



Analyst Presentation

Milan
March 14, 2005

igd
immobiliare
grande distribuzione

Agenda

➤ OVERVIEW

➤ 2004 OPERATING HIGHLIGHTS

- PORTFOLIO & NAV
- SERVICE ACTIVITY

➤ 2004 FINANCIALS

➤ STRATEGY & 2005 OUTLOOK

➤ APPENDIX

OVERVIEW

IPO highlights

OVERVIEW

IPO date

- 7th Feb 05: pricing date
- 11th Feb 05: first day of trading

Offer size

- 105,000,000 shares
- €152.3mm
- 100% primary shares
- 37% free float post Offer
- Shares outstanding: 282,249,261

Lock up

- 180 days for IGD and shareholders

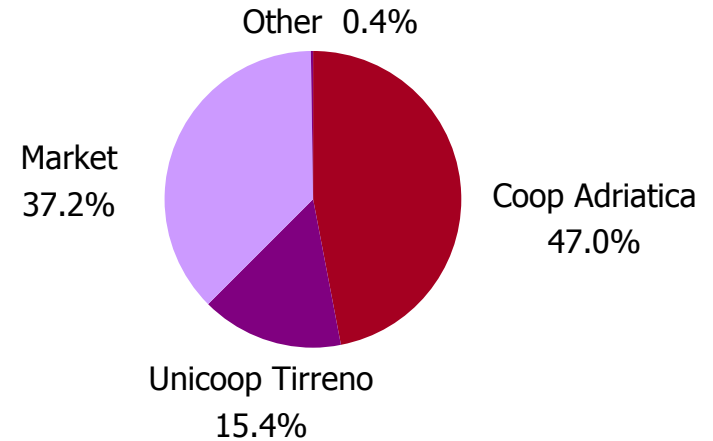
Retail/Inst.

- 15% Retail / 85% Institutional

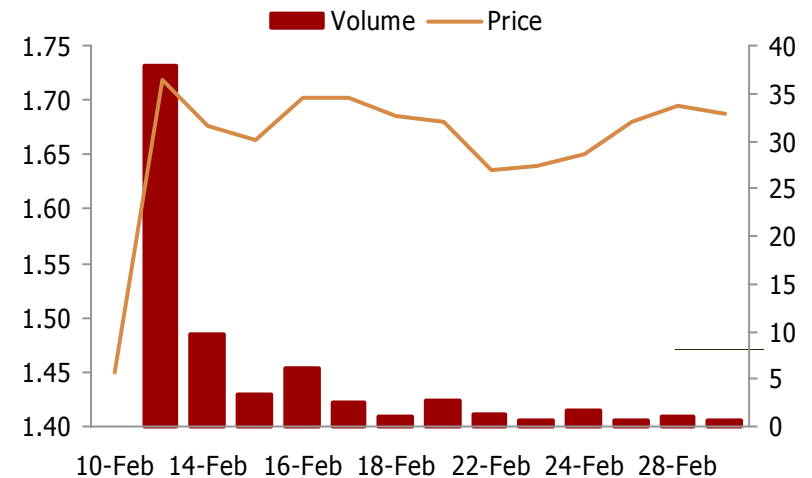
Offer results

- Instit. Subscription: 9.9x
- Retail subscription: 3.9x

Shareholding Structure post-Offer



IGD stock performance since IPO



Strong performance since IPO

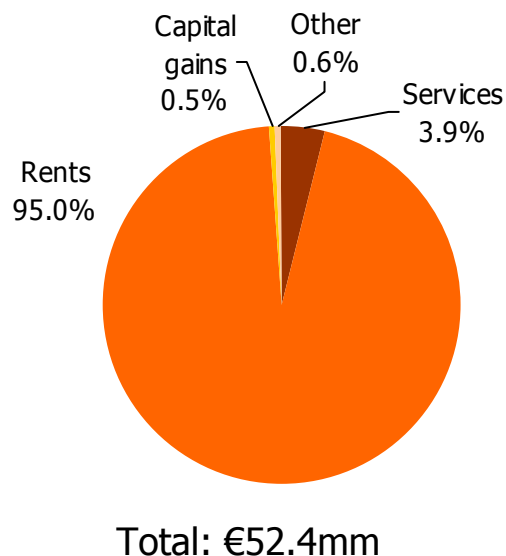


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IGD is the only pure retail real estate play...

- IGD is one of the main players in the retail segment of the Italian real estate sector
- IGD business is mainly focused on large shopping centres made up of:
 - hypermarkets (with a surface area higher than 2,500 sqm)
 - shopping malls (from 23 to 60 shops each)
- IGD handles the direct and strategic management of both directly-owned and third parties assets

IGD's 2004 revenues breakdown



IGD real estate portfolio location

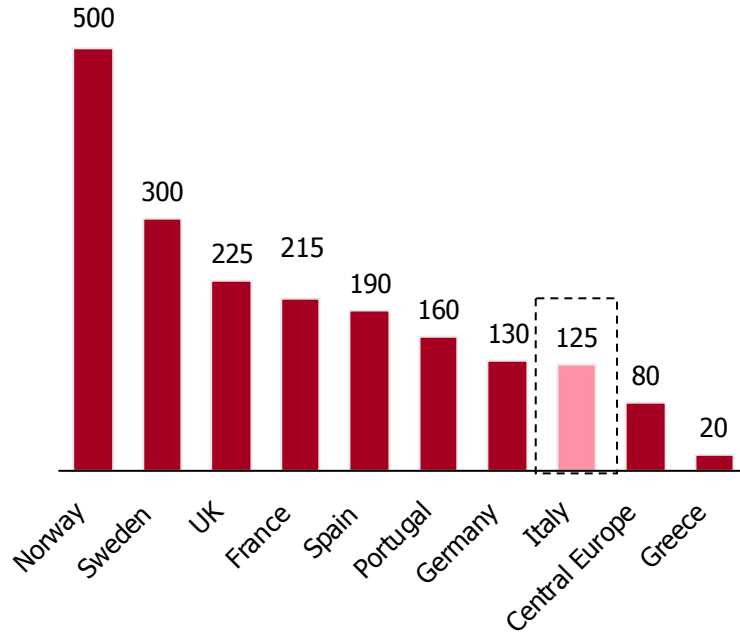


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* Preliminary purchase agreement signed in February 2003 on one of the three plots of land, acquisition should be executed by 31 January 2006

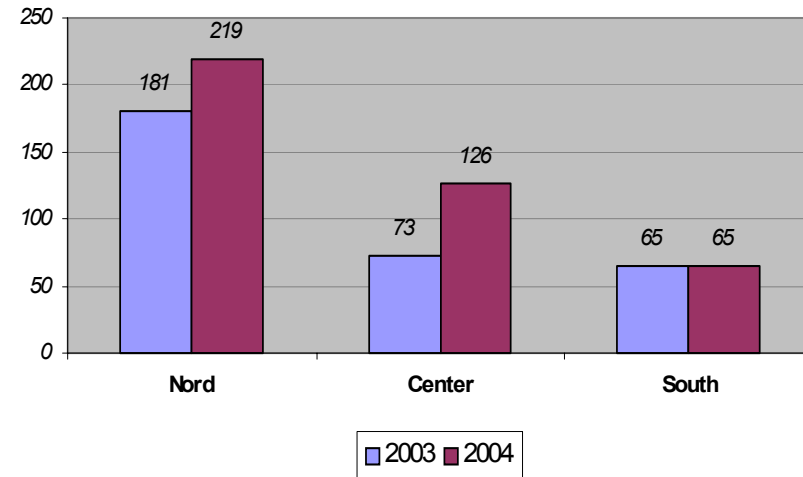
...in the attractive and growing Italian market

Total sqm. shopping centers/1,000 inhabitants, 2003



2004 italian market evolution

Sqm/1.000 inhabitants: ITALY



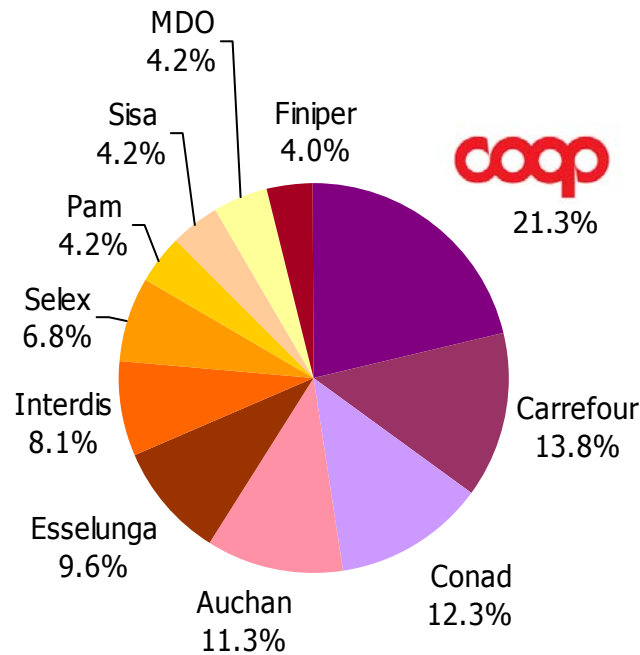
- Outperformance of real estate market in Italy and increasing flow of foreign capital in the past 2 years
- Attractive Italian retail property market, still “under-retailed”: low rental values and lowest shopping centre floorspace per capita in Western Europe
- Central Italy is growing faster



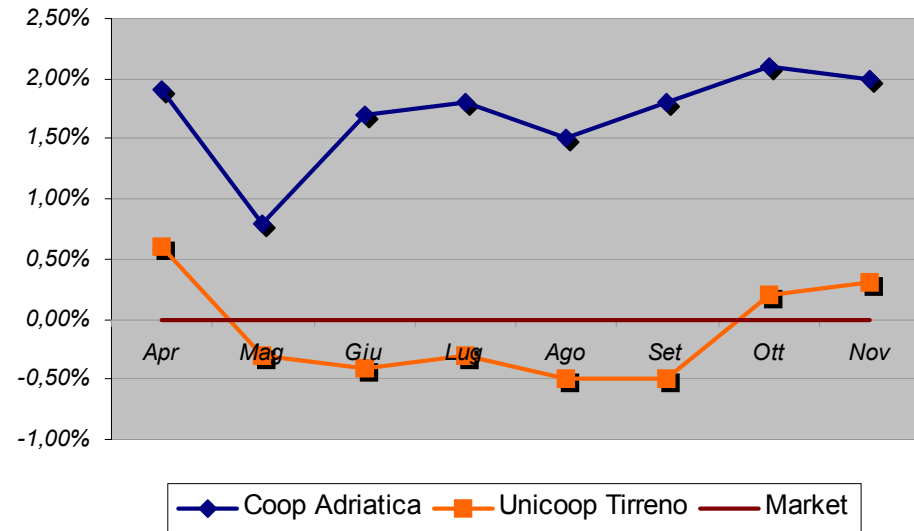
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Source: Europroperty, Jones Lang LaSalle, Cushman & Wakefield, CB Richard Ellis
¹ Based on 2004 revenues. Large-scale distribution channels represent about 70% of the total sales in the food retail sector

The italian large scale food retailers market



Change in Coop Adriatica and Unicoop Tirreno sales (iper-super) against the market average



- IGD strong competitive advantage via its relationship with Coop, by far the largest food retailer in Italy
- Coop Adriatica and Unicoop Tirreno have performed better than market

IGD strengths

OVERVIEW

Leading player in an attractive and growing market

- One of the leading players in the Italian retail real estate market
 - outperformance in recent years
 - increasing investors' interest
 - scarcity factor due to restrictive planning permissions

Privileged relationship with Cooperatives

- Coop Adriatica & Unicoop Tirreno: major Cooperatives, part of the largest food retailer in Italy
- Leverage on Coop retail network to act as a consolidator in the market

High quality existing portfolio

- Average occupancy rate: 98.5%
- Good asset location
- Modern and well-maintained properties
- Favourable lease terms and conditions

Dynamic management of the real estate portfolio

- Active management of shopping malls through Gescom
- Enlargement, sale or renewal of shopping malls

Strong financial results and clear expansion strategy

- High EBITDA margin
- Strong and stable cash flow generation
- Further upside potential:
 - Pipeline of potential acquisitions
 - Opportunity to Gescom to enter non-captive operators' market

IGD adopted a strong code of Corporate Governance

- Bord of Directors: 15 members, of which 8 independent non executive directors
- Internal control committee, consisting of 3 non executive Board members of which 2 independent
- Internal dealing code
- Treatment of confidential information
- Framework agreement among IGD, Unicoop Tirreno and Coop Adriatica
 - The Cooperatives submit to IGD all new investments and the Company can accept the proposal or submit a counteroffer
 - IGD leases hypermarkets or supermarkets to the Cooperatives at market price
 - 9 investments secured by framework agreement

2004 results in line with expectations

- Acquisitions: € 71.8 M
- Total Rents PF: + 7.4%
- Revenues from services PF: +68.5%
- Free Cash Flow 2004: € 22.5 M
- Net profit PF 2004: € 6.4 M

2004 OPERATING HIGHLIGHTS

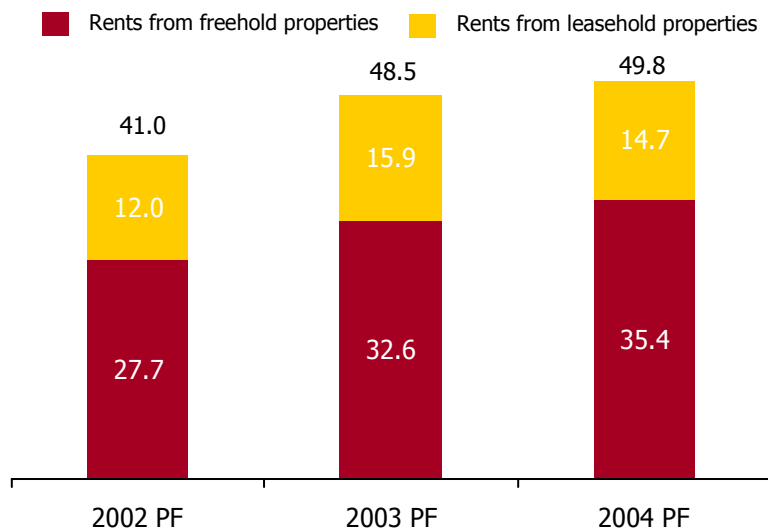
➤ PORTFOLIO & NAV

SERVICE ACTIVITY

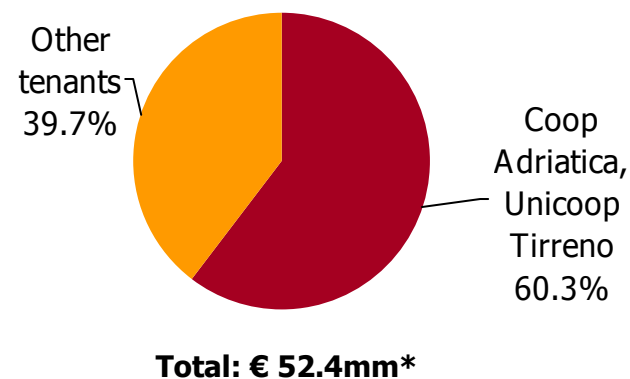
Property management and sub-leasing activity

- IGD property management activity consists of:
 - acquisition and development of retail real estate assets (shopping centres, hypermarkets and shopping malls)
 - leasing and sub-leasing activity of IGD Real Estate portfolio
 - increasing the capital value of the current portfolio, mainly via restructuring, refurbishment and enlargement
 - asset disposal

Total gross rents on IGD Real Estate portfolio (€mm)



2004 total revenues breakdown by tenant



* Coop Adriatica and Unicoop Tirreno, following the transfer of the licences of four shopping malls to Gescom will decrease their contribute on 2005 IGD total revenues

