



## PRESS RELEASE

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### TELECOM ITALIA: WITH TODAY'S BOND ISSUE THE AVERAGE COST FOR 2012 FUNDING GOES BELOW 5%

7-year bond with the lowest coupon ever for Telecom Italia on the Euro bond market

*Milan, 14 December 2012*

Telecom Italia successfully issued a Euro 1 billion fixed rate bond offered to institutional investors.

The great quality of the orders book once again confirms the market's positive attitude towards Telecom Italia's credit, allowing the company to price the issue with a coupon of 4%, the lowest level ever reached by a Telecom Italia issue on the Euro bond market.

Also thanks to today's transaction the weighted average cost of 2012 capital market funding goes below 5%, well inside Telecom Italia average cost of debt (5.4% at the end of September 2012).

Details are:

Issuer: Telecom Italia S.p.A.

Amount: Euro 1 billion

Settlement date: 21 December 2012

Maturity: 21 January 2020

Coupon: 4%

Issue price: 99.184%

Redemption price: 100%

The actual yield to maturity is 4.134%, corresponding to a yield of 295 basis points above the reference rate (mid swap).

The notes will be issued under the Group's Euro 20 billion EMTN programme and will be listed on the Luxembourg Stock Exchange.

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