PRESS RELEASE

BICOCCA PROJECT : FINAL GO-AHEAD FROM THE COUNCIL OF STATE FOR THE IMPLEMENTATION OF A 30,000m² ENTERTAINMENT CENTRE

WARNER VILLAGE MULTIPLEX CINEMA AND OTHER ACTIVITIES (FITNESS CENTRES, RESTAURANTS, BOOKSHOPS AND INTERNET POINT) TO BE READY EARLY IN 2005

KEY DECISION CLEARS THE WAY FOR FULL COMPLETION OF THE PROJECT

Milan, January 31st, 2003 – Pirelli & C. Real Estate note with satisfaction the decision by the Council of State granting the final go-ahead for the Bicocca Multisala project, which will see the creation within Milan’s Bicocca development of an entertainment centre featuring an 18-screen multiplex cinema - with seating for almost 6000 - to be managed by Warner Village, as well as multi-storey parking facilities for roughly 1,400 cars, a fitness centre, restaurants and themed shopping facilities including bookshops, internet-points and music shops.

Following detailed examination, the sentence of the Council of State points out on the one hand the lack of substance of the plaintiffs’ case and, on the other, the full legitimacy of all town planning and building procedures followed by Pirelli & C. Real Estate and the Milan City Council. The works, which had been suspended almost three years ago, can therefore be resumed and should be completed early in 2005.

The Bicocca Multisala project represents a further key component of the new Bicocca Project urban development, which already features the Arcimboldi Theatre, the Milan-Bicocca University, the CNR and Pirelli Labs research centre and the headquarters of Siemens, Deutsche Bank, Reuters, Compaq and Hachette Rusconi, to say nothing of residential accommodation and office facilities. The new structure, along with the “La Piazza” area fronting the Arcimboldi Theatre (a surface area of over 10,000m² allocated to shopping, business and service facilities), will meet the needs of more than 2,500 residents already settled in the area, as well as catering for the 30,000 students attending the University and more than 8,000 managers, office and factory personnel who work daily in the Bicocca area.

In the words of the Managing Director of Pirelli & C. Real Estate, Carlo Alessandro Puri Negri: “We note with satisfaction the ruling of the Council of State, which allows us to resume
the works. Within a little over 24 months, we hope to provide the users of the Bicocca area with a major services hub. Sadly, the 3-year delay we have suffered has been a blow not only to Pirelli & C. Real Estate as the key promoter of the project, but above all to the residents, who should long since have been enjoying the services offered by the entertainment centre”.

THE BICOCCA PROJECT

The Bicocca Project is one of the largest urban renewal schemes underway in Europe, involving a surface area of over a million square metres at the heart of metropolitan Milan. An area that once played host to the manufacturing facilities of the Pirelli Group and to most of the Ansaldo Group’s factories.

Pirelli & C. Real Estate is the promoter for the whole initiative, which features volumes in the order of 750,000m², a reduction of roughly 30% compared to the old industrial fabric. In today’s Bicocca, the 27,000 workers who once mainly manned the factories of Pirelli and Ansaldo have made way for a new mix of more than 45,000 people, excluding residents, and made up of managers, office workers, skilled workers, students and researchers.

As regards the former Pirelli area (the old Ansaldo area is still in the early stages of its transformation cycle) development works are planned for a total cost, borne exclusively by Pirelli & C. Real Estate, in the order of 150 million Euro (including an extraordinary contribution of 25 million Euro for the realisation of the “Metrotranvia” line and excluding the Pro Patria sports centre, donated to Milan City Council), as compared to the 80 million Euro due by law.

85% of primary development works (sewage systems, aqueducts, telecommunications networks and heating plant, as well as 6 kilometres of roadworks – all built from scratch) have already been completed.

In addition to the already operational Arcimboldi Theatre and metrotranvia, secondary works (urban park, greened neighbourhoods, surface level parking, services areas etc.) are 30% complete and delays have largely been due to changes in the legislative framework (the “Ronchi law”) which saw the introduction of new and more complex procedures governing demolition and the recovery of debris. But these secondary works will also be completed over the next two years: by 2004 there will be over 100,000m² of urban park and more than 20,000m² of greened neighbourhoods and parking facilities. As regards the latter, the area already features 1,250 public parking slots (of the 2,800-plus spaces to be created) and 3,500 private parking spaces (from the planned final total of 4,500 spaces).

As regards services, 2003 will see completion of the new headquarters of the Pirelli & C. Real Estate Group, built around the cooling tower of the old industrial settlement, as well as the new headquarters of Deutsche Bank and the expansion of Siemens’ corporate headquarters.

A joint project agreement has also been signed by the Ministry of Health, the Lombardy Regional Authority, Milan City Council, the Carlo Besta Neurological Institute and the Milan-Bicocca University for the development - as an integral part of the Bicocca Project - of the new headquarters of the Neurological Institute and for an expansion of the University.
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