

PRESS RELEASE

TELECOM ITALIA AND TISCALI CONCLUDED THE TRANSACTION RELATED TO THE TRANSFER OF 94.89% OF LIBERTY SURF GROUP

Milan, May 31 2005 – Telecom Italia S.p.A. and Tiscali S.p.A. communicate that today, after having received the authorization by the competent French Authorities, they concluded the transaction related to the transfer of 89,322,244 shares representing 94.89% of the share capital of Liberty Surf S.A., a French company whose shares are admitted to trading on compartment B of the Eurolist market of Euronext Paris (« Liberty Surf »).

The price agreed upon by the Parties for the stake held by Tiscali is approximately 249 mln Euro (i.e., approximately 2.787 Euro per Liberty Surf share). This amount takes into account a Net Cash Position on a consolidated basis close to 10 mln Euro.

Pursuant to the agreement executed by the Parties, the final price will be determined by mid-July 2005, taking into account the Net Cash Position on a consolidated basis of Liberty Surf S.A. as of May 31st, 2005.

Telecom Italia S.p.A., as already communicated to the market at the signing of the agreement on April 5, 2005 and pursuant to the French Stock Exchange regulations, will, once the price has been finally determined, launch a Public Tender Offer on the Liberty Surf shares that it does not hold, at the same price offered to Tiscali S.p.A.

As a result of this transaction, Telecom Italia S.p.A. also acquired, indirectly, 88.63% of the share capital of Intercall S.A. held by Liberty Surf. Intercall S.A. is a French company whose shares are admitted to trading on compartment special of the Eurolist market of Euronext Paris. In accordance with the French Stock Exchange regulations and since Liberty Surf's interest in Intercall S.A. does not constitute an essential part of its assets, Telecom Italia S.p.A. will not launch any Public Tender Offer on Intercall shares.

Trading in Liberty Surf shares and in Intercall shares, which was suspended upon Liberty Surf's request, will resume tomorrow, June 1, 2005.

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