



PRESS RELEASE

- **APPROVAL FOR OFFER OF THE JOINT VENTURE THAT IS 65% CONTROLLED BY CYPRESS GROVE INTERNATIONAL AND 35% BY PIRELLI RE FOR A PORTFOLIO OF OVER 400 PROPERTIES OWNED BY THE TELECOM ITALIA GROUP**
- **VALUE OF DEAL APPROXIMATELY €300 MILLION**

Milan, 21 December 2005 – The offer by the joint venture 65% controlled by Cypress Grove International LP 35% by Pirelli RE, according to 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 industrial real estate, is for a portfolio of over 400 properties and totals approximately 300 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.

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