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TELECOM ITALIA S P A
Form 6-K
September 29, 2004

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 SEPTEMBER 2004

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

CORSO D'ITALIA 41
ROME, ITALY 00198
(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: DEFINITION OF TERMS
FOR 3.5 \$ BILLION BOND ISSUE**

Milan, 28 September 2004 - Telecom Italia announces that Telecom Italia Capital S.A. today completed the bookbuilding and definition of terms for a multi-tranche USD fixed-rate **bond issue**. The issue, offered to qualified institutional investors in the United States pursuant to Rule 144A of the US Securities Act of 1933, and to investors resident outside the United States pursuant to Regulation S under the US Securities act of 1933, is part of Telecom Italia's actions to refinance **debt reaching maturity** and diversify the investor base.

In view of high market demand, the total size of the transaction was set at an aggregate of \$ 3.5 **billion**, split into tranches maturing in five, ten and thirty years.

The characteristics of the bond issue are:

5-year tranche

Issuer:

Telecom Italia Capital S.A.

Guarantor:

Telecom Italia S.p.A.

Amount:

\$1.250 million

Settlement Date:

6 October 2004

Maturity:

15 January 2010

Coupon:

4 % per annum

Issue price:

99,732%

Redemption price

100

The effective yield to maturity of the 5-year tranche is 4,058% per annum, corresponding to a yield of 80 basis points over the corresponding US treasury rate.

10-year tranche

Issuer:

Telecom Italia Capital S.A

Guarantor:

Telecom Italia S.p.A.

Amount:

\$ 1.250 million

Settlement Date:

6 October 2004

Maturity:

30 September 2014

Coupon:

4,95% per annum

Issue price:

99,651%

Redemption price

100

The effective yield to maturity of the 10-year tranche is 4,995% per annum, corresponding to a yield of 100 basis points over the corresponding US treasury rate.

30-year tranche

Issuer:

Telecom Italia Capital S.A.

Guarantor:

Telecom Italia S.p.A.

Amount:

\$1.000 million

Settlement Date:

6 October 2004

Maturity:

30 September 2034

Coupon:

6% per annum

Issue price:

99,081%

Redemption price

100

The effective yield to maturity of the 30-year tranche is 6,067% per annum, corresponding to a yield of 128 basis points over the corresponding US treasury rate.

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

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Telecom Italia

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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 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

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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
- 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.

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: September 29th, 2004

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager