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FINANCE

## PRESS RELEASE

### TELECOM ITALIA FINANCE S.A. FINAL TERMS OF THE SUCCESSFUL PLACEMENT OF EUR 1,300 MILLION MANDATORY CONVERTIBLE BONDS DUE NOVEMBER 2016

- Telecom Italia Finance, Société Anonyme (the “**Issuer**”) announces the final pricing of the EUR 1,300 million 6.125% Guaranteed Subordinated Mandatory Convertible Bonds due November 2016 convertible into ordinary shares of Telecom Italia S.p.A. (the “**Ordinary Share Bonds**”) to be guaranteed by Telecom Italia S.p.A. (the “**Guarantor**”)
- The minimum conversion price of the Ordinary Share Bonds has been set at EUR 0.6801 (equal to the VWAP of the Shares between the open and close of Borsa Italiana on Friday 8 November 2013) and the maximum conversion price has been set at EUR 0.8331 (equal to 122.5% of the minimum conversion price)
- Proceeds of the Bonds to be used for the Issuer’s general corporate purposes

*Luxembourg, 8 November 2013*

Following the press release issued on 8 November 2013, Telecom Italia Finance, Société Anonyme (the “**Issuer**”) announces the final pricing of the EUR 1,300 million 6.125% Guaranteed Subordinated Mandatory Convertible Bonds due November 2016 convertible into ordinary shares of Telecom Italia S.p.A. (the “**Ordinary Share Bonds**”) and guaranteed by Telecom Italia S.p.A..

The Ordinary Share Bonds will mature in November 2016 (3 years), will be in registered form in the denomination of EUR 100,000 each and will be issued at 100% of the principal amount.

The minimum conversion price of the Ordinary Share Bonds has been set at EUR 0.6801 (equal to the VWAP of the Shares between the open and close of Borsa Italiana on Friday 8 November 2013) and the maximum conversion price has been set at EUR 0.8331 (equal to 122.5% of the minimum conversion price).

Settlement of the Ordinary Share Bonds is expected to occur on 15 November 2013.

An application will be made to admit the Ordinary Share Bonds to trading on an internationally recognized, regularly operating, regulated or non-regulated, stock exchange, as determined by the Issuer, no later than 15 March 2014.

The offering is being made to qualified institutional investors only, outside the United States (subject to certain limited exceptions), in offshore transactions to non-U.S. persons (in reliance on Regulation S) and may be subject to restrictions in other jurisdictions.

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