



PRESS RELEASE **TELECOM ITALIA TO ACQUIRE LIBERTY SURF FROM TISCALI**

Milan, 5 April 2005 - Telecom Italia and Tiscali have signed an agreement to purchase Tiscali's 95% stake in Liberty Surf S.A., a French company listed at Euronext in Paris.

The price agreed is approximately 266 million euro, valuing 100% of Liberty Surf at 280 million euro. This valuation takes into account Liberty Surf's net cash of approximately 28 million euro and corresponds to an estimated Enterprise Value of 252 million euro for 100% of the company.

Once the transaction is finalized, Telecom Italia will launch a public offer for the remaining 5% of Liberty Surf's share capital, as required by law.

Finalization of the transaction is conditional on approval by the French antitrust authorities.

Liberty Surf is a leading internet service provider in France, with a nationwide presence. Through its own network infrastructure it provides internet services to 344,000 broadband customers and approximately 700,000 narrowband customers (of which 448,000 retail). The company's 2004 revenues totalled approximately 225 million euro.

Mediobanca and Sopaf Corporate Finance were the financial advisers for Telecom Italia while Tiscali was represented by Rothschild.

**Telecom Italia
Media Relations**

Corporate and Wireline Press Office
+39.06.3688.2610
www.telecomitalia.it/stampa

**Telecom Italia
Investor Relations**

+ 39.02.8595.4131
www.telecomitalia.it/investor_relations

**Tiscali
Investor Relations**

Tel. +39 02 309011
Email: ir@tiscali.com

**Tiscali
Press Office**

Image Building
Tel. +39 02 89011300
Email: info@imagebuilding.it