



# Conference Call

## 1Q06 Financial Results

Bologna  
May 12th, 2006

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# KEY POINTS

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# Key Points

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### 1Q06 results

- Revenues increased by 7.4% compared to 1Q05
- Revenues from services represents 5.4% of total revenues
- EBIT increased by 58% compared to 1Q05

### Property Management

- Acquired 4 shopping malls' licenses from Unicoop Tirreno and Coop Adriatica

### Services Activity

- Signed 3 new Agency agreements with third parties
- Additional ongoing negotiation

### Business Plan Update

- Ongoing negotiations to sign the remaining € 111m investments foreseen in the business plan for 2006
- Working on the pipeline to exceed 2006 target

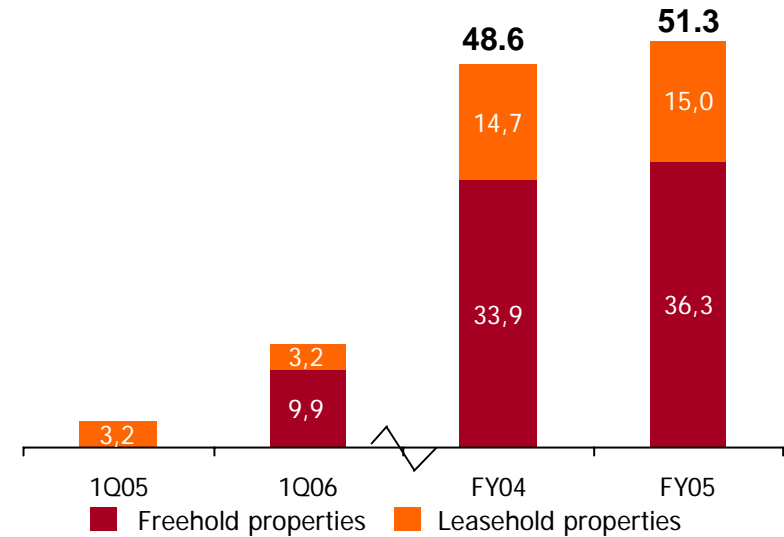
### Corporate Governance

- Renewal of the Board of Directors
- Renewal of the Board of Auditors

## Property Management Activity

- 1Q06 total gross rents compared to 1Q05 includes:
  - **Rimini** hypermarket (acquired in December 2005)
  - Renegotiated lease agreements in **Centro ESP**
- Acquired **3 shopping malls' licenses** from **Unicoop Tirreno**:
  - Le Fonti del Corallo (Livorno)
  - Afragola (Naples)
  - Casilino (Rome)
- Acquired **1 shopping malls' licenses** from **Coop Adriatica**:
  - Borgo (Bologna)
- Rents from **Leasehold properties** consequently **moved to** rents from **Freehold properties**

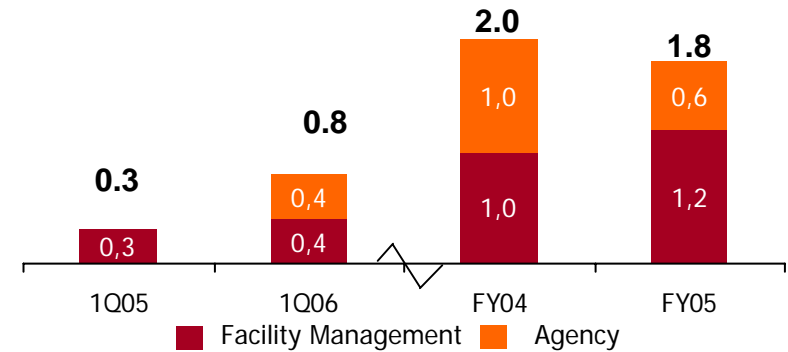
Total gross rents revenues (€ m)



## Services Activity

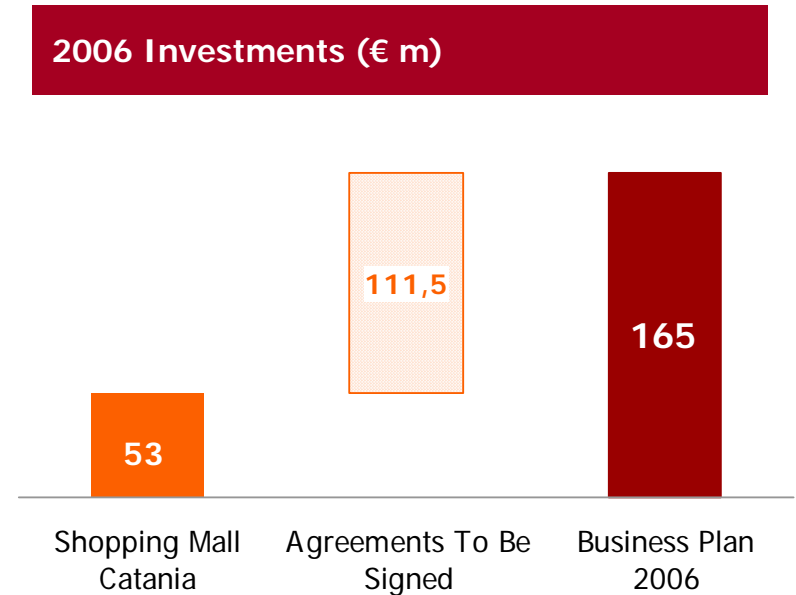
- Revenues from **Facility Management** increased following the acquisition of **3** shopping malls' licences from **Unicoop Tirreno**
- Signed **3 Agency agreements** with third parties
- 142 news shops** to be managed by Gescom
- The relating shopping malls are mainly located in **Southern Italy**

Real estate service revenues (€ m)



# Business Plan Update

- Signed on January, 12th the **preliminary agreements** for the acquisition of a **shopping mall** in **Catania** (Sicily)
- On going negotiations on the remaining € 111m investments to be signed by 2006
- Working on the pipeline to exceed 2006 target



## Corporate Governance

- The Annual General meeting on 29th April 2006 appointed the new **Board of Directors** and **Board of Auditors**
- **Coffari, Costalli and Carbonari** were confirmed Chairman, Vice Chairman and CEO, respectively, of the BoD.
- **Conti Romano** was appointed by the minorities as Chairman of the Board of Auditors.
- Both the new BoD and Board of Auditors will remain in charge until the approval of the 2008 Annual Report.

### Board of Directors

	Surname	Name	
1	Coffari	Gilberto	Chairman
2	Carbonari	Filippo Maria	CEO
3	Bini	Mauro	Independent
4	Canosani	Aristide	Independent
5	Costalli	Sergio	Vice Chairman
6	Caporioni	Leonardo	
7	Pellegrini	Fernando	
8	Carpanelli	Fabio	Independent
9	Franzoni	Massimo	Independent
10	Zamboni	Roberto	
11	Gentili	Francesco	Independent
12	Pozzoli	Stefano	Independent
13	Santi	Sergio	Independent
14	Albertini	Caludio	Independent
15	Sabadini	Riccardo	independent

### Board of Auditors

	Surname	Name	
1	Conti	Romano	Chairman
2	Gargani	Franco	Statutory
3	Chiusoli	Roberto	Statutory
4	Landi	Isabella	Alternate
5	De Lucia	Andrea	Alternate

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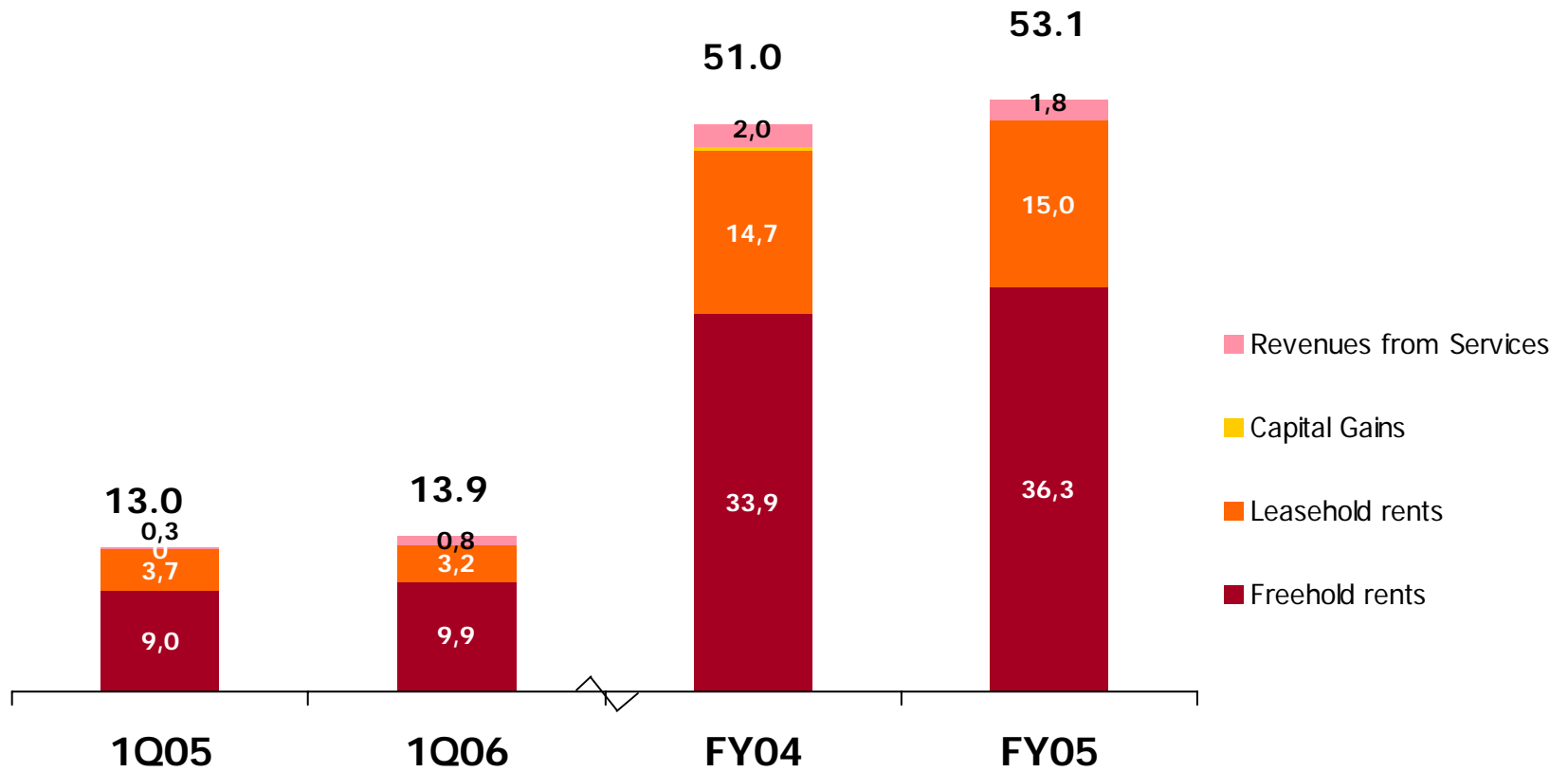
# 1Q 2006 FINANCIALS

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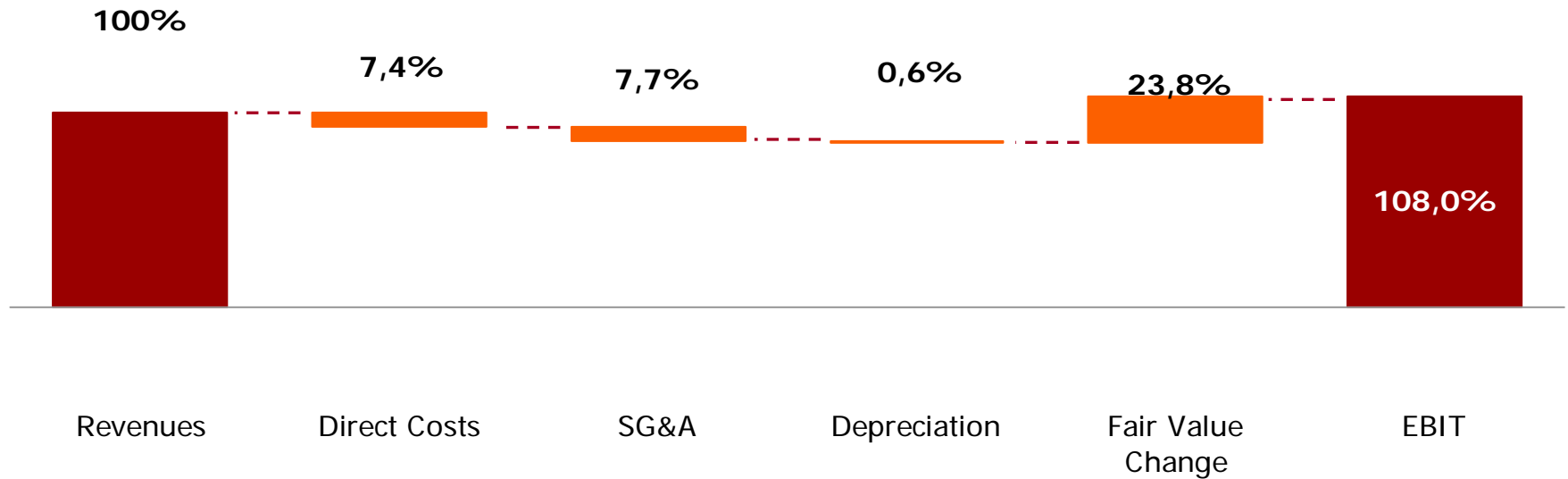
# Revenue growth and breakdown

## Revenues (€m)



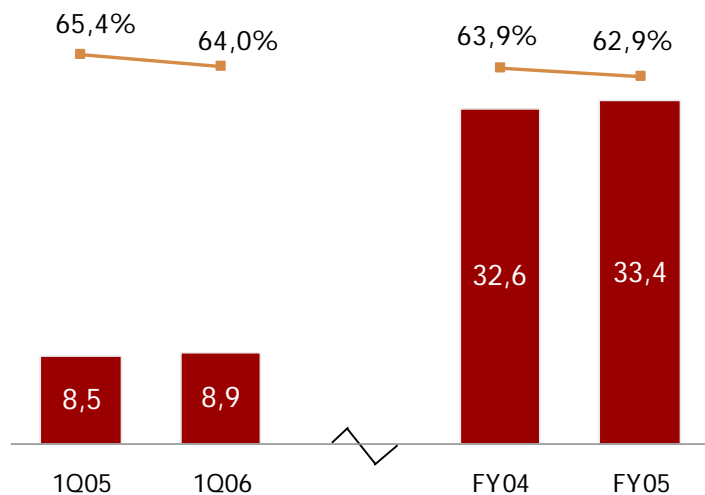
# Cost structure (pre passive rents)

## Cost reconciliation to 1Q2006 EBIT—% of sales

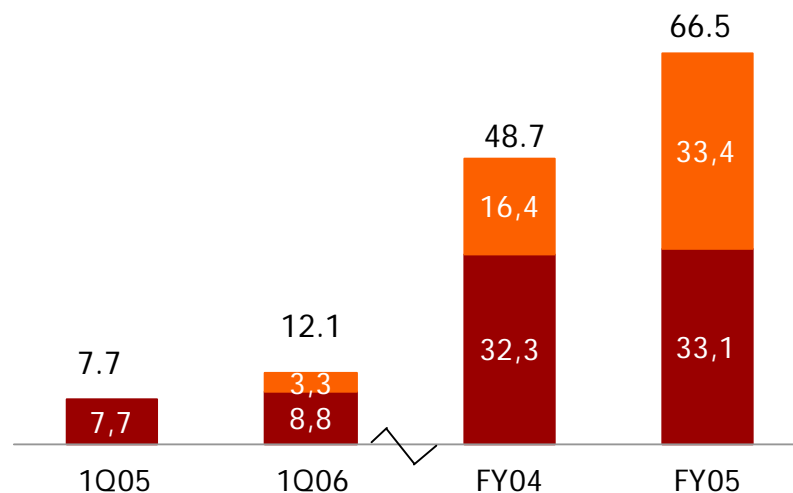


# EBITDA and EBIT Trend

Ebitda and Ebitda Margin (€m)

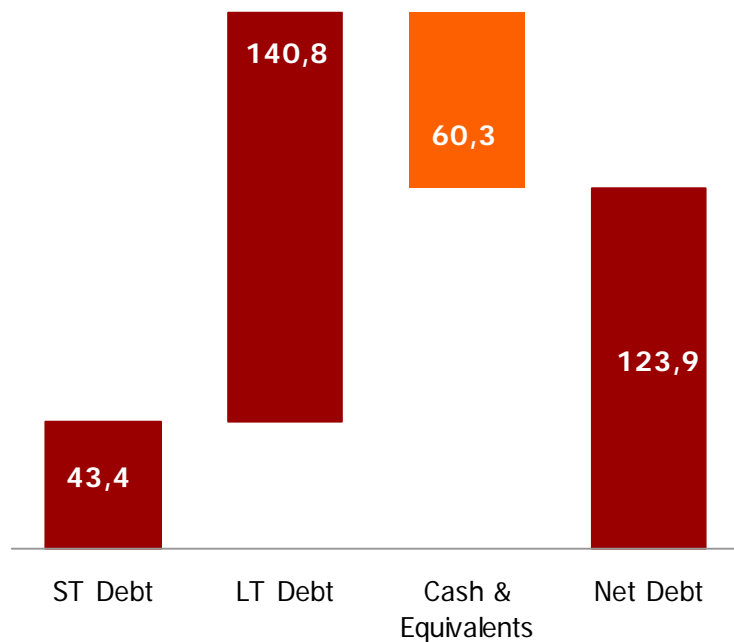


Ebit (€m)

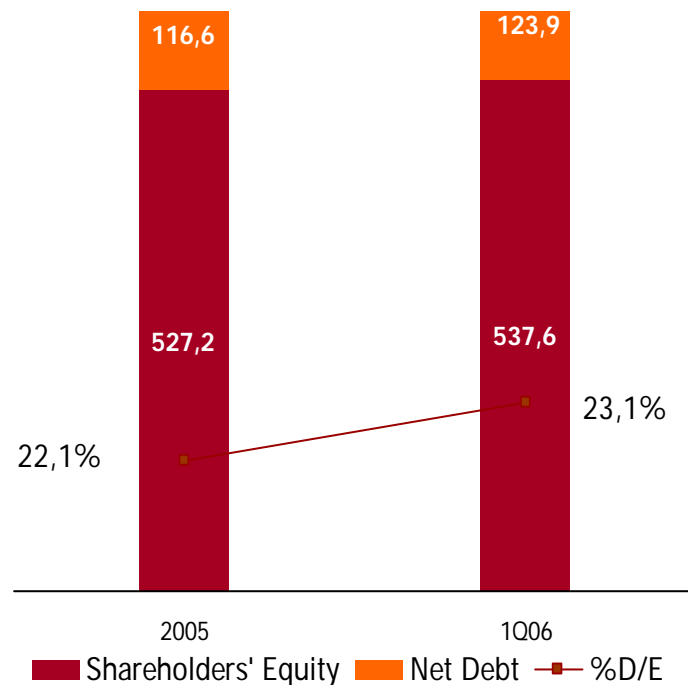


# Capital Structure

## Net Debt – March, 31<sup>st</sup> 2006 (€m)



## Total Capitalisation (€m)



## 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%

# Appendices

## Balance Sheet

€ m	1Q06	FY05
Intangible Fixed Assets	2,9	2,9
Tangible Fixed Assets	678,4	661,5
<b>Total Fixed Assets</b>	<b>681,3</b>	<b>664,4</b>
Inventory	20,8	14,0
Receivables	7,4	7,7
Other receivables	8,6	13,1
Payables	(14,5)	(10,0)
Other payables	(23,0)	(26,6)
<b>Net Working Capital</b>	<b>(0,7)</b>	<b>(1,8)</b>
Long term payables	(19,1)	(18,8)
<b>Invested Capital</b>	<b>661,5</b>	<b>643,8</b>
<i>Funded by:</i>		
<b>Shareholder's Equity</b>	<b>537,6</b>	<b>527,2</b>
Cash and Equivalents	60,3	61,0
ST Financial Debts	(43,4)	(37,8)
Long Term Financial Debt	(140,8)	(139,8)
<b>NFP</b>	<b>(123,9)</b>	<b>(116,6)</b>
<b>Total Sources of funding</b>	<b>661,5</b>	<b>643,8</b>

# Income Statement

€ m	1Q05	1Q06	Var %	FY05
Rents from Freehold Properties	9,0	9,9	<b>10,0%</b>	36,3
Rents from Leasehold Properties	3,7	3,2	<b>-13,5%</b>	15,0
Revenues from Services	0,3	0,8	<b>166,7%</b>	1,8
Revenues from Sales	-	-		-
<b>Total Revenues</b>	<b>13,0</b>	<b>13,9</b>	<b>6,9%</b>	<b>53,1</b>
Direct Costs	(4,0)	(3,9)	<b>-2,5%</b>	(16,6)
<i>of which passive rents</i>	<i>(3,2)</i>	<i>(2,9)</i>	<b>-9,4%</b>	<i>(13,2)</i>
SG&A	(0,5)	(1,1)	<b>120,0%</b>	(3,3)
<b>EBITDA</b>	<b>8,5</b>	<b>8,9</b>	<b>4,7%</b>	<b>33,2</b>
<b>EBITDA %</b>	<b>65,4%</b>	<b>64,0%</b>		<b>62,5%</b>
Depreciation	(0,1)	(0,1)		(0,3)
Fair Value Change	(0,8)	3,30	<b>-540,0%</b>	33,4
<b>EBIT</b>	<b>7,7</b>	<b>12,1</b>	<b>58,0%</b>	<b>66,3</b>
Net Financial income/(charges)	(1,5)	(1,1)	<b>-26,7%</b>	(3,8)
<b>Profit Before Tax</b>	<b>6,2</b>	<b>11,0</b>	<b>78,6%</b>	<b>62,5</b>