

Date : 12 October 2016

For immediate release

## **Telecom Italia Finance S. A.**

(Incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg;

*Registre de Commerce et des Sociétés*, Luxembourg No. B 76448)

### **NOTICE TO HOLDERS OF**

## **€1,300,000,000 6.125 per cent. Mandatory Convertible Bonds due on 15 November 2016 (the “Bonds”)**

ISIN XS0994433240 and XS0994794005

*Capitalised terms that are not defined in this notice shall have the meanings given to them in the conditions of the Bonds (the “Conditions”).*

In order to permit a smooth conversion process and to familiarise Bondholders with conversion procedures, the Issuer hereby reminds Bondholders of the following timetable:

- The Calculation Period for determining the Relevant Conversion Ratio **will begin on 13 October 2016 and end on 9 November 2016;**
- **10 November 2016 will be the final date to submit Conversion Notices**
- **15 November 2016 is the Maturity Date and Delivery Date of the Ordinary Shares**

**We remind Bondholders that the filing and transmission of the Conversion Notice is compulsory** (as per Condition 8.2 of the Bonds) **in order to receive the Ordinary Shares due at the Relevant Conversion Ratio. Bondholders should pay the utmost attention when filing the Conversion Notice to ensure such notice is a valid Conversion Notice.** Any Bondholder not submitting a valid Conversion Notice will not receive Ordinary Shares but, instead, the net cash proceeds arising from the sale of such Ordinary Shares which will be carried out by the Relevant Person, as detailed below.

#### **PROCEDURE FOR MANDATORY CONVERSION**

1. Condition 8.2 of the Bonds provides that as a precondition to any delivery of any Ordinary Shares pursuant to a Mandatory Conversion, a Bondholder is required to deliver the relevant Certificate or Certificates together with a duly executed Conversion Notice to the specified office of the Paying, Transfer and Conversion Agent by not later than 3 Trading Days prior to the relevant Delivery Date (i.e. **10 November 2016**). Contact details of the Paying, Transfer and Conversion Agent are here below:

BNP PARIBAS SECURITIES SERVICES LUXEMBOURG BRANCH  
CORPORATE TRUST SERVICES - CORPORATE ACTIONS DEPARTMENT

ATTENTION TO MRS DEVERSENNE SABRINA  
AVENUE JF KENNEDY 60  
L-1855 LUXEMBOURG  
Email: lux.ostdomiciliees@bnpparibas.com

With electronic copy to the Guarantor:  
Telecom Italia S.p.A  
Piazza degli Affari, 2 – Milan  
Italy  
Email: gestione.azionariato@telecomitalia.it  
Attention: Corporate Affairs

2. Condition 8.4 provides that if delivery of a Conversion Notice is made after 4.00 p.m. CET on any day or is made on a day which is not a business day (“business day” having the meaning given to it in the Conditions for the purpose of this notice to Bondholders) in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following business day, so Conversion Notices delivered after 4.00 p.m. CET of November 10, 2016 will not be valid.

According to Italian law the Ordinary Shares must be issued on a nominative basis by Telecom Italia S.p.A.: **the registration on the Guarantor’s shareholders ledger will be made exclusively according to the details provided in the Conversion Notices.** Each Bondholder will be solely responsible for the information provided in the Conversion Notice.

#### **WHAT WILL HAPPEN TO BONDHOLDERS WHO DO NOT SUBMIT AN ACCURATELY COMPLETED CONVERSION NOTICE AND THE RELEVANT CERTIFICATES BEFORE THE DEADLINE?**

Condition 8.2 provides that if the Conversion Notice and/or the relevant Certificate(s) are not delivered to the specified office of a Paying, Transfer and Conversion Agent by not later than 3 Trading Days prior to the relevant Delivery Date (such Bonds being the Unsurrendered Bonds), the relevant Ordinary Shares will be issued to a person (the Relevant Person) selected by the Issuer on the relevant Delivery Date. Upon issue of the relevant Ordinary Shares to or to the order of the Relevant Person, the Bondholders shall have no further rights to delivery of Ordinary Shares under the Unsurrendered Bonds and their entitlement shall instead be to the net proceeds of sale of the relevant Ordinary Shares, subject to and in accordance with this Condition 8.2. The Issuer shall procure that all of such Ordinary Shares shall be sold by or on behalf of the Relevant Person (or such nominees) as soon as practicable based on advice from a reputable financial institution, investment or commercial bank or broker selected by the Issuer and approved by the Trustee, and (subject to any necessary consents being obtained and to the deduction by or on behalf of the Relevant Person of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration and transfer taxes or duties (if any) and any fees or costs incurred by or on behalf of the Relevant Person in connection with the allotment and sale thereof) the net proceeds of sale (converted where applicable into euro by the Relevant Person) shall be paid to the Trustee or as the Trustee may direct and shall be held by or on behalf of the Trustee on trust and distributed to the holders of the Unsurrendered Bonds in proportion to the aggregate principal amount of such Unsurrendered Bonds held by each such relevant Bondholder in accordance with Condition 11.1 or in such other manner as the Trustee shall determine and notify to Bondholders in accordance with Condition 19.

Any such cash amount paid as aforesaid to a holder pursuant to this paragraph shall be treated for all purposes as discharging the Issuer's and the Guarantor's obligations in respect of the conversion of the relevant Bonds, and all rights of each relevant Bondholder to principal and interest in respect of such Bonds shall be extinguished upon the payment of the relevant amount in accordance with this Condition 8.2.