## PRESS RELEASE

**IGD SIIQ: 2008 RESULTS IN LINE WITH THE 2008-2012 BUSINESS PLAN**

- **Total revenues: €101.4 million (+31.6%), thanks above all to the acquisition in Romania**
- **EBITDA: €58.9 million (+23% vs. 2007)**
- **EBIT: €36.6 million (€78.3 million in 2007)**
- **Net profit: €43.3 million (€52.3 million in 2007)**
- **Dividend of €0.035 per share proposed (€0.056 in 2007)**
- **Market Value at December 31st, 2008 of €1,423 million ( €1,007.80 million December 31st, 2007)**

**Bologna, March 12th, 2009.** The Board of Directors of Igd Siiq S.p.A., a company active in the retail real estate sector and listed on the Star segment of the Italian Stock Exchange, met today to examine the full year 2008 results which confirm a favorable operating trend, despite the radical change in the business environment due to the global financial and economic crisis.

"In 2008 Igd demonstrated the solidity of its management which made it possible for the company to continue with its development in a context characterized by growing tension in the financial markets and the real estate sector – Filippo Carbonari, Igd's Chief Executive Officer stated. "While the uncertainty weighed heavily on the real economy and many sector companies showed signs of financial weakness which forced them to revise their investment plans and their economic-financial goals, our company continued to look ahead, to follow our development path which in 2008 led the way to important results such as the transformation in Siiq – the benefits of which will become fully clear in the coming years – and internazionationalization which, thanks to the acquisition in Romania, made it possible for us to report the best results in our history in terms of both revenues and EBITDA".

The year closed with **revenues** of €101.4 million (mn) (+ 31.6% when compared to the €77.06 mn at year-end 2007). This figure reflects the enlarged perimeter of consolidation vis-à-vis the prior year, following the acquisition of the Romanian company Winmarkt Magazine SA which was consolidated as of May 2008 and contributed €13.4 million. 2008 revenues also benefited from the contribution for the entire year of the Millenium Gallery in Rovereto (which contributed for 10 months in 2007) and the Mondovicino center in Mondovì, in the province of Cuneo (which contributed for two months in 2007). This contributed totaled €3.2 mn. Revenues from services, reached €3.96 mn in 2008.

**EBITDA** amounted to €58.9 mn, an increase of 23% when compared to €47.92 mn in 2007. The increase was recorded despite the increase in several non-recurring costs of €3.8 mn connected to the delayed opening of the Guidonia center and the consulting fees related to the Romanian acquisition. Adjusted EBITDA, net the one-off charges, is €63.1 mn (+31.8% vs. 2007).

**Market value** at December 31st, 2008, based on the independent appraisal of CB Richard Ellis, is equal to 1,423 mn, compared to €1,007.8 mn at the end of 2007. Excluding the 50% stake in Rgd (joint venture with Beni

Stabili), market value amounts to €1,344.23 mn. Net, once again, this stake the Igd Group's "like-for-like" real estate portfolio - which reflects, therefore, the acquisition in Romania - at December 31st, 2008 is basically in line with the market value declared at December 31st, 2007, reaching a value of €949.98 mn. (+0.2%).

**EBIT,** equal to €36.6 million is down with respect to the €78.3 mn reported in the prior year. The difference between the two operating margins, gross and net, is attributable to two different factors: the change in fair value of the real estate portfolio and goodwill impairment of one property. If in 2007 the change in fair value was positive for some €30.7 mn, in 2008 it was negative, albeit by only €2.6 mn in an unfavorable market scenario. This result is testimony to Igd's ability to stabilize the increase in the portfolio's value over time. The second factor, explaining the trend in Ebit, is amortization, depreciation and impairment, which was virtually zero in 2007 (-€0.3 million) but a negative €19.8 million in 2008. This largely reflects the impairment of goodwill relating to the Centro Sarca investment property; this goodwill had been recognized to reflect the possibility of selling the property (through the equity investment) without incurring tax charges and was measured on the basis of the deferred tax provision, entered on the liability side, covering the property's higher carrying value with respect to its value for tax purposes. Following the revaluation permitted by Decree 185/08 at December 31st, 2008, against a facilitated tax rate, the deferred tax liabilities booked against the property's higher book value through December 31st, 2007 have now been reversed, thus completing offsetting the goodwill impairment recognized earlier.

**Pre-tax profit** amounted to €10.7 mn (€63.7 mn in 2007), after net financial charges of €25.9 mn (€14.6 mn in 2007). **Current taxes** came in at €2.4 mn, a drop with respect to the prior year of €2.5 mn thanks primarily to the Parent Company's treatment under the SIIQ regime. **Deferred taxes** had a positive impact of €73.6 mn due to the impairment described above as well as the reversal of deferred taxes accrued in prior years. The tax applicable under the special Siiq regime amounted to €30.8 mn and will be paid over five years. **Net profit** is, therefore, equal to €43.3 mn, compared to €52.3 mn in 2007 (-17.2%).

