



Press Release

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Telecom Italia issued a 6 and a half year bond for 1 billion euros The company funds at its lowest coupon ever for a Euro bond and significantly 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 the initial guidance

Milan, 12 January 2017

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 yield lower than initial guidance, for a 2.5% coupon being the lowest amongst the non-convertible Eurobonds ever issued by the Group.

The yield of the bond, equal to 2.622%, is largely below the Group's average cost of debt (5.1% at the end of September, 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: 19 January 2017

Maturity: 19 July 2023

Coupon: 2.500%

Issue price: 99.288%

Redemption price: 100.000%

The actual yield to maturity of 2.622%, corresponds to a yield of 237 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.

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