

FINAL TERMS

10 October 2017

TIM S.p.A.

**Issue of €1,250,000,000 2.375 per cent. Notes due 12 October 2027
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 13 July 2017 and the supplement to it dated 4 October 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: 40
 - (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: €1,250,000,000
 - (b) Tranche: €1,250,000,000
4. Issue Price: 99.185 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: | 12 October 2017 |
| | (b) | Interest
Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 12 October 2027 |
| 8. | | Interest Basis: | 2.375 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: | Issuer Maturity Par Call

(see paragraph 17 below) |
| 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: 2.375 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) | Interest Payment
Date(s): Annually on 12 October in each year from and including 12 October 2018 up to and including the Maturity Date. |
| | (c) | Fixed Coupon
Amount(s) €23.75 per €1,000 Calculation Amount
for Notes in definitive
form (and in relation to
Notes in global form
see Conditions): |
| | (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): 12 October 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. Issuer Maturity Par Call: Applicable

Notice periods (if other than as set out in the Conditions) As set out in the Conditions

18. Investor Put: Not Applicable

19. Final Redemption Amount: €1,000 per Calculation Amount

20. 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

21. 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

22. Additional Financial Centre(s): Not Applicable

23. 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

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 12 October 2017
- (ii) Estimate of total expenses related to admission to trading: €6,600.00

2. RATINGS

The Notes to be issued have been rated:

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

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

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

2.468 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: XS1698218523

- | | | |
|-------|---|---|
| (ii) | Common Code: | 169821852 |
| (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 |
| (ii) | If syndicated, names of Managers: | Banca IMI S.p.A.
Banco Bilbao Vizcaya Argentaria, S.A.
Banco Santander, S.A.
Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
ING Bank N.V.
J.P. Morgan Securities plc
Mediobanca – Banca di Credito Finanziario S.p.A.
SMBC Nikko Capital Markets Limited
Unicredit Bank AG |
| (iii) | Date of Subscription Agreement: | 10 October 2017 |
| (iv) | Stabilisation Manager(s) (if | UniCredit Bank AG |

any):

- (v) If non-syndicated, name of Not Applicable
relevant Dealer:
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
Rules