

PRESS RELEASE

The IGD Group acquires 100% of the company Winmarkt Magazine SA, which controls an important real estate portfolio in Romania, for €182.50 million

Today IGD S.p.A., Blue Chip active in the retail real estate sector and listed on the STAR segment of the Italian Stock Exchange, signed a preliminary agreement for the purchase of a real estate portfolio in Romania comprised of 15 Winmarkt brand commercial centres for a total of 147,000 sqm., as well as commercial property leased in its entirety to a bank. The sellers are Ivington Enterprises Ltd. and Broadhurst Investment Ltd, companies of the NCH Capital Group, an American private equity company.

IGD also signed a preliminary purchase agreement for another commercial centre in Carpati Sinaia; this preliminary agreement will be formalized within 30 months after the seller has completed restructuring and repositioning. The purchase price has already been set at €16.24 million (mn) subject to having reached rental targets of approximately €1.35 mn.

Based on the contracts existing to date, total annual rent in 2008 of the 16 properties in the Winmarkt Magazine SA portfolio amounts to €19.138 mn.

The commercial buildings in the portfolio being purchased have an average GLA (Gross Leasable Area) of 9,000 sqm and are found in unique, irreplaceable locations: the majority are, in fact, found on the most important squares in 14 different cities in Romania, with sizes of between 100,000 and 300,000 inhabitants (Ploiesti, Buzau, Cluj, Bistrata, Galati, Braila, Alexandria, Piatraneamt, Ramnicu Valcea, Slatina, Tulcea, Turda, Vaslui). These are promising centres featuring significant urban and demographic development thanks to investments made over the past few years by large foreign companies like Pirelli and Nokia.

IGD will also purchase, for €258,000, 100% of the units in the company Winmarkt Management which, thanks to its specialized personnel, provides agency and facility management services. It is IGD's intention, therefore, to continue to work with the current management while integrating the existing organization with its own resources in order to create a team of professionals capable of taking advantage of local development opportunities as they arise.

Already today Winmarkt's success is attributable to the quality of its tenants which are represented by high profile domestic brands. Also in this sense, IGD intends to give continuity to the current formula for success, adding further value through the exploitation of its commercial network creating strong synergies and introduce several international brands.

Filippo Carbonari, IGD's CEO, declared "In accordance with the 2008-2012 business plan guidelines, today IGD is taking advantage of an interesting opportunity to expand its investment horizons to include foreign markets. We have taken this first step in a country, Romania, which has

one of the most compelling growth rates in the European Union of which it is an integral part as of 2007. This dynamic, which reflects the consolidated presence of important foreign investors, will obviously have an impact on current and future trends in the real estate sector”.

“Through this acquisition –Filippo Carbonari continued – we are taking advantage of an opportunity to reach a critical mass, given the size of the portfolio, which will allow us to benefit from the economies of scale and extract value through the contribution of our management. We are, in fact, dealing with a unique commercial real estate portfolio with a high initial return and, at the same time, great enhancement potential.”

IGD will seek to stabilize current and increase future rents through the optimization of the commercial offer and property enhancement which will call for investments of approximately €23 mn.

An adequate portfolio management strategy would allow for an increase estimated today at around 10% of the total value through exploitation of the non commercial potential of the properties, as well as the sale of assets which IGD considers non core.

The deal should result in important synergies with IGD’s current business in Italy in light of the interest which Italian brands may have in expanding their presence in the Romanian market and the appeal, on the other hand, that these brands may have for East European consumers.

The investment will be made in partnership with INPARTNER Spa, who will have a minority stake. INPARTNER Spa is an Italian operator specialized in the management and development of important real estate fund portfolios.

There will be a 3-5 year consolidation and optimization phase, both at a commercial level and in terms of the real estate assets, during which IGD will exploit the initial profitability and cash generation in order to finance investments.

IGD then expects, as part of a second phase, that this portfolio will then have significant like-for-like growth, thanks to the renewed strength of the commercial offer in unbeatable positions.

To take advantage of the initial consolidation and commercial repositioning phase with maximum efficiency, IGD will use its own financial resources through lines of credit already available in Italy – and not to be used for development in Italy – at competitive terms and conditions. In order to optimize the deal’s tax structure, IGD – through its wholly-owned subsidiary Larice srl – and INPARTNER will directly purchase the two Rumanian companies.

Before completing the acquisition, a lengthy due diligence was completed involving primary international advisors. CB Richard Ellis, in particular, valued the current real estate portfolio at around €201 mn (€17 mn including the future project Sinaia).



The deal is expected to close by the end of April.

The company will present the deal tomorrow, 28 March 2008, in a conference call scheduled to be held at 15:30 CET.

Further information on the portfolio's characteristics can be found at www.winmarkt.ro.

Igd - Immobiliare Grande Distribuzione – S.p.A., one of the primary players in the Italian retail real estate market, has a real estate portfolio with a commercial value at December 31st, 2007 equal to €1,007.80 million which consists of 10 shopping malls, 14 hypermarkets, 3 properties to be developed and two commercial centres held through the JV, RGD. IGD offers other retail operators instruments and services for the management and optimisation of their real estate assets and also manages third party shopping malls.

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