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The information referred to in this press release and the description of financial instruments contained in this document has a merely informative purpose, does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe in Italy or in the Netherlands.



- **SPAZIO INVESTMENT NV, A COMPANY CONTROLLED BY CYPRESS GROVE INTERNATIONAL AND PARTICIPATED AT 35% BY PIRELLI RE, INITIATES THE PROCESS TO BE ADMITTED TO THE ALTERNATIVE INVESTMENT MARKET OF THE LONDON STOCK EXCHANGE (AIM)**
- **SPAZIO INVESTMENT NV OWNS 100% OF THE UNITS OF THE CLOSED END FUND SPAZIO INDUSTRIALE, MANAGED BY PIRELLI RE SGR, WHICH INVESTS IN LIGHT INDUSTRIAL AND LOGISTICS SECTOR**
- **THE IPO PRICE RANGE SET AT 12 TO 14.5 EURO PER ORDINARY SHARE FOR A TOTAL OFFER OF APX. EURO 305 MILLION**
- **THE OFFER OF THE SHARES OF SPAZIO INVESTMENT NV IS BEING MADE TO INSTITUTIONAL INVESTORS ONLY**
- **PIRELLI RE WILL MAINTAIN ITS INVESTMENT AND UPON ADMISSION, AS A RESULT OF THE CAPITAL INCREASE OF SPAZIO INVESTMENT NV, WILL HAVE A PARTECIPATION OF APPROX. 12%**

Milan, October 3 2006 - **Spazio Investment** NV, a Dutch investment company, has completed today the filing (one announcement according to AIM Rule 2) for its initial public offer and its admission to the **Alternative Investment Market** operated by the London Stock Exchange (“AIM”).

The Company is currently controlled by **Cypress Grove International** at **65%** and **participated** at **35% by Pirelli RE**.

The Offer, both of new shares and existing shares, is being made by way of an offer exclusively addressed to institutional investors in the United Kingdom and to qualified institutional investors in the rest of the world. The Offer will be made outside the United States in compliance with the US Securities Act of 1933.

Cypress Grove International will sell part of its current shareholding in Spazio Investment. Pirelli RE has committed to retain its current investment and upon admission, as a result of the capital increase of Spazio Investment NV, will own a stake of 12%.

The offer price range has been set at €12.0 to €14.5 per ordinary share, implying a total offer size of €305 million at midpoint of the range, corresponding to a market capitalization of €390 million.

The Company currently owns 100% of the units of **Spazio Industriale**, a closed end real estate fund managed by Pirelli RE SGR (100% controlled by Pirelli RE), which at placement will own a significant portfolio in Italy: approximately 450 income-producing assets, equivalent to over 870,000 square meters, with high quality tenants, as well as high profile development projects totaling almost 400,000 square meters, for a market value of approx. 680 million euro.

The Italian industrial real estate market is currently the second largest in Europe<sup>1</sup>, and has a significant growth potential due the lack of specialized operators.

Pirelli RE, through the controlled companies Pirelli RE SGR and Pirelli RE Opportunities SGR, is a leader in Italian real estate fund management with a current portfolio of €6.6 billion (market value at 30 June 2006).

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<sup>1</sup> Scenari Immobiliari, May 2006

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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.

For further information contact:  
Pirelli RE Press Office Tel. +39/02/8535.4270  
Pirelli RE Investor Relations Tel. +39/02/8535.4057  
[www.pirellire.com](http://www.pirellire.com)