

Press Release

TELECOM ITALIA S.p.A.: MANDATORY CONVERSION AT MATURITY OF THE “€1,300,000,000 6.125 PER CENT. GUARANTEED SUBORDINATED MANDATORY CONVERTIBLE BONDS DUE 2016”

Milan/Luxembourg, 11 November 2016. In connection with the mandatory conversion at maturity of the “€1,300,000,000 6.125 per cent. Guaranteed Subordinated Mandatory Convertible Bonds due 2016”, ISIN XS0994433240 and XS0994794005, (the “Bonds”) issued by Telecom Italia Finance S.A. (“TI Finance”) and guaranteed by Telecom Italia S.p.A. (“Telecom Italia”), Telecom Italia and TI Finance announce that on 15 November 2016 (the “Delivery Date”) the outstanding Bonds shall convert according to a Relevant Conversion Ratio equal to 131,018.75372, into 1,702,850,712 newly issued Telecom Italia ordinary shares (the “New Shares”), representing approx. 11.2% of the ordinary share capital of Telecom Italia, 8% on a fully diluted basis.

In accordance with the terms & conditions of the Bonds (the “Conditions”), on the Delivery Date, TI Finance shall procure the delivery of:

- ▶ 1,697,347,925 New Shares to the relevant holders of the Bonds who have provided the conversion notice required under the Conditions;
- ▶ 5,502,787 New Shares to the Relevant Person (as defined below) in respect of the Bonds for which no conversion notices have been provided.

Regarding the Bonds in respect of which no conversion notices have been provided, in accordance with the Conditions TI Finance has appointed BNP PARIBAS as Relevant Person and Conv-Ex Advisors Limited as Financial Adviser for purposes of the sale of the relevant New Shares. The relevant net proceeds arising from the orderly sale of such New Shares, as provided for in the Conditions, will be paid to the Trustee or as the Trustee may direct and held on trust and distributed to the holders of the relevant Bonds in accordance with the Conditions.

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