

FINAL TERMS

17 January 2017

TELECOM ITALIA S.p.A.

**Issue of €1,000,000,000 2.500 per cent. Notes due 19 July 2023
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, 12 September 2016 and 4 January 2017 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: 39
(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: 99.288 per cent. 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: 19 January 2017
- (b) Interest Commencement Date: Issue Date
7. Maturity Date: 19 July 2023
8. Interest Basis: 2.500 per cent. 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 per cent. of their nominal amount
10. Change of Interest Basis: Not Applicable
11. Put/Call Options: Not Applicable
12. Date Board approval for issuance of Notes obtained: 16 December 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Applicable
- (a) Rate(s) of Interest: 2.500 per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): Annually on 19 July in each year from and including 19 July 2017 (the “**First Interest Payment Date**”) up to and including the Maturity Date. The period from, and including, the Issue Date to, but excluding, the First Interest Payment Date shall be referred to as the “**Short First Interest Period**”.
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): Other than in respect of the Short First Interest Period, €25.00 per €1,000 Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): €12.3973 per Calculation Amount in respect of the Short First Interest Period, payable on the First Interest Payment Date.
- (e) Day Count Fraction: Actual/Actual (ICMA)
- (f) Determination Date(s): 19 July in each year

14. Floating Rate Note Provisions Not Applicable

15. Zero Coupon Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

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

20. Form of Notes:

(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

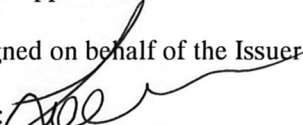
21. Additional Financial Centre(s): Not Applicable

22. Talons for future Coupons to be attached to Definitive Notes: No

THIRD PARTY INFORMATION

Not Applicable.

Signed on behalf of the Issuer:

By: 
Duly authorised

Handwritten mark

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 19 January 2017
- (ii) Estimate of total expenses related to admission to trading: €4,800.00

2. RATINGS

The Notes to be issued have been 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

2.622 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES

Not Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN: XS1551678409

- | | | |
|-------|---|---|
| (ii) | Common Code: | 155167840 |
| (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

- | | | |
|-------|------------------------------------|---|
| (i) | Method of distribution: | Syndicated
Banca IMI S.p.A. |
| (ii) | If syndicated, names of Managers: | Banco Bilbao Vizcaya Argentaria, S.A.
BNP Paribas
Crédit Agricole Corporate and Investment Bank
Credit Suisse Securities (Europe) Limited
HSBC Bank plc
Mediobanca – Banca di Credito Finanziario S.p.A.
MUFG Securities EMEA plc
NATIXIS
Société Générale
UniCredit Bank AG |
| (iii) | Date of Subscription Agreement: | 17 January 2017 |
| (iv) | Stabilisation Manager(s) (if any): | BNP Paribas |

(v) If non-syndicated, name of Not Applicable
relevant Dealer:

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



FINAL TERMS

17 January 2017

TELECOM ITALIA S.p.A.

**Issue of €1,000,000,000 2.500 per cent. Notes due 19 July 2023
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, 12 September 2016 and 4 January 2017 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: 39
- (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: 99.288 per cent. 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: 19 January 2017
- (b) Interest Issue Date
Commencement Date:
7. Maturity Date: 19 July 2023
8. Interest Basis: 2.500 per cent. 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 per cent. of their nominal amount
10. Change of Interest Basis: Not Applicable
11. Put/Call Options: Not Applicable
12. Date Board approval for 16 December 2016
issuance of Notes obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Applicable
- (a) Rate(s) of Interest: 2.500 per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): Annually on 19 July in each year from and including 19 July 2017 (the “**First Interest Payment Date**”) up to and including the Maturity Date. The period from, and including, the Issue Date to, but excluding, the First Interest Payment Date shall be referred to as the “**Short First Interest Period**”.
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): Other than in respect of the Short First Interest Period, €25.00 per €1,000 Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): €12.3973 per Calculation Amount in respect of the Short First Interest Period, payable on the First Interest Payment Date.
- (e) Day Count Fraction: Actual/Actual (ICMA)
- (f) Determination Date(s): 19 July in each year

14. Floating Rate Note Provisions Not Applicable

15. Zero Coupon Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

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

20. Form of Notes:

(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

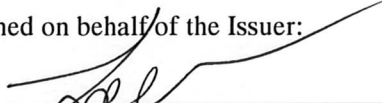
21. Additional Financial Centre(s): Not Applicable

22. Talons for future Coupons to be attached to Definitive Notes: No

THIRD PARTY INFORMATION

Not Applicable.

Signed on behalf of the Issuer:

By: 
Duly authorised

he

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 19 January 2017
- (ii) Estimate of total expenses related to admission to trading: €4,800.00

2. RATINGS

The Notes to be issued have been 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

2.622 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES

Not Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN: XS1551678409

- (ii) Common Code: 155167840
- (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

- (i) Method of distribution: Syndicated
Banca IMI S.p.A.
- (ii) If syndicated, names of Managers: Banco Bilbao Vizcaya Argentaria, S.A.
BNP Paribas
Crédit Agricole Corporate and Investment Bank
Credit Suisse Securities (Europe) Limited
HSBC Bank plc
Mediobanca – Banca di Credito Finanziario S.p.A.
MUFG Securities EMEA plc
NATIXIS
Société Générale
UniCredit Bank AG
- (iii) Date of Subscription Agreement: 17 January 2017
- (iv) Stabilisation Manager(s) (if any): BNP Paribas

(v) If non-syndicated, name of Not Applicable
relevant Dealer:

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