Conference Call

1H 2005 Financial Results

Bologna
September 28th, 2005

immobiliare grande distribuzione

Agenda

- KEY POINTS
- 1H2005 FINANCIALS
- APPENDIX

SEPTEMBER 2005

KEY POINTS

1H05 Key Points

KEY POINTS

Property Activity	▪ Growth through independent lines ▪ Ongoing restructuring and extension work of free-hold assets
Services Activity	▪ Signed Agency contracts with third party shopping malls ▪ Renegotiated expiring rental agreements
Growing Portfolio Fair Value	▪ New Independent Appraiser by CB Richard Ellis on June 30th 2005 ▪ Estimated fair value of € 584.7m (5.31% vs July 04)
Results in-line with expectations	▪ Revenues from rents in line with expectation ▪ NFP improvement
IAS and IFRS implementation	▪ Assets evaluated with Fair Value method

KEY POINTS

Property Activity

- **January 2005**

  Started working for both refurbishment and extension of **Centro Leonardo's** shopping mall

  Signed an agreement for the sale to Eurocommercial of the renewed shopping mall for € 38m in 2006

- **April 2005**

  Signed an agreement for the acquisition of the **shopping mall** and **retail park** in **Mondovì** (Cuneo) for a total GLA of approximately 18,000 sm

- **May 2005**

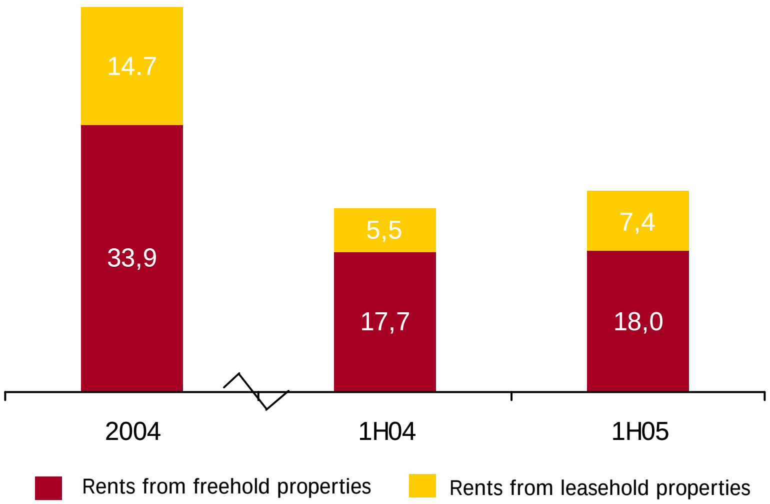
  Signed an agreement for the acquisition of a **shopping center** to be constructed in **Guidonia** (Rome)

- **Centro Borgo**

  Completed parking extension work (approximately 24.000 sm)

  Final stage of the restructuring and extension work, expected completion by December 2005

Total gross rents revenues (€ m)



SEPTEMBER 2005

Service Activity

KEY POINTS

- Signed Agency contracts for two third party shopping malls **Galleria Lugo** and **Centro Arca**, in total 53 shops.
- Marketing and promotion activity closed to the end

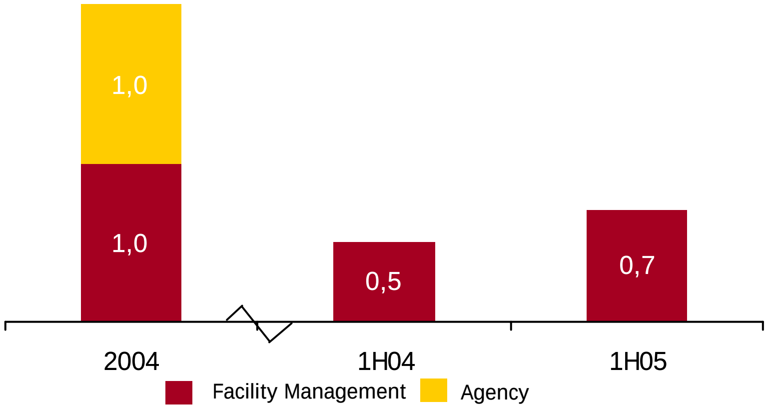
- Completed the agency activity for **Centro Borgo** (Bologna), **Rimini** and **Minganti** (Bologna) (2,500 sm, 36 and 44 shops, respectively) started at the beginning of 2005.
- Expected opening by December 2005

