

TELECOM ITALIA S P A  
Form 6-K  
April 13, 2010

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

Telecom Italia S.p.A.

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

FOR THE MONTH OF APRIL 2010

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

The present document has been translated from the document issued and filed in Italy, from the Italian into the English language solely for the convenience of international readers. Despite all the efforts devoted to this translation, certain errors, omissions or approximations may subsist. Telecom Italia, its representatives and employees decline all responsibility in this regard

#### Additional Information

As disclosed in the Company's press release included in this Form 6-K, the Company has restated its financial statements for the years ended December 31, 2005, 2006, 2007 and 2008. The reasons for such restatement and the effect of such restatement on the Company's consolidated income statements and balance sheets for such periods and as of the end of such periods are also fully set out in the attached press release. Investors should not rely on the previously issued audited financial statements for the periods under restatement included in previously filed Annual Reports on Form 20-F.

The Company adopted its 2009 financial statements, which adoption was taken as required by Italian law at the meeting of the Board of Directors held on April 12, 2010. Reconta Ernst & Young has also issued its audit report in relation to these 2009 financial statements in accordance with auditing standards and procedures recommended by Consob (the Italian Stock Exchange Regulatory Agency). In connection with the Company's adoption of the 2009 financial statements, it was also determined to restate the Company's consolidated financial statements for prior periods as noted above. As a result of the decision to restate, the Company was informed by Reconta Ernst & Young in a letter dated April 12, 2010 that it was withdrawing its audit reports on the consolidated financial statements included in the Company's Annual Reports on Form 20-F for the years ended December 31, 2005, 2006, 2007 and 2008. Such withdrawal is required by the standards of the Public Company Accounting Oversight Board (U.S.). The Company intends to file its Annual Report on Form 20-F for the year ended December 31, 2009 in May 2010.

PRESS RELEASE

TELECOM ITALIA: BOARD OF DIRECTORS EXAMINES AND APPROVES GROUP ANNUAL REPORT ON OPERATIONS AT 31 DECEMBER 2009

BERNABÈ: “2009 EBITDA AND DEBT REDUCTION OBJECTIVES REACHED, THANKS TO INCISIVE COST CONTROL AND CONTINUING EFFICIENCY RECOVERY. THESE RESULTS CONFIRM THE EFFECTIVENESS OF THE GROUP’S STRATEGY AND ALLOW US TO DISTRIBUTE OUR SHAREHOLDERS A DIVIDEND OF AROUND €1 BILLION.”

“WE WILL CONTINUE ALONG THE PATH SET OUT IN THE 2009-2011 INDUSTRIAL PLAN PRESENTED AT THE END OF 2008 WITH THE OBJECTIVE OF STABILIZING THE GROUP’S ORGANIC EBITDA FOR THE THIRD CONSECUTIVE YEAR IN 2010 AT €11.3 BILLION ALSO THANKS TO THE CONTRIBUTION FROM BRAZIL WHICH RECORDED GOOD PROGRESS IN THE FIRST THREE MONTHS OF THE YEAR.”

“THE UPDATE OF THE INDUSTRIAL PLAN TO 2012, FOCUSED ON THE DOMESTIC MARKET AND BRAZIL, ALLOWS US TO EXPECT AN OPERATING FREE CASH FLOW TURNOVER TARGET AT THE END OF THE PERIOD OF 26%, ONE OF THE HIGHEST AMONG EUROPEAN COMPANIES, AND TO CONFIRM A DEBT REDUCTION OF €5 BILLION BY 2011 AS FORESEEN IN THE PLAN PRESENTED AT THE END OF 2008.”

SPARKLE: RISK PROVISION CREATED FOR A TOTAL OF €507 MILLION ECONOMIC IMPACT IN 2009 LIMITED TO €10 MILLION FOR FINANCIAL CHARGES

TELECOM ITALIA GROUP PRELIMINARY RESULTS CONFIRMED:

REVENUES: €27,163 MILLION, -6.3% COMPARED WITH THE END OF 2008; -5.6% ORGANIC VARIATION

EBITDA: €11,115 MILLION, +0.2% COMPARED WITH THE END OF 2008;

ORGANIC EBITDA: €11,327 MILLION, -0.5% COMPARED WITH 2008;

ORGANIC EBITDA MARGIN: 41.7%, +2.2 pp COMPARED WITH 2008;