The positive performance of the industrial operations in 2008 is confirmed by the **FFO (Funds from operations**- the indicator most frequently used to value real estate investment trusts), which rose from €28.5 mn in 2007 to €30.7 mn in 2008.

**Net debt** at December 31st, 2008 came in at €733.9 mn, compared to €341.62 mn at December 31st, 2007. The gearing ratio (debt to equity ratio), though it moved from 0.46x to 0.99x in line with the target indicated in the 2008-2012Business Plan.

The Board of Directors will propose that the IGD's Shareholders' Meeting, convened in first call on April 23rd, 2008 and in second call on April 24th, 2008, approve the distribution of a **dividend** of €0.035 per share, payable on May 21st, 2009 going ex-div on May 18th, 2009.

Igd's CEO and the management will present the 2008 results and a business plan update to the financial community on Monday, March 16th (Borsa Italiana – Palazzo Mezzanotte, Sala Blu, h.15). A webcast of the presentation will be available on the website www.gruppoigd.it.

The Board of Directors also approved the annual Corporate Governance report attached to the draft financial statements. A copy of the report will be made available to the public in the time period and in accordance with the procedures provided for by law.

*Grazia Margherita Piolanti, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of the Consolidated Finance Act that the accounts at 31 December 2008, as reported in this press release, correspond to the underlying records, ledgers and accounting entries.*

*Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.*

*Please find attached the IGD Group's reclassified consolidated balance sheet and income statement at December 31st, 2008. These reclassified tables, included in the report on operations, are not subject to audit by independent auditors.*

**IGD Immobiliare Grande Distribuzione SIIQ SpA -** Igd Siiq is one of the leading players in Italy's retail real estate market: it develops and manages commercial centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, to date it is the only SIIQ (*Società di Investimento Immobiliare Quotata* or real estate investment trust) in Italy. IGD has a property portfolio valued at €1,423 million at December 31st, 2008 comprised of, in Italy, 14 hypermarkets and supermarkets, 12 shopping malls, 4 properties and a building to be developed, 1 property for trading purposes, as well as three commercial centers through RGD, a 50/50 joint venture with Beni Stabili The acquisition of the company Winmark Magazine SA resulted in the addition of 15 shopping malls and an office building, found in thirteen different Romanian cities, to the portfolio.


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| CONSOLIDATED BALANCE SHEET | | 31/12/2008 | 31/12/2007 | Changes |
|---|---|---|---|---|
| *Amounts in millions of euro* | note | (A) | (B) | (A-B) |
| NON CURRENT ASSETS: | | | | |
| Intangible assets | | | | |
| - Intangible assets with a finite useful life | | 186 | 7 | 179 |
| - Goodwill | | 10.752 | 26.670 | ( 15.918) |
| | | 10.938 | 26.677 | ( 15.739) |
| Plant, property and equipment | | | | |
| - Real estate assets | | 1.245.140 | 947.805 | 297.335 |
| - Plants and machinery | | 1.130 | 328 | 802 |
| - Equipment | | 693 | 457 | 236 |
| - Leasehold improvements | | 1.664 | 123 | 1.541 |
| - Works in progress | | 241.886 | 168.147 | 73.739 |
| | | 1.490.513 | 1.116.860 | 373.653 |
| Other non current assets | | | | |
| - Prepaid taxes | | 8.102 | 2.877 | 5.225 |
| - Miscellaneous receivables and other non current assets | | 6.634 | 18.018 | ( 11.384) |
| - Non current financial assets | | 29 | 5.654 | ( 5.625) |
| | | 14.765 | 26.549 | ( 11.784) |
| TOTAL NON CURRENT ASSETS (A) | | 1.516.216 | 1.170.086 | 346.130 |
| CURRENT ASSETS: | | | | |
| Inventories - works in progress | | 49.970 | - | 49.970 |
| Inventories | | 7 | - | 7 |
| Trade and other receivables | | 10.272 | 9.508 | 764 |
| Trade and other receivables with related parties | | 477 | 135 | 342 |
| Other current assets | | 31.363 | 19.475 | 11.888 |
| Financial receivables and other current financial assets w. related parties | | 651 | 62 | 589 |
| Financial receivables and other current financial assets | | 57 | 40.452 | ( 40.395) |
| Cash and cash equivalents | | 65.886 | 123.074 | ( 57.188) |
| TOTAL CURRENT ASSETS (B) | | 158.683 | 192.706 | ( 34.023) |
| TOTAL ASSETS (A + B) | | 1.674.899 | 1.362.792 | 312.107 |
| NET EQUITY: | | | | |
| Portion pertaining to the Parent Company | | 742.816 | 741.013 | 1.803 |
| Portion pertaining to minorities | | 61 | 157 | ( 96) |
| TOTAL NET EQUITY (C) | | 742.877 | 741.170 | 1.707 |
| NON CURRENT LIABILITIES: | | | | |
| Non current financial liabilities | | 598.041 | 478.096 | 119.945 |
| Employee severance indemnity fund (TFR) | | 501 | 364 | 137 |
| Deferred tax liabilities | | 41.377 | 90.450 | ( 49.073) |
| Provisions for risks and future charges | | 2.553 | 643 | 1.910 |
| Misc. payables and other non current liabilities | | 26.110 | 197 | 25.913 |
| Misc. payables and other non current liabilities w. related parties | | 11.623 | 11.537 | 86 |
| TOTAL NON CURRENT LIABILITIES (D) | | 680.205 | 581.287 | 98.918 |
| CURRENT LIABILITIES: | | | | |
| Current financial liabilities | | 148.805 | 29.277 | 119.528 |
| Current financial liabilities w. related parties | | 53.682 | 3.489 | 50.193 |
| Trade and other payables | | 30.234 | 3.552 | 26.682 |
| Trade and other payables w. related parties | | 628 | 920 | ( 292) |
| Current tax liabilities | | 9.886 | 939 | 8.947 |
| Other current liabilities | | 8.582 | 2.158 | 6.424 |
| TOTAL CURRENT LIABILITIES (E) | | 251.817 | 40.335 | 211.482 |
| TOTAL LIABILTIES' (F=D + E) | | 932.022 | 621.622 | 310.400 |
| TOTAL NET EQUITY AND LIABILITIES (C + F) | | 1.674.899 | 1.362.792 | 312.107 |

