



PRESS RELEASE

TELECOM ITALIA S.p.A. ANNOUNCES PURCHASE PRICE FOR CASH TENDER OFFER FOR ANY AND ALL OF CERTAIN USD NOTES ISSUED BY TELECOM ITALIA CAPITAL S.A.

Milan, 15 July 2015

Telecom Italia S.p.A. (the **Company**) today announces the reference yields and purchase prices for its previously announced cash tender offer for any and all of the \$1,000,000,000 6.999 per cent. Guaranteed Senior Notes due 2018 (the **2018 Notes**) and \$1,000,000,000 7.175 per cent. Guaranteed Senior Notes due 2019, in each case issued by Telecom Italia Capital S.A. (**TI Capital**) and guaranteed by the Company (the **2019 Notes** and, together with the 2018 Notes, the **Notes** and each a **Series**) (such invitation, the **Tender Offer**). The terms and conditions of the Tender Offer are described in the offer to purchase dated July 7, 2015 (the **Offer to Purchase**), the related Letter of Transmittal and the Notice of Guaranteed Delivery prepared in connection with the Tender Offer.

For Notes validly tendered and not validly withdrawn at or prior to 5:00 p.m., New York City time, today, July 15, 2015 (the **Expiration Time**) and accepted for purchase, the applicable purchase price per \$1,000 principal amount of each series of Notes (for each series, the **Purchase Price**) is the price determined as described in the Offer to Purchase by reference to a yield to maturity equal to the sum of (i) the yield to maturity for the applicable United States Treasury (**UST**) Reference Security specified in the table below, calculated based on the bid-side price of such UST Reference Security as of 11:00 a.m., New York City time, today, July 15, 2015, plus (ii) the relevant Fixed Spread specified in the table below. The following table sets forth certain information relating to pricing of the Tender Offer.

Notes	Coupon	ISIN/CUSIP Numbers	U.S. Treasury Reference Security	U.S. Treasury Reference Yield	Fixed Spread (basis points)	Purchase Price*
2018 Notes	6.999%	US87927VAU26 /87927VAU2	UST 1.125% due June 15, 2018	1.027%	170 bps	\$1,117.21
2019 Notes	7.175%	US872456AA66 /872456AA6	UST 1.625% due June 30, 2020	1.679%	160 bps	\$1,141.88

*Per \$1,000 principal amount of Notes accepted for purchase.

In addition, holders whose Notes are purchased in the Tender Offer will be paid accrued and unpaid interest on their purchased Notes from the last interest payment date up to, but not including, the payment date for such purchased Notes. Upon the terms and subject to the conditions of the Tender Offer, the settlement of the Tender Offer will occur promptly after the Expiration Time (such settlement is expected to occur on Monday, July 20, 2015).

The Tender Offer is subject to the satisfaction or waiver of certain conditions, as specified in the Offer to Purchase.



Further Information

Copies of the Offer to Purchase, related Letter of Transmittal and Notice of Guaranteed Delivery are available at the following web address: <http://www.gbsc-usa.com/Telecom/>

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

GLOBAL COORDINATOR AND SOLE STRUCTURING ADVISOR OF THE TENDER OFFER

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom
+44 20 79868969 (Europe)
+1 800 558 3745 (US toll free)
+1 212 723 6106 (US collect)
Email: liabilitymanagement.europe@citi.com

THE DEALER MANAGERS

Banco Bilbao Vizcaya Argentaria, S.A.

44th Floor, One Canada Square
London E14 5AA
United Kingdom

Attention: Liability Management
Telephone: +44 207 648 7516
+1 212 728 1705

Email: liabilitymanagement@bbva.com

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Telephone: +44 20 79868969 (Europe)
+1 800 558 3745 (US toll free)
+1 212 723 6106 (US collect)

Email: liabilitymanagement.europe@citi.com

J.P. Morgan Securities LLC

383 Madison Avenue
New York, New York 10179

Attention: Liability Management Desk
Toll Free: (866) 834-4666
Collect: (212) 834-3424

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7595 8668

Email: liability.management@bnpparibas.com

Credit Agricole Securities (USA) Inc.