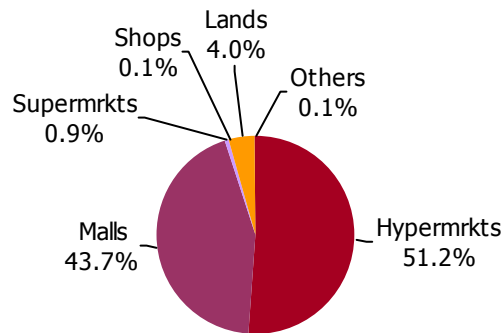
Freehold properties

- Market value of IGD freehold properties is approx. €555.2mm (CB Richard Ellis)
- Gross lettable area equal to approx. 260,000 sqm.
- Total average occupancy rate²: 98.52%
 - hypermarkets and supermarket: 100.0%
 - shopping malls: 96.27%
- Key features:
 - high quality: modern and well maintained
 - good asset location
 - leasing activity mainly to high-quality, low-risk tenants via long term contracts

Freehold properties breakdown by destination¹

IGD freehold portfolio

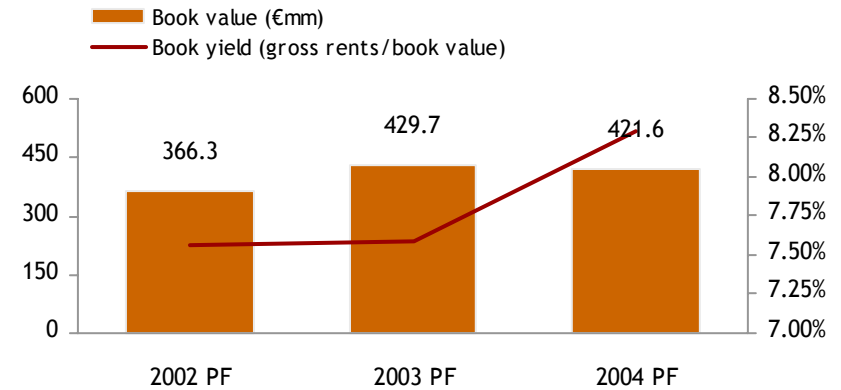
- 7 shopping centre (hyper + mall)
- 5 hypermarkets
- 3 plots of land
- 2 buildings used as offices



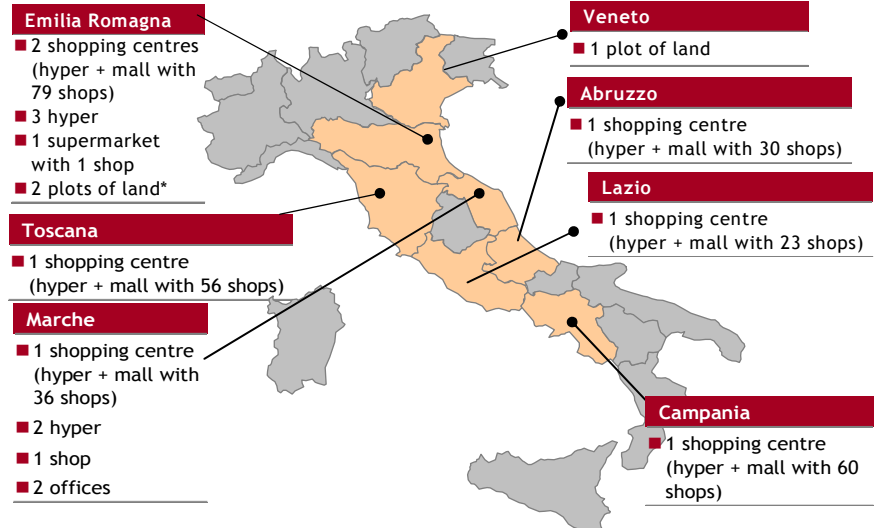
¹ Breakdown in terms of market value

² Calculated on GLA

IGD freehold properties, book value and yield evolution



Freehold properties – geographical distribution

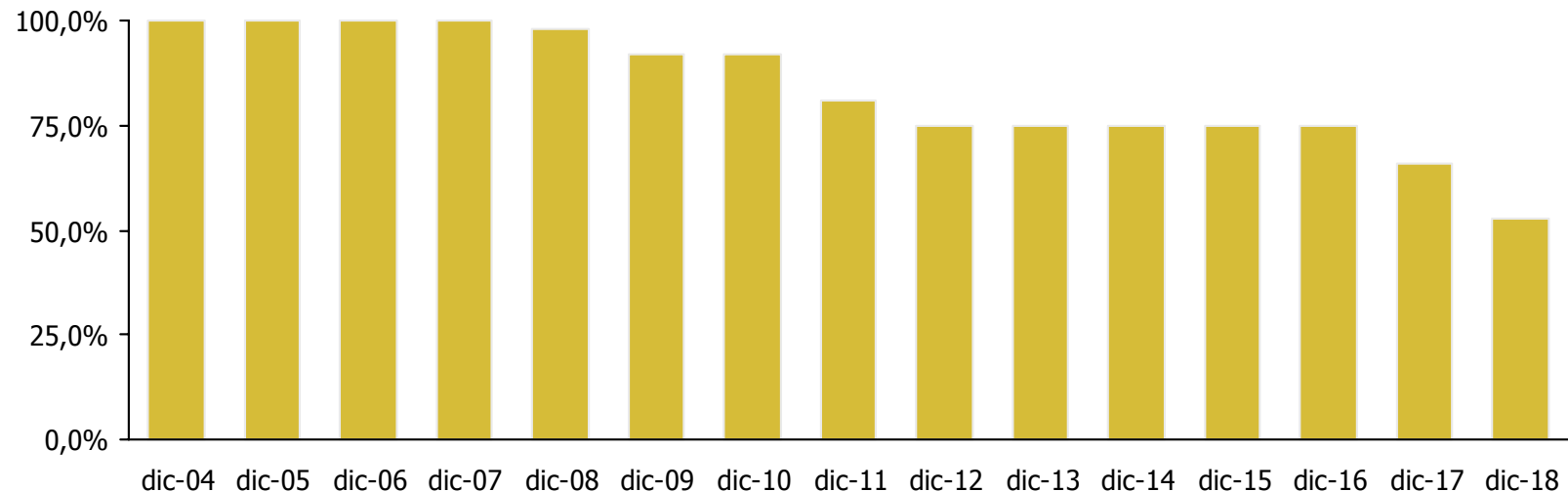


Hypermarkets and supermarket: lease terms and main tenants

Main lease terms:

- Average maturity: from 6 to 18 years + 6 years
- Rents indexation: 75% of inflation rate
- Maintenance: ordinary and extraordinary maintenance works charged to the tenant. External maintenance of the properties (façade, etc.) payable by the landlord
- All hypermarkets and the supermarket of IGD Portfolio are leased to Coop Adriatica and Unicoop Tirreno Group
 - 10 hypermarkets and 1 supermarket to Coop Adriatica
 - 3 hypermarkets to Unicoop Tirreno Group
- Coop Adriatica and Unicoop Tirreno are among the major cooperatives of Coop, the first retailer in Italy

2004 freehold rents arising from hypermarkets still rented at a certain date

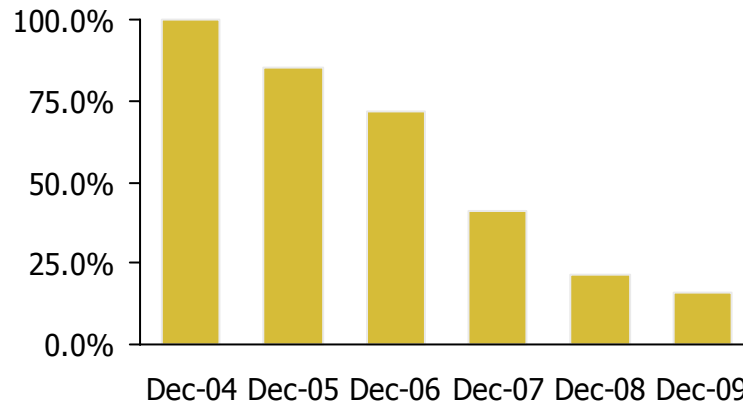


Shopping malls: lease terms and tenant mix

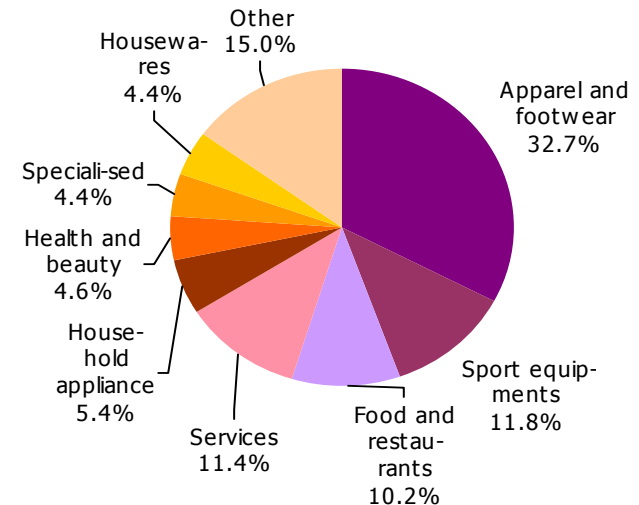
Main lease terms:

- Average maturity:
 - lease agreement of the going concern¹: 5 years
 - rental agreement: 6 years
- Rental income: a minimum guaranteed rent plus a percentage based on the occupier's sales
- Key money (non-recurrent): from 20% to 60% of annual rent
- Rents indexation
 - lease agreement of the going concern¹: 100% of inflation rate
 - rental agreement: 75% of inflation rate
- Lease of temporary spaces
- IGD can benefit from a very diversified tenants base, with limited credit risk, thanks to a careful screening of potential new tenants

Rents arising from shopping malls still rented at a certain date



Surface breakdown by retail sector*



¹ Rental agreement regarding the shop and the commercial licences

*Analysis based on shop operators. Source: company data, CBRE

Net Asset Value 31/12/2004

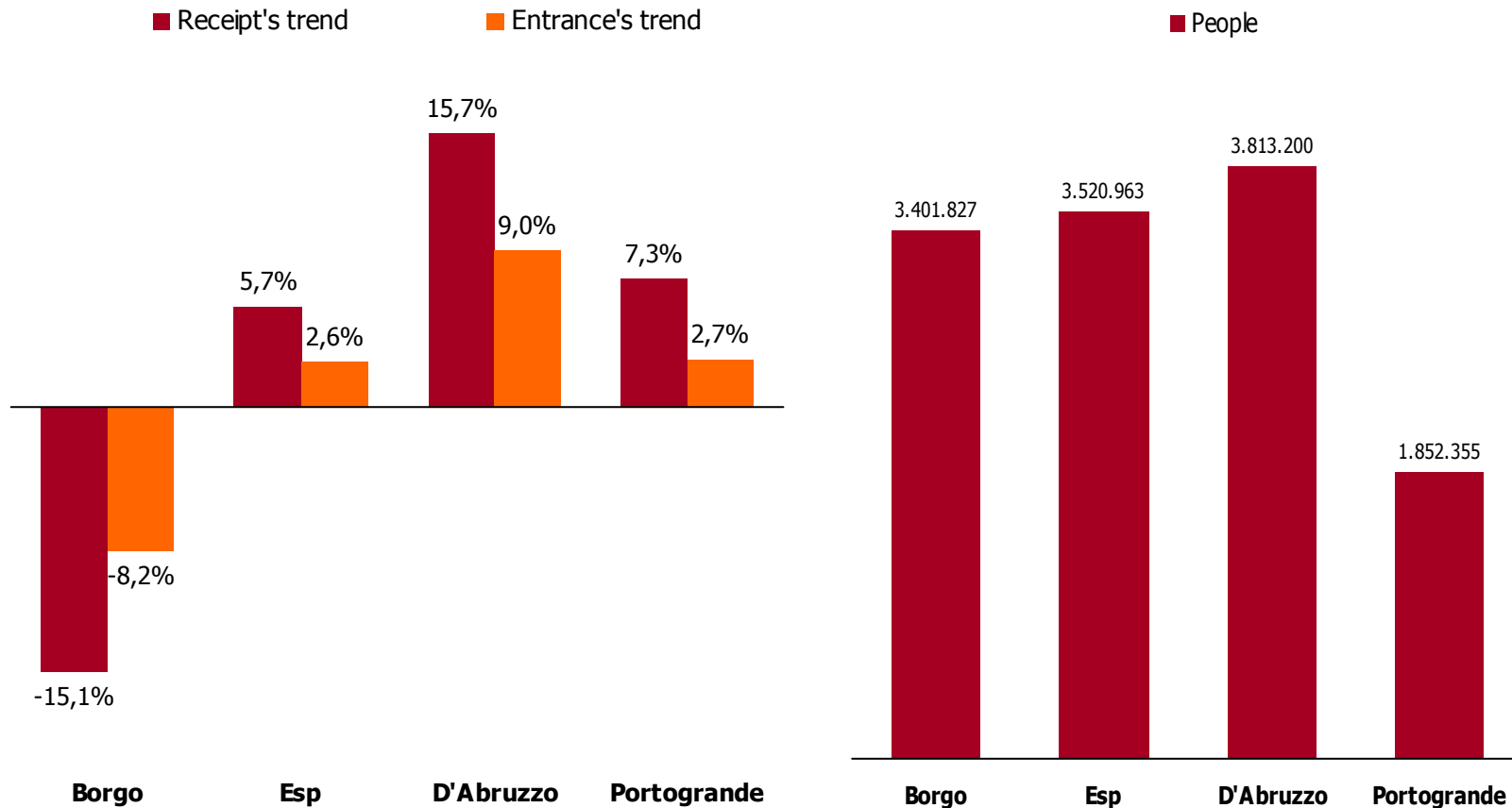
Net Asset Value (€mm)

Total portfolio market value	555.2
Total portfolio book value	420.8
Embedded capital gain	134.4
Shareholders' Equity	226.8
NAV	361.2
Estimated Tax on capital gain (37.25%)	50.1
Net NAV	311.1
Net NAV/share*	1.75

Portfolio performance

PORTFOLIO & NAV

Performance of a selected group of shopping centres owned by IGD – 2004 vs 2003



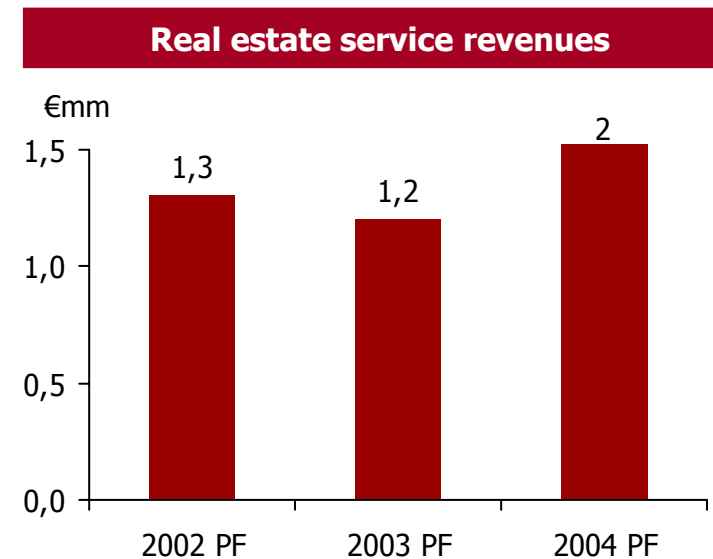
■ Negative trend in Borgo due to works in progress



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Real estate services

- IGD offers real estate services in the retail real estate segment through its subsidiary, Gescom. The real estate services include the following activities: agency and facility management
- The agency activity includes:
 - marketing and promotion activity of the shopping centre and management of the mall expansion
 - analysis of potential synergies between the hypermarkets and the shopping malls
 - tenant mix definition and screening
 - lease negotiations with shop operators
- The facility management activity includes:
 - preparation and implementation of the shopping centre's marketing plan
 - shopping centre's internal budgeting and reporting system
 - organisation of security, cleaning, and maintenance services



IGD is targeting to expand this service activities to recently acquired centres and to third parties' centres

