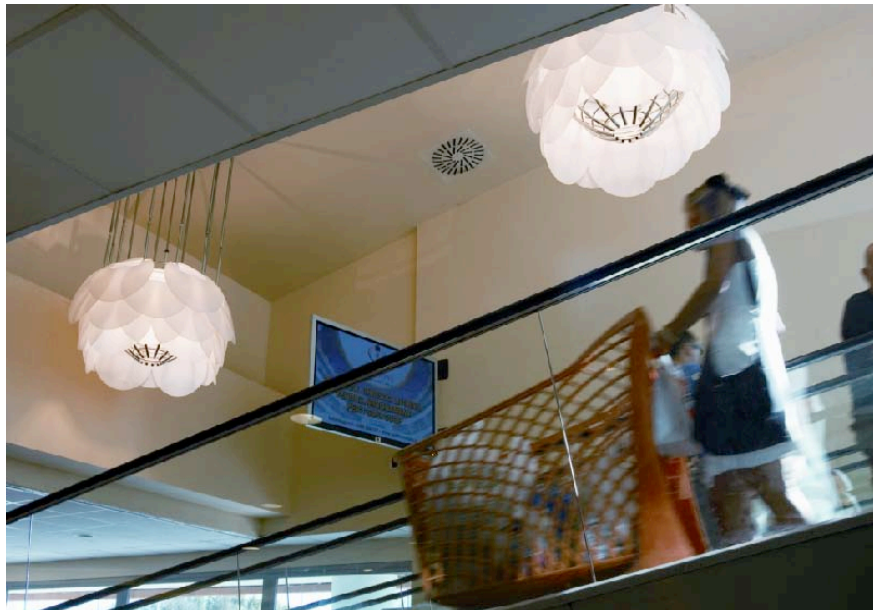


**igd**  
immobiliare  
grande distribuzione



## Conference Call FY07 results

Bologna  
March 25<sup>th</sup>, 2008

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# AGENDA

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➤ VALUE CREATION

➤ FY07 RESULTS

➤ APPENDICES

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# VALUE CREATION

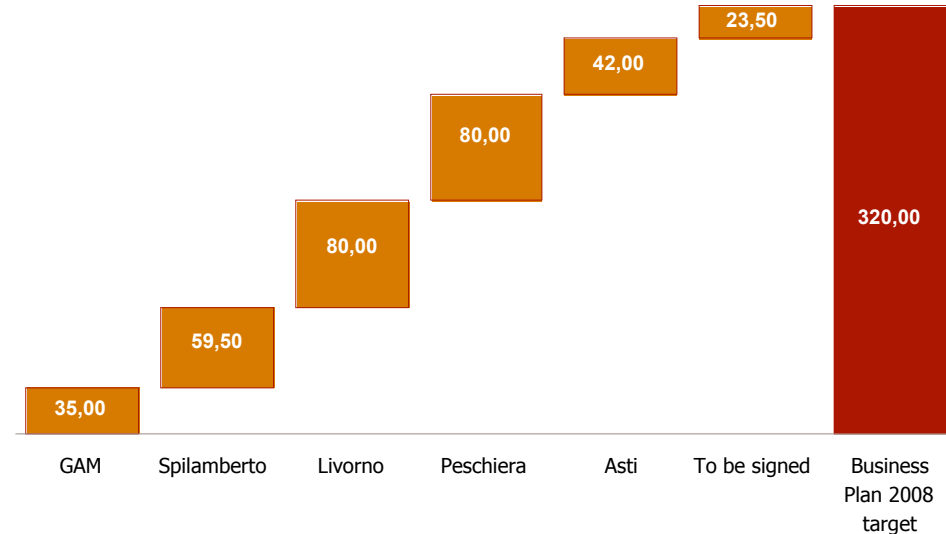
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# Investments in 2007

