

## FINAL TERMS

20 December 2012

## TELECOM ITALIA S.p.A.

Issue of €1,000,000,000 4.000% Notes due 21 January 2020

under the €20,000,000,000

## Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the EMTN Programme Prospectus dated 26 June 2012 and the supplements to the EMTN Programme Prospectus dated 12 September 2012 (the "**First Supplement**") and 10 December 2012 (the "**Second Supplement**") which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Relevant Member State. 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 as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the EMTN Programme Prospectus, the First Supplement and the Second Supplement. The EMTN Programme Prospectus, the First Supplement and the Second Supplement are available for viewing at [www.telecomitalia.it](http://www.telecomitalia.it) and [www.bourse.lu](http://www.bourse.lu) and copies may be obtained free of charge from the Issuer at its registered office. In addition, the EMTN Programme Prospectus, the First Supplement and the Second Supplement will be available from the specified office of each of the Paying Agents.

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|----------|--|---|
| <b>1</b> | Issuer:  | Telecom Italia S.p.A.   |
| <b>2</b> | (a) Series Number:                                     | 32  |
|          | (b) Tranche Number:                                    | 1   |
| <b>3</b> | Specified Currency or Currencies:                      | Euro ("€")  |
| <b>4</b> | Aggregate Nominal Amount of Notes admitted to trading: |   |
|          | (a) Series:  | €1,000,000,000  |
|          | (b) Tranche:   | €1,000,000,000  |
| <b>5</b> | Issue Price:   | 99.184 per cent. of the Aggregate Nominal Amount  |
| <b>6</b> | (a) Specified Denomination:                            | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000 or below €100,000 |
|          | (b) Calculation Amount:                                | €1,000  |
| <b>7</b> | (a) Issue Date:  | 21 December 2012  |
|          | (b) Interest Commencement Date:                        | Issue Date  |

8	Maturity Date:	21 January 2020
9	Interest Basis:	4.000 per cent. per annum Fixed 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	Date of Board approval for issuance of Notes obtained:	19 January 2012
14	Method of distribution:	Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	4.000 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	21 January in each year from and including 21 January 2014 up to and including the Maturity Date (the period from, and including, the Issue Date to, but excluding, the First Interest Payment Date shall be referred to as the "Long First Interest Period").
	(c) Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form.)</i>	Other than in respect of the Long First Interest Period, €40.00 per Calculation Amount.
	(d) Broken Amount(s): <i>(Applicable to Notes in definitive form.)</i>	€43.40 per Calculation Amount in respect of the Long First Interest Period, payable on the Interest Payment Date falling on 21 January 2014.
	(e) Day Count Fraction:	Actual/Actual (ICMA)
	(f) Determination Date(s):	21 January in each year
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
16	Floating Rate Note Provisions:	Not Applicable
17	Zero Coupon Note Provisions:	Not Applicable
18	Index Linked Interest Note Provisions:	Not Applicable
19	Dual Currency Interest Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20	Issuer Call:	Not Applicable
21	Investor Put:	Not Applicable

<b>22</b>	Final Redemption Amount:	€1,000 per Calculation Amount
<b>23</b>	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> "):	As set out in the Conditions

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

<b>24</b>	Form of Notes:	
	(a) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
	(b) New Global Note:	Yes
<b>25</b>	Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable
<b>26</b>	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
<b>27</b>	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
<b>28</b>	Details relating to Instalment Notes:	Not Applicable
<b>29</b>	Redenomination applicable:	Redenomination not applicable
<b>30</b>	Other final terms:	Not Applicable

#### **DISTRIBUTION**

<b>31</b>	(a) If syndicated, names of Joint Lead Managers:	Barclays Bank PLC BNP Paribas Credit Suisse Securities (Europe) Limited Goldman Sachs International J.P. Morgan Securities plc UBS Limited UniCredit Bank AG
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|-----------|--|------------------|
| (b)       | Date of the Subscription Agreement:  | 20 December 2012 |
| (c)       | Stabilising Manager(s) (if any):   | Not Applicable   |
| <b>32</b> | If non-syndicated, name of relevant Dealer:                                | Not Applicable   |
| <b>33</b> | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D          |
| <b>34</b> | Additional selling restrictions:   | Not Applicable   |

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Bourse de Luxembourg of the Notes described herein pursuant to the €20,000,000,000 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 €10,693,628,019.25

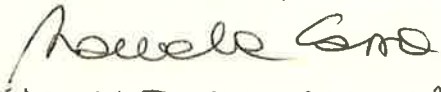
Reserves at the Issue Date €8,926,114,302.90

Issue approved by the Issuer's Board of Directors on 19 January 2012, registered at the Company Register in Milan on 19 January 2012.

**RESPONSIBILITY**


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

Signed on behalf of the Issuer:

By:   
 ROSSELLA CAPRA attorney-in-fact

Duly authorised

Signed in London in my presence:

By:   
 DOMINIC DA GAMA CAMPOS  
 Title: TRAINEE SOLICITOR, LINKLATERS LLP

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg with effect from 21 December 2012.
- (ii) Estimate of total expenses related to admission to trading: €4,960

### 2 RATINGS

The Notes to be issued have been rated:

Standard & Poor's Credit Market Services France S.A.S.: BBB (negative)

Moody's Investors Service España, S.A.: Baa2 (negative)

Fitch Ratings Ltd.: BBB (negative)

Such credit rating agencies are established in the European Union and are registered under Regulation (EU) No 1060/2009 (as amended).

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### 4 YIELD

Indication of yield: 4.134 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5 OPERATIONAL INFORMATION

- (i) ISIN Code: XS0868458653
- (ii) Common Code: 086845865
- (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

(vi) Intended to be held in a manner which would allow Eurosystem eligibility:

Yes

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.