1301 Avenue of the Americas
New York, New York 10019

Attention: Cyril Chatelain
Toll-free: (866) 807-6030

Collect: +44(0) 20 7214 7440

Email: liability.management@ca-cib.com

Société Générale

10 Bishops Square
London E1 6EG
United Kingdom

Attention: Liability Management - DCM
Telephone: +44 20 7676 7579
E-mail: liability.management@sgcib.com

Questions and requests for assistance in connection with the tender of Notes including requests for a copy of the Offer to Purchase may be directed to:



THE DEPOSITARY AND INFORMATION AGENT

Global Bondholder Services Corporation

By Facsimile (Eligible Institutions Only):

(212) 430-3775

Attention: Corporate Actions

For Information or

Confirmation by Telephone:

(212) 430-3774

By Mail or Hand:

65 Broadway – Suite 404

New York, New York 10006

Attention: Corporate Actions

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Tender Offer) and each Holder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Tender Offer.

None of the Dealer Managers, the Depositary and Information Agent, the Bank of New York Mellon (the **Trustee**) 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, TI Capital, the Notes or the Tender Offer contained in this announcement or in the Offer to Purchase. None of the Dealer Managers, the Depositary and Information Agent, the Trustee or any of their respective directors, officers, employees, agents or affiliates is acting for any Holder, or will be responsible to any Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Tender Offer, and accordingly none of the Dealer Managers, the Depositary and Information 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, TI Capital or the Notes which is material in the context of the Tender Offer and which is not otherwise publicly available.

None of the Dealer Managers, the Depositary and Information Agent, the Company, TI Capital, the Trustee or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Tender Offer, or any recommendation as to whether Holders should tender Notes in the Tender Offer.

Disclaimer

This announcement must be read in conjunction with the Offer to Purchase. This announcement and the Offer to Purchase contain important information which should be read carefully before any decision is made with respect to the Tender Offer. If any Holder is in any doubt as to the contents of this announcement or the Offer to Purchase 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.

Offer and Distribution Restrictions

Neither this announcement nor the Offer to Purchase constitutes an invitation to participate in the Tender Offer 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 Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession either this announcement or the Offer to Purchase comes are required by each of the Company, TI Capital, the Trustee, the Dealer Managers and the Depositary and Information Agent to inform themselves about, and to observe, any such restrictions.

Italy

None of the Tender Offer, the Offer to Purchase or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations.



The Tender Offer is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any holder or beneficial owner of the Notes may tender their Notes for purchase in the Tender Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes, the Tender Offer or the Offer to Purchase.

United Kingdom

The communication of the Offer to Purchase and any other documents or material relating to the Tender Offer have not been made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or within Article 43 of the Order, or to other persons to whom it may lawfully be made in accordance with the Order.

France

The Tender Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither the Offer to Purchase nor any other document or material relating to the Tender Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, in each case acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, are eligible to participate in the Tender Offer. The Offer to Purchase has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium

Neither the Tender Offer, the Offer to Purchase nor any other documents or materials relating to the Tender Offer have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*) and, accordingly, the Tender Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the **Belgian Takeover Law**) as amended or replaced from time to time. Accordingly, the Tender Offer may not be advertised and the Tender Offer will not be extended, and neither the Offer to Purchase nor any other documents or materials relating to the Tender Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time), acting on their own account or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. Insofar as Belgium is concerned, the Offer to Purchase has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Tender Offer. Accordingly, the information contained in the Offer to Purchase may not be used for any other purpose or disclosed to any other person in Belgium.

General



Neither this announcement nor the Offer to Purchase constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer or similar and any of the Dealer Managers and their respective affiliates is such a licensed broker or dealer or similar in any such jurisdiction, the Tender Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Holder participating in the Tender Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in the Offer to Purchase. Any tender of Notes for purchase pursuant to the Tender Offer from a Holder that is unable to make these representations may be rejected. Each of the Company, the Dealer Managers and the Depositary and Information Agent reserves the right, in its absolute discretion (and without prejudice to the relevant Holder's responsibility for the representations made by it), to investigate, in relation to any tender of Notes for purchase pursuant to the Tender Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender may be rejected.

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