| *Consolidated income statement*<br>*Amounts in millions of euro* | *note* | *31/12/2008*<br>*(A)* | *31/12/2007*<br>*(B)* | *Changes*<br>*(A-B)* |
|---|---|---|---|---|
| Revenues: | | 87.757 | 67.136 | 20.621 |
| - revenues, third parties | | 57.743 | 38.355 | 19.388 |
| - revenues, related parties | | 30.014 | 28.781 | 1.233 |
| Other income: | | 13.690 | 9.928 | 3.762 |
| - other income | | 12.529 | 9.272 | 3.257 |
| - other income from related parties | | 1.161 | 656 | 505 |
| | | | | |
| Total revenues and operating income | | 101.447 | 77.064 | 24.383 |
| | | | | |
| Change in inventories for assets under construction | | 49.717 | 0 | 49.717 |
| Costs of assets under construction | | (49.717) | 0 | (49.717) |
| Result pertaining to assets under construction | | 0 | 0 | 0 |
| | | | | |
| Purchase of materials and services: | | 28.773 | 21.802 | 6.971 |
| - Purchase of materials and services | | 25.550 | 18.647 | 6.903 |
| - Purchase of materials and services vs. related parties | | 3.223 | 3.155 | 68 |
| Cost of labor | | 6.161 | 4.035 | 2.126 |
| Other operating costs | | 7.588 | 3.311 | 4.277 |
| Total operating costs | | 42.522 | 29.148 | 13.374 |
| | | | | |
| EBITDA | | 58.925 | 47.916 | 11.009 |
| | | | | |
| (Amortization and depreciation) | | (672) | (299) | (373) |
| (Goodwill impairment) | | (19.092) | 0 | (19.092) |
| Change in fair value - increases / (decreases) | | (2.589) | 30.662 | (33.251) |
| | | | | |
| EBIT | | 36.572 | 78.279 | (41.707) |
| | | | | |
| Income from equity investments | | 92 | 0 | 92 |
| **Income from equity investments** | | **92** | **0** | **92** |
| | | | | |
| Financial income | | 5.843 | 6.100 | (257) |
| - from third parties | | 5.608 | 6.069 | (461) |
| - from related parties | | 235 | 31 | 204 |
| Financial charges | | 31.779 | 20.672 | 11.107 |
| - from third parties | | 30.483 | 20.221 | 10.262 |
| - from related parties | | 1.296 | 451 | 845 |
| | | | | |
| Net financial income/(charges) | | (25.936) | (14.572) | (11.364) |
| | | | | |
| PROFIT BEFORE TAX | | 10.728 | 63.707 | (52.979) |
| Income tax for the period | | (32.609) | 11.392 | (44.001) |
| NET PROFIT FOR THE PERIOD | | 43.337 | 52.315 | (8.978) |
| Pertaining to: | | | | |
| * Parent Company's portion of net profit | | 43.337 | 52.315 | (8.978) |
| * Minorities portion of net profit | | 0 | 0 | 0 |
| - base earning for the year | | 0,143 | 0,174 | |
| - diluted earning for the year | | 0,153 | 0,174 | |