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PRESS RELEASE

- **SPAZIO INVESTMENT NV SHARES CLOSE FIRST TRADING DAY UP 8% ON IPO PRICE**
 - **MARKET CAPITALISATION OF €411M**
 - **OVER 88% OWNED BY PRIME INTERNATIONAL INVESTORS, INCLUDING 10 WITH MORE THAN 3%; MAIN INVESTORS AMONG OTHERS BANK JULIUS BAER & CO., TIAA-CREF, FIDELITY INTERNATIONAL, LANSDOWNE PARTNERS, KDA CAPITAL, NEW STAR, VIKING AND THEOREMA, AS WELL AS CYPRESS GROVE**
- **PIRELLI RE RETAINS INVESTMENT, WITH EQUITY INTEREST OF 11.5%, AND MANAGEMENT OF COMPANY**
- **WITH SPAZIO INDUSTRIALE, THE TOTAL FUNDS PROMOTED BY PIRELLI RE ARE 12 – 9 ORDINARY AND 3 SPECULATIVE – REPRESENTING TOTAL ASSETS UNDER MANAGEMENT OF APPROXIMATELY €6.8 BILLION, BY MARKET VALUE**

Milan, 18 October 2006- **Spazio Investment NV**, a company organised and established under the laws of the Netherlands, which owns 100% of Spazio Industriale, a closed-end fund available only to qualified investors and managed by Pirelli RE SGR, made its debut

today on the London Stock Exchange's **Alternative Investment Market (AIM)**. The shares closed their first day of trading **up** by approximately 8% on the IPO price of €12.5 per share, with a market capitalisation of approximately **€411m**.

During the day approximately 954,000 shares changed hands, representing a total of €12.9m (representing 3.2% of the Company's capitalisation).

Over 88% of Spazio Investment NV is held by prime international investors, with 10 holding more than 3% (relevance threshold for the disclosure requirements at AIM), including **Bank Julius Baer & Co., TIAA-CREF, Fidelity International, Lansdowne Partners, KDA Capital, New Star, Viking and Theorema, as well as Cypress Grove**.

Under the IPO, amounting to nearly €300m, shares were sold at a discount of 10% to NAV. Of this sum, 85%, or approximately €256m, reflected a new share issue whilst the remaining 15%, or approximately €44m, related to existing shares sold by Cypress Grove.

Spazio Investment has used part of the proceeds from the new share issue today to finance the purchase of rental properties worth approximately €200m, and to restructure the portfolio's debt profile by lowering the loan-to-value ratio to 60%. The Company intends to utilize the remaining €70m for future acquisitions, with the aim of reaching total assets of around €1bn.

Pirelli RE has retained an equity interest of 11.5% - diluted as a result of the new share issue – and continues to manage Spazio Investment NV, an accumulation fund specialising in light industrial properties and logistics.

With Spazio Industriale, Pirelli RE has now 12 real estate funds - 9 ordinary and 3 speculative – **representing total assets under management** of approximately **€6.8bn**, by market value.

Credit Suisse Securities (Europe) Ltd. and Deutsche Bank AG London acted as joint global co-ordinators and joint bookrunners for the offering. Credit Suisse acts as nominated advisor for Spazio Investment on the AIM.

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