

Press Release

The Securities referred to in this press release have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This announcement shall not constitute an offer to sell nor a solicitation of an offer to buy these securities.

Telecom Italia issued a 8-year bond for 750 millions 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 a yield lower than initially indicated

Milan, 13 gennaio 2016

Telecom Italia successfully issued a Euro 750 million fixed rate bond offered to institutional investors, opening 2016 Italian corporate bond issuers' market.

The great quality and amount of the orders received once again confirms the market's positive attitude towards Telecom Italia's credit, allowing the company to price the issue with a coupon of 3.625%, the second lowest amongst the outstanding bonds under the Group's EMTN Programme, with a yield lower than initial guidance.

The yield of the bond, equal to 3.679%, is largely below the Group's average cost of debt (5.3% at the end of September 2015).

The proceeds of the new issue will be used to refinance maturing debt.

Details are:

Issuer: Telecom Italia S.p.A.

Amount: Euro 750 million

Settlement date: 20 January 2016

Maturity: 19 January 2024

Coupon: 3.625%

Issue price: 99.632%

Redemption price: 100%

The actual yield to maturity of 3.679%, corresponds to a yield of 305 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.

TIM is the single brand name for the whole Telecom Italia Group, which operates in the market through a strategy of shared value for the company and the community, offering fixed and mobile telephony, Internet, digital content and cloud services.

As the enabler of the most innovative information and communication technologies, TIM is supporting Italy on its journey towards achieving the goal of full digitisation, by creating ultrabroadband infrastructure and disseminating next generation services.

Telecom Italia Press Office

+39 06 3688 2610

www.telecomitalia.com/media

Telecom Italia Investor Relations

+39 02 8595 4131

www.telecomitalia.com/investor_relations

Telecom Italia S.p.A.

Sede legale: Via Gaetano Negri, 1 - 20123 Milano

Cod. Fisc./P. IVA e Iscrizione al Registro delle Imprese di Milano: 00488410010 - Iscrizione al Registro A.E.E. IT08020000000799

Capitale Sociale € 10.740.236.908,50 interamente versato Casella PEC: telecomitalia@pec.telecomitalia.it