2004 FINANCIALS



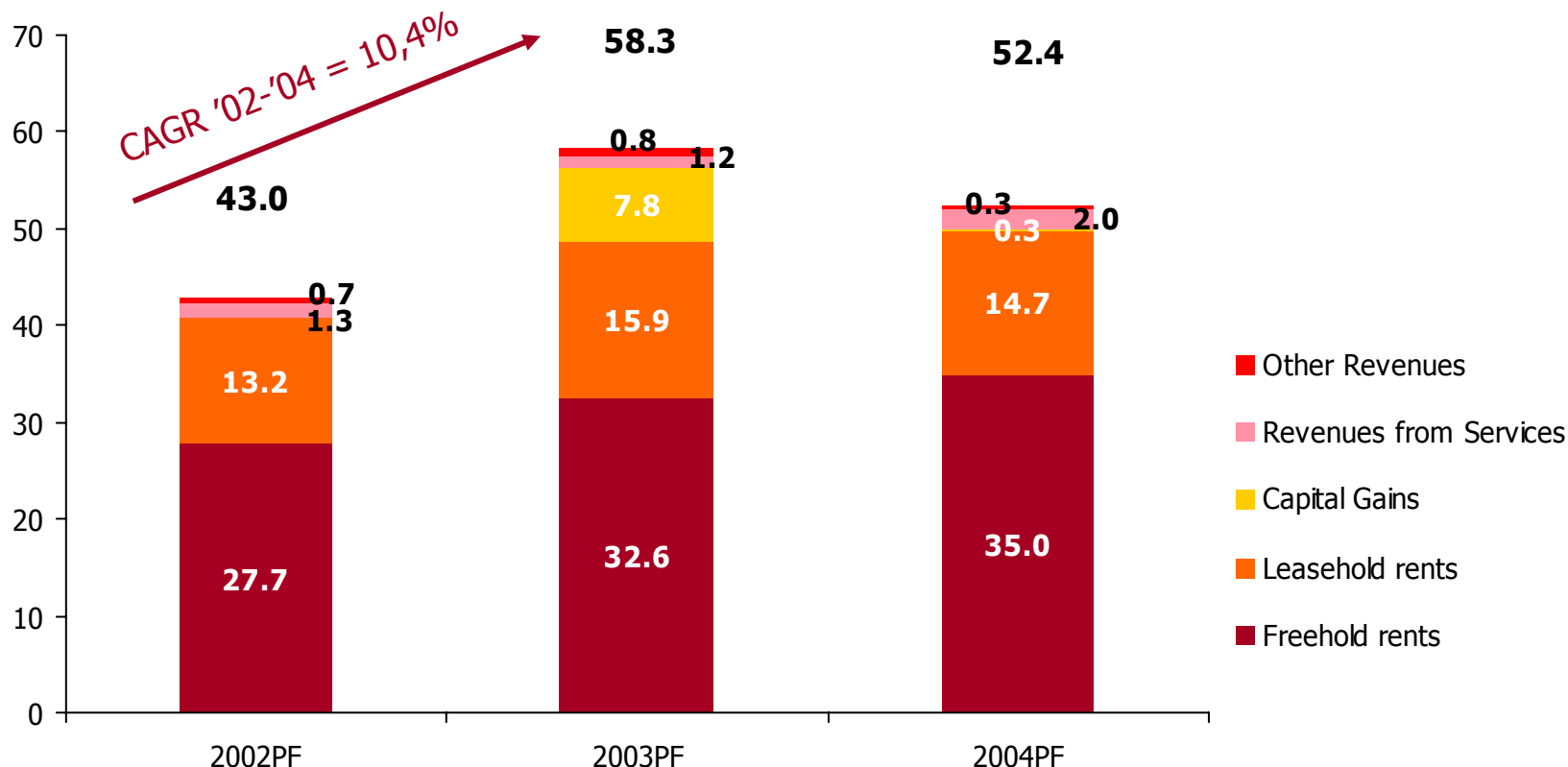
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Income Statement 2002 – 2004

INCOME STATEMENT (€mm)	2002 PF	% on VoP	2003 PF	% on VoP	2004	% on VoP	rettifiche PF	2004 PF	% on VoP
Rents from Freehold Properties	27.7	64.5%	32.6	55.9%	33.9	64.7%	1.12	35.0	66.9%
Rents from Leasehold Properties	13.2	30.8%	15.9	27.3%	14.7	28.1%		14.7	28.1%
Revenues from Sales	0.0	0.0%	7.8	13.4%	0.3	0.52%		0.3	0.52%
Revenues from Services	1.3	3.0%	1.2	2.1%	2.0	3.86%		2.0	3.86%
Other Revenues	0.7	1.6%	0.8	1.4%	0.3	0.61%		0.3	0.61%
Total Revenues	43.0	100%	58.3	100%	51.3	98%	1.1	52.4	100%
Services Costs	14.7	34.2%	19.5	33.5%	15.0	28.7%		15.0	28.7%
<i>of which Passive Rents</i>	<i>12.7</i>	<i>29.6%</i>	<i>15.4</i>	<i>26.4%</i>	<i>12.5</i>	<i>23.8%</i>		<i>12.5</i>	<i>23.8%</i>
Labour Cost	0.8	1.9%	1.0	1.7%	1.2	2.4%		1.2	2.4%
Other Operating Costs	1.7	4.0%	1.9	3.3%	2.0	3.8%	0.04	2.0	3.9%
EBITDA	25.8	60.0%	35.9	61.6%	33.0	63.0%	1.08	34.1	65.1%
Depreciation	11.4	26.5%	13.3	22.8%	14.0	26.7%	0.42	14.4	27.6%
Amortisation	1.1	2.6%	0.8	1.3%	0.9	1.6%		0.9	1.6%
Other Provisions	0.6	1.4%	0.9	1.5%	0.3	0.6%		0.3	0.6%
EBIT	12.7	29.5%	20.9	35.9%	17.8	34.1%	0.66	18.5	35.3%
Net financial Income/(Charges)	-3.9	9.1%	-5.4	9.3%	-6.5	12.5%	-0.42	-7.0	13.3%
Net Extraordinay Income/(Charges)	-0.1	0.2%	0.1	0.1%	0.1	0.1%		0.1	0.1%
Profit before tax	8.7	20.2%	15.6	26.7%	11.4	21.7%	0.2	11.6	22.2%
Tax	1.2	2.8%	4.1	7.0%	4.9	9.3%	0.12	5.0	9.5%
Minorities	-0.3	0.7%	-0.1	0.2%	-0.2	0.4%		-0.2	0.4%
Net Profit	7.8	18.1%	11.6	19.9%	6.3	14.6%	0.1	6.4	14.9%

Revenue growth and breakdown

Revenues 2002 – 2004 (€mm)



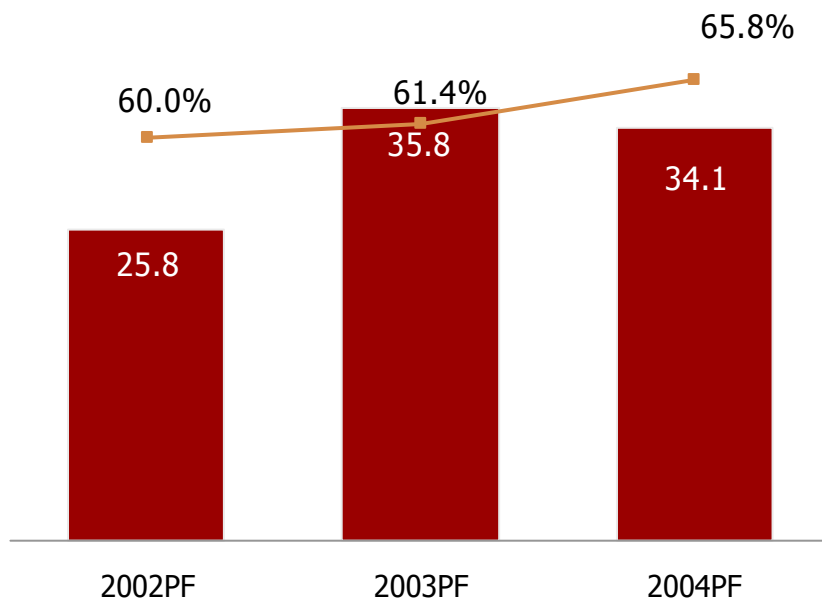
■ Revenues trend 2003-2004 is +3.2% without 2003 extraordinary capital gain

