



REPUBLIC OF ITALY

FINAL TERMS dated 30 December 2010

Series No.: 93

Tranche No.: 1

Republic of Italy

U.S.\$64,000,000,000

Programme for the Issuance of Debt Instruments

Issue of

EUR 500,000,000

Instruments linked to European Inflation (ex Tobacco) due 1 September 2022

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 15 April 2010 (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 15 April 2010.

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: | Banca IMI 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 500,000,000
- (ii) Tranche EUR 500,000,000
8. Fungible with existing Series, Series No: Not Applicable
9. Issue Date: 4 January 2011
10. Issue Price: 99.482 per cent. of the Aggregate Principal Amount of the Tranche, plus 125 days' accrued interest in respect of the period from and including 1 September 2010 to, but excluding, 4 January 2011, all multiplied by the Inflation Index Ratio (as defined in the Annex) in respect of the Issue Date (being 1.00421), for an aggregate amount of EUR 504,404,791.53
11. Denomination: EUR 500,000
(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: Yes

Instrument:

(Condition 1.2)

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)

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)

Floating Rate.

The Interest Rate in respect of each Interest
Accrual Period will be 2.85 per cent. per annum
multiplied by the Inflation Index Ratio on the
relevant scheduled Interest Payment Date, all in
accordance with the provisions set out in the
Annex attached hereto.

22. **FIXED RATE INSTRUMENT
PROVISIONS**

Not Applicable

23. **FLOATING RATE INSTRUMENT
PROVISIONS**

Applicable

The Interest Rate in respect of each Interest

Accrual Period will be 2.85 per cent. per annum multiplied by the Inflation Index Ratio on the relevant scheduled Interest Payment Date, all in accordance with the provisions set out in the Annex attached hereto.

- | | |
|--|---|
| 24. Relevant Screen Page:
(Condition 5.3) | Not Applicable |
| 25. Relevant Margin:
(Condition 5.3) | Not Applicable |
| 26. ISDA Rate:
(Condition 5.4) | Not Applicable |
| 27. Minimum Interest Rate:
(Condition 5.5) | Not Applicable |
| 28. Maximum Interest Rate:
(Condition 5.5) | Not Applicable |
| 29. Interest Commencement Date:
(Condition 5.9) | 01 September 2010 |
| 30. Interest Payment Dates (or, if the Applicable Business Day Convention is the FRN Convention, Interest Period):
(Condition 5.9) | 01 September in each year, commencing on and including 01 September 2011 up to and including 01 September 2022, subject to adjustment in accordance with the Business Day Convention as specified below (and provided that there shall be no adjustment to interest accrual in relation to any such postponement) |
| 31. Interest Period End Dates (or, if the Applicable Business Day Convention is the FRN Convention, Interest Accrual Period):
(Condition 5.9) | Interest Payment Dates, without adjustment for any Business Day Convention |

32. Applicable Business Day Convention:
(Condition 5.9)
- for Interest Payment Dates Following Business Day Convention
 - for Interest Period End Dates No Adjustment
 - for Maturity Date Following Business Day Convention
 - any other date Following Business Day Convention
33. Definition of Business Day:
(Condition 5.9) Condition 5.9 applies
34. Day Count Fraction:
(Condition 5.9) Actual/Actual (ICMA)
35. Interest Determination Date:
(Condition 5.9) Not Applicable
36. Relevant Time:
(Condition 5.9) Not Applicable
37. Default Interest Rate:
(Condition 5.6) The Interest Rate from time to time applicable as calculated in accordance with the Annex hereto
38. Calculation Agent:
(Condition 5.9) Banca IMI S.p.A.
Largo Mattioli 3
20121 Milan
39. Reference Banks:
(Condition 5.9) Not Applicable
40. If non-interest bearing: Not Applicable
- Amortisation Yield Not Applicable
 - Rate of interest on overdue amounts Not Applicable
 - Day Count Fraction Not Applicable

PROVISIONS RELATING TO REDEMPTION

41. Maturity Date:
(Condition 6.1) 1 September 2022 subject to adjustment in accordance with the Business Day Convention specified in paragraph 32 above

42. Dates for payment of Instalment Amounts (Instalment Instruments):
(Condition 6.1) Not Applicable
43. Maturity Redemption Amount:
(Condition 6.1) Outstanding Principal Amount multiplied by the Inflation Index Ratio on the scheduled Maturity Date, as determined on the Valuation Date immediately preceding the Maturity Date or, where such Inflation Index Ratio is lower than 1 (one), the Outstanding Principal Amount.
44. Instalment Amounts:
(Condition 6.1) Not Applicable
45. Optional Early Redemption (Call):
(Condition 6.3) No
46. Optional Early Redemption (Put):
(Condition 6.6) No
47. Events of Default
(Condition 7.1):
- (a) Early Termination Amount: Outstanding Principal Amount multiplied by the Inflation Index Ratio on the Early Termination Date (as defined below), as determined on the Valuation Date immediately preceding the Early Termination Date or, where such Inflation Index Ratio is lower than 1 (one), the Outstanding Principal Amount.
- “Early Termination Date” means the date on which, upon occurring of an Event of Default, notice is served in accordance with Condition 7.2.
- (b) Any additional (or modifications to) Events of Default: Not Applicable
48. Payments:
(Condition 9)
- (a) Unmatured Coupons missing upon Early Redemption: Paragraph (i) of Condition 9A.6 applies
- (b) Relevant Financial Centre Day:
(Condition 9C.3) TARGET Business Day
49. Replacement of Instruments: Fiscal Agent

(Condition 12)

50. Notices:
(Condition 14)

Not Applicable

51. Listing:

Yes, regulated market of the Luxembourg Stock Exchange

DISTRIBUTION

52. Selling Restrictions:

— United States of America

Category 1 restrictions apply to the Instruments
TEFRA D Rules apply.