- Renegotiation of all **Centro ESP** rental agreements expiring in 2005 (23 contracts) with an average rental increase of approximately 23%

- Defined **Mondovì** shopping mall tenant mix in cooperation with the factory outlet owner
- Analysis of potential synergies between the shopping mall and the factory outlet

- Defined details for the shopping malls licenses' acquisition

Real estate service revenues (€ m)



SEPTEMBER 2005

CB Richard Ellis New Appraiser

KEY POINTS

New estimated fair value of **€ 584.7m** on **June 2005** (+5.31% vs July 04) as per Independent Appraiser by CB Richard Ellis

Main appraiser assumption:

- Quantification of Igd's asset Fair Value
- Gradual positive adjustment of the rent contracts to reach the expected market value
- Expected average revenues increase of 2.7% (gross of inflation rate) per year
- Applied WACC in the range of 7% - 10%
- Igd Assets include Freehold properties and 4 shopping malls licenses to be acquired by the end of 2005 from Coop Adriatica and Unicoop Tirreno (as per framework agreement signed in October 2004). Licences are valued by an independent appraiser)

Real Estate in Italia: Commerciale best performer del 2005

"Anche se in rallentamento, continua la lunga marcia del mercato immobiliare italiano"

Fonte:Scenari Immobiliari, Luglio 2005

igd immobiliare grande distribuzione

SEPTEMBER 2005

KEY POINTS

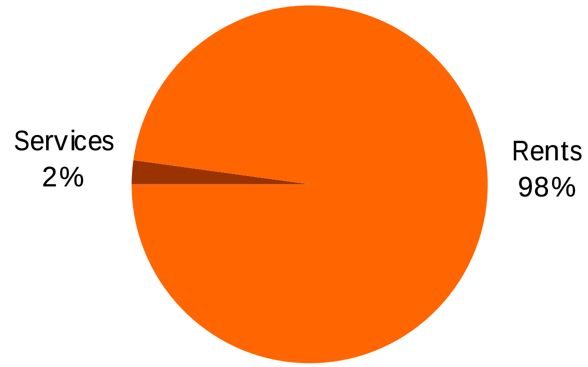
1H2005 Financial Highlights

- **Total Revenues**
  - Rents from both leasehold and freehold properties in line with 1Q05
  - Revenues from Service relate only to Facility Management activity
- **EBITDA**
  - EBITDA margin reduction due to IPO costs expensed in 1H05
- **Net Profit**
  - Positive impact of the Assets' revaluation as a consequence of the Fair value method implementation
- **Net Debt**
  - Share capital increase
  - Cash out due to the investment activity

IGD's 1H05 Highlights

Total Revenues	€ 26.1 m
EBITDA	€ 16.6 m
Net Profit	€ 19.8 m
Net Debt	€ 59.7 m

IGD's 1H05 revenues breakdown



Total: €26.1m

SEPTEMBER 2005

IAS – IFRS IMPACT

€/1,000	Shareholder's Equity 01-gen-04	Net Profit 31-dic-04	Shareholder's Equity 31-dic-04	Net Profit 30-giu-05	Shareholder's Equity 30-giu-05
Italian Gaap	**231.016,6**	**6.506,1**	**226.584,7**	**3.391,6**	**376.581,3**
IAS 12: Tax Impact	(34.428,1)	(11.556,8)	(45.969,2)	(9.064,8)	(51.334,2)
IAS 32: IPO costs	-	-	-	759,1	(6.832,0)
IAS 32/39: Financial Managemen	-	-	-	3.016,5	3.000,1
IAS 38: Intangible Fixed Assets	(245,5)	24,7	(220,7)	19,1	(201,6)
IAS 39: Derivatives Instuments	(88,3)	206,1	70,3	(16,4)	(3.429,3)
IAS 40: Assets' Fair Value	94.742,1	30.340,6	125.082,6	21.373,2	146.455,8
IFRS 3: Goodwill	(1.993,9)	477,1	(1.516,8)	284,8	(1.232,0)
IAS/IFRS	**289.002,9**	**25.997,8**	**304.030,9**	**19.763,1**	**463.008,1**
Change	*57.986*	*19.492*	*77.446*	*16.372*	*86.427*
Change (%)	*25,1%*	*299,6%*	*34,2%*	*482,7%*	*23,0%*