The management of freehold shopping centres represents the core business of IGD. Real estate services represents a business unit with significant growth potential



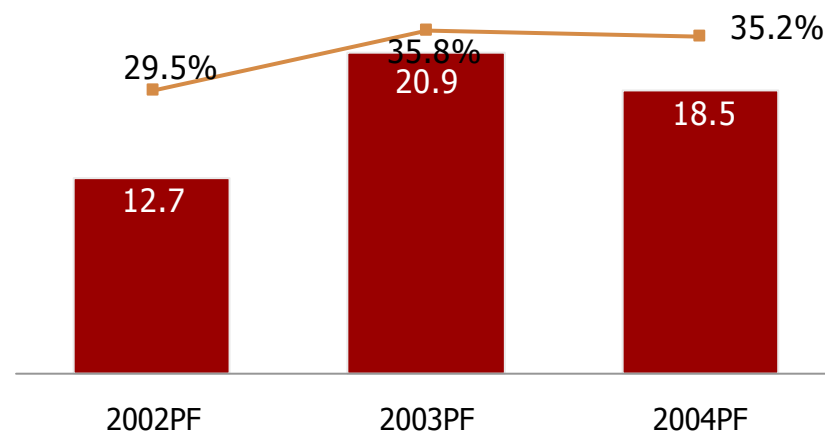
EBITDA and EBIT Trend

Ebitda and Ebitda Margin (€mm)



- Ebitda without capital gain 2003:
 - Ebitda 28.09 €/mm
 - growth 2003-2004 20.42%

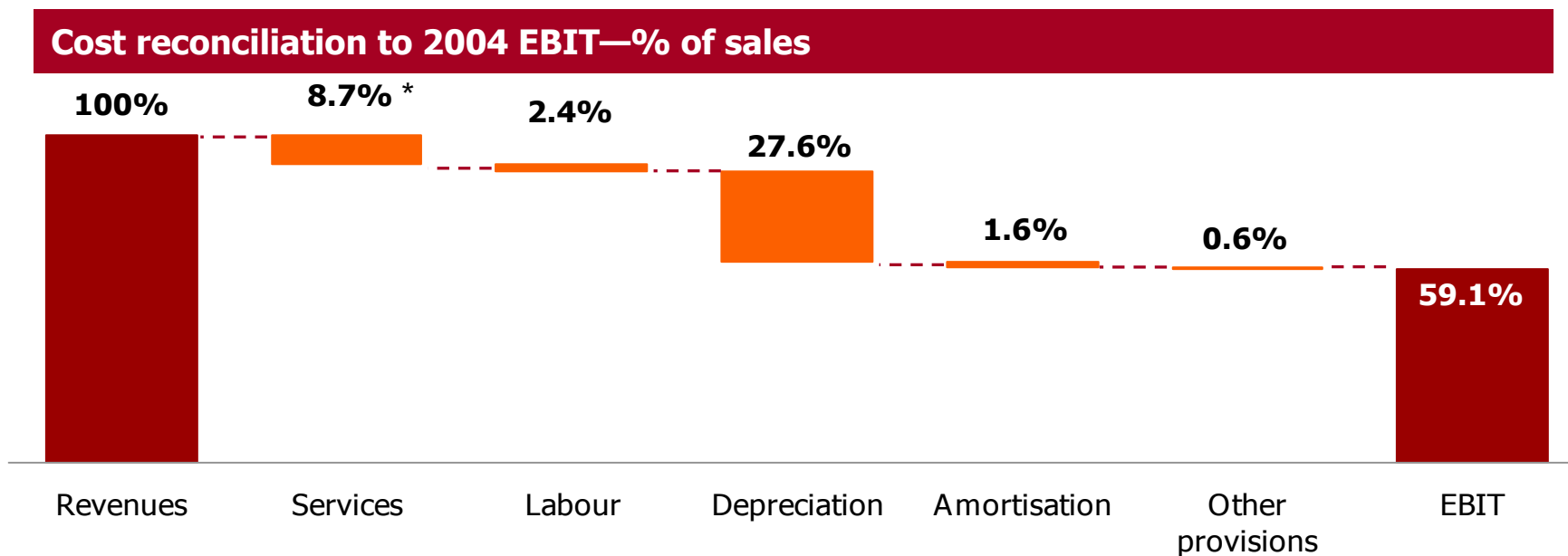
Ebit and Ebit Margin (€mm)



- Ebit without capital gain 2003:
 - Ebit 13.14 €/mm
 - growth 2003-2004 +38.74%



Cost structure (pre passive rents)



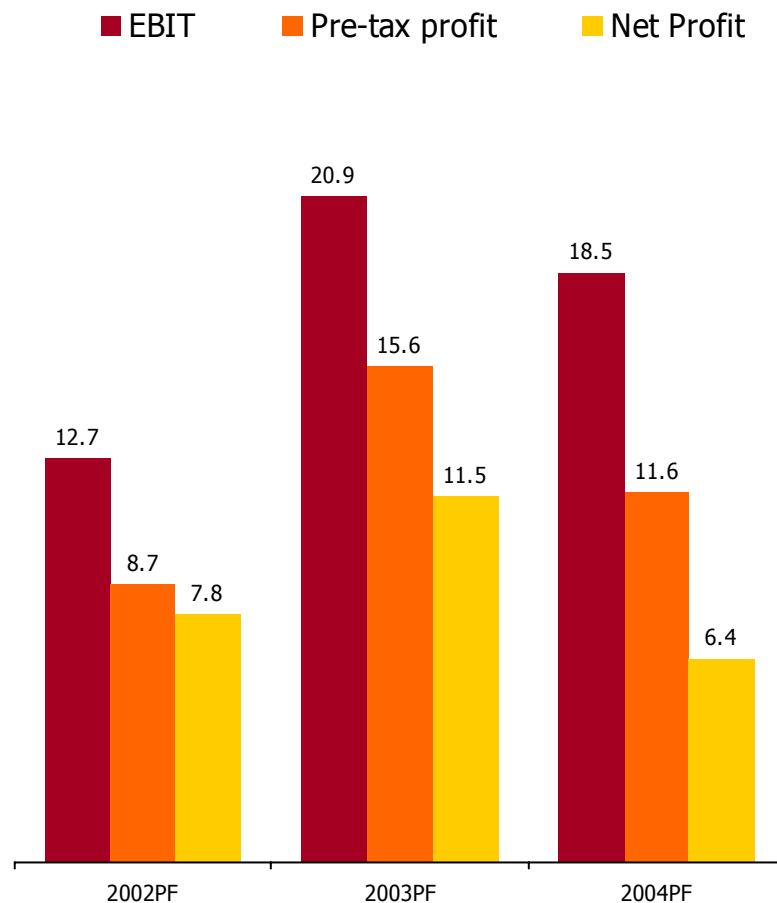
Historical cost reconciliation—As % of revenues

Year	Services	Labour	Depreciation	Amortisation	Other provisions	EBIT
2003	10.3%	1.7%	22.8%	1.3%	1.5%	62.3%
2002	8.6%	1.9%	26.5%	2.6%	1.4%	59.0%

