

FINAL TERMS

6 June 2007

TELECOM ITALIA S.p.A.

(incorporated with limited liability under the laws of the Republic of Italy)

Issue of €400,000,000 Floating Rate Notes due 2016 under the €15,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the EMTN Programme Prospectus dated 31 January 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the EMTN Programme Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the EMTN Programme Prospectus. The EMTN Programme Prospectus is available for viewing at www.telecomitalia.it and www.bourse.lu and copies may be obtained free of charge from the Issuer at its registered office. In addition, this EMTN Programme Prospectus will be available from the specified office of each of the Paying Agents.

This document constitutes the Final Terms relating to the issue of Notes described herein.

1	Issuer:	Telecom Italia S.p.A.
2	(a) Series Number:	17
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	Euro (€)
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(a) Series:	€400,000,000
	(b) Tranche:	€400,000,000
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6	(a) Specified Denominations:	€50,000
	(b) Calculation Amount:	€50,000
7	(a) Issue Date:	7 June 2007
	(b) Interest Commencement Date:	7 June 2007
8	Maturity Date:	Interest Payment Date falling in June 2016
9	Interest Basis:	3 month EURIBOR plus 0.79 per cent. per annum Floating Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par

11	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	(a) Status of the Notes:	Senior
	(b) Date Board approval for issuance of Notes obtained:	8 May 2007
14	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions:	Not Applicable
16	Floating Rate Note Provisions	Applicable
	(a) Specified Period(s)/Specified Interest Payment Dates:	7 March, 7 June, 7 September and 7 December in each year, commencing 7 September 2007, subject to adjustment in accordance with item 16(b) below
	(b) Business Day Convention:	Modified Following Business Day Convention
	(c) Additional Business Centre(s):	Not Applicable
	(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Not Applicable
	(f) Screen Rate Determination:	Applicable
	Reference Rate:	3 month EURIBOR
	Interest Determination Date(s):	Second day on which the TARGET System is open prior to the start of each Interest Period
	Relevant Screen Page:	Reuters page EURIBOR01
	(g) ISDA Determination:	Not Applicable
	(h) Margin(s):	+0.79 per cent. per annum
	(i) Minimum Rate of Interest:	Not Applicable
	(j) Maximum Rate of Interest:	Not Applicable
	(k) Day Count Fraction:	Actual/360
	(l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
17	Zero Coupon Note Provisions:	Not Applicable
18	Dual Currency Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Issuer Call:	Not Applicable
20	Investor Put:	Not Applicable
21	Final Redemption Amount:	€50,000 per Calculation Amount
22	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition <i>Redemption and Purchase - Early Redemption Amounts</i>):	€50,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
24	Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable
25	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27	Details relating to Instalment Notes:	Not Applicable
28	Redenomination applicable:	Not applicable
29	Other final terms:	Not Applicable

DISTRIBUTION

30	(a) If syndicated, names of Managers:	Not Applicable
	(b) Stabilising Manager(s) (if any):	Not Applicable
31	If non-syndicated, name of relevant Dealer:	Morgan Stanley & Co. International plc
32	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
33	Additional selling restrictions:	Italy By way of replacement of the selling restrictions relating to the Republic of Italy included in the EMTN Programme Prospectus under "Subscription

and Sale – Italy”, the Dealer has represented and agreed not to offer, sell or deliver the Notes in Italy and to notify initial purchasers of the Notes that the same cannot be offered, sold or delivered in Italy, neither to any persons qualifying as professional investors (*operatori qualificati*) for the purposes of art, 31 para. 2, of the Consob regulation n° 11522 of July 1st 1998, as amended, nor to any other persons.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €15,000,000,000 Euro Medium Term Note Programme of Telecom Italia S.p.A. and Telecom Italia Finance S.A.

Telecom Italia S.p.A., with registered office at Milan (Italy), Piazza degli Affari 2, registered at the Company Register in Milan with number 00488410010

Share capital at the Issue Date: 10,673,776,696.55

Reserves at the Issue Date: €6,548,428,770.82

Issue approved by the Issuer’s Board of Directors on 8 May, 2007, registered at the Company Register in Milan on 10 May, 2007.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on behalf of the Issuer:

By: _____

Duly authorised

Signed in London in my presence:

Solicitor, Linklaters

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

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| (i) Listing: | Luxembourg |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading with effect from 7 June 2007 |
| (iii) Estimate of total expenses related to trading: | €5,160 |

2 RATINGS

- | | |
|---|---------------|
| The Notes to be issued have been rated: | S & P: BBB+ |
| | Moody's: Baa2 |
| | Fitch: BBB+ |

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4 OPERATIONAL INFORMATION

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| (i) ISIN Code: | XS0304816076 |
| (ii) Common Code: | 030481607 |
| (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| (iv) Delivery: | Delivery against payment |
| (v) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |