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F I N A N C E

PRESS RELEASE

TELECOM ITALIA FINANCE: SUCCESSFUL PLACEMENT OF EUR 1,300 MILLION MANDATORY CONVERTIBLE BONDS DUE NOVEMBER 2016

- Successful placement of EUR 1,300 million Fixed Rate Guaranteed Subordinated Mandatory Convertible Bonds due November 2016 convertible into ordinary shares (the "**Ordinary Share Bonds**") issued by Telecom Italia Finance S.A. (the "**Issuer**"), to be guaranteed by Telecom Italia S.p.A. (the "**Guarantor**")
- Ordinary Share Bonds placed with a coupon of 6.125% per annum and an initial maximum conversion price set at 122.5% of the minimum conversion price of such Ordinary Share Bonds
- The minimum conversion price will be set and announced after the close of Borsa Italiana on 8 November 2013
- Proceeds of the Bonds to be used for the Issuer's general corporate purposes

Luxembourg, 8 November 2013 – With reference to the press release issued on 7 November 2013, Telecom Italia Finance, Société Anonyme (the "**Issuer**") announces that the placement of EUR 1,300 million Fixed Rate Guaranteed Subordinated Mandatory Convertible Bonds due November 2016 convertible into ordinary shares (the "**Ordinary Share Bonds**") , guaranteed by Telecom Italia S.p.A. (the "**Guarantor**"), has now been completed.

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 will be equal to the VWAP of the Shares between the open and close of Borsa Italiana on Friday 8 November 2013 and will be announced in a separate press release after the close of Borsa Italiana on 8 November 2013.

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

Considering the demand for the Ordinary Share Bonds, the Issuer has decided to proceed with the full total announced size in the format of Ordinary Share Bonds and will not issue any Savings Share Bonds (as defined in the launch press release).

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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