* of which 1,7% related to non-recurrent IPO costs

Net Profit

Net Profit and Net Margin



Interest Expense

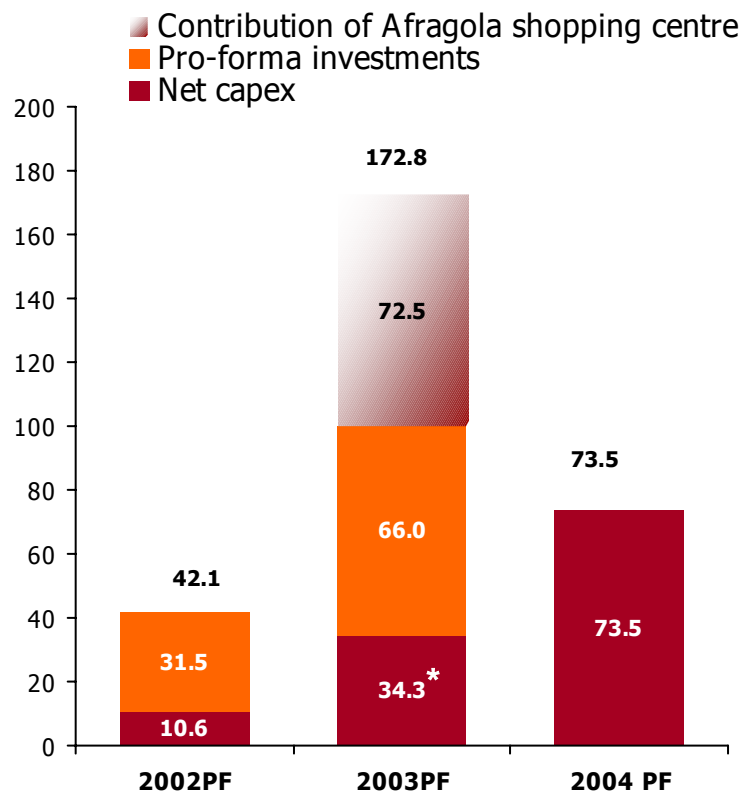
- Favorable decreasing trend of interest rates
- Average interest rate on bank debt (as at December 31, 2004) = Euribor 6m+39bp
- To date 100% of bank debt is hedged with IRS
- Increased interest expenses due to an increasing gearing ratio

Income Taxes

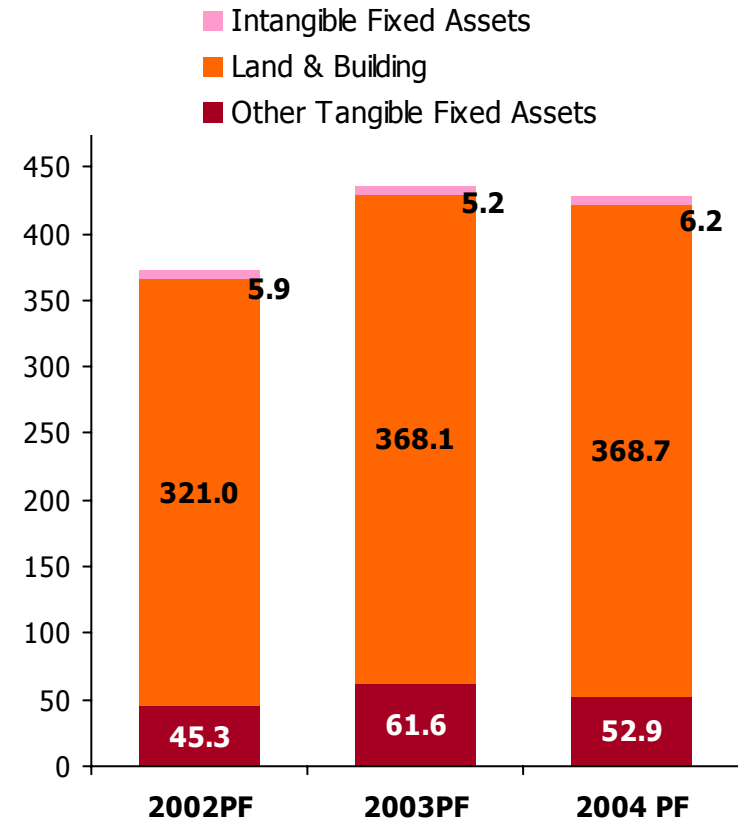
- 42.99% tax rate in 2004
- In 2002 benefit from "Tremonti fiscal benefit"
- Going forward, IGD will be liable to effective corporate tax rate
 - IRES: 33% of EBT (property tax not deductible)
 - IRAP: 4.25% of EBIT (personnel cost not deductible)

Fixed Assets and Capex

Capital Expenditure (€mm)



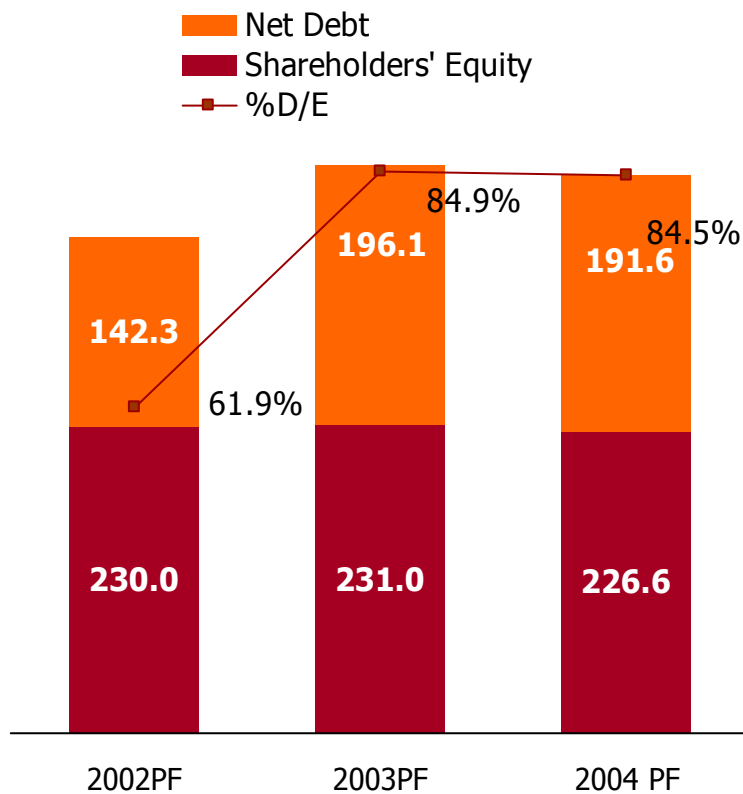
Fixed Assets (€mm)



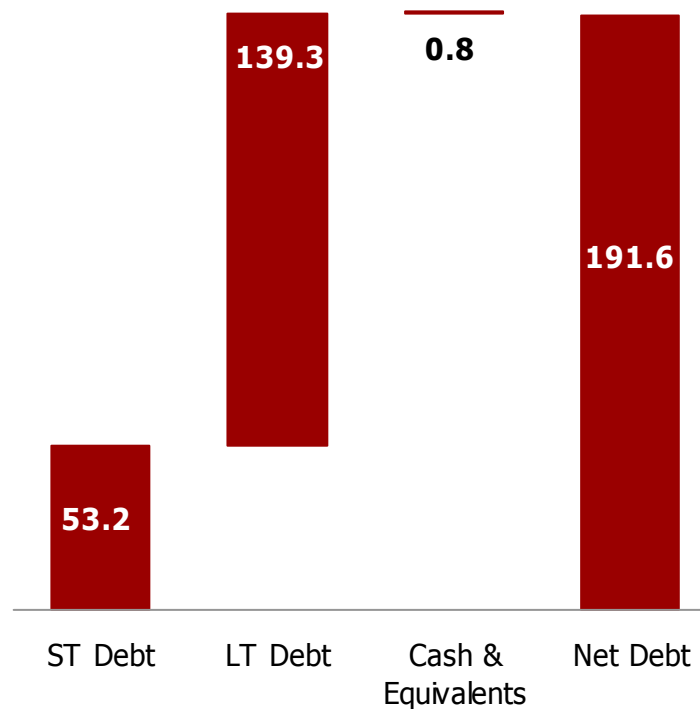
Note: net capex includes investments in land & building, intangible fixed assets and financial fixed assets, net of divestiture proceeds

Capital Structure

Total Capitalisation (€mm)

