

Dated 12 March 2010

**Telecom Italia Finance, société anonyme**

**Notice to the Holders of**

**€138,830,000 Guaranteed Floating Rate Extendable Notes due 2010**

**ISIN: XS0371122911**

**and**

**€107,715,000 Guaranteed Floating Rate Extendable Notes due 2012**

**ISIN: XS0495699554**

**guaranteed by**

**TELECOM ITALIA S.p.A.**

On 12 June 2008 Telecom Italia Finance S.A. (the "Issuer") issued €138,830,000 Guaranteed Floating Rate Extendable Notes due 2010 (the "2010 Notes") guaranteed by Telecom Italia S.p.A. pursuant to its €15,000,000,000 Euro Medium Term Note Programme.

Pursuant to the terms and conditions of the 2010 Notes (the "2010 Conditions"), the holders of €31,115,000 in aggregate principal amount of the 2010 Notes have elected not to extend the Maturity Date of such Notes and accordingly such principal amount of the 2010 Notes is due to be redeemed by the Issuer on the Interest Payment Date falling in June 2010 in accordance with the 2010 Conditions.

In accordance with the 2010 Conditions, on 12 March 2010 the Issuer issued €107,715,000 Guaranteed Floating Rate Extendable Notes due 2012 (the "2012 Notes") in respect of the equivalent aggregate principal amount of the 2010 Notes for which no election not to extend the Maturity Date had been made. The 2012 Notes form a separate series from the 2010 Notes with a separate ISIN Number as set out above and a separate Common Code.

Terms used in this notice and not defined have the meanings set out in the terms and conditions of the 2010 Notes which are attached to the Final Terms referred to below.

A copy of the Final Terms dated 12 March 2010 for the 2012 Notes is available from the registered office of the Issuer or the specified office of the Paying Agent in Luxembourg as follows:

**LUXEMBOURG PAYING AGENT**

The Bank of New York Mellon (Luxembourg) S.A.  
Aerogolf Center  
1A Hoehenhof  
L-1736 Senningerberg  
Luxembourg

**REGISTERED OFFICE OF THE ISSUER**

12, rue Eugène Ruppert  
L-2453 Luxembourg