



REPUBLIC OF ITALY

FINAL TERMS dated 22 January 2014

Series No.: 101

Tranche No.: 1

Republic of Italy

U.S.\$ 80,000,000,000

Programme for the Issuance of Debt Instruments

Issue of

EUR 250,000,000 Instruments linked to an Inflation Index due 24 January 2044

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 11 December 2013 (the "**Simplified Base Prospectus**") in relation to the Programme) of the Issuer.

These Final Terms (as referred to in the Simplified Base Prospectus) relates to the Tranche of Instruments referred to above, contains the final terms and conditions of the Instruments and should be read in conjunction with the Simplified Base Prospectus dated 11 December 2013.

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: | BNP PARIBAS |
| 3. Syndicated: | No |
| 4. Other Dealers/Managers (if any): | Not Applicable |

5. Status: Unsubordinated
6. Currency:
(Condition 1.10)
- of Denomination Euro (“EUR”)
- of Payment EUR
7. Aggregate Principal Amount of:
- (i) Series EUR 250,000,000
- (ii) Tranche EUR 250,000,000
8. Fungible with existing Series, Series No: Not Applicable
9. Issue Date: 24 January 2014
10. Issue Price: 100.00 per cent. of the Aggregate Principal Amount of the Tranche
11. Denomination:
(Condition 1.8 or 1.9) EUR 500,000
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:
(Condition 1.2) Temporary Global Instrument
- (b) Temporary Global Instrument exchangeable for Permanent Global Instrument:
(Condition 1.2) Yes. Exchanges for a Permanent Global Instrument will be made on or after the Exchange Date.
- Specify date (if any) from which exchanges for Registered Instruments will be made:
(Condition 1.2) Not Applicable

- | | | |
|-----|--|---|
| (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) | Yes |
| (e) | Receipts to be attached to Instalment Instruments which are Definitive Instruments: (Condition 1.7) | Not Applicable |
| (f) | New Global Instrument: | Yes |
| 17. | If issued in Registered Form: | |
| (a) | Individual Instrument Certificate: | No |
| (b) | Global Registered Instrument: | No |
| (c) | Global Registered Instrument to be held under the New Safekeeping Structure: | Not Applicable |
| (d) | Registrar: (Condition 2.2) | Not Applicable |
| 18. | Partly Paid Instruments(Condition 1.11): | No |
| 19. | Interest: (Condition 5) | Interest bearing (further particulars specified in the Annex attached hereto) |
| 20. | Interest Rate: (Condition 5.2) | Inflation Index linked. (as set out in the Annex attached hereto). |

The Interest Rate in respect of each Interest Accrual Period will be calculated in accordance with the provisions set out in the Annex attached hereto.

FIXED RATE INSTRUMENT PROVISIONS

Not Applicable

FLOATING RATE INSTRUMENT PROVISIONS

Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. Maturity Date:
(Condition 6.1) 24 January 2044, subject to adjustment in accordance with the Applicable Business Day Convention specified in the Annex
22. Dates for payment of Instalment Amounts
(Instalment Instruments):
(Condition 6.1) Not Applicable
23. Maturity Redemption Amount:
(Condition 6.1) Outstanding Principal Amount multiplied by the Inflation Index Ratio on the Maturity Date, provided that, should Inflation Index Ratio be less than 1.00 (one), the Maturity Redemption Amount shall be the Outstanding Principal Amount.
24. Instalment Amounts:
(Condition 6.1) Not Applicable
25. Optional Early Redemption (Call):
(Condition 6.3) No
26. Optional Early Redemption (Put):
(Condition 6.6) No
27. Events of Default
(Condition 7.1):
- (a) Early Termination Amount: Outstanding Principal Amount multiplied by the Inflation Index Ratio on the Early Termination Date, provided that, should Inflation Index Ratio be less than 1.00 (one), the Early Termination Amount shall be the Outstanding Principal Amount.
- “Early Termination Date” means, upon the occurrence of an Event of Default, the date upon which notice is served in accordance with Condition 7.2.
- (b) Any additional (or modifications to) Events of Default: Not Applicable
28. Payments:
(Condition 9)
- (a) Unmatured Coupons missing upon Early Redemption: Paragraph (ii) of Condition 9A.6 applies
- (b) Relevant Financial Centre Day: TARGET Business Day



(Condition 9C.3)

29. Replacement of Instruments:
(Condition 12) Fiscal Agent
30. Notices:
(Condition 14) Not Applicable
31. Listing: Yes, on the regulated market of the Luxembourg Stock Exchange

DISTRIBUTION

32. Selling Restrictions:
- United States of America Category 1 restrictions apply to the Instruments
TEFRA D Rules apply.
The Exchange Date shall be 5 March 2014
 - Other Not Applicable
33. Stabilising Manager(s) (if any): Not applicable
34. ISIN: XS1022037805
35. Common Code: 102203780
36. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: No
37. Any Clearing System other than Euroclear S.A./N.V. and Clearstream Banking, *société anonyme*: None
38. Settlement Procedures: Customary medium term note settlement and payment procedures apply
39. Ratings: Yes
- The Instruments to be issued are expected to be rated on or around the Issue Date by Fitch Ratings. The Instruments to be issued are expected to be assigned by Fitch Ratings the following rating:
- “BBB+”
- The meanings of ratings may be found on the websites of the rating agency

(www.fitchratings.com) and may be updated by the rating agencies from time to time.

