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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

**TELECOM ITALIA: 2004 FINANCIAL STATEMENTS AND TIM-TELECOM ITALIA MERGER PLAN
APPROVED**

GENERAL SHAREHOLDERS MEETING HELD

MERGER TO PROCEED

DIVIDEND OF EURO 0.1093 PER ORDINARY SHARE AND EURO 0.1203 PER SAVINGS SHARE

Rozzano (Milan), April 7, 2005 The General Shareholders Meeting of Telecom Italia met today in Rozzano, under the Chairmanship of Marco Tronchetti Provera, in both extraordinary and ordinary sessions.

In extraordinary session, Shareholders approved the merger by incorporation of Telecom Italia Mobile S.p.A. into Telecom Italia S.p.A. This resolution was adopted with the favorable vote of 99,99% of those present, representing 38,91% of share capital. The merger, scheduled for completion by the end of June, will be carried out through the application of the following exchange ratios:

- 1.73 Telecom Italia ordinary shares, with a par value of 0.55 euro per share, for each TIM ordinary share, with a par value of 0.06 euro per share;

- 2.36 Telecom Italia savings shares, with a par value of 0.55 euro per share, for each TIM savings share, with a par value of 0.06 euro per share.

Taking into account the amount of treasury stock held by TIM and the equity investment held at present by Telecom Italia in the company about to be merged (both to be cancelled with no share exchange), Telecom Italia's capital increase as a result of the merger will amount to approximately Euro 1,310 million through the issue of around 2,151 million new ordinary shares and around 230 million new savings shares.

In accordance with the plan, the transaction takes effect as of January 1, 2005 for accounting and tax purposes.

In its ordinary session the Shareholders Meeting:

- approved the 2004 financial statements of Telecom Italia S.p.A., and resolved to pay out a dividend of 0.1093 euro per ordinary share and 0.1203 euro per savings share.

The dividend payment will be settled on April 21, 2005, with ex-dividend date April 18, 2005.

- decided to enlarge the Company's Board of Directors to ensure the presence of professionals with proven experience in managing the mobile business. Thus the General Shareholders Meeting resolved to:

- increase the number of members of the Board of Directors from 19 to 21;

- set the total yearly compensation of the enlarged Board of Directors at 3 million euro;

- appoint Directors Marco De Benedetti, TIM's current Chief Executive Officer, and Enzo Grilli, a current independent Director of TIM who meets the requirements of independence with regard to Telecom Italia.

Thus the Board of Directors of Telecom Italia will continue to be composed mainly of independent Directors (11 out of 21).

Telecom Italia

Media Relations

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Telecom Italia

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Cautionary Statement for Purposes of the "Safe Harbor" Provisions of 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 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 debt levels if the proposed cash tender offers are successfully completed

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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 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 price 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 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 any 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

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registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 7th, 2004

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

Carlo De Gennaro
Company Manager