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TELECOM ITALIA S P A
Form 6-K
April 07, 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 APRIL 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- _____

The Telecom Italia securities referred to herein that will be issued in connection with the merger described herein have not been, and are not intended to be, registered under the U.S. Securities Act of 1933 (the Securities Act) and may not be offered or sold, directly or indirectly, into the United States except pursuant to an applicable exemption. The Telecom Italia securities are intended to be made available within the United States in connection with the merger pursuant to an exemption from the registration requirements of the Securities Act.

PRESS RELEASE

BOARD APPROVES 2005-2007 GROUP STRATEGIC TARGETS

FOLLOWING TELECOM ITALIA-TIM MERGER AND INTERNET SECTOR RESTRUCTURING

AVERAGE ANNUAL REVENUE GROWTH SEEN BETWEEN 4% AND 6%, OPERATING RESULT BETWEEN 7% AND 9%

TELECOM ITALIA-TIM MERGER EXPECTED TO GENERATE SYNERGIES WORTH 1.5 BILLION EURO

END 2007 NET FINANCIAL DEBT SEEN IN LINE WITH END 2004 LEVEL (CIRCA 33 BILLION EURO BASED ON IAS/IFRS STANDARDS)

Milan, April 7, 2005 The Board of Directors of Telecom Italia met today, under the Chairmanship of Marco Tronchetti Provera, to approve the Group's strategic targets.

For the period 2005-2007, taking IAS/IFRS accounting standards into consideration, average yearly growth is expected as follows:

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revenues between 4 and 6%, adjusted for variations in the area of consolidation and exchange rates;

- Operating result before amortizations between 6 and 8%, adjusted for variations in the scope of consolidation and exchange rates, and excluding non-recurring charges;

- Operating result between 7 and 9%, adjusted for variations in the scope of consolidation and exchange rates, and excluding non-recurring charges.

These economic targets include part of the synergies deriving from the merger with Tim, estimated at a total of 1.5 billion euro for the period 2005-2007.

The integration of the fixed and mobile platforms will allow the Group to take advantage of rapidly evolving technological change and respond more effectively to customer demand for easier access to services and products.

On the domestic market, growth will be mainly driven by the development and distribution of innovative services linked to continually increasing availability of bandwidth (ADSL), UMTS and Digital Terrestrial Television.

The expertise and know-how developed by the Group in Italy are the basis for further value creation in international markets, where the Group intends to strengthen its already solid presence. Selective expansion in the European broadband market, in particular, will continue.

Industrial investments in the period 2005-2007 will total approximately 14 billion euro, more than 70% of which will go towards innovation and development.

At the end of 2007, net financial debt is expected to be in line with the level at the end of 2004 (approximately 33 billion euro applying IAS/IFRS standards). It is expected, therefore, that the debt increase generated by the TIM takeover will be absorbed over the period 2005-2007, mainly through cash generation including the total financial benefits deriving from the synergies.

The Telecom Group's strategic targets will be explained on Telecom Day which will take place on Tuesday 12 April.

Telecom Italia

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Telecom Italia

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

The Private Securities Litigation Reform Act of 1995 provides a "harbor" for forward-looking statements. The press release included in this 6-K contains certain forward-looking statements, including, but not limited to, discussion of the post-transaction capital structure, cash flow and credit profile of the Telecom Italia Group, and the changing dynamics of the marketplace, including continuing developments in technologies. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and are based on certain assumptions.

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

- * the impact and consequences of the proposed transaction on our cash flow and results of operations, as a result of the significant increase in our debt levels if the proposed cash tender offers are successfully completed, which may affect our ability to take advantage of other investment opportunities and our ability to successfully achieve previously stated debt reduction targets;
- * the continuing impact of increased competition in a liberalized market, including competition from global and regional alliances formed by other

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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 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 continuing impact of rapid or "disruptive" changes in technologies;
- * 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 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 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 licenses, 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 uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Telecom Italia undertakes no obligation to release publicly the result of revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof.

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: April 7th, 2004

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TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager