This press release is not an offer of securities for sale in the United States. The Company’s ordinary shares may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of the Company’s ordinary shares to be made in the United States will be made by means of a prospectus that may be obtained from the Company or the selling shareholder and that will contain detailed information about the Company and its management, as well as financial statements. The Company does not intend to make a public offering of ordinary shares in the United States.

This press release is directed only at persons who (i) are outside of the United Kingdom or (ii) have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or (iii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order (all such persons together being referred to as "relevant persons"). This press release must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

• SPAZIO INVESTMENT NV, THE COMPANY WHICH OWNS THE SPAZIO INDUSTRIALE FUND, SUCCESSFULLY COMPLETED THE IPO AT THE ALTERNATIVE INVESTMENT MARKET OF THE LONDON STOCK EXCHANGE (AIM)

• SPAZIO INVESTMENT NV IS THE FIRST REAL ESTATE COMPANY INVESTING IN ITALY TO BE LISTED TO THE AIM

• THE OFFER, OF APPROX. 300 MLN EURO, HAS BEEN SUBSCRIBED AT A 10% DISCOUNT ON NAV; MARKET CAPITALISATION WILL BE APPROX. 380 MLN EURO

• THE OFFER STRUCTURE IS:
  - 256 MLN EURO (APPROX. 85% OF THE TOTAL) CAPITAL INCREASE
  - 44 MLN EURO (APPROX. 15% OF THE TOTAL) SALE OF EXISTING SHARES

• THE OFFER HAS BEEN OVERSUBSCRIBED, WITH SUBSCRIPTIONS DERIVING FOR MORE THAN 95% FROM INTERNATIONAL INSTITUTIONAL INVESTORS, MAINLY AMERICAN AND ENGLISH
• THE CAPITAL INCREASE PROCEEDS WILL BE USED:
  - TO COMPLETE AT LISTING ALREADY COMMITTED ACQUISITIONS OF ASSETS FOR 200 MLN EURO;
  - TO REFINANCE THE PORTFOLIO AT A 60% LOAN-TO-VALUE
  - FOR FUTURE ACQUISITIONS, SO AS TO REACH A TARGET OF 1 BLN EURO OF TOTAL ASSETS

• AFTER LISTING SPAZIO INVESTMENT (65% PARTICIPATED BY CYPRESS GROVE INTERNATIONAL AND 35% BY PIRELLI RE PRIOR TO LISTING), WILL BE PARTICIPATED BY PIRELLI RE WHICH WILL BE THE MANAGER, WITH APPROX. 12%, BY CYPRESS GROVE INTERNATIONAL WITH APPROX. 10% AND FOR THE REMAINING 78% BY THE MARKET

• WITH SPAZIO INVESTMENT PIRELLI RE HAS CREATED THE FIRST ACCUMULATION PLATFORM SPECIALISED IN LIGHT INDUSTRIAL AND LOGISTICS SECTORS AND INTENDS TO PROMOTE ALSO IN OTHER SEGMENTS THE SHIFT OF FUNDS FROM A LIQUIDATION TO AN ACCUMULATION STRUCTURE, WHICH IS APPRECIATED BY THE MARKET

Milan, October 13 2006 - Spazio Investment NV, a Dutch investment company which owns 100% of Spazio Industriale, a closed end real estate fund for qualified investors managed by Pirelli RE SGR, announces the successful completion of the IPO at the Alternative Investment Market of the London Stock Exchange (“AIM”).

The offer, amounting to approx. 300 mln euro, has been subscribed with a 10% Nav discount. The offer is structured in approx. 256 mln Euro capital increase, equal to 85% of the total, and in 44 mln euro, equal to approx. 15% of the total, deriving from the sale of existing shares by Cypress Grove International (“Grove”).

The offer has been oversubscribed, with subscriptions deriving for more than 95% from international institutional investors, mainly American and English. The IPO price has been set at 12.5 euro per share. The market capitalisation of Spazio Investment NV following admission and commencement of trading, on the next 18 October, will be approximately 380 mln euro.

At the end of the offer, Spazio Investment NV, previously 65% participated by Grove and 35% by Pirelli RE, will be approx. 12% participated by Pirelli RE – as a result of the capital increase – and approx. 10% by Grove; the remaining 78% will be held by the market.

The capital increase will be used: 1) to complete at listing already committed acquisitions for approx. 200 mln euro; 2) to refinance the portfolio at a 60% loan-to-value, and 3) for future acquisitions, so as to reach the target of 1bln euro of assets.
Pirelli RE, which with Spazio Investment NV has created the first accumulation platform investing in the light industrial and logistic sector, intends to promote also in other real estate segments the shift of funds from a liquidation to an accumulation structure, which is appreciated by the market. Pirelli RE Group, with Pirelli RE SGR and Pirelli RE Opportunities SGR, is leader in Italy in the management of real estate funds with total assets of approx. 6.6 bln euro (market value as at 30 June 2006).

Credit Suisse Securities (Europe) Limited and Deutsche Bank AG London are acting as Joint Global Co-Ordinator and Joint Bookrunner in the IPO. Credit Suisse is acting as nominated advisor for Spazio Investment N.V at the AIM.

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