1H2005 FINANCIALS

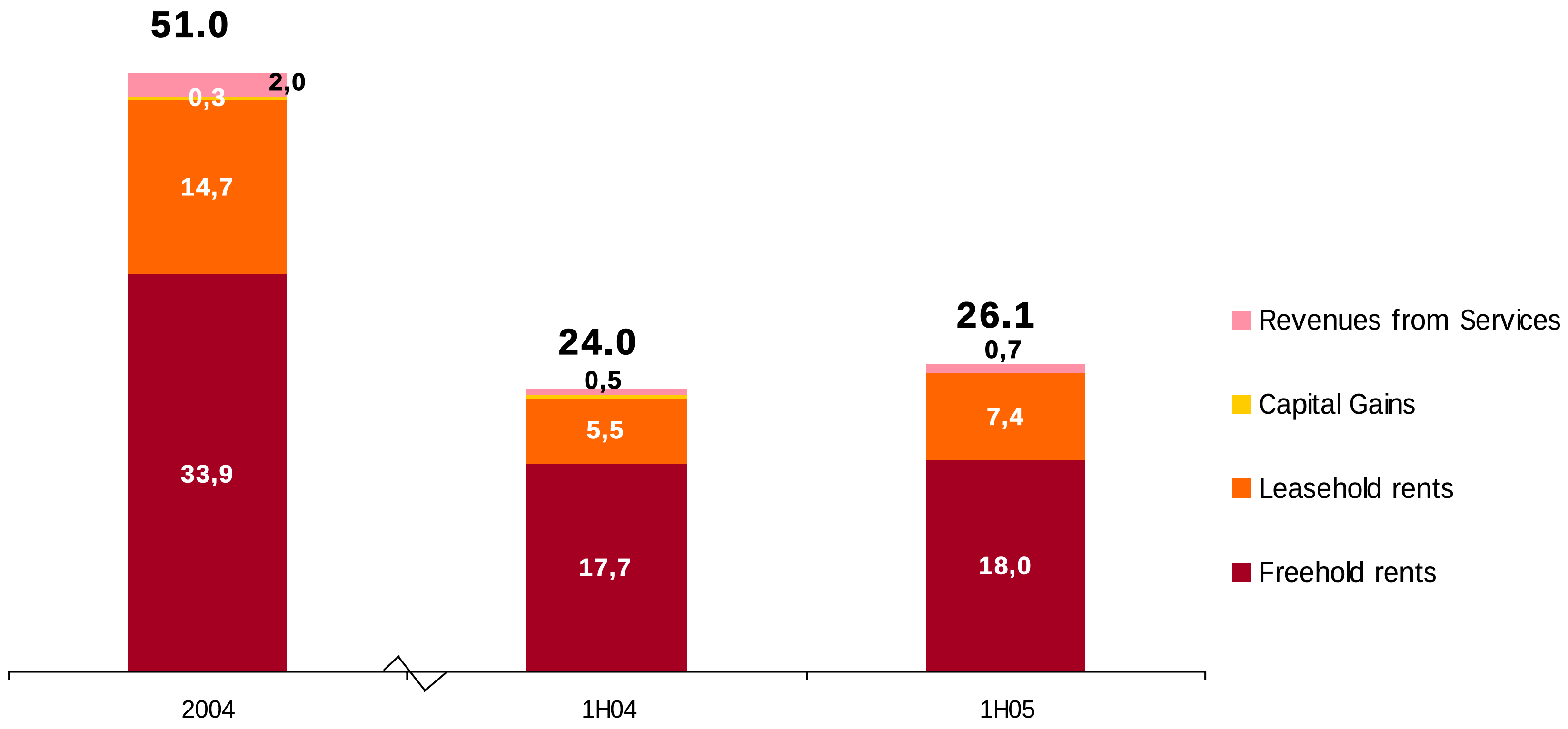
Income Statement

€ m	1H04	1H05	*var %*
Total Revenues	24,0	26,1	*8,8%*
EBITDA	**15,5**	**16,6**	*7,1%*
ebitda %	*64,6%*	*63,6%*	
Depreciation	(0,1)	(0,2)	
Change in Asstes' Fair Value	10,1	14,2	
EBIT	**25,5**	**30,6**	*20,0%*
ebit %	*106,3%*	*117,2%*	
Net Financial Income/(Charges)	(2,3)	1,0	
Profit Before Tax	**23,2**	**31,6**	*36,2%*
Profit Before Tax %	*96,7%*	*121,1%*	
Tax	(9,0)	(11,8)	
Net Profit	**14,2**	**19,8**	*39,4%*
Net Profit %	*59,2%*	*75,9%*	

Note: Igd adopted the international accounting principles (IAS/IFRS) starting from 1H05.
As a consequence 1H04 was restated and 1H03 comparison is unavailable.

