

Amos Genish confirmed as CEO of Telecom Italia

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Amos Genish, seen here at the Telecom Italia shareholders meeting on Friday, will stay on as the company's CEO

Israeli Amos Genish was on Monday confirmed as chief executive officer of Telecom Italia, by the new board of directors, after US hedge

fund Elliott Management won control of the company following a power struggle with French telecom giant Vivendi.

In a press statement Vivendi said it was "pleased" with the board's decision to re-appoint Genish as Telecom Italia's CEO while recalling that it remains "the largest shareholder of Telecom Italia, with 23.94 percent of the ordinary shares".

Vivendi also reaffirmed its "long-term commitment for the telecoms operator".

The Telecom Italia (TIM) board meeting was the first since activist fund Elliott on Friday won Friday its weeks-long power struggle with Vivendi by wresting control of the company's board at a shareholder meeting held near Milan.

US-based Elliott scraped past Vivendi, with 49.84 percent of voting shareholders' ballots going in the fund's favour and 47.18 percent of votes for the French telecommunications giant, which is run by billionaire Vincent Bollore.

Elliott then hailed it as a victory for an "independent slate," Vivendi has said it will work to ensure that Elliott, sometimes called a "vulture fund", would not "dismantle" TIM.

Elliott now has 10 seats on the TIM board against just five for Vivendi.

Elliott's 10 nominees, all well-known to the Italian business community, include Luigi Gubitosi, current extraordinary administrator of failing airline Alitalia, and Fulvio Conti, former CEO of Enel, who will be TIM's new chairman.

Genish, who is close to Bollore and had been Telecom Italia's CEO prior

to the power struggle, had earlier said that his position would be untenable should Vivendi lose the battle for control.

But after the shareholders' decision, Vivendi made it known that Genish, who is highly regarded by the markets, would remain in his post and that Elliot had clearly expressed their support.

Genish, in a letter to Telecom Italia's management over the weekend, promised that the company would stay on its current strategic track despite the new board of directors.

Vivendi, in its statement Monday, said it "totally supports the 2018-2020 industrial plan" announced by Genish in March which was "approved by the board".

The French group went on to stress that it will "carefully pay attention to the fact that the plan is coherently implemented in its entirety and that the measures taken to improve the profitability of Telecom Italia, already bearing fruit, are continued".

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