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TELECOM ITALIA S P A  
Form 6-K  
June 29, 2006

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 JUNE 2006

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- \_\_\_\_\_

**PRESS RELEASE**

**TELECOM ITALIA CONTINUES PROCESS OF REAL ESTATE DISPOSALS ANNOUNCED ON 21 DECEMBER 2005, THIRD TRANCHE OF PROPERTIES SOLD TO THE RAISSA FUND**

**THE VALUE OF THE TRANSACTION IS APPROXIMATELY 47 MILLION EURO, WITH A GROSS CONSOLIDATED CAPITAL GAIN OF APPROXIMATELY 18 MILLION EURO**

**THE OPERATION WILL HAVE A POSITIVE IMPACT ON TELECOM ITALIA GROUP FINANCIAL DEBT OF APPROXIMATELY 36 MILLION EURO BEFORE TAX**

*Milan, 29 June 2006* Telecom Italia states that as a part of its programme of real estate disposals for a total value of over 1 billion euro, approved on 21 December 2005 by the Board of Directors, Olivetti Multiservices, a 100% controlled subsidiary of Telecom Italia S.p.A., today concluded the transaction of a third tranche of 57 properties to the closed-end fund denominated Raissa.

The value of the transaction is approximately 47 million euro, with a gross capital gain of approximately 18 million euro.

The transaction will have a positive impact on the consolidated financial debt of the Telecom Italia Group of approximately 36 million euro, before tax.

The value of the transactions, that took place on 28 December 2005 and on 29 March 2006, was approximately 486 million euro for the first and approximately 158 million for the second.

The real estate disposals to Fondo Raissa, previously estimated to end in June 2006, will be executed by the end of December 2006.

Units in the Raissa fund were sold to institutional investors headed by The Morgan Stanley Real Estate Funds. Pirelli & C. Real Estate also has a minority participation in Raissa through a joint venture with the Morgan Stanley Real Estate Funds.

**Telecom Italia**

**Telecom Italia Group Press Office**

*Institutional press office*

+39.06.3688.2610

[www.telecomitalia.com/media](http://www.telecomitalia.com/media)

**Telecom Italia**

**Investor Relations**

+39.02.8595.4131

[www.telecomitalia.com/investors](http://www.telecomitalia.com/investors)

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Cautionary Statement for Purposes of the "Safe Harbor" Provision of the 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 Form 6-K contains certain forward looking statements and forecasts reflecting management's current views with respect to certain future events. The ability of the Telecom Italia Group to achieve its projected results is dependant on many factors which are outside of management's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and are based on certain key assumptions.

The following important factors could cause the Telecom Italia Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- 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;

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- the ability of the Telecom Italia Group to introduce new services to 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 pricing pressures generally;
- 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 the slowdown in Latin American economies and the slow recovery of economies generally on the international business of the Telecom Italia Group focused on Latin America and on its foreign investments and capital expenditures;
- the continuing impact of rapid changes in technologies;
- 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 continue the implementation of its 2002-2004 Industrial Plan, including the rationalization of its corporate structure and the disposition of Telecom Italia's interests in various companies;
- the ability of the Telecom Italia Group to successfully achieve its debt reduction targets;
- Telecom Italia's ability to successfully roll out its UMTS networks and 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 licences, 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 such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Accordingly, there can be no assurance that the group will achieve its projected results.

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SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 29th, 2006

TELECOM ITALIA S.p.A.

BY: /s/ Carlo De Gennaro

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Carlo De Gennaro  
Company Manager