Revenue growth and breakdown

Revenues (€m)



Note: Igd adopted the international accounting principles (IAS/IFRS) starting from 1H05.
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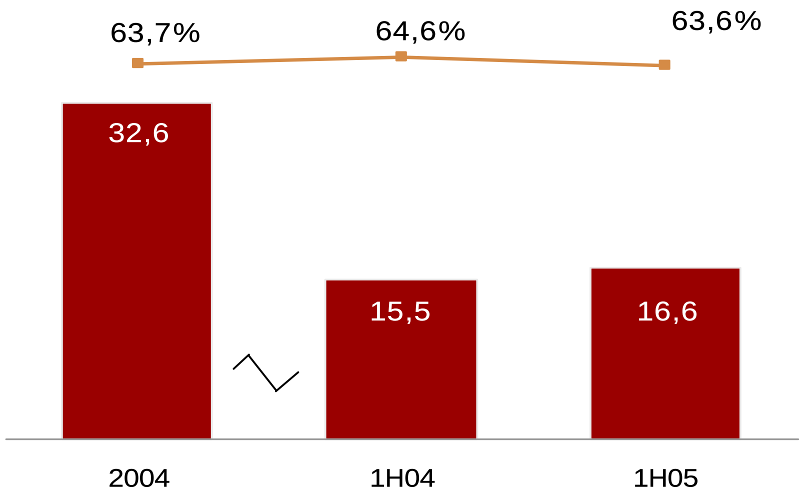
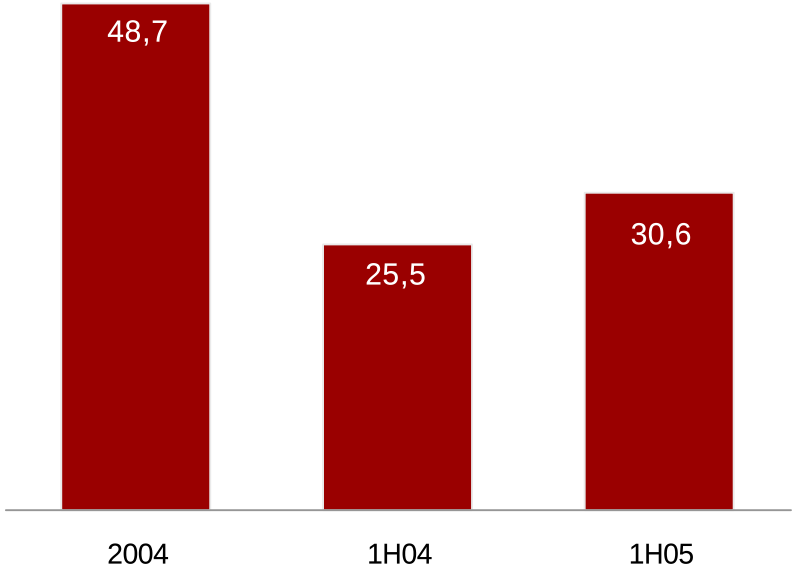
EBITDA and EBIT Trend

Ebitda and Ebitda Margin (€m)



Ebit (€m)



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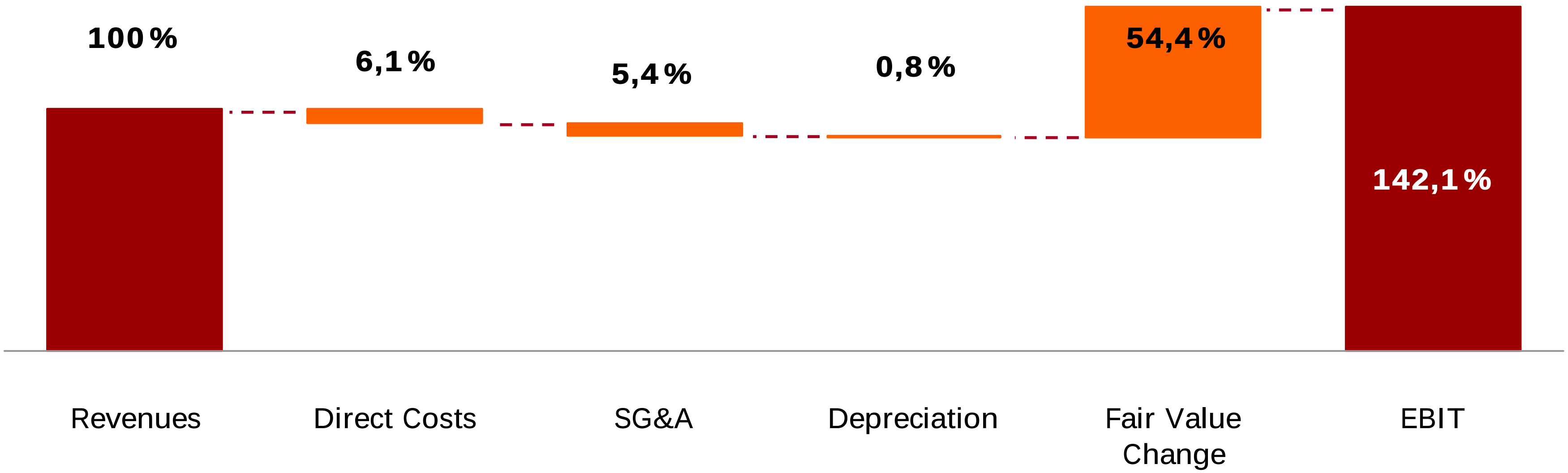
Cost structure (pre passive rents)

Cost reconciliation to 1H05 EBIT—% of sales



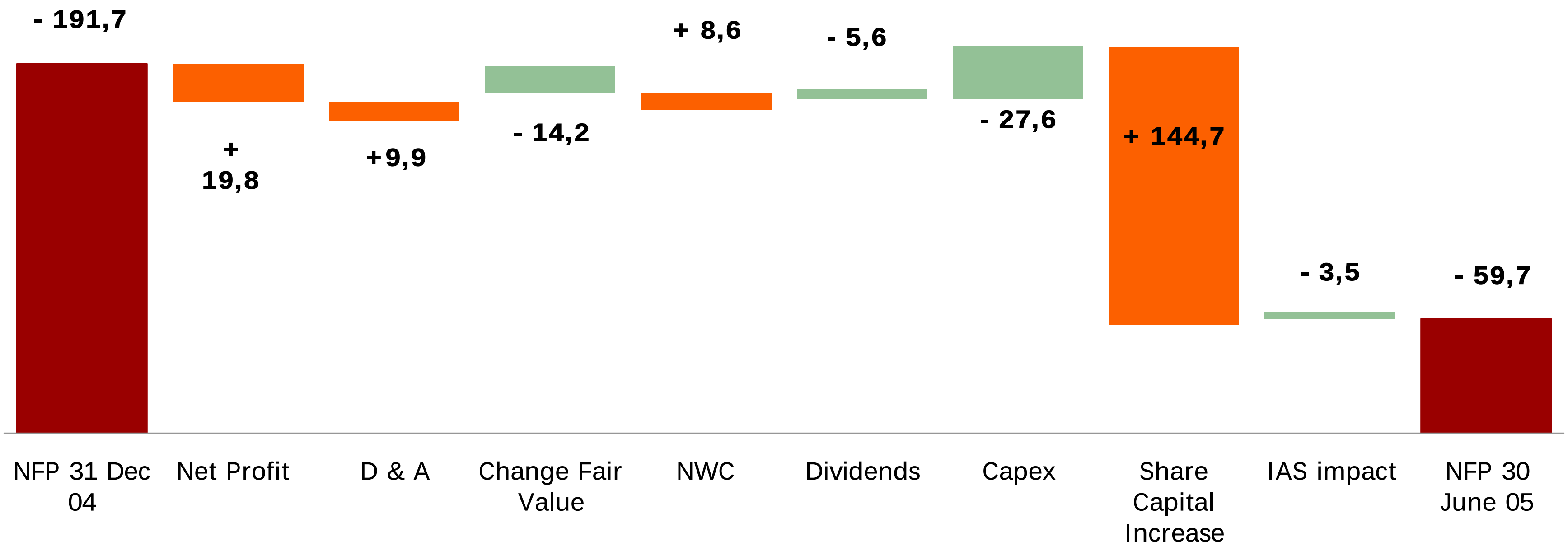
Balance Sheet

€ m	2004	1H05
Total Fixed Assets	547,0	596,8
Inventory	4,5	7,2
Receivables	15,1	115,8
Payables	(70,9)	(197,1)
Invested Capital	**495,7**	**522,7**
Funded by:		
Shareholder's Equity	304,0	463,0
NFP	(191,7)	(59,7)
Total Sources of funding	**495,7**	**522,7**

Note: Igd adopted the international accounting principles (IAS/IFRS) starting from 1H05.
As a consequence 2004 was restated.

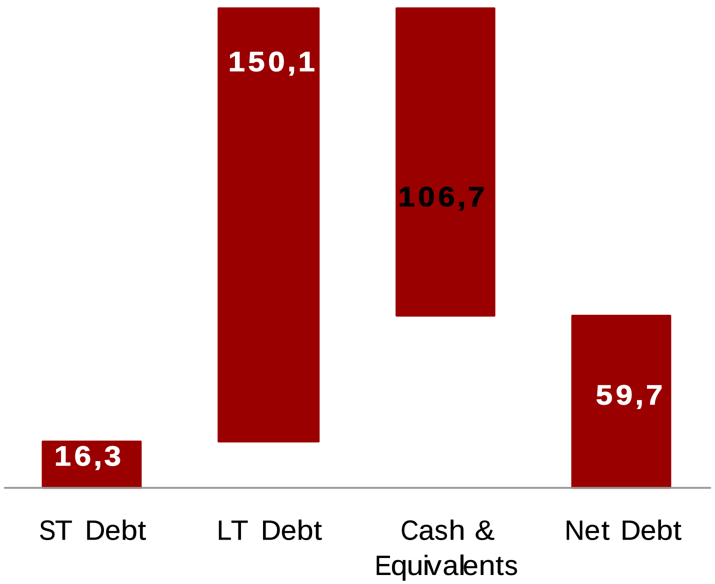
NFP

NFP change

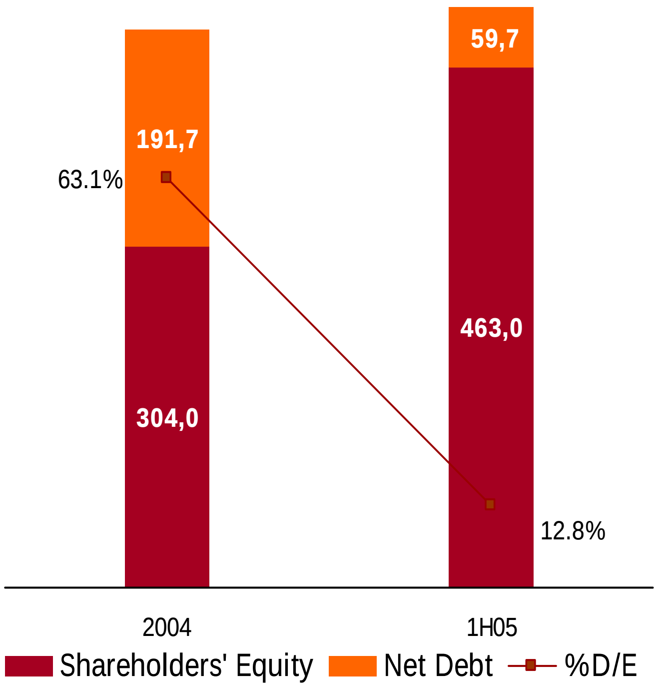


Capital Structure

Net Debt As of June 30, 2005 (€mm)



Total Capitalisation (€mm)



Interest Expense

- 100% long term debt is hedged with Interest Rate Swaps at a fixed average rate of 3.59%
- Short term debt is linked to Euribor plus a spread from 0.5% to 0.85%

Appendices

Mondovicino

- IGD signed an agreement for the **acquisition** of the **shopping mall** and **retail park** for a total GLA of approximately 18,000 mq, on April 26 .