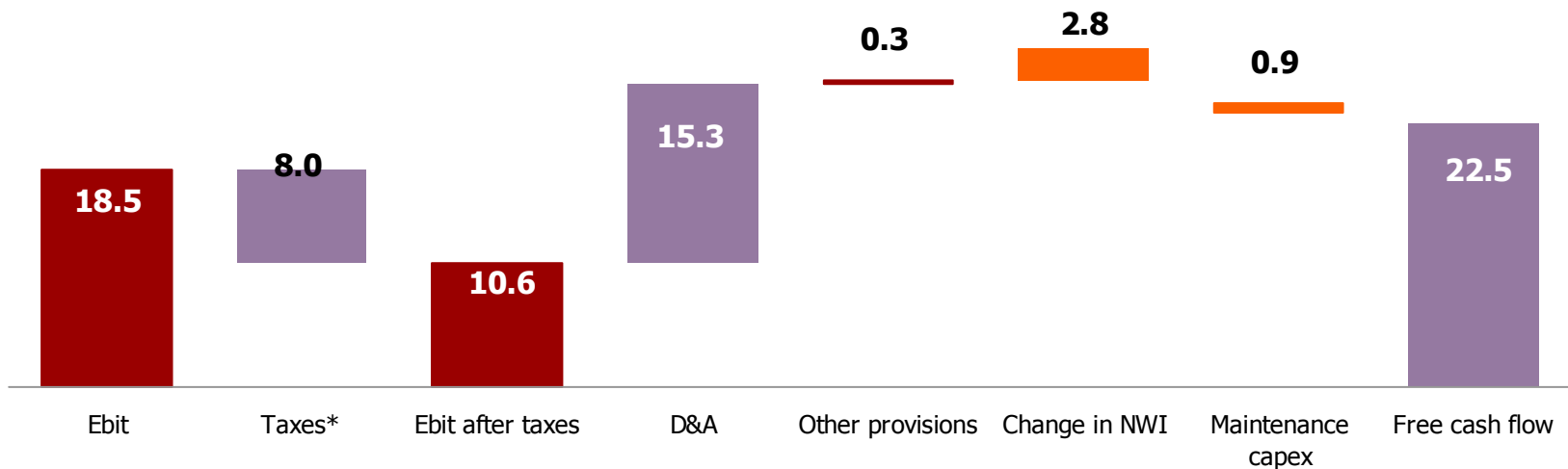


Net Debt As of December 31, 2004 (€mm)



Free Cash Flow

2004 Free Cash Flow reconciliation



Historical Cash Flow reconciliation

2003	20.9	-5.5	15.4	14.1	0.9	-6.2	-0.9	23.3
2002	12.7	-1.8	10.9	12.5	0.7	-8.1	-0.8	15.2

* Based on average tax rate for the fiscal year

STRATEGY & 2005 OUTLOOK



**MARCH
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Corporate strategy

Expansion via acquisitions and new investments*

- Acquire shopping centres, either recently developed or already operating, in under-retailed markets
- Become the consolidator of the real estate portfolio owned by the Coops
 - benefit from strong relationship with Coop world
 - the IPO of the company represents a key step to achieve higher visibility
- Develop new shopping centres

Extract value from the existing portfolio

- Extract value through expansion of shopping malls, extraordinary maintenance, marketing activity
- Disposal of galleries fully valued by the market

Expand the service business

- Cross-selling between the facility and agency businesses
- Improve the perception of the centre through marketing activity
- Establish partnerships in order to achieve the critical mass to attract interest from anchor tenants
- Expand the offer of real estate services to new customers
- Allows IGD to have access to third-parties' centres and identify the best strategic positioning

Optimise capital structure

- Increase of financial leverage
- Use of derivatives to hedge interest rate exposure
- Payout ratio around 80%

* 9 acquisition related by framework agreement with Coop, 1 MOU signed on December 2004 and other potential market investments expected by 2008

Contacts' details

Contact	Tel/Fax/Mail
Filippo Carbonari	Tel: +39 051 5069300; Fax: +39 051 5069303 E: filippo.carbonari@gruppoigd.it
Loredana Pistonesi	Tel: +39 051 5069301; Fax: +39 051 5069303 E: loredana.pistonesi@gruppoigd.it



Appendices

Balance Sheet 2002 – 2004

ASSETS	(€ mm)	2002 PF	2003 PF	2004	rettifiche	2004 PF
Intangible Fixed Assets		5.9	5.2	6.2	0.0	6.2
Land & Building		321.0	368.1	368.7	0.0	368.7
Other Tangible Fixed Assets		45.3	61.6	52.9	0.0	52.9
Total Fixed Assets		372.2	434.9	427.8	0.0	427.8
Cash and Equivalents		0.5	2.7	0.9	0.0	0.8
Account Receivables		2.2	3.8	4.1	0.0	4.09
Other Receivables		16.0	15.8	16.3	0.0	16.3
Accrued income & prepaid expenses		11.4	9.1	6.4	0.0	6.4
Total Current Assets		30.1	31.4	27.6	0.0	27.6
TOTAL ASSETS		402.3	466.3	455.4		455.4
LIABILITIES & SHAREHOLDERS' EQUITY	(€ mm)	2002	2003	2002		2004
Account Payables		2.9	4.8	3.3	0.0	3.3
ST Financial Debts		41.3	40.4	53.1	0.0	53.1
Other ST liabilities		1.9	1.4	2.6	0.0	2.6
Accrued liabilities & deferred income		12.9	10.3	7.7	0.0	7.7
Total Current Liabilities		58.9	56.8	66.8	0.0	66.8
Provisions and Employee Leaving Indemnity		0.5	3.0	5.5	0.0	5.5
LT Financial Debt		103.9	158.4	139.2	0.0	139.3
Other LT liabilities		8.9	17.1	17.1	0.0	17.1
Long term Liabilities		113.3	178.5	161.8	0.0	161.9
Group Shareholders' Equity		228.2	229.3	226.8	0.0	226.8
Minority Shareholders' Equity		1.8	1.7	0.0	0.0	0.0
Total Shareholders's Equity		230.0	231.0	226.8	0.0	226.8
TOTAL SHAREHOLDERS' EQUITY		402.2	466.3	455.4	0.0	455.5

* The 2002 "Other receivables" include €2.4mm of shareholders' loan to Fin.Ad, while the 2001 €0.7mm to be included in the Net Debt)

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Revenues from Services	1.3	3.0%	1.2	2.1%	2.0	3.86%		2.0	3.86%
Other Revenues	0.7	1.6%	0.8	1.4%	0.3	0.61%		0.3	0.61%
Total Revenues	43.0	100%	58.3	100%	51.3	98%	1.1	52.4	100%
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Labour Cost	0.8	1.9%	1.0	1.7%	1.2	2.4%		1.2	2.4%
Other Operating Costs	1.7	4.0%	1.9	3.3%	2.0	3.8%	0.04	2.0	3.9%
EBITDA	25.8	60.0%	35.9	61.6%	33.0	63.0%	1.08	34.1	65.1%
Depreciation	11.4	26.5%	13.3	22.8%	14.0	26.7%	0.42	14.4	27.6%
Amortisation	1.1	2.6%	0.8	1.3%	0.9	1.6%		0.9	1.6%
Other Provisions	0.6	1.4%	0.9	1.5%	0.3	0.6%		0.3	0.6%
EBIT	12.7	29.5%	20.9	35.9%	17.8	34.1%	0.66	18.5	35.3%
Net financial Income/(Charges)	-3.9	9.1%	-5.4	9.3%	-6.5	12.5%	-0.42	-7.0	13.3%
Net Extraordinary Income/(Charges)	-0.1	0.2%	0.1	0.1%	0.1	0.1%		0.1	0.1%
Profit before tax	8.7	20.2%	15.6	26.7%	11.4	21.7%	0.2	11.6	22.2%
Tax	1.2	2.8%	4.1	7.0%	4.9	9.3%	0.12	5.0	9.5%
Minorities	-0.3	0.7%	-0.1	0.2%	-0.2	0.4%		-0.2	0.4%
Net Profit	7.8	18.1%	11.6	19.9%	6.3	14.6%	0.1	6.4	14.9%

Cash flow

	2002 PF	2003 PF	2004 PF
Ebit	12.7	20.9	18.5
Taxes	1.8	5.5	8.0
Ebit afther taxes	10.9	15.4	10.6
D&A	12.5	14.1	15.3
Other Provisions	0.6	0.9	0.3
Changes in WI	-8.1	-6.2	-2.8
Maintenance capex	-0.8	-0.9	-0.9
Free cash flow	15.1	23.3	22.5