

FINAL TERMS

22 May 2009

TELECOM ITALIA S.p.A.

**Issue of £750,000,000 7.375% Notes due 2017
under the €15,000,000,000
Euro Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the EMTN Programme Prospectus dated 25 February 2009 and the supplement to the EMTN Programme Prospectus dated 3 March 2009 (the "Supplement") which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the EMTN Programme Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the EMTN Programme Prospectus and the Supplement. The EMTN Programme Prospectus and the Supplement are available for viewing at www.telecomitalia.it and www.bourse.lu and copies may be obtained free of charge from the Issuer at its registered office. In addition, the EMTN Programme Prospectus and the Supplement will be available from the specified office of each of the Paying Agents.

1	Issuer:	Telecom Italia S.p.A.
2	(a) Series Number:	23
	(b) Tranche Number:	1
3	Specified Currency or Currencies:	Sterling ("£")
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(a) Series:	£750,000,000
	(b) Tranche:	£750,000,000
5	Issue Price:	99.608 per cent. of the Aggregate Nominal Amount
6	(a) Specified Denominations:	£50,000
	(b) Calculation Amount:	£50,000
7	(a) Issue Date:	26 May 2009
	(b) Interest Commencement Date:	26 May 2009
8	Maturity Date:	15 December 2017
9	Interest Basis:	7.375 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest Basis or	Not Applicable

	Redemption/Payment Basis:	
12	Put/Call Options:	Not Applicable
13	Date of Board approval for issuance of Notes obtained:	27 February 2009
14	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	7.375 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	15 December in each year from and including 15 December 2009 up to and including the Maturity Date
	(c) Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form.)</i>	£3,687.50 per Calculation Amount in respect of each Fixed Interest Period commencing on or after 15 December 2009
	(d) Broken Amount(s): <i>(Applicable to Notes in definitive form.)</i>	£2,050.86 per Calculation Amount payable on the Interest Payment Date falling on 15 December 2009 in respect of the period from, and including, the Issue Date to, but excluding, 15 December 2009
	(e) Day Count Fraction:	Actual/Actual (ICMA)
	(f) Determination Date(s):	15 December in each year
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
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:	£50,000 per Calculation Amount
23	Early Redemption Amount 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 <i>Redemption and</i>	£50,000 per Calculation Amount

*Purchase – Early Redemption
Amounts):*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	
	(a) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
	(b) New Global Note:	Yes
25	Additional Financial Centre(s) or other special provisions relating to Payment Days:	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 applicable:	Redenomination not applicable
30	Other final terms:	Not Applicable

DISTRIBUTION

31	(a) If syndicated, names of Managers:	Barclays Bank PLC J.P. Morgan Securities Ltd. The Royal Bank of Scotland plc
	(b) Date of the Subscription Agreement:	22 May 2009
	(c) Stabilising Manager(s) (if any):	The Royal Bank of Scotland plc
32	If non-syndicated, name of relevant Dealer:	Not Applicable
33	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D

Italy

By way of replacement of the selling restrictions relating to the Republic of Italy included in the EMTN Programme Prospectus under "*Subscription and Sale – Italy*", each of the Joint Lead Managers has acknowledged that the offering of the Notes had not been registered pursuant to Italian securities legislation and, accordingly, each of the Joint Lead Managers has represented and agreed that it will not offer, sell, promote, advertise or deliver any Notes or distribute copies of the Prospectus or of any other document relating to the Notes in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree No. 58 of 24th February, 1998, as amended (the "**Financial Services Act**") and defined in Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14th May, 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on offers of securities to the public pursuant to Article 100 of the Financial Services Act, Article 34-ter of Regulation No. 11971 (to the extent already in force) and any other CONSOB implementing provisions applicable from time to time.

Moreover, each of the Joint Lead Managers has represented and agreed that any offer, sale, promotion, advertising or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29th October, 2007 (as amended from time to time) and Legislative Decree No. 385 of 1st September, 1993, as amended (the "**Banking Act**");

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

in each case, in compliance with any other applicable

laws and regulations or requirement imposed by
CONSOB or other Italian authority.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Bourse de Luxembourg of the Notes described herein pursuant to the €15,000,000,000 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 at the Issue Date €10,673,803,873.70.

Reserves at the Issue Date €12,005,688,081.19.

Issue approved by the Issuer's Board of Directors on 27 February 2009, registered at the Company Register in Milan on 3 March 2009.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

Signed in London in my presence:

Solicitor, Linklaters LLP


ANNA BIGGIN

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- | | | |
|----|---|---|
| 1. | Listing and Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Bourse de Luxembourg with effect from 26 May 2009 |
| 2. | Estimate of total expenses related to admission to trading: | €5,200 |

2 RATINGS

The Notes to be issued have been rated:

S & P:	BBB
Moody's:	Baa2
Fitch:	BBB

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4 YIELD

- | | |
|----------------------|---------------------------|
| Indication of yield: | 7.449 per cent. per annum |
|----------------------|---------------------------|
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5 OPERATIONAL INFORMATION

- | | | |
|-------|--|---|
| (i) | ISIN Code: | XS0430578632 |
| (ii) | Common Code: | 043057863 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes
Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by. |

the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.