- The shopping park “Parco Commerciale e per il Tempo Libero Mondovìcino”, located in Mondovì (Cuneo) will consist of:
  - a hypermarket and a mall
  - a retail park made up of 5 mid-sized stores
  - a factory outlet of approximately 25,000 mq of GLA

- Work will begin in 2005 and should end in 2007

- The shopping park, designed by Giugaro Architecture using cutting-edge technology and top level solutions, will be a strong point of attraction for the public.

- The purchase price of **39.5 million euros** (that specifically regards the property housing the retail park and the company which owns the mall) will be settled as follows:
  - 6 million euros at the signing of the contract
  - 2 million euros at the beginning of the works
  - the remaining at the end of the works

- The acquisition states the:
  - IGD aim to grow also through independent lines
  - IGD intervention in the early stages of the shopping centre’s design and construction in order to maximise the creation of value
  - IGD and GESCOM contribution to the definition of the shopping mall layout, specifically on the base of the tenant mix previously identified

Guidonia

- IGD signed an agreement for the **acquisition** of a **shopping centre** to be constructed in **Guidonia**, in the province of **Rome**, on May 30 .

- The shopping center will consist of:
  - a hypermarket: occupied by UniCoop Tirreno with a sales area of 8500 m²
  - a mall: 120 shops of which 4 mid-sized stores with a GLA of 25,000 m² of GLA

- The purchase price of **105 million euros** will be settled as follows:
  - 23 million euros cash, at the signing of the agreement
  - the remaining at the end of the works

- Work will begin in 2005 and should end in 2007

- The shopping centre will be an **important gathering place** for the inhabitants of the towns located in the north-east of Rome (it will be built on the Tiburtina road only a few kilometres from the major ring road)

- The acquisition states the:
  - IGD aim to grow also through independent lines
  - IGD intervention in the early stages of the shopping centre's design and construction in order to maximise the creation of value
  - IGD and GESCOM contribution to the definition of the shopping mall layout, specifically on the base of the tenant mix previously identified

Balance Sheet 1H04 - 2004 - 1H05

€ m	1H04	2004	1H05
Intangible Fixed Assets	1,6	2,9	2,9
Tangible Fixed Assets	533,1	543,2	586,2
Other Fixed Assets	0,9	0,9	7,7
Total Fixed Assets	**535,6**	**547,0**	**596,8**
Inventory	4,4	4,5	7,2
Receivables	23,5	15,1	115,8
Payables	(67,0)	(70,9)	(197,1)
	(39,1)	**(51,3)**	**(74,1)**
Invested Capital	**496,5**	**495,7**	**522,7**
Funded by:			
Shareholder's Equity	**303,2**	**304,0**	**463,0**
ST Financial Debts	(37,0)	(39,0)	(16,3)
Long Term receivables	0,0	0,0	53,0
Cash and Equivalents	4,0	0,8	53,7
Long Term Financial Debt	(160,3)	(153,5)	(150,1)
NFP	**(193,3)**	**(191,7)**	**(59,7)**
Total Sources of funding	**496,5**	**495,7**	**522,7**

Note: Igd adopted the international accounting principles (IAS) starting from 1H05.
As a consequence 1H04 and 2004 were restated and 1H03 comparison is unavailable.

Income Statement 2004 – 1H04 – 1H05

€ m	2004	1H04	1H05
Rents from Freehold Properties	33,9	17,7	18,0
Rents from Leasehold Properties	14,7	5,5	7,4
Revenues from Services	2,0	0,5	0,7
Revenues from Sales	0,3	0,3	-
Total Revenues	**51,0**	**24,0**	**26,1**
Direct Costs	(15,6)	(7,8)	(8,1)
of which passive rents	*12,6*	*6,1*	*6,5*
SG&A	(2,8)	(0,7)	(1,4)
EBITDA	**32,6**	**15,5**	**16,6**
Depreciation	(0,3)	(0,1)	(0,2)
Fair Value Change	16,4	10,1	14,2
EBIT	**48,7**	**25,5**	**30,6**
Net Financial income/(charges)	(6,3)	(2,3)	1,0
Profit Before Tax	**42,4**	**23,2**	**31,6**
Tax	(16,4)	(9,0)	(11,8)
Net Profit	**26,0**	**14,2**	**19,8**

Note: Igd adopted the international accounting principles (IAS) starting from 1H05.
As a consequence 1H04 and 2004 were restated and 1H03 comparison is unavailable.