



PRESS RELEASE

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TELECOM ITALIA ISSUED A 8-YEAR BOND FOR 1 BILLION EURO THE COMPANY IS FUNDING BELOW ITS AVERAGE COST OF DEBT

The amount and quality of the orders received allowed Telecom Italia to raise funds at the lowest coupon ever on the Euro bond market.

Milan, 12 January 2015

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

The great quality and amount 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 3.25%, the lowest level ever reached by a Telecom Italia's issue on the Euro bond market.

The yield of the bond, equal to 3.33%, is largely below the average cost of debt (5.4% at the end of September 2014).

The proceeds of the new issue, together with today's announced tender offer exercise on Telecom Italia's existing bonds, will be used to optimize and refinance forthcoming debt maturities.

Details are:

Issuer: Telecom Italia S.p.A.

Amount: Euro 1 billion

Settlement date: 16 January 2015

Maturity: 16 January 2023

Coupon: 3.25%

Issue price: 99.446%

Redemption price: 100%

The actual yield to maturity of 3.33%, corresponds to a yield of 275 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.

Telecom Italia

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