

TELECOM ITALIA S.P.A.

**Registered office: Piazza degli Affari, 2
I-20123 Milano, Italy
Companies Register of Milan No: 00488410010**

Pricing Term Sheet

U.S.\$1,500,000,000 5.303% Senior Notes due 2024 (the “Securities”)

May 22, 2014

This pricing term sheet is qualified in its entirety by reference to the Preliminary Offering Memorandum dated May 22, 2014 (the “Offering Memorandum”). The information in this pricing term sheet supplements the Offering Memorandum and updates and supersedes the information in the Offering Memorandum to the extent it is inconsistent with the information in the Offering Memorandum. Terms used and not defined herein have the meanings assigned in the Offering Memorandum.

Issuer:	Telecom Italia S.p.A. (by Citibank, N.A., London Branch, as Receipt Issuer, for Telecom Italia S.p.A.’s Rule 144A Global Receipts)
Expected Ratings*:	Ba1 (Moody’s) / BB+ (S&P) / BBB- (Fitch)
Principal Amount:	U.S.\$1,500,000,000
Security Type:	Senior Notes / Represented by Receipts to be deposited with The Depository Trust Company
Legal Format:	Rule 144A
Pricing Date:	May 22, 2014
Settlement Date:	May 30, 2014 (T+5)
Maturity Date:	May 30, 2024
Interest Payment Dates:	May 30 and November 30, commencing on November 30, 2014
Regular Record Dates:	The fourth Business Day prior to the relevant Interest Payment Date
Day Count Convention:	30/360
Business Days:	A day on which commercial banks are open for general business in London, TARGET and New York City
Benchmark Treasury:	2.500% due May 15, 2024
Spread to Benchmark Treasury:	+ 275 basis points
Benchmark Treasury Price and Yield:	99-17; 2.553%
Yield:	5.303%
Coupon:	5.303%
Issue Price:	100.000% of principal amount
Make-whole Call:	The Securities will be redeemable in whole or in part at the Issuer’s option at any time at a redemption price equal to the

	greater of (1) 100% of the principal amount of the applicable Securities or (2) a discount rate of the Adjusted Treasury Rate plus 45 basis points
Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000
Listing:	Irish Stock Exchange
Governing Law:	State of New York
CUSIPs:	X Receipts: 87927YAA0 N Receipts: 87927YAB8
ISINs:	X Receipts: US87927YAA01 N Receipts: US87927YAB83 X Securities: IT0005024788 N Securities: IT0005024598
Settlement:	The Depository Trust Company (X Receipts and N Receipts) and Monte Titoli S.p.A., including Euroclear Bank. S.A./N.V. and Clearstream Banking, Luxembourg (X Securities)
Receipt Issuer:	Citibank, N.A., London Branch
Joint Book-Running Managers:	Citigroup Global Markets Inc. Goldman, Sachs & Co. J.P. Morgan Securities LLC Morgan Stanley & Co. LLC BBVA Securities Inc. RBS Securities Inc. UniCredit Bank AG

***Note:** A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Neither the Securities nor the Receipts have been registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction. Neither the Securities nor the Receipts may be offered or sold in the United States or to U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Securities and the Receipts are being offered only to “qualified institutional buyers” as defined in Rule 144A under the Securities Act.

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