

FINAL TERMS

28 September 2016

TELECOM ITALIA S.p.A.
Issue of €1,000,000,000 3.00 per cent. Notes due 30 September 2025
under the €20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

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 8 July 2016 and the supplements to it dated 8 July 2016 and 12 September 2016 which together constitute a base prospectus for the purposes of Directive 2003/71/EC, as amended (the **Prospectus Directive**) (the **EMTN Programme Prospectus**). 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. 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. The EMTN Programme Prospectus has been published 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 will be available from the specified office of each of the Paying Agents.

1.
 - (a) Series Number: 38
 - (b) Tranche Number: 1
 - (c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Euro (€)
Currencies:
3. Aggregate Nominal Amount of Notes admitted to trading:
 - (a) Series: €1,000,000,000
 - (b) Tranche: €1,000,000,000
4. Issue Price: 99.806% of the Aggregate Nominal Amount
5.
 - (a) Specified Denominations: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000
 - (b) Calculation Amount: €1,000

6. (a) Issue Date: 30 September 2016
(b) Interest Commencement Date: Issue Date
7. Maturity Date: 30 September 2025
8. Interest Basis: 3.00% Fixed Rate
(further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount
10. Change of Interest Basis: Not Applicable
11. Put/Call Options: Not Applicable. See paragraphs 16/17 below
12. Date Board approval for issuance of Notes obtained: 15 February 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Applicable
- (a) Rate(s) of Interest: 3.00% per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): Annually on 30 September in each year from and including 30 September 2017 up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): €30.00 per €1,000 Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): Not Applicable
- (e) Day Count Fraction: Actual/Actual (ICMA)
- (f) Determination Date(s): 30 September in each year
14. Floating Rate Note Provisions: Not Applicable
15. Zero Coupon Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

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| 16. | Issuer Call: | Not Applicable |
| 17. | Investor Put: | Not Applicable |
| 18. | Final Redemption Amount: | €1,000 per Calculation Amount |
| 19. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | €1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 20. | Form of Notes: | |
| 1. | (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 |
| 21. | Additional Financial Centre(s): | Not Applicable |
| 22. | Talons for future Coupons to be attached to Definitive Notes: | No |

Signed on behalf of the Issuer:

By: 

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) 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 Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange with effect from 30 September 2016.
- (ii) Estimate of total expenses related to admission to trading: €5,530

2. RATINGS

The Notes to be issued are expected to be rated:

Standard & Poor's Credit Market Services France S.A.S.: BB+ (stable)

Moody's Investors Service España, S.A.: Ba1 (negative)

Fitch Ratings Ltd.: BBB- (stable)

Each of Standard & Poor's Credit Market Services France S.A.S., Moody's Investors Service España, S.A. and Fitch Ratings Ltd. is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)(the **CRA Regulation**).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the 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. The Managers and their affiliates, including parent companies, have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD

3.025 per cent. per annum

5. HISTORIC INTEREST RATES

Not Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN: XS1497606365
- (ii) Common Code: 149760636

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| (iii) | Any clearing system(s) other than Euroclear and Clearstream Luxembourg 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) | Deemed delivery of clearing system notices for the purposes of Condition 14: | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | 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 the ECB being satisfied that Eurosystem eligibility criteria have been met. |

7. DISTRIBUTION

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| (i) | Method of distribution: | Syndicated |
| (ii) | If syndicated, names of Managers: | Banca IMI S.p.A.
Deutsche Bank AG, London Branch
Mediobanca – Banca di Credito Finanziario S.p.A.
Morgan Stanley & Co. International plc
Commerzbank Aktiengesellschaft
ING Bank N.V.
The Royal Bank of Scotland plc
Banco Santander, S.A.
UBS Limited |
| (iii) | Date of Subscription Agreement: | 28 September 2016 |
| (iv) | Stabilisation Manager(s) (if any): | Not Applicable |
| (v) | If non-syndicated, name of relevant Dealer: | Not Applicable |

(vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D Rules