

FINAL TERMS

23 May 2016

TELECOM ITALIA S.p.A.

Issue of €1,000,000,000 3.625 per cent. Notes due 25 May 2026

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 30 June 2015 and the supplements to it dated 4 January 2016 and 17 May 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: 37
 - (b) Tranche Number: 1
 - (c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Currencies: Euro (“€”)
3. Aggregate Nominal Amount of Notes admitted to trading:
 - (a) Series: €1,000,000,000
 - (b) Tranche: €1,000,000,000
4. Issue Price: 100% 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: 25 May 2016
 - (b) Interest Commencement Date: Issue Date
7. Maturity Date: 25 May 2026

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| 8. | Interest Basis: | 3.625% 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. See paragraphs 16/17 below |
| 12. | Date Board approval for issuance of Notes obtained: | 15 February 2016 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 13. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | 3.625% per annum payable in arrears on each Interest Payment Date |
| | (b) Interest Payment Date(s): | Annually on 25 May in each year from and including 25 May 2017 (the “First Interest Payment Date”) up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s):
<i>(Applicable to Notes in definitive form.)</i> | €36.25 per €1,000 Calculation Amount |
| | (d) Broken Amount(s):
<i>(Applicable to Notes in definitive form.)</i> | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 25 May 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

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

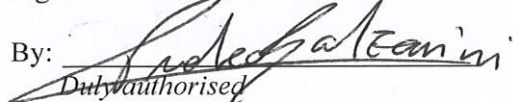
21. Additional Financial Centre(s): Not Applicable

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

HEAD OF FINANCE

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 25 May 2016.
- (ii) Estimate of total expenses related to admission to trading: €6,100

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 Joint Lead 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 Joint Lead 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

3.625 per cent. per annum

5. HISTORIC INTEREST RATES

Not Applicable

6. OPERATIONAL INFORMATION

- (i) ISIN: XS1419869885
- (ii) Common Code: 141986988
- (iii) Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment

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| (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 Joint Lead Managers: | Banca IMI S.p.A.
Banco Bilbao Vizcaya Argentaria, S.A.
Barclays Bank PLC
BNP Paribas
Crédit Agricole Corporate and Investment Bank
Credit Suisse Securities (Europe) Limited
HSBC Bank plc
Mediobanca – Banca di Credito Finanziario S.p.A.
Mitsubishi UFJ Securities International plc
Natixis |
| (iii) | Date of Subscription Agreement: | 23 May 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 |