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TELECOM ITALIA S P A
Form 6-K
September 22, 2005

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 2005

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 SUCCESSFULLY LAUNCHES 2.5 BILLION DOLLAR BOND ISSUE

The transaction will allow the group to reduce the average cost of debt

Milan, 21 September 2005 - Telecom Italia announces that Telecom Italia Capital S.A. today concluded the launch of a USD 2.5 billion, multi-tranche bond issue.

The issuance will be the first takedown from the issuer's USD 10 billion Shelf Registration Programme filed in August with SEC and aims to refinance debt maturities and diversify the currency and investor base. The issuance will also allow the group to reduce its average cost of debt.

Telecom Italia fixed the total amount of the issuance at USD 2.5 billion, divided into two 5-year tranches, one fixed-rate and one floating rate, and a 10-year fixed-rate tranche.

The characteristics of the securities are:

5-year floating-rate tranche

Issuer:

Telecom Italia Capital S.A.

Guarantor:

Telecom Italia S.p.A.

Amount:

USD 400 million

Settlement date:

28 September 2005

Maturity:

01 February 2011

Coupon:

USD Libor 3M + 0.48%

Issue price:

100%

Redemption price:

100%

The effective yield to maturity of the 5-year floating-rate tranche is equal to USD Libor 3m plus 48 basis points.

5-year fixed-rate tranche

Issuer:

Telecom Italia Capital S.A.

Guarantor:

Telecom Italia S.p.A.

Amount:

USD 700 million

Settlement date:

28 September 2005

Maturity:

01 October 2010

Coupon:

4.875%

Issue price:

99.898%

Redemption price:

100%

The effective yield to maturity of the 5-year fixed-rate tranche is 4.958% per annum, corresponding to a yield of 91 basis points over the corresponding US Treasury note.

10-year fixed-rate tranche

Issuer:

Telecom Italia Capital S.A.

Guarantor:

Telecom Italia S.p.A.

Amount:

USD 1,400 million

Settlement date:

28 September 2005

Maturity:

01 October 2015

Coupon:

5.250%

Issue price:

99.370%

Redemption price:

100%

The effective yield to maturity of the 10-year fixed-rate tranche is 5.403% per annum, corresponding to a yield of 116 basis points over the corresponding US Treasury note.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful.

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

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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.

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 21th, 2005

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager