEDIA BUSINESS UNIT</b>						
BEIGUA S.r.l. (purchase, sale, management and maintenance of installations for the repair and broadcasting of radio and TV programs)	ROME (ITALY)	EUR	51,480	51.0004		TELECOM ITALIA MEDIA BROADCASTING S.r.l.
MTV ITALIA S.r.l. (services in the radio and TV broadcasting field, production and sale of radio, TV and cinema programs)	ROME (ITALY)	EUR	12,151,928	51.0000		TELECOM ITALIA MEDIA S.p.A.
MTV PUBBLICITA S.r.l. (advertising agency)	MILAN (ITALY)	EUR	10,400	100.0000		MTV ITALIA S.r.l.
TELECOM ITALIA MEDIA BROADCASTING S.r.l. (purchase, sale, management and maintenance of installation for the repair and broadcasting of radio and TV programs)	ROME (ITALY)	EUR	15,000,000	100.0000		TELECOM ITALIA MEDIA S.p.A.
TELECOM ITALIA MEDIA S.p.A. (development and sale of products in the publishing industry, advertising, management of all activities concerning the treatment and handling of information)	ROME (ITALY)	EUR	212,188,324	75.1714 2.2471	74.4553 2.2557	TELECOM ITALIA S.p.A. TELECOM ITALIA FINANCE S.A.
<b>OLIVETTI BUSINESS UNIT</b>						
ADVALSO S.p.A. (design, manufacturing and ICT services and products assistance)	IVREA (TURIN ITALY)	EUR	500,000	100.0000		OLIVETTI S.p.A.

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OLIVETTI DEUTSCHLAND GmbH (sale of office equipment and investment holding company)	NURNBERG (GERMANY)	EUR	25,600,000	100.0000	OLIVETTI S.p.A.
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OLIVETTI ENGINEERING S.A. (product research and development based on ink-jet technology)	YVERDON LES BAINS (SWITZERLAND)	CHF	100,000	100.0000		OLIVETTI I-JET S.p.A.
OLIVETTI ESPANA S.A. (sale and maintenance of office equipment, consulting and online network management)	BARCELONA (SPAIN)	EUR	1,229,309	99.9912		OLIVETTI S.p.A.
OLIVETTI FRANCE S.A. (sale of office equipment and software)	PUTEAUX (FRANCE)	EUR	2,200,000	100.0000		OLIVETTI S.p.A.
OLIVETTI I-JET S.p.A. (manufacture and sale of products and accessories for office equipment)	ARNAD (AOSTA ITALY)	EUR	15,000,000	100.0000		OLIVETTI S.p.A.
OLIVETTI S.p.A. (manufacture and sale of products and accessories for office equipment)	IVREA (TURIN ITALY)	EUR	83,500,000	100.0000		TELECOM ITALIA S.p.A.
OLIVETTI UK Ltd. (sale of office equipment)	MILTON KEYNES (UK)	GBP	6,295,712	100.0000		OLIVETTI S.p.A.
TIESSE S.c.p.A. (installation and assistance for electronic, computer, online and telecommunication equipment)	ROME (ITALY)	EUR	103,292	61.0000		OLIVETTI S.p.A.
<b>OTHER OPERATIONS</b>						
EMSA Servizi S.p.A. (in liquidation) (integrated building management services)	ROME (ITALY)	EUR	5,000,000	100.0000		TELECOM ITALIA S.p.A.
ETI EURO TELECOM INTERNATIONAL N.V. (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	50,050	100.0000		ICH INTERNATIONAL COMMUNICATION HOLDING N.V.
ICH INTERNATIONAL COMMUNICATION HOLDING N.V. (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	50,000	100.0000		TELECOM ITALIA INTERNATIONAL N.V.
OFI CONSULTING S.r.l. (administrative consulting)	IVREA (TURIN ITALY)	EUR	95,000	100.0000		TELECOM ITALIA S.p.A.
OLIVETTI GESTIONI IVREA S.r.l. (real estate services)	IVREA (TURIN ITALY)	EUR	100,000	100.0000		TELECOM ITALIA S.p.A.
OLIVETTI HOLDING B.V. (finance company)	AMSTERDAM (THE NETHERLANDS)	EUR	15,882,770	100.0000		TELECOM ITALIA FINANCE S.A.
PURPLE TULIP B.V. (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	18,000	100.0000		TELECOM ITALIA INTERNATIONAL N.V.
	TURIN	EUR	35,745,120	100.0000		

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SAIAT SOCIETA' ATTIVITA' INTERMEDIE AUSILIARIE TLC P.A. (finance company)	(ITALY)					TELECOM ITALIA S.p.A.
TECO SOFT ARGENTINA S.A. (in liquidation) (design, development and sale of software)	BUENOS AIRES (ARGENTINA)	ARS	12,000	100.0000		TELECOM ITALIA S.p.A.
TELECOM ITALIA CAPITAL S.A. (finance company)	LUXEMBOURG (LUXEMBOURG)	EUR	2,336,000	100.0000		TELECOM ITALIA S.p.A.
TELECOM ITALIA DEUTSCHLAND HOLDING GmbH (investment holding company)	FRANKFURT (GERMANY)	EUR	25,000	100.0000		TELECOM ITALIA S.p.A.
TELECOM ITALIA FINANCE IRELAND Ltd (finance company)	DUBLIN (IRELAND)	EUR	1,360,000,000	100.0000		TELECOM ITALIA FINANCE S.A.
TELECOM ITALIA FINANCE S.A. (finance company)	LUXEMBOURG (LUXEMBOURG)	EUR	542,090,241	100.0000		TELECOM ITALIA S.p.A.
TELECOM ITALIA INTERNATIONAL N.V. (investment holding company)	AMSTERDAM (THE NETHERLANDS)	EUR	2,399,483,000	100.0000		TELECOM ITALIA S.p.A.
TELECOM ITALIA LATAM S.A. (telecommunications and promotional services)	SAO PAULO (BRAZIL)	BRL	118,925,804	100.0000		TELECOM ITALIA S.p.A.
TIAUDIT COMPLIANCE LATAM S.A. (internal auditing)	RIO DE JANEIRO (BRAZIL)	BRL	1,500,000	69.9996		TELECOM ITALIA AUDIT AND COMPLIANCE SERVICES SCARL
				30.0002		TIM BRASIL SERVICOS E PARTICIPACOES S.A.

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Interim Consolidated Financial Statements**

Name	Head Office	Currency	Share Capital	% ownership	% of voting rights	Held by
<b>Associates and joint ventures accounted for using the equity method</b>						
AREE URBANE S.r.l. (real estate management)	MILAN (ITALY)	EUR	100,000	31.6500 0.9700		TELECOM ITALIA S.p.A. TELECOM ITALIA MEDIA S.p.A.
ASSCOM INSURANCE BROKERS S.r.l. (insurance mediation)	MILAN (ITALY)	EUR	100,000	20.0000		TELECOM ITALIA S.p.A.
BALTEA S.r.l. (manufacture and sale of office equipment and information and telecommunications services)	IVREA (TURIN ITALY)	EUR	100,000	49.0000		OLIVETTI S.p.A.
CONSORZIO SCUOLA SUPERIORE ALTA FORMAZIONE UNIVERSITARIA FEDERICO II (in liquidation) (professional training)	NAPLES (ITALY)	EUR	127,500	20.0000		TELECOM ITALIA S.p.A.
CONSORZIO E O (in liquidation) (professional training)	ROME (ITALY)	EUR	15,482	50.0000		TELECOM ITALIA S.p.A.
CONSORZIO INITALIA (research, study, design, product development and ICT solutions devoted to initiatives characterized by a great economic relevance or by an innovative and complex nature)	ROME (ITALY)	EUR	200,000	25.0000		OLIVETTI S.p.A.
CONSORZIO TEMA MOBILITY (marketing and development of advanced products created jointly by Telecom Italia and Magneti Marelli)	TURIN (ITALY)	EUR	850,000	50.0000		TELECOM ITALIA S.p.A.
CRIAI S.c.r.l.-CONS. CAMPANO DI RICERCA PER L INFORMATICA E L AUTOMAZIONE INDUSTRIALE (delivery of services in the IT and industrial automation fields)	NAPLES (ITALY)	EUR	406,868	47.9298		TELECOM ITALIA S.p.A.
IM.SER S.p.A. (real estate management)	MILAN (ITALY)	EUR	21,165	40.0000		TELECOM ITALIA S.p.A.
ITALTEL GROUP S.p.A. (investment holding company)	MILAN (ITALY)	EUR	131,426,652	34.6845	19.3733	TELECOM ITALIA FINANCE S.A.
MOVENDA S.p.A. (technological platforms for the development of mobile Internet services)	ROME (ITALY)	EUR	133,333	24.9998		TELECOM ITALIA FINANCE SA
NORDCOM S.p.A. (application service provider)	MILAN (ITALY)	EUR	5,000,000	42.0000		TELECOM ITALIA S.p.A.
TELELEASING LEASING DI TELECOMUNICAZIONI E GENERALE S.p.A. (finance lease of real estate and other assets)	MILAN (ITALY)	EUR	9,500,000	20.0000		SAIAT SOCIETA ATTIVITA INTERMEDIE AUSILIARIE TLC P.A.
TIGLIO I S.r.l. (real estate management)	MILAN (ITALY)	EUR	5,255,704	45.6991 2.1027		TELECOM ITALIA S.p.A. TELECOM ITALIA MEDIA S.p.A.
TIGLIO II S.r.l. (real estate management)	MILAN (ITALY)	EUR	10,000	49.4700		TELECOM ITALIA S.p.A.
		EUR	1,120,000	40.0000		

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TM NEWS S.p.A.  
(multimedia journalistic information)

ROME  
(ITALY)

TELECOM ITALIA  
MEDIA S.p.A.

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**Signature Page**

**SIGNATURE**

**Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.**

**TELECOM ITALIA S.p.A.**

(Registrant)

By: /s/ ANDREA MANGONI  
Name: **Andrea Mangoni**  
Title: **Head of Administration,**  
**Finance and Control &**  
**International Development**

Date: September 22, 2011