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TELECOM ITALIA S P A
Form 6-K
December 05, 2007

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 DECEMBER 2007

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

BRAZIL: 38% OF SOLPART TRANSFERRED TO TECHOLD FOR 515 MILLION USD

**SETTLEMENT AGREEMENT REACHED LAST JULY NOW FULLY IN FORCE, ENDS DISPUTES
WITH BRAZILIAN PENSION FUNDS AND TELECOM BRASIL GROUP COMPANIES**

**POSITIVE IMPACT OF APPROXIMATELY 190 MILLION EURO ON TELECOM ITALIA GROUP NET
PROFIT, AND A REDUCTION OF NET FINANCIAL DEBT BY APPROXIMATELY 350 MILLION
EUROS**

Milan, 5 December 2007 Brasilco S.r.l., the company held in trust by Credit Suisse exclusively on behalf of Telecom Italia International NV, today transferred its 38% equity interest in Solpart Participações S.A. (Solpart) to Techold Participações S.A. (Techold), an associate of Brasilco s in Solpart, for a 515 million USD.

The transfer, foreseen in the sale agreements underwritten on 18 July 2007 by Brazilian pension funds Previ, Petros, Funcef and the Techold company, on the one hand, and Brasilco on the other, took place after Techold exercised its pre-emption right pursuant to the Solpart shareholders agreement, and following the approval of the Brazilian Telecommunications regulatory authority Anatel.

Payment will be simultaneous to the finalization of the operation and will impact 2007 results reducing the Telecom Italia Group net financial position by approximately 350 million euros and benefiting the Group s net income of approximately 190 million euros, taking into account the positive effects of coverage against exchange rate risk.

In parallel, the settlement of disputes and arbitration proceedings between the Telecom Italia Group and pension funds and their subsidiaries with stakes in Brasil Telecom also comes into force, as agreed last 18 July. Under the terms of the settlement, all parties reciprocally drop any past or future claim associated with their respective equity interests in Brasil Telecom, or in any way deriving from the Solpart joint venture.

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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 dependent 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 to its fixed and wireless networks to offset declines in its traditional fixed-line business due to the continuing impact of regulatory required price reductions, market share loss and pricing pressures generally and shifts in usage pattern;

- the level of demand for telecommunications services, particularly wireless telecommunication services in the maturing Italian market and for new higher value added products and services such as broadband;

- the ability of the Telecom Italia Group to successfully implement its reorganization;

- the success of Telecom Italia's customer loyalty and retention programs and the impact of such programs on revenues;

- the impact of regulatory decisions and changes in the regulatory environment, including implementation of recently adopted EU directives in Italy;

- the impact of economic development generally on the international business of the Telecom Italia Group and on its foreign investments and capital expenditures;

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- the continuing impact of rapid or "disruptive" 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 successfully implement its strategy over the 2007-2009 period;
- the ability of the Telecom Italia Group to successfully achieve its debt reduction targets;
- Telecom Italia's ability to successfully implement its internet and broadband strategy;
- the ability of the Telecom Italia Group to achieve the expected return on the significant investments and capital expenditures it has made and continues to make in Brazil and in Europe on broadband;
- 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. Such factors should also be considered together with risk factors included in Telecom Italia Group's Annual Report on Form 20-F for 2005. 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: December 5th, 2007

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager