

PRESS RELEASE

- **APPROVAL FOR OFFER BY THE JOINT VENTURE THAT IS 65% CONTROLLED BY MORGAN STANLEY REAL ESTATE FUNDS AND 35% BY PIRELLI RE FOR A PORTFOLIO OF OVER 900 PROPERTIES OWNED BY THE TELECOM ITALIA GROUP**
- **VALUE OF DEAL APPROXIMATELY €790 MILLION**

Milan, 21 December 2005 – The offer by the joint venture 65% controlled by Morgan Stanley Real Estate Funds and 35% by Pirelli RE, according with the business model, was examined and approved today by the Telecom Italia Board of Directors.

The offer by the joint venture, dedicated to investments in the office sector, is for over 900 properties and totals approximately 790 million euro.

The closing on over half the portfolio is scheduled to take place by the end of the year and for the remaining part by the end of June 2006.

Morgan Stanley is the advisor for the joint venture.

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