INCOME BEFORE TAXATION: €3,339 MILLION, AN INCREASE OF 15.4% COMPARED WITH 2008

NET INCOME: €1,581 MILLION, A REDUCTION OF €596 MILLION COMPARED WITH 31 DECEMBER 2008 MAINLY DUE TO THE EFFECT OF THE WRITE-DOWN FROM HANSENET GOODWILL, HIGHER TAXES FOR THE YEAR AND THE TERMINATION OF SOME FISCAL BENEFITS

FREE CASH FLOW FROM OPERATIONS: €6,298 MILLION (+€662 MILLION COMPARED WITH 2008) EQUAL TO 23.2% OF REVENUES, AN INCREASE OF 3.8pp COMPARED WITH 2008

ADJUSTED NET DEBT: €33,949 MILLION, A DECREASE OF €577 MILLION (€34,526 MILLION AT THE END OF 2008); A DECREASE OF €1,144 MILLION IN Q4 (€35,093 MILLION AT 30 SEPTEMBER 2009). IN 2009 TAXES PAID FOR €2,301 MILLION (€633 MILLION IN 2008)

NET FINANCIAL DEBT WAS €34,747 MILLION (€34,039 MILLION AT THE END OF 2008)

INVESTMENTS MADE FOR AROUND €4.5 BILLION IN 2009, WITH APPROXIMATELY €3.5 BILLION DEDICATED TO STRENGTHENING THE NETWORK AND TECHNOLOGY PLATFORMS IN THE DOMESTIC MARKET THUS ANTICIPATING AND SATISFYING CUSTOMER NEEDS

PROPOSED DISTRIBUTION OF DIVIDENDS OF 5 EURO CENT PER ORDINARY SHARE AND 6.1 EURO CENT PER SAVINGS SHARE, EQUAL TO A PAY OUT RATIO OF 74%

STRATEGIC GUIDELINES AND TARGETS FOR THE 2010-2012 THREE-YEAR PERIOD:

4 STRONGER CASH FLOW GENERATION: OPERATING FREE CASH FLOW OF €21 BILLION OVER THE THREE YEAR PERIOD; CASH FLOW FROM OPERATIONS TO REPRESENT 26% OF REVENUES IN 2012

4 DEBT REDUCTION OF €5 BILLION CONFIRMED FOR THE 2008-2011 PERIOD; 2012 DEBT TARGET LESS THAN €28 BILLION

4 2009-2012 EFFICIENCY PLAN EXTENDED AND INCREASED ON CASH COSTS OF €2.7 BILLION (VS 2 BILLION IN THE PREVIOUS 2009-2011 PLAN) OF WHICH €900 MILLION ALREADY CREATED IN 2009 AND AROUND €1 BILLION EXPECTED IN 2010

4 THE HEADCOUNT REDUCTION PLAN BY THE END OF 2010 ALMOST COMPLETED

4 INVESTMENTS EXPECTED FOR APPROXIMATELY €12 BILLION IN THE THREE YEARS, OF WHICH APPROXIMATELY €9 BILLION IN ITALY FOR THE COMPETITIVE DEVELOPMENT OF FIBRE, THE STRONG BOOST IN INNOVATION AND THE IMPROVEMENT OF RADIO NETWORK PERFORMANCE

The FY 2009 results and the will be presented to the financial community during the Telecom Italia Analyst & Investor Briefing scheduled for today, beginning at 9.20 am, at Rozzano (MI). The event may be followed live by video and audio streaming, plus slide show, at: [www.telecomitalia.it/investormeeting2010/ita](http://www.telecomitalia.it/investormeeting2010/ita); [www.telecomitalia.it/investormeeting2010/eng](http://www.telecomitalia.it/investormeeting2010/eng) or via conference call by calling: +39 06 33168. Those unable to connect live may follow the presentation by calling: +39 06 334843 (access code 287409#) from 20 April. Please call +39 0633444551 or +39 06334844 if you experience any problems connecting.

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This press release contains alternative performance indicators not contemplated under IFRS accounting standards (EBITDA; EBIT; Organic Difference in Revenues, EBITDA and EBIT; Net Financial Debt and Adjusted Net Financial Debt). These terms are defined in the Appendix.

The financial results of the Telecom Italia Group for FY 2009 and previous years provided for comparison were drafted in accordance with the international accounting principles issued by the International Accounting Standards Board and approved by the European Union (“IFRS”).

The principles applied by the Group in 2009 are consistent with those used in previous years with the exception of IFRS 3 revised (Business Combinations), IAS 27 revised (Consolidated and Separate Financial Statements), adopted in advance, and IFRIC 13 (Customer Loyalty Programmes), adopted retrospectively, whose main effects are described in the Appendix.

