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TELECOM ITALIA S P A  
Form 6-K  
May 11, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15D-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF MAY 2006

TELECOM ITALIA S.p.A.  
(Translation of registrant's name into English)

Piazza degli Affari 2  
20123 Milan, Italy  
(Address of principal executive offices)

Indicate by check mark whether the registrant files  
or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F  FORM 40-F

Indicate by check mark if the registrant  
is submitting the Form 6-K in paper  
as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant  
is submitting the Form 6-K in paper  
as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information  
contained in this Form, the registrant is also thereby furnishing  
the information to the Commission pursuant to Rule 12g3-2(b)  
under the Securities Exchange Act of 1934.

YES  NO

If "Yes" is marked, indicate below the file number assigned  
to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

**PRESS RELEASE**

**TELECOM ITALIA: SUCCESSFUL ISSUANCE OF STERLING AND EURO BONDS FOR A TOTAL OF  
1.3 BILLION EURO**

**The new issue, placed with institutional investors, attracted strong market interest**

**The sterling issue allowed a lower funding cost than what might have been obtained on other markets for a similar trade**

**The process of refinancing 2007 debt maturities continues**

*Milan, 11 May 2006* - Telecom Italia today priced a benchmark bond issue, in Euro and Sterling, aimed at institutional investors, with respective maturities of 8 and 17 years, for a total amount of approximately 1.3 billion Euro equivalent. Both tranches are fixed-rate.

The success of this transaction demonstrates once more the capital markets' appreciation for Telecom Italia credit, which keeps on being favoured by specialized international investors.

In particular, the sterling issue was carried out with significantly lower costs compared with what might have been obtained on other markets for an issue with similar characteristics.

With this deal, the Telecom Italia Group has refinanced approximately 35% of debt maturing in 2007. At the same time, the investor and currency diversification of the debt's structure has increased.

The terms are as follows:

**Sterling Tranche**

issuer: Telecom Italia S.p.a

amount: GBP 400 million

issue date: 19 May 2006

maturity: 19 May 2023

tenor: 17 years

coupon: 5.875%, payable annually

issue price: 99.622%

yield to maturity: 5.826% semi-annually (5.911% annually)

**Euro Tranche**

issuer: Telecom Italia S.p.a

amount: 750 million euro

issue date: 19 May 2006

maturity: 19 May 2014

tenor: 8 years

coupon : 4.75% payable annually

issue price: 99.156%

yield to maturity: 4.880%

The bond issue is drawn upon the Telecom Italia's 15 billion Euro Medium Term Note (EMTN) programme and was carried out with the support of the joint bookrunners BNP Paribas, Calyon, Deutsche Bank and HSBC.

Application for the listing of the notes shall be made with the Luxembourg stock exchange.

*The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.*

**Telecom Italia**

**Telecom Italia Group Press Office**

*Institutional press office*

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**Telecom Italia**

**Investor Relations**

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[www.telecomitalia.it/investor-relation](http://www.telecomitalia.it/investor-relation)

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Cautionary Statement for Purposes of the "Safe Harbor" Provision of the United States Private Securities Litigation Reform Act of 1995.

The Private Securities Litigation reform Act of 1995 provides a "safe harbor" for forward-looking statements. The Press Release included in this Form 6-K

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contains certain forward looking statements and forecasts reflecting management's current views with respect to certain future events. The ability of the Telecom Italia Group to achieve its projected results is dependant on many factors which are outside of management's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and are based on certain key assumptions.

The following important factors could cause the Telecom Italia Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- the continuing impact of increased competition in a liberalized market, including competition from global and regional alliances formed by other telecommunications operators in the core domestic fixed-line and wireless markets of the Telecom Italia Group;
- the ability of the Telecom Italia Group to introduce new services to stimulate increased usage of its fixed and wireless networks to offset declines in its fixed-line business due to the continuing impact of regulatory required price reductions, market share loss and pricing pressures generally;
- the ability of the Telecom Italia Group to achieve cost-reduction targets in the time frame established or to continue the process of rationalizing its non-core assets;
- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of the slowdown in Latin American economies and the slow recovery of economies generally on the international business of the Telecom Italia Group focused on Latin America and on its foreign investments and capital expenditures;
- the continuing impact of rapid changes in technologies;
- the impact of political and economic developments in Italy and other countries in which the Telecom Italia Group operates;
- the impact of fluctuations in currency exchange and interest rates;
- Telecom Italia's ability to continue the implementation of its 2002-2004 Industrial Plan, including the rationalization of its corporate structure and the disposition of Telecom Italia's interests in various companies;
- the ability of the Telecom Italia Group to successfully achieve its debt reduction targets;
- Telecom Italia's ability to successfully roll out its UMTS networks and services and to realize the benefits of its investment in UMTS licenses and related capital expenditures;
- Telecom Italia's ability to successfully implement its internet strategy;
- the ability of the Telecom Italia Group to achieve the expected return on the significant investments and capital expenditures it has made in Latin America and in Europe;
- the amount and timing of any future impairment charges for Telecom Italia's licences, goodwill or other assets; and

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- the impact of litigation or decreased mobile communications usage arising from actual or perceived health risks or other problems relating to mobile handsets or transmission masts.

The foregoing factors should not be construed as exhaustive. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Accordingly, there can be no assurance that the group will achieve its projected results.

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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 11th, 2005

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

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Carlo De Gennaro  
Company Manager