



F I N A N C E

Telecom Italia Finance, Société Anonyme
12, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. B-77.970

€ 2,000,000,000.00 – 7.5% Guaranteed Notes due April 2011

(€1,909,317,000.00 outstanding)

(ISIN XS0128139531)

Guaranteed by Telecom Italia S.p.A.

We hereby notify you that on December 17, 2010 the Trustee following a request of the Issuer cancelled the aforementioned Notes for the following nominal amount:

€25,432,000.00 of the €1,909,317,000.00 outstanding

The cancelled Notes were bought back by the Issuer through several market transactions.

Pursuant to the aforementioned cancellation the outstanding amount of the concerned Notes is €1,883,885,000.00.

Telecom Italia Finance

December 21, 2010