— Other

Not Applicable

53. Stabilising Manager(s) (if any):

Not applicable

54. ISIN:

XS0573950101

55. Common Code:

057395010

56. 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.

57. Any Clearing System other than Euroclear S.A./N.V. and Clearstream Banking, *société anonyme*:

None

58. Settlement Procedures:

Customary medium term note settlement and payment procedures apply

59. 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.\$64,000,000 Programme for the Issuance of Debt Instruments of the Republic of Italy.

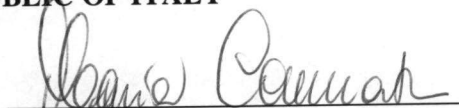
RESPONSIBILITY

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

CONFIRMED

REPUBLIC OF ITALY

By:



Authorised signatory

Date:

30 November 2010

ANNEX

1. Interest Rate and Definitions

The Interest Rate in respect of each Interest Accrual Period will be 2.85 per cent. per annum multiplied by the Inflation Index Ratio on the relevant scheduled Interest Payment Date. For the avoidance of any doubt, the relevant scheduled Interest Payment Date in respect of each Interest Accrual Period is the scheduled Interest Payment Date on which the Interest Accrual Period will end (such date excluded).

For the purposes of these Final Terms, the following terms will have the following meaning:

"Inflation Index Ratio" means, in respect of a day, the ratio between the Daily Inflation Reference Index on that day (prior to adjustment for any Business Day Convention) as determined on the relevant Valuation Date and the Daily Inflation Reference Index on 1 September 2010 (i.e. 109.70) or, for the purposes of adjusting the Issue Price, the ratio between the Daily Inflation Reference Index on the Issue Date (i.e. 110.16161) and the Daily Inflation Reference Index on 1 September 2010, such ratio being 1.00421.

The Inflation Index Ratio will be truncated to the sixth decimal place and then rounded to the fifth decimal place.

"Daily Inflation Reference Index" or **"DIRI"** means, for any day (D) in any given month (M), the linear interpolation of the monthly Inflation Index for months M-3 and M-2 (being respectively, the third and the second month immediately preceding such given month M) expressed by reference to a base of 100, in accordance with the following formula:

$$DIRI = Inflation Index_{M-3} + \frac{D-1}{NDM} \times (Inflation Index_{M-2} - Inflation Index_{M-3})$$

Where:

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

NDM = total number of days in the relevant month M

Inflation Index_{M-3} = the Inflation Index for month M-3

Inflation Index_{M-2} = the Inflation Index for month M-2

The Daily Inflation Reference Index will be truncated to the sixth decimal place and then rounded to the fifth decimal place.

The Daily Inflation Reference Index is determined on the basis of the first publication of the Inflation Index, notwithstanding any subsequent revisions thereto. The revised value of the Inflation Index will be taken into account for the purposes of determining the Daily Inflation Reference Index for the month following the official announcement of the revision.

"Inflation Index" means the consumer price index (excluding tobacco) of the Euro-zone, as calculated by the European Communities Statistical Office in Luxembourg (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.

"Index Sponsor" means Eurostat or any successor sponsor accepted by the Calculation Agent.

"Valuation Date" means (i) for the purposes of determining the Inflation Index Ratio on an Interest Payment Date, the fifth Business Day preceding such Interest Payment Date, (ii) for the purposes of determining the Inflation Index Ratio on the Maturity Date, the fifth Business Day preceding such Maturity Date, and (iii) for the purposes of determining the Inflation Index Ratio on the Early Termination Date, the fifth Business Day preceding such Early Termination Date.

2. Disruption and Fallbacks

If the Inflation Index for a particular month P is not published within a reasonable time, a substitute index (the "*Substitute Index p*") shall be determined in accordance with the following formula:

$$\text{Substitute Index}_p = \text{Inflation Index}_{p-1} \times \left(\frac{\text{Inflation Index}_{p-1}}{\text{Inflation Index}_{p-13}} \right)^{\frac{1}{12}}$$

Where:

P = the month for which no Inflation Index is published and for which a substitute index must therefore be determined by extrapolation.

Inflation Index_{p-1} = the Inflation Index for month P-1

Inflation Index_{p-13} = the Inflation Index for month P-13

Month P-1 and month P-13 means respectively the first or the thirteenth month immediately preceding P.

Upon publication of the relevant Inflation Index, such index will apply from the day following its publication (and the substitute index will from this day cease to apply).

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 a Inflation Index from the date of such rebasing; provided, however, 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 affect any prior payments made under the Instruments.