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PRESS RELEASE

TELECOM ITALIA S.p.A. ANNOUNCES RESULTS AND PRICING OF ITS TENDER OFFERS

Milan, 21 January 2015

Telecom Italia S.p.A. (the **Company**) hereby announces the results and pricing of its invitations to eligible Noteholders of its €750,000,000 4.625 per cent. Notes due 2015 (**the 2015 Notes**); €1,000,000,000 5.125 per cent. Notes due 2016 (**the 2016 Notes**); €1,000,000,000 7.00 per cent. Notes due 2017 (**the January 2017 Notes**); and €1,000,000,000 4.500 per cent. Notes due 2017 (**the September 2017 Notes** and, together with the 2015 Notes, the January 2016 Notes and the January 2017 Notes, the **Notes** and each a **Series**) to tender their Notes for purchase by the Company for cash (such invitations, the **Offers** and each an **Offer**).

The Offers were announced on 12 January 2015 and were made on the terms and subject to the conditions set out in the tender offer memorandum dated 12 January 2015 (**the Tender Offer Memorandum**). Capitalised terms used in this announcement and not otherwise defined have the meanings ascribed to them in the Tender Offer Memorandum.

On 13 January 2015, the Company announced that the Maximum Acceptance Amount was €600,000,000. As at the Expiration Deadline of 5.00 p.m. (CET) on 20 January 2015, an aggregate nominal amount of €810,312,000 of Notes has been validly tendered in the Offers.

As a result, the Company hereby confirms that (i) the New Issue Condition has been satisfied, (ii) the Maximum Acceptance Amount will be increased to €810,312,000 and (iii) it intends to accept for purchase all Notes validly tendered pursuant to the Offers with no *pro-rata* scaling, as set out below.

The Purchase Price in respect of the 2016 Notes, the January 2017 Notes and the September 2017 Notes accepted for purchase was determined at or around 11.00 a.m. (CET) today in the manner described in the Tender Offer Memorandum by reference to the sum of the relevant Purchase Spread and the relevant Benchmark Rate for each Series, as follows:

	2015 Notes	2016 Notes	January 2017 Notes	September 2017 Notes
ISIN	XS0794393040	XS0583059448	XS0693940511	XS0831389985
Outstanding Nominal Amount	€577.701.000	€771.550.000	€1.000.000.000	€1.000.000.000
Benchmark Rate	N/A	2016 Notes Interpolated Mid-Swap Rate	January 2017 Notes Interpolated Mid-Swap Rate	September 2017 Notes Interpolated Mid-Swap Rate
Purchase Spread	N/A	35 bps	88 bps	110 bps
Purchase Yield	N/A	0,468%	1,007%	1,256%
Purchase Price	101,650%	104,661%	111,759%	108,420%
Accrued Interest	2,813%	5,097%	0,058%	1,541%
Series Acceptance Amount	€63.830.000	€108.200.000	€374.308.000	€263.974.000
Nominal Amount outstanding after the Settlement Date	€513.871.000	€663.350.000	€625.692.000	€736.026.000

The applicable Purchase Price together with the relevant Accrued Interest Payment will be paid to Noteholders whose Notes have been accepted for purchase by the Company.

Settlement is expected to occur on 23 January 2015.

Further Information

A complete description of the terms and conditions of the Offers is set out in the Tender Offer Memorandum. BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale, are the Dealer Managers for the Offers.

Questions and requests for assistance in connection with the Offers may be directed to:

SOLE STRUCTURING ADVISOR AND GLOBAL COORDINATOR

Société Générale
10 Bishops Square
E1 6EG London
United Kingdom

Attention: Liability Management - DCM
Telephone: +44 20 7676 7579
Email: liability.management@sgcib.com

THE DEALER MANAGER

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7595 8668
Email: liability.management@bnpparibas.com

Crédit Agricole Corporate and Investment Bank
Broadwalk House
5 Appold Street
EC2A 2DA London
United Kingdom

Attention: Cyril Chatelain
Telephone: +44 207 214 7440
Email: liability.management@ca-cib.com

Société Générale
10 Bishops Square
E1 6EG London
United Kingdom

Attention: Liability Management - DCM
Telephone: +44 20 7676 7579
Email: liability.management@sgcib.com

Questions and requests for assistance in connection with the delivery of Tender Instructions including requests for a copy of the Tender Offer Memorandum may be directed to:

THE TENDER AGENT

Lucid Issuer Services Limited
Leroy House
436 Essex Road
London N1 3QP
United Kingdom

Attention: Paul Kamminga
Telephone: +44 20 7704 0880
Email: telecomitalia@lucid-is.com

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the relevant Offer(s)).

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Company, the Notes or the Offers contained in this announcement or in the Tender Offer Memorandum. None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Company to disclose information with regard to the Company or the Notes which is material in the

context of the Offers and which is not otherwise publicly available.

None of the Dealer Managers, the Tender Agent, the Company or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offers.

Disclaimer

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If any Noteholder is in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

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