The Fitch Ratings group of companies established in the EU, was registered on October 31, 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of May 11, 2011 (hereinafter referred to as the (the **CRA Regulation**)). The Fitch Ratings group of companies established in the EU are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such CRA Regulation.

40. Other relevant Terms and Conditions: See Annex hereto

LISTING APPLICATION

These are the Final Terms required to list the issue of Instruments described herein pursuant to the U.S.\$80,000,000,000 Programme for the Issuance of Debt Instruments of the Republic of Italy.

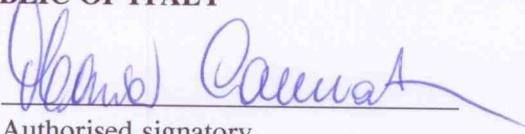
RESPONSIBILITY

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

CONFIRMED

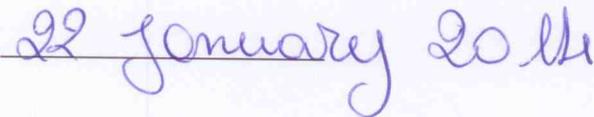
REPUBLIC OF ITALY

By:



Authorised signatory

Date:



22 January 2011

ANNEX

1. Interest Rate and Definitions

The per annum Interest Rate in respect of each Interest Accrual Period will be calculated as follows:

$$2.97 \text{ per cent. } \times \text{ Inflation Index Ratio}$$

Where:

"**Applicable Business Day Convention**" means Following Business Day Convention in respect of the relevant Interest Payment Date, the Maturity Date or the Early Termination Date, as the case may be. There is no Applicable Business Day Convention in respect of the Interest Period End Dates.

"**Business Day**" means TARGET Business Day.

"**Daily Inflation Reference Index**" or "**DIRI**" means, for any day in any given month:

$$\text{Inflation Index}_{M-3} + \frac{D-1}{NDM} \times (\text{Inflation Index}_{M-2} - \text{Inflation Index}_{M-3})$$

Where:

"D" means the actual number of days since the start of the relevant month, from and including the first day of the relevant month to and including such day (prior to adjustment for any Business Day Convention).

"Inflation Index_{M-2}" means the level of the Inflation Index for the month which is 2 months prior to the relevant month.

"Inflation Index_{M-3}" means the level of the Inflation Index for the month which is 3 months prior to the relevant month.

"NDM" means the total number of days in the relevant month.

The Daily Inflation Reference Index will be rounded to the fifth decimal place with 0.000005 being rounded up.

"**Day Count Fraction**" means Actual/Actual(ICMA).

"**DIRI_{D,M}**" means the Daily Inflation Reference Index in respect of the relevant Interest Payment Date, the Maturity Date or the Early Termination Date, as the case may be.

"**DIRI_{initial}**" means 116.88581, being the Daily Inflation Reference Index in respect of the Interest Commencement Date.

"**Inflation Index**" means the consumer price index (excluding tobacco) of the Euro-zone, as calculated by Eurostat, or any successor index designated by the Issuer and the Calculation Agent, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published monthly by the relevant Index Sponsor.

"**Inflation Index Ratio**" means:

$$\text{DIRI}_{D,M} / \text{DIRI}_{\text{initial}}$$

The Inflation Index Ratio will be rounded to the fifth decimal place with 0.000005 being rounded up.

"**Index Sponsor**" means the European Communities Statistical Office in Luxembourg ("Eurostat"), or any successor sponsor accepted by the Calculation Agent.

"**Interest Commencement Date**" means the Issue Date.

"**Interest Payment Dates**" means 24 January and 24 July in each year, from and including 24 July 2014 to and including the Maturity Date, subject to adjustment with the Applicable Business Day Convention but without adjustment to the Interest Amount payable.

"**Interest Period End Dates**" means Interest Payment Dates.

2. Disruption and Fallbacks

If the Inflation Index for a particular month is not published within a reasonable time, a level in respect of a substitute index shall be determined as follows:

$$\text{Inflation Index}_{P-1} \times \left(\frac{\text{Inflation Index}_{P-1}}{\text{Inflation Index}_{P-13}} \right)^{\frac{1}{12}}$$

Where:

"Inflation Index_{P-1}" means the level of the Inflation Index for the month which is 1 month prior to the month for which no Inflation Index is published.

"Inflation Index_{P-13}" means the level of the Inflation Index for the month which is 13 months prior to the month for which no Inflation Index is published.

Upon subsequent publication of the relevant Inflation Index, such index will apply from the day following its publication (and the substitute index will cease to apply), however, such publication shall not be applicable in respect of the calculation of any prior payments made in respect of the Instruments.

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "Rebased Index") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing, provided that, the Calculation Agent shall make adjustments to the past levels of the Rebased Index, if necessary, so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not be applicable in respect of any prior payments made in respect of the Instruments.