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PRESS RELEASE

TELECOM ITALIA S.p.A. ANNOUNCES FINAL RESULTS AND PRICING OF ITS TENDER OFFERS

Milan, 22 April 2015

Further to the indicative results announcement made earlier today, Telecom Italia S.p.A. (the **Company**) hereby announces the final results and pricing of its invitation to eligible Noteholders of its €1,250,000,000 5.250 per cent. Notes due February 2022 (the **February 2022 Notes**), €1,000,000,000 4.500 per cent. Notes due January 2021 (the **January 2021 Notes**), €1,000,000,000 4.875 per cent. Notes due September 2020 (the **September 2020 Notes**), €1,000,000,000 4.000 per cent. Notes due January 2020 (the **January 2020 Notes**), €1,250,000,000 5.375 per cent. Notes due January 2019 (the **January 2019 Notes**), €750,000,000 6.125 per cent. Notes due December 2018 (the **December 2018 Notes**), €750,000,000 4.750 per cent. Notes due May 2018 (the **May 2018 Notes**), €1,000,000,000 4.500 per cent. Notes due September 2017 (the **September 2017 Notes**) and €1,000,000,000 7.000 per cent. Notes due January 2017 (the **January 2017 Notes** and, together with the February 2022 Notes, the January 2021 Notes, the September 2020 Notes, the January 2020 Notes, the January 2019 Notes, the December 2018 Notes, the May 2018 Notes and the September 2017 Notes, the **Notes** and each a **Series**) to tender their Notes for purchase by the Company for cash (such invitation, the **Offers** and each an **Offer**) up to €2,000,000,000 in aggregate nominal amount of the Notes (the **Maximum Acceptance Amount**), in the order of priority and on the terms set out in the tender offer memorandum dated 14 April 2015 (the **Tender Offer Memorandum**) prepared in connection with the Offers.

The Offers were announced on 14 April 2015 and were made on the terms and subject to the conditions set out in the Tender Offer Memorandum. Capitalised terms used in this announcement and not otherwise defined have the meanings ascribed to them in the Tender Offer Memorandum.

At the Expiration Deadline of 5.00 p.m. (CET) on 21 April 2015, an aggregate nominal amount of €2,151,847,000 of Notes has been validly tendered in the Offers.

The Company has decided to accept for purchase an aggregate nominal amount of €2,000,000,000 across the following Series of Notes validly tendered pursuant to the Offers, as set out below.

As stated in the indicative results announcement, the Purchase Price for each Series of Notes accepted for purchase was determined at or around 11.00 a.m. (CET) today in the manner described in the Tender Offer Memorandum by reference to the sum (each sum the relevant **Purchase Yield**) of (a) the relevant Purchase Spread and (b) the relevant Benchmark Rate for each Series, as follows:

	<u>February 2022 Notes</u>	<u>January 2021 Notes</u>	<u>September 2020 Notes</u>	<u>January 2020 Notes</u>
Order of Priority	1	1	1	1
ISIN	XS0486101024	XS1020952435	XS0974375130	XS0868458653
Outstanding Nominal Amount	€1,250,000,000	€1,000,000,000	€1,000,000,000	€1,000,000,000
Benchmark Rate	February 2022 Notes Interpolated Mid-Swap Rate	January 2021 Notes Interpolated Mid-Swap Rate	September 2020 Notes Interpolated Mid-Swap Rate	January 2020 Notes Interpolated Mid-Swap Rate

Purchase Spread	160 bps	155 bps	145 bps	130 bps
Purchase Yield	1.895%	1.786%	1.668%	1.482%
Purchase Price	121.210%	114.714%	116.484%	111.451%
Series Acceptance Amount	€366,100,000	€436,361,000	€452,517,000	€280,529,000
Scaling Factor	N/A	N/A	N/A	N/A
Accrued Interest	1.050%	1.097%	2.818%	1.019%

	<u>January 2019 Notes</u>	<u>December 2018 Notes</u>	<u>May 2018 Notes</u>
Order of Priority	2	2	2
ISIN	XS0184373925	XS0794393396	XS0630463965
Outstanding Nominal Amount	€1,250,000,000	€750,000,000	€750,000,000
Benchmark Rate	January 2019 Notes Interpolated Mid-Swap Rate	December 2018 Notes Interpolated Mid-Swap Rate	May 2018 Notes Interpolated Mid-Swap Rate
Purchase Spread	115 bps	110 bps	95 bps
Purchase Yield	1.283%	1.227%	1.052%
Purchase Price	114.949%	117.329%	111.165%
Series Acceptance Amount	€307,600,000	€121,014,000	€35,879,000
Scaling Factor	N/A	N/A	33.15%
Accrued Interest	1.252%	2.198%	4.347%

The Company will not accept for purchase any of the September 2017 Notes or January 2017 Notes tendered pursuant to the Offers.

The applicable Purchase Price together with the relevant Accrued Interest Payment will be paid to Noteholders whose Notes have been accepted for purchase by the Company. Settlement is expected to occur on 24 April 2015.

Further Information

Banco Santander, S.A., Deutsche Bank AG, London Branch, Goldman Sachs International, Morgan Stanley & Co. International plc and The Royal Bank of Scotland plc are the Dealer Managers for the Offers.

Questions and requests for assistance in connection with the Offers may be directed to:

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THE DEALER MANAGERS

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Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the relevant Offer(s)).

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Company, the Notes or the Offers contained in this announcement or in the Tender Offer Memorandum. None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Company to disclose information with regard to the Company or the Notes which is material in the context of the Offers and which is not otherwise publicly available.

None of the Dealer Managers, the Tender Agent, the Company or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offers.

Disclaimer

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If any Noteholder is in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession either this announcement or the Tender Offer Memorandum comes are required by each of the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

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