## New Business Plan Investments

- **GAM Joint Venture (Calabria)**
  - On May 30th a preliminary agreement for the acquisition of a 50% participation of a company, to be started up, was signed with GAM
  - The new company will have a 70€ millions Shopping Centre opening in November 2007 as assets whose agency activity was successfully carried out by Igd
  - Within the start-up period (not longer than 24 month) Igd has the opportunity to buy the 50% of the new company (35€ millions) or to underwrite a reserved capital increase up to 70€ million if the company will do new Investments
- **Spilamberto (Modena) Retail Park:**
  - On July 13th a preliminary agreement for the acquisition of a Retail Park was signed for about 59.5€ millions
  - It will host 3 big surfaces, 7 medium surfaces, restoration/services part and a gasoline pump station
  - Attraction for 450,000 clients within 30 minutes by car
  - The opening date is foreseen in 2010
- **Livorno Multifuncional Development**
  - On July 20th an agreement for the creation of a multifunctional centre was signed
  - Igd will coordinate the development taking directly part to it with a share in the range of 60%-80%
  - At the end of the development Igd will manage and buy back the commercial parts for 80€ million
- **Peschiera Borromeo (Milan)**
  - On August 3rd signed a preliminary agreement for the acquisition of Shopping Mall for about 80€ millions. Igd will take coordinate the development through a 15% share equity in the company which will build the shopping centre.

## New Business Plan Investments (€m)

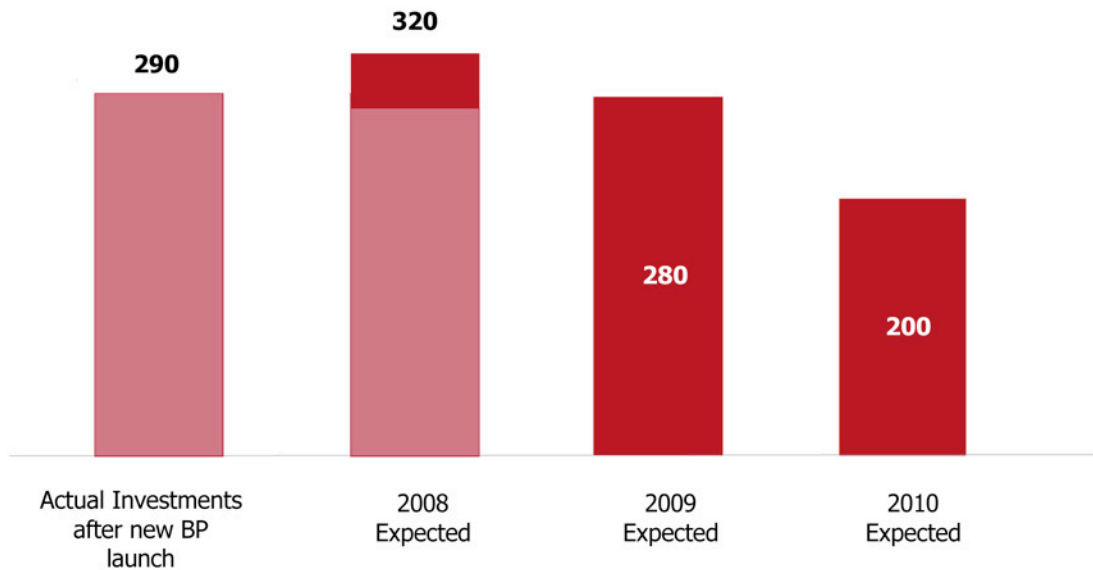


- **Peschiera Borromeo (Milan)/cont'd**
  - The opening date is foreseen during 1H 2010 - the centre will host a Coop Lombardia Hypermarket. The location is very competitive as it will be probably one of the last Shopping Centre in Milan Hinterland.
- **Isola d'Asti (Piedmont)**
  - On 27° December has been signed a preliminary agreement with Coopsette Scrl to acquire a newco which will realize a shopping mall in Isola d'Asti. The investment amounts to €42m, out of which €8m paid at the signing of the agreement.
  - The grand opening is expected in late 2008. Isola d'Asti will host 35 shops, 4 average retail spaces for a total of 16,000 sq m of GLA – attracting some 140,000 potential individuals.

# Investment Plan Evolution

**Market opportunities and financial flexibility allowed us to anticipate most of the 2008 targeted investments**

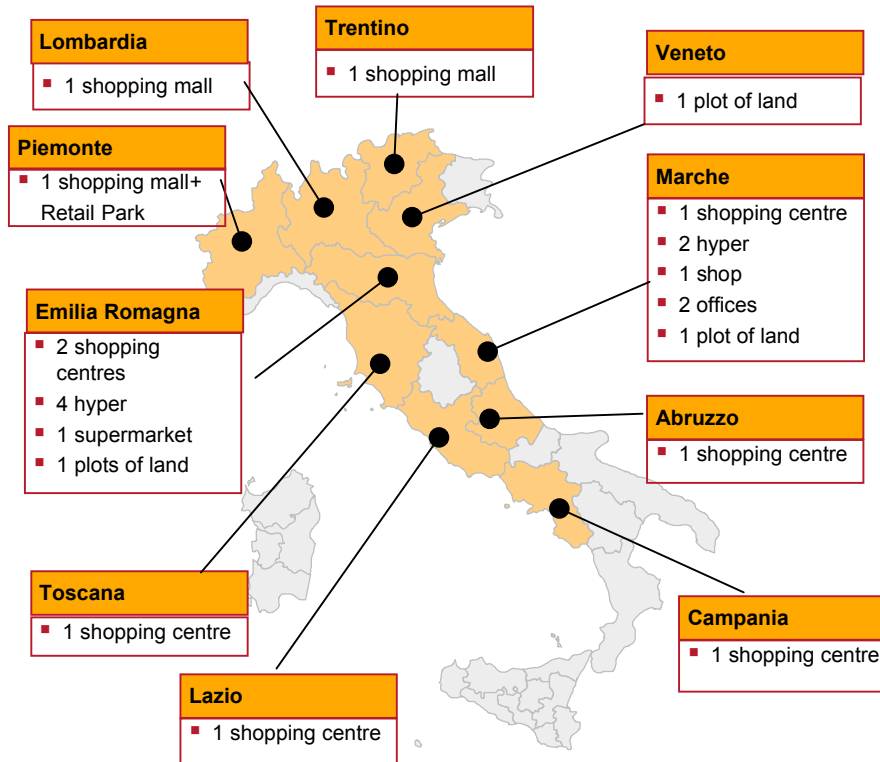
**Business Plan 2008-2010  
Investment breakdown by year(€ m )**



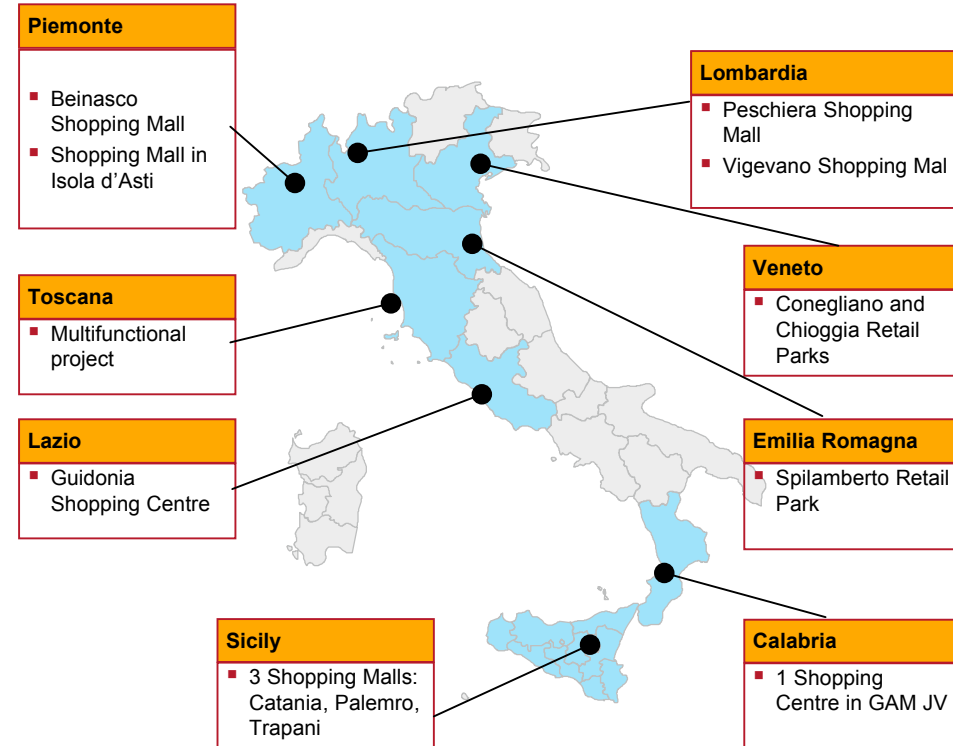
# Property management: geographical distribution

VALUE CREATION

## Freehold Properties



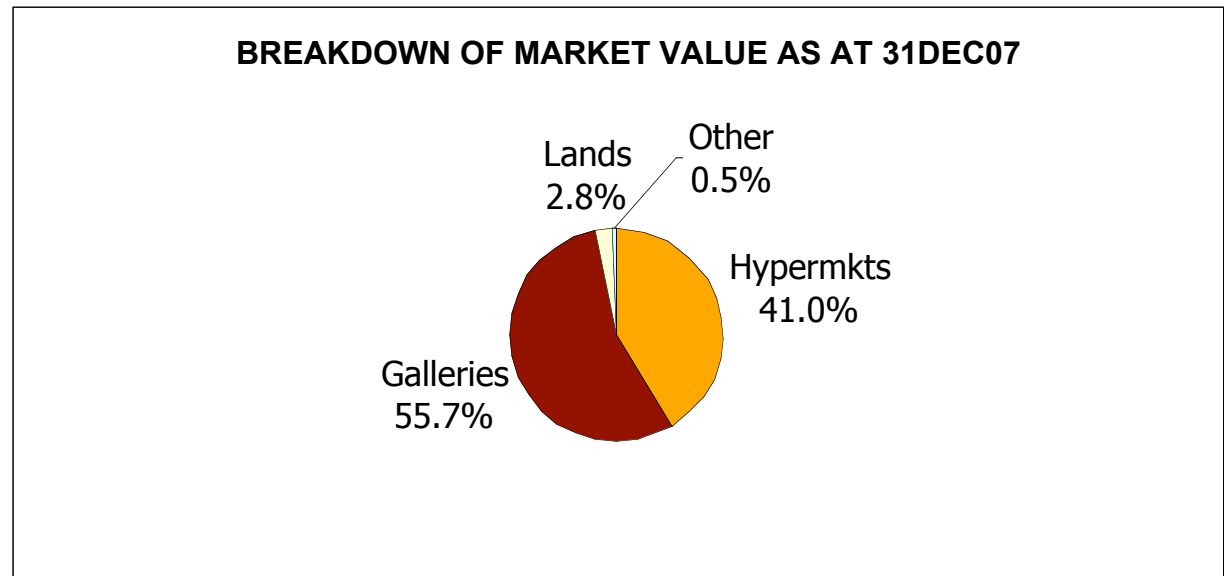
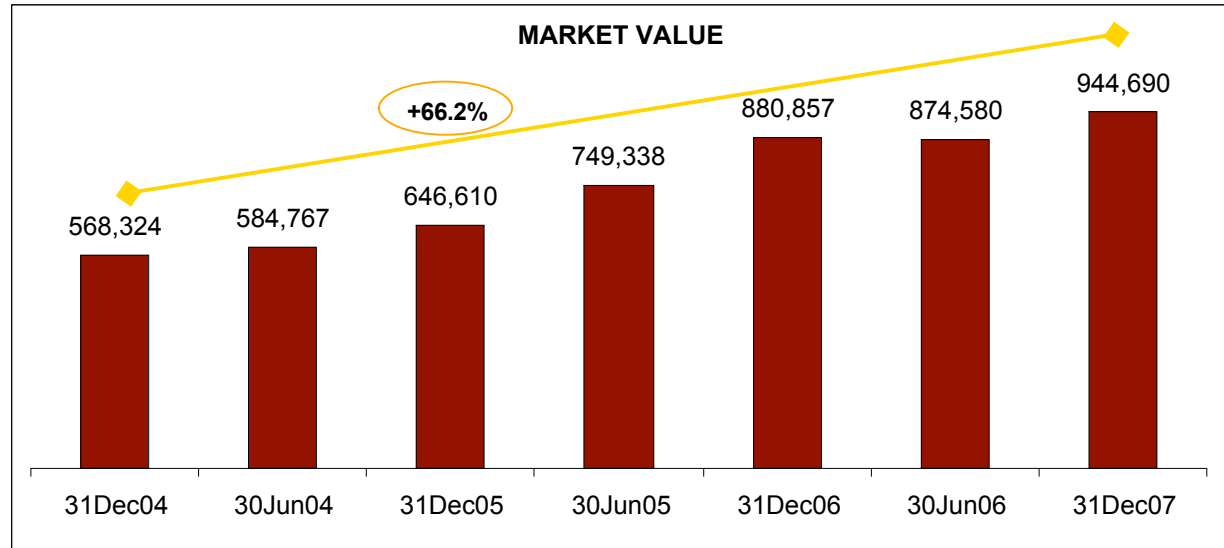
## Preliminary agreements and Work- in-Progress



	Fully Operational	Projects secured
Shopping Mall	10	8
Hypermarket	14	2
Plot of land	3	
Other	3	

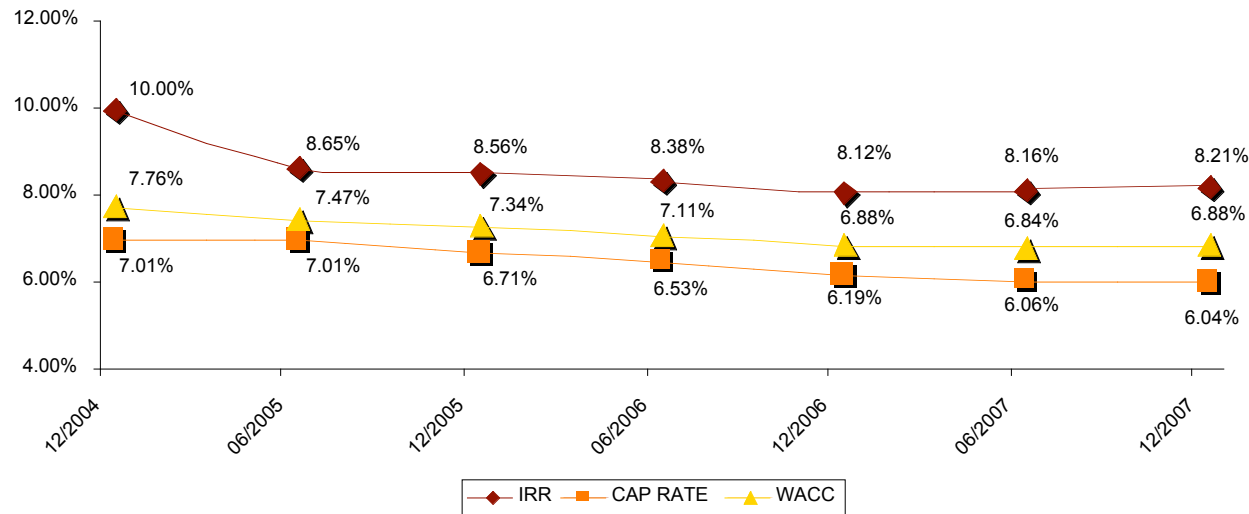
# Market Value

- Market value of Igd freehold properties is **€1,007.80m** as of 31Dec07 including 50% of Rgd Assets
- After a strong mkt value increase experienced in 2006, in 2007 stable mkt values mirror stable cap rates
- YoY LFL growth in 2007 of **€34m**
- YoY growth mostly due to a positive contribution from Millenium (TN) and Mondovì (CN) - the latest included just for 2 months





# IGD Cap Rates, WACC and IRR



- **Stable cap rate** – 6.04% vs. 6.06% as at June 2007 – prove that quality assets in attractive markets and locations can boast stable values
- **Stable WACC** – 6.88% vs. 6.64% as at June 2007 – since most of growth in interest rates was already incorporated in the first half of 2007
- **IRR increasing** from 8.16% to 8.21% over the last six months of 2007 reflect improvements in marginality

# NAV

Net Asset Value	31-Dec-07	31-Dec-06
Asset Market Value	1,007.80	880.86
Asset Balance Sheet Value	<u>1,042.82</u>	<u>878.45</u>
<b>Potential Capital Gain</b>	<b>2.98</b>	<b>2.41</b>
Shareholders' Equity	741.17	580.34
<b>NAV</b>	<b>744.15</b>	<b>582.75</b>
Outstanding Shares	309.25	282.25
<b>NAV per share</b>	<b>2.41</b>	<b>2.06</b>
Tax Rate	31.40%	37.25%
Net Capital Gain	<b>2.04</b>	<b>1.51</b>
NNAV	<b>743.21</b>	<b>581.85</b>
Outstanding Shares	309.25	282.25
<b>NNAV per share</b>	<b>2.40</b>	<b>2.06</b>

- NAV increase: 21.2% yoy
- NNAV increase: 19.8% yoy

- It is a 'triple net NAV'
- It does not take into account 934 mn € of preliminary contracts already signed
- It does not take into account the service activity

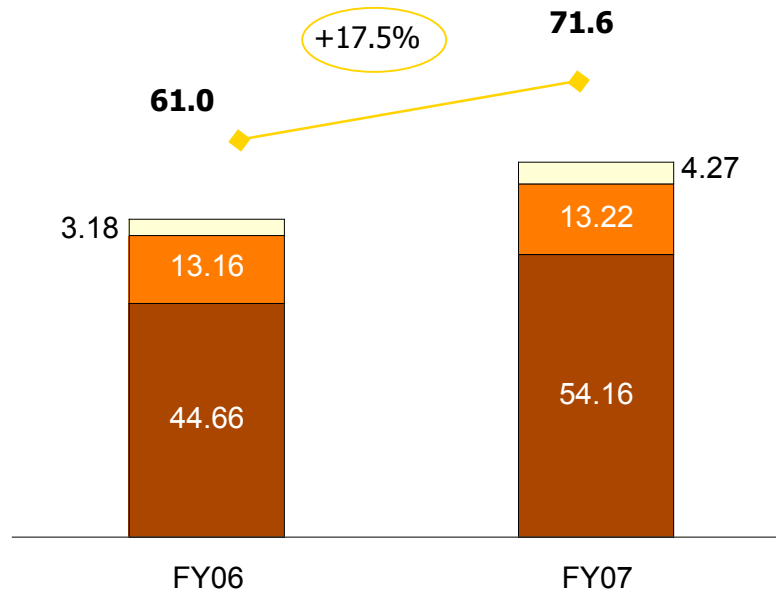
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# FY07 RESULTS

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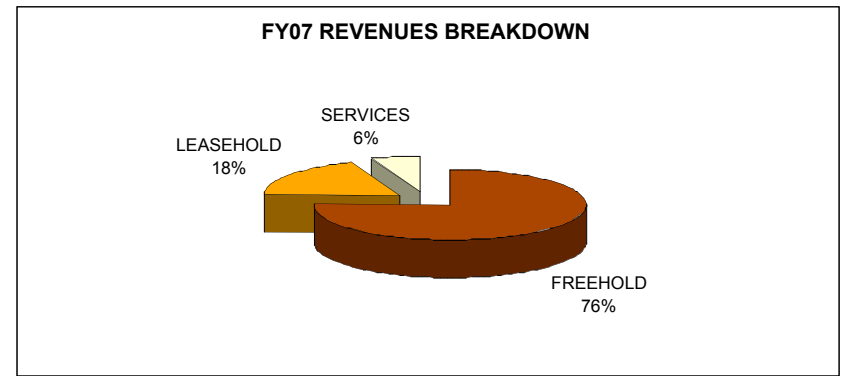
# Revenues growth and breakdown

FY07 RESULTS



**INTERNAL RECLASSIFICATION**  
**Revenues net of reinvoices**  
**Revenues net of 'pilotage' revenues and costs**  
**Revenues net of disposal of fixed assets (Imola)**  
 (capital gain of €3.47mn)

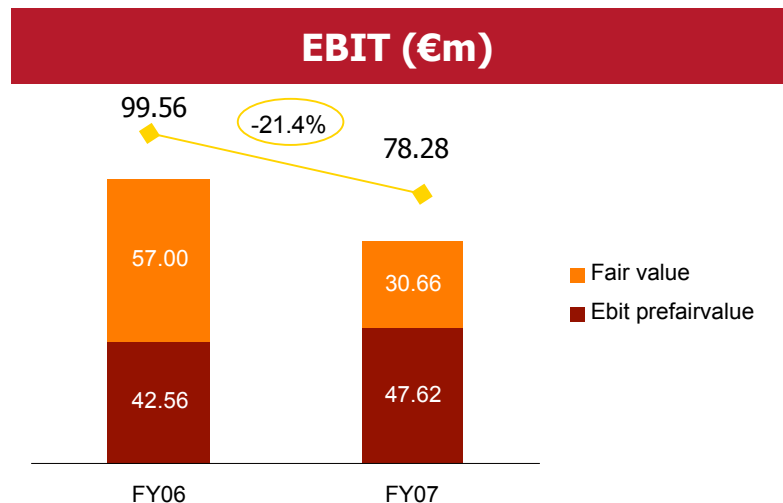
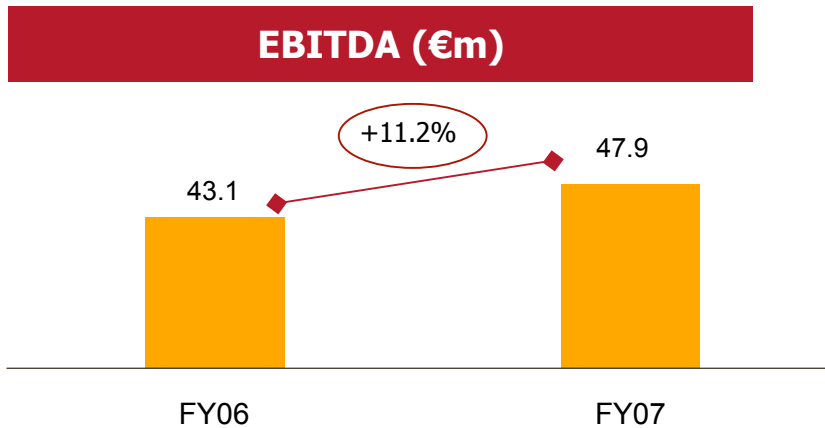
- Revenues from services
- Revenues from leasehold
- Revenues from freehold



- **Rents from freehold** driven both by **new malls** – Millennium Gallery (10m), Centro Sarca (12m), RGD JV (9m), Mondovì (ca.2m) – and by **like-for-like growth (+2.57%)**
- **Rents from leasehold** are flat
- **Rents from services** grow thanks to new agency and facility management contracts signed



# EBITDA and EBIT Trend



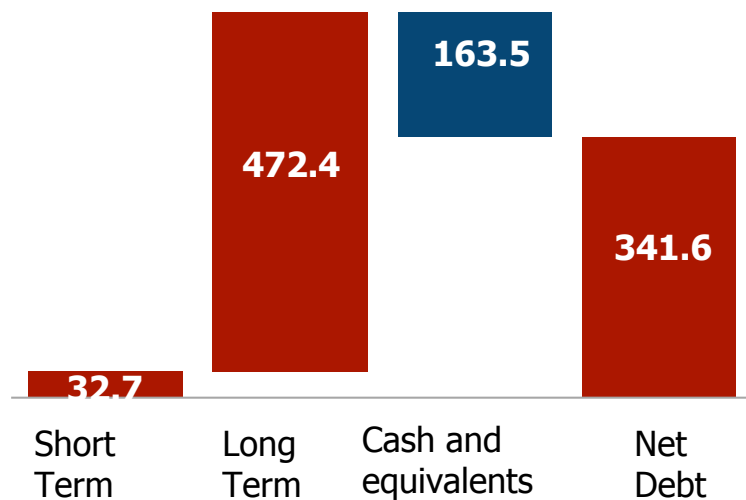
- **EBITDA** yoy increase: **11.2%**, ie lower than revenue growth → most of operating costs start to be charged well ahead of new centres' openings
- **EBITDA** margin 2007: **66.9%** in line with strategic plan targets
- **EBIT** yoy decrease: **21.4%**, but just because of lower contribution from Fair Value changes – due to 2007 market values much more stable, after the high growth experienced in 2006
- **EBIT** pre-fair value increases by **11.9%**

**Proposed Dividend (€ p.s.)**

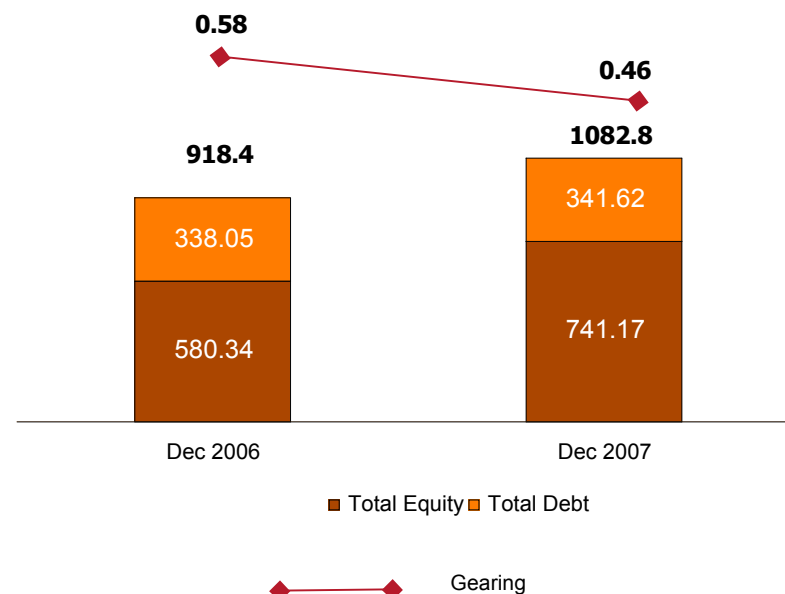
FY07	FY06	Change	%
0.056	0.035	0.021	60%

# Net Debt and Enterprise Value

## Net Debt 31Dec07 (€m)



