

PRICING SUPPLEMENT

28th January, 2004

TELECOM ITALIA S.p.A.

**Issue of €1,250,000,000 5.375 per cent. Notes due 2019
under the €10,000,000,000
Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23rd January, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1.	Issuer:	Telecom Italia S.p.A.
2.	(a) Series Number:	2
	(b) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("€")
4.	Aggregate Nominal Amount:	
	(a) Series:	€1,250,000,000
	(b) Tranche:	€1,250,000,000
5.	(a) Issue Price:	99.07 per cent. of the Aggregate Nominal Amount
	(b) Net proceeds:	€1,232,750,000
6.	Specified Denominations:	€100,000
7.	(a) Issue Date:	29th January, 2004
	(b) Interest Commencement Date:	Issue Date
8.	Maturity Date:	29th January, 2019
9.	Interest Basis:	5.375 per cent. per annum Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Listing:	Luxembourg

14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Applicable
- (a) Rate(s) of Interest: 5.375 per cent. per annum payable annually in arrear
 - (b) Interest Payment Date(s): 29th January in each year commencing on 29th January 2005 up to and including the Maturity Date.
 - (c) Fixed Coupon Amount(s): €5,375 per €100,000 in nominal amount
 - (d) Broken Amount(s): Not Applicable
 - (e) Day Count Fraction: Actual/Actual (ISMA)
 - (f) Determination Date(s): 29th January in each year
 - (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
16. Floating Rate Note Provisions Not Applicable
17. Zero Coupon Note Provisions Not Applicable
18. Index Linked Interest Note Provisions Not Applicable
19. Dual Currency Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Not Applicable
21. Investor Put: Not Applicable
22. Final Redemption Amount of each Note: € 100,000 per Note
23. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5): Condition 7.5 applies

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | Bearer Notes.
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. | Details relating to Instalment Notes: | Not Applicable |
| 29. | Redenomination: | Not Applicable |
| 30. | Date of Board Approval for issuance of Notes: | 18th December, 2003 |
| 31. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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| 32. | (a) | If syndicated, names of Managers: | J.P. Morgan Securities Ltd.
Barclays Bank PLC
BNP PARIBAS
Banca Caboto S.p.A.
Deutsche Bank AG London
MCC S.p.A. – Capitalia Gruppo Bancario
Mediobanca - Banca di Credito Finanziario S.p.A.
UniCredit Banca Mobiliare S.p.A. |
| | (b) | Stabilising Manager (if any): | J.P. Morgan Securities Ltd. |

33. If non-syndicated, name of relevant Dealer: Not Applicable
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
35. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

36. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
37. Delivery: Delivery against payment
38. Additional Paying Agent(s) (if any): Not Applicable

ISIN: XS0184373925

Common Code: 018437392

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Telecom Italia S.p.A. and Telecom Italia Finance S.A.

Telecom Italia S.p.A., with registered office at Milan (Italy), Piazza degli Affari 2, registered at the Company Register in Milan with number 00488410010,

share capital as at the Issue Date: €8,853,990,664.95

reserves as at the Issue Date: €4,830,194,640.63

Issue approved by the Issuer's Board of Directors on 18th December 2003, registered at the Company Register in Milan on 5th January, 2004.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:
Duly authorised