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PRESS RELEASE

TELECOM ITALIA S.P.A.: SUCCESSFUL PLACEMENT OF EUR 2 BILLIONS UNSECURED EQUITY-LINKED BONDS DUE MARCH 2022

- ▶ **Successful placement of EUR 2 billions Unsecured Equity-Linked Bonds due on 26 March 2022 issued by Telecom Italia**
- ▶ **The Bonds shall bear a coupon of 1.125 % per annum**
- ▶ **The conversion price will be set at a 70% premium above the VWAP of the Shares on the Milan Stock Exchange (Borsa Italiana) on 20 March 2015 and will be announced with an ad hoc Telecom Italia press release after the close of Borsa Italiana on the same day**
- ▶ **This transaction confirms investor appetite for Telecom Italia and its equity potential**
- ▶ **The net proceeds of the Bonds will be used to pre-fund the capital expenditures plan recently announced**

Milan, 20 March 2015

With reference to the press release issued on 19 March 2015, Telecom Italia S.p.A. (the “**Issuer**”) announces that the placement of EUR 2 billions Unsecured Equity-Linked Bonds due March 2022 has now been completed.

The Bonds will mature on 26 March 2022 (7 years), will be in registered form in the denomination of EUR 100,000 each and will be issued at par and will be redeemed at par at maturity.

The Bonds will bear a coupon of 1.125 % per annum, payable semi-annually in arrear on 26 September and 26 March of each year, beginning on 26 September 2015.

Settlement of the Bonds is expected to occur on 26 March 2015 (the “**Closing Date**”).

An application will be made to admit the Bonds to trading on an internationally recognised, regularly operating, regulated or non-regulated, stock exchange, as determined by the Issuer, within 30 days from the Closing Date.

BNP Paribas and J.P. Morgan are acting as Joint Global Coordinators and Joint Bookrunners of the offering. Barclays, Citi, Credit Suisse and Unicredit are also acting as Joint Bookrunners alongside the Joint Global Coordinators.

The Issuer has agreed to a lock-up ending on the date falling 90 days after the pricing date of the Bonds for the issue of Shares and convertible securities, subject to customary exceptions.

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The documentation relating to the offer of the Bonds shall not be submitted to CONSOB (the Italian Securities Exchange Commission) for approval pursuant to applicable laws and regulations and, therefore, the Bonds may not be offered, sold or distributed to the public in the territory of the Republic of Italy other than to qualified investors, as defined by Article 100 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the "**Italian Financial Services Act**"), and pursuant to Article 34-ter, of CONSOB Regulation no. 11971 of 14 May 1999, as amended from time to time (the "**CONSOB Regulation**"), or in the other circumstances provided for by Article 100 of the Italian Financial Services Act and by the CONSOB Regulation.

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This announcement and the offering when made are only addressed to, and directed in, Member States of the European Economic Area which have implemented the prospectus directive, at persons who are "qualified investors" within the meaning of article 2(1)(e) of the Prospectus Directive. In addition, in the United Kingdom this announcement is being distributed only to, and is directed only at, qualified investors (i) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (financial promotion) Order 2005, as amended (the "**Order**") and qualified investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated.

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In connection with the offering of the Bonds, the Joint Global Coordinators and the Joint Bookrunners and any of their respective affiliates acting as an investor for its own account may take up the securities and in that capacity may



retain, purchase or sell for its own account the securities or any other securities of the issuer or related investments, and may offer or sell the securities or other investments otherwise than in connection with the offering of the Bonds. The Joint Global Coordinators and the Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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