



REPUBLIC OF ITALY

FINAL TERMS dated 9 February 2012

Series No.: 98

Tranche No.: 1

Republic of Italy

U.S.\$72,000,000,000

Programme for the Issuance of Debt Instruments

Issue of

EUR 437,500,000

Amortizing Fixed Rate Notes due December 2024

The Instruments constitute direct, unconditional and general obligations of the issuer and rank *pari passu* among themselves and equally with all other unsecured External Indebtedness (as defined in the Simplified Base Prospectus dated 8 April 2011 (the "**Simplified Base Prospectus**") in relation to the Programme) of the Issuer.

These Final Terms (as referred to in the Simplified Base Prospectus) relate to the Tranche of Instruments referred to above, contain the final terms and conditions of the Instruments and should be read in conjunction with the Simplified Base Prospectus dated 8 April 2011.

The Instruments have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may include Instruments in bearer form which are subject to U.S. tax law requirements. The Instruments may not be offered, sold or delivered within the United States, or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The particulars to be specified in relation to such Tranche are as follows:

- | | |
|-------------------------------------|----------------------|
| 1. Issuer: | Republic of Italy |
| 2. Relevant Dealer/Lead Manager: | Dexia Crediop S.p.A. |
| 3. Syndicated: | No |
| 4. Other Dealers/Managers (if any): | Not Applicable |
| 5. Status: | Unsubordinated |
| 6. Currency: | |

(Condition 1.10)

— of Denomination EUR

— of Payment EUR

7. Aggregate Principal Amount of:

(i) Series EUR 437,500,000

(ii) Tranche EUR 437,500,000

8. Fungible with existing Series, Series No: Not Applicable

9. Issue Date: 13 February 2012

10 Issue Price: 100.00 %

11 Denomination: The Notes are 1,750 (one thousand seven hundred fifty) in the denomination of EUR 250,000 (two hundred fifty thousand) each
(Condition 1.8 or 1.9)

12 Commission Payable: None

13 Selling Concession: None

14 Expenses: None

15 (a) Form of Instruments: Bearer

(b) Bearer Instruments exchangeable for Registered Instruments: No

16 If issued in Bearer form:

(a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: Temporary Global Instrument
(Condition 1.2)

(b) Temporary Global Instrument exchangeable for Permanent Global Instrument: Yes
(Condition 1.2)

Specify date (if any) from which exchanges for Registered Instruments will be made: Not Applicable
(Condition 1.2)

(c)	Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments: (Condition 1.5)	Condition 1.5 applies
(d)	Talons for future Coupons to be attached to Definitive Instruments: (Condition 1.6)	Not Applicable
(e)	Receipts to be attached to Instalment Instruments which are Definitive Instruments: (Condition 1.7)	Not Applicable
17	New Global Note Form:	Applicable
18	Partly Paid Instruments: (Condition 1.11)	No
19	If issued in Registered Form: — Registrar (Condition 2.2)	Not Applicable
20	Interest: (Condition 5)	Interest bearing (further particulars specified below)
21	Interest Rate: (Condition 5.2)	Fixed Rate from and including the Issue Date until but excluding Maturity Date (further particulars specified below)
FIXED RATE INSTRUMENT PROVISIONS		Applicable
22 (a)	Rate of Interest:	3.444 per cent per annum payable semi annually in arrear on the Interest Payment Date specified in 22 (b) below. The first interest amount payable on 29 June 2012 will accrue from the Issue Date until 30 June 2012 and will be equal to EUR 5,734,021
(b)	Interest Payment Date(s):	Each 30 June and 31 December from 30 June 2012 to 31 December 2024, subject to adjustment in accordance with the Modified Following Business Day Convention
(c)	Fixed Coupon Amount(s):	Not Applicable
(d)	Broken Amount(s):	Not Applicable
(e)	Day Count Fraction:	30/360

(Condition 5.9)

- (f) Determination Dates: Not Applicable
- (g) Other terms relating to the method of calculating interest for Fixed Rate Instruments: The amount of fixed interest will be calculated on the basis of the 30/360 day count fraction unadjusted (i.e. the number of days in a Calculation Period shall not be subject to adjustment in case of change in the Interest Payment Dates in accordance with the Modified Following Business Day Convention)

