



Press Release

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TELECOM ITALIA ISSUED A 10-YEAR BOND FOR 1 BILLION EURO THE COMPANY KEEPS ON FUNDING BELOW ITS AVERAGE COST OF DEBT

The amount and quality of the orders received allowed Telecom Italia to raise funds on the Euro market at a yield lower than the initial guidance

Milan, 18 May 2016

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

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% being, jointly with its last 8 year issuance in January 2016, the second lowest coupon amongst the outstanding bonds under the EMTN programme, with a yield lower than the initial guidance.

The yield of the bond, equal to 3.625%, is largely below the Group's average cost of debt (5.3% at the end of March 2016).

The proceeds of the new issue will be used to optimize and refinance forthcoming debt maturities.

Details are:

Issuer: Telecom Italia S.p.A.

Amount: Euro 1 billion

Settlement date: 25 May 2016

Maturity: 25 May 2026

Coupon: 3.625%

Issue price: 100%

Redemption price: 100%

The actual yield to maturity of 3.625%, 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.

Telecom Italia S.p.A.

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