As a result of errors – as outlined by IAS 8 – which have emerged from the Sparkle case, restatements have been made to the economic and financial data for previous financial years as highlighted in the paragraph “Sparkle”, in this press release. Also following the implementation of IFRIC 13, comparative data for the corresponding periods of fiscal year 2008 were restated accordingly. Furthermore, following the implementation of IFRS 8 the expressions “business sector” and “business unit” are to be construed as having the same meaning in this press release.

This press release and particularly the “Outlook for the 2010 financial year” section, and the “Three Year Plan 2010-2012” section, contains forward-looking statements about the Group’s intentions, beliefs and current expectations with regard to its financial results and other aspects of operations and strategies. Readers should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in such statements owing to a number of factors to consider, also in relation to the uncertainty connected with the crisis in the financial markets the majority of which are beyond the Group’s control.

With reference to the US Reporting Requirements, the restatement of the economic and financial data relating to the financial years 2005, 2006, 2007 and 2008 entails - pursuant to the audit principles as applicable in the United States (PCAOB rules) - the withdrawal of the audit opinions for the correspondent years on Form 20-F . The company intends to file the 2009 Annual Report on Form 20-F with the US Securities and Exchange Commission in May. In the meantime, Investors are invited not to use the aforementioned financial statements on Form 20-F in their investing decisions. Finally, it should be noted that the audit report of the consolidated and separate financial statements of Telecom Italia at 31 December 2009 was issued today by Reconta Ernst & Young SpA according to the principles and criteria issued by Consob.

Milan, 13 April 2010

The Telecom Italia Board of Directors, chaired by Gabriele Galateri di Genola, yesterday examined and approved the Group’s Annual Report on Operations at 31 December 2009.

Today in Milan, Telecom Italia CEO Franco Bernabè, CFO Andrea Mangoni, Head of Domestic Market Operations Marco Patuano, CTO Oscar Cicchetti and the Diretor Presidente of Tim Brasil Luca Luciani, present to the financial community and media the Group’s strategic guidelines and targets for the 2010-2012 period.

Franco Bernabè, CEO of Telecom Italia, said: “The results achieved during 2009 are very satisfactory in light of the profound changes implemented in the mobile business both in Italy and in Brazil; the ability to recover efficiency has enabled the Group to reach the objectives of profitability and to look more calmly towards 2010. The strong cash generation and the further reduction in the debt level allow us to strengthen Telecom Italia’s role as leader in technological development, moving closer to the customer and its needs. In view of the full year results, and convinced of the effectiveness of the actions taken, that will continue in the near future, the Board of Directors has decided to propose to the shareholders the distribution of a 5 euro cent dividend for ordinary shares and 6.1 euro cent

for savings shares, a decision which is coherent with the results and the trust in the evolution of the Group.”

“Telecom Italia today has the opportunity to highlight the stages reached in the path outlined a year ago in the presentation of an industrial plan which was focused on a return to fundamentals. 2009 was a

year of great challenges characterised by a profound economic crisis and, for what concerns Telecom Italia, by important commercial and organisational changes. The actions taken this year by the company allow us to confront future challenges. We will continue to focus on keeping under control operating and investment costs which are concentrated in those business sectors which are considered most profitable. This selective approach will allow us to increase cash generation, which remains our primary objective, together with debt reduction. Geographically, our growth will come from Italy and Brazil. With Tim Brasil, which has now completed its re-positioning, we are ready to successfully compete as a pure mobile operator, in one of the emerging countries with higher growth potential”.

## TELECOM ITALIA GROUP RESULTS

The consolidated financial statements at 31 December 2009 take into account the restatements and provisions as a result of information obtained from the the information available under the Court order issued in relation with the ongoing investigation involving, among others, the subsidiary Sparkle, and of subsequent auditing of financial statements starting from 2005. As a result, the 2008 comparative data as well as the main economic/financial data from the 2005, 2006, 2007 financial periods have been coherently restated.

Risk provisions totalling €507 million were set aside up to the end of 2009 (of which €10 million in 2009) and are intended to address risks and additional charges of a fiscal and legal nature. Telecom Italia considers that certain operations carried out in the years 2005, 2006 and 2007 presented several anomalies, as outlined by IAS 8, such to conclude today that the financial statements of the years in question must be restated.

Restatement of the 2005, 2006, 2007 and 2008 financial statements following the investigation involving Sparkle (IAS 8)

(million euros)	RESTATEMENT					CUM 2005-2009
	2005	2006	2007	2008	2009	
Revenue and Other income	(323)	(754)	(168)	-	-	(1,245)
Provisioning of materials and services	311	707	155	-	.	1,173
Other operating costs (provisions for indirect duties and taxes – VAT and penalties)	(77)	(256)	(70)	-	-	(403)
Impact on EBITDA	(89)	(303)	(83)	-	-	(475)
Impact on EBIT	(89)	(303)	(83)	-	-	(475)
Financial charges (provisions for interest on VAT)	-	(4)	(8)	(10)	(10)	(32)
Impact on income for the year	(89)	(307)	(91)	(10)	(10)	(507)
Impact on Parent company share of Shareholder’s Equity	(89)	(396)	(487)	(497)	(507)	
Impact on total current liabilities	89	396	487	497	507	



Restated adjusted data:

(million euros)	Restated Data				
	2005	2006	2007	2008	2009
Total Revenues and operating provisions	29,861	30,358	30,185	29,336	27,445
Provisioning for materials and services	(12,253)	(12,876)	(13,443)	(13,120)	(11,480)
Other operating costs	(1,524)	(1,769)	(2,268)	(1,631)	(1,616)
EBITDA	12,468	12,498	11,295	11,090	11,115
EBIT	7,548	7,269	5,738	5,437	5,493
Balance of Proceeds /Net Financial Charges	(2,058)	(2,191)	(2,183)	(2,611)	(2,170)
Income for the year	3,601	2,696	2,360	2,178	1,596
Income for the year attributable to Parent company shareholders	3,127	2,707	2,353	2,177	1,581
Net Equity attributable to Parent company shareholders	25,573	25,622	25,431	25,598	25,952

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#### 2009 Financial Year

The main variations to the consolidation area in 2009 were as follows:

- 4 the Group's stake in HanseNet Telekommunikation GmbH (a German broadband carrier) was posted under Discontinued Operations. The sale was completed on 16 February 2010. Pursuant to IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), the company's economic performance in 2009 as well as in the corresponding periods of the 2008 fiscal year, were placed under an ad-hoc P&L item called "Income (losses) from Discontinued Operations/Assets Held for Sale". Capital-related results at 31 December 2009 are displayed as two separate items on the consolidated balance sheet;
- 4 on 30 December 2009 Tim Participações acquired 100% of the fixed network operator Brazil Intelig Telecomunicações Ltda, consolidated the same day under Telecom Italia Group, within the Brazil business unit;
- 4 Telecom Media News S.p.A. was excluded from consolidation from 1 May 2009, following the sale of a 60% stake by Telecom Italia Media S.p.A.

The main changes during 2008 were as follows:

- 4 exclusion of Entel Bolivia starting in Q2 2008, following its nationalisation pursuant to a decree issued by the Bolivian Government on May 1, 2008. This stake can now be found under Current Assets;
- 4 exclusion of the "Pay-per-View" business starting December 1, 2008, following its sale by Telecom Italia Media S.p.A..

Revenues in FY 2009 were down by 6.3% at €27,163 million from €29,000 million at the end of 2008 (-€1,837 million). In organic variation terms, the decrease in consolidated revenues was 5.6% (-€1,625 million).

In detail, the organic variation in revenues is calculated by excluding:

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- 4 the effect of variation in the consolidation area (-€58 million, caused mainly by the exit of Entel Bolivia in Q2 2008 and by the exclusion of the “Pay-per-View” business by Telecom Italia Media S.p.A starting in December 2008);
- 4 the effect of exchange rate variations (-€161 million, equal to the balance between the €171 million loss incurred by the Brazil business unit and the €10 million profit from the other business units);
- 4 other non-organic revenues of €17 million in 2009 (€24 million in 2008).

Revenues, broken down by business unit, are as follows:

(million Euro)	2009		2008			Change	
		%		% absolute	%	% organic	
Domestic	21,662	79.7	23,227	80.1	(1,565)	(6.7)	(6.8)
Brazil	5,022	18.5	5,208	18.0	(186)	(3.6)	(0.3)
Media, Olivetti and other activities	738	2.7	857	3.0	(119)	(13.9)	
Adjustments and eliminations	(259)	(0.9)	(292)	(1.1)	33		
Total Consolidated	27,163	100.0	29,000	100.0	(1,837)	(6.3)	