FLOATING RATE INSTRUMENT PROVISIONS

Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 23 Maturity Date: 31 December 2024
(Condition 6.1)
- 24 Dates for payment of Instalment Amounts (Instalment Instruments): Each 30 June and 31 December from 30 June 2012 to 31 December 2024, subject to adjustment in accordance with the Modified Following Business Day Convention
(Condition 6.1)
- 25 Maturity Redemption Amount: See Schedule of Amortization in Annex 1 hereto
(Condition 6.1)
- 26 Instalment Amounts: See Schedule of Amortization in Annex 1 hereto
(Condition 6.1)
- 27 Optional Early Redemption (Call): No
(Condition 6.3)
- 28 Optional Early Redemption (Put): No
(Condition 6.6)
- 29 Events of Default (Condition 7.1):
- (a) Early Termination Amount: Outstanding Principal Amount
- (b) Any additional (or modifications to) Events of Default: Not Applicable
- 30 Payments: (Condition 9)
- (a) Unmatured Coupons missing upon Not Applicable

Early Redemption:

(b) Relevant Financial Centre Day: TARGET Business Day
(Condition 9C.3)

31 Replacement of Instruments: Fiscal Agent
(Condition 12)

32 Notices: Not applicable
(Condition 14)

33 Listing: Yes, Luxembourg Stock Exchange

DISTRIBUTION

34 Selling Restrictions:
— United States of America
Category 1 restrictions apply to the Instruments
TEFRA D Rules apply.

— Other
Not Applicable

35 Stabilising Manager(s) (if any): Not applicable

36 ISIN: XS0747189651

37 Common Code: 074718965

38 New Global Note 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 Euroclear or Clearstream, Luxembourg 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.

39 Any Clearing System other than Euroclear
S.A./N.V. and Clearstream Banking,
société anonyme: None

40 Settlement Procedures: Free of Payment

41 Other relevant Terms and Conditions: None

LISTING APPLICATION

These are the Final Terms required to list the issue of Instruments described herein pursuant to the U.S.\$72,000,000,000 Programme for the Issuance of Debt Instruments of the Republic of Italy.

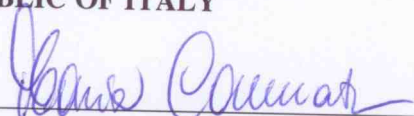
RESPONSIBILITY

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

CONFIRMED

REPUBLIC OF ITALY

By:



Authorised signatory

Date:

13 February 2012

ANNEX 1

Amortizing schedule of Series no. 98, Tranche no. 1

Payment Date	Number of Notes	Outstanding Principal	Principal Instalment Amount	Rate of Interest	Interest Instalment Amount	Instalment Amount
30/06/2012	1,750	437,500,000	40,225,066	3.444%	5,734,021	45,959,087
31/12/2012	1,750	397,274,934	39,277,902	3.444%	6,841,074	46,118,976
30/06/2013	1,750	357,997,032	35,974,370	3.444%	6,164,709	42,139,079
31/12/2013	1,750	322,022,662	35,708,435	3.444%	5,545,230	41,253,665
30/06/2014	1,750	286,314,227	32,606,442	3.444%	4,930,331	37,536,773
31/12/2014	1,750	253,707,785	31,296,096	3.444%	4,368,848	35,664,944
30/06/2015	1,750	222,411,689	28,645,882	3.444%	3,829,929	32,475,811
31/12/2015	1,750	193,765,806	27,075,713	3.444%	3,336,647	30,412,360
30/06/2016	1,750	166,690,093	24,473,761	3.444%	2,870,403	27,344,164
31/12/2016	1,750	142,216,332	22,340,382	3.444%	2,448,965	24,789,347
30/06/2017	1,750	119,875,950	19,926,987	3.444%	2,064,264	21,991,251
31/12/2017	1,750	99,948,963	17,920,352	3.444%	1,721,121	19,641,473
30/06/2018	1,750	82,028,611	15,709,216	3.444%	1,412,533	17,121,749
31/12/2018	1,750	66,319,395	14,007,438	3.444%	1,142,020	15,149,458
30/06/2019	1,750	52,311,957	11,407,122	3.444%	900,812	12,307,934
31/12/2019	1,750	40,904,835	10,184,714	3.444%	704,381	10,889,095
30/06/2020	1,750	30,720,121	8,102,606	3.444%	529,000	8,631,606
31/12/2020	1,750	22,617,515	6,898,533	3.444%	389,474	7,288,007
30/06/2021	1,750	15,718,982	5,431,361	3.444%	270,681	5,702,042
31/12/2021	1,750	10,287,621	4,193,799	3.444%	177,153	4,370,952
30/06/2022	1,750	6,093,822	2,739,483	3.444%	104,936	2,844,419
31/12/2022	1,750	3,354,339	1,874,589	3.444%	57,762	1,932,351
30/06/2023	1,750	1,479,750	923,804	3.444%	25,481	949,285
31/12/2023	1,750	555,946	493,703	3.444%	9,573	503,276
30/06/2024	1,750	62,243	40,917	3.444%	1,072	41,989
31/12/2024	1,750	21,326	21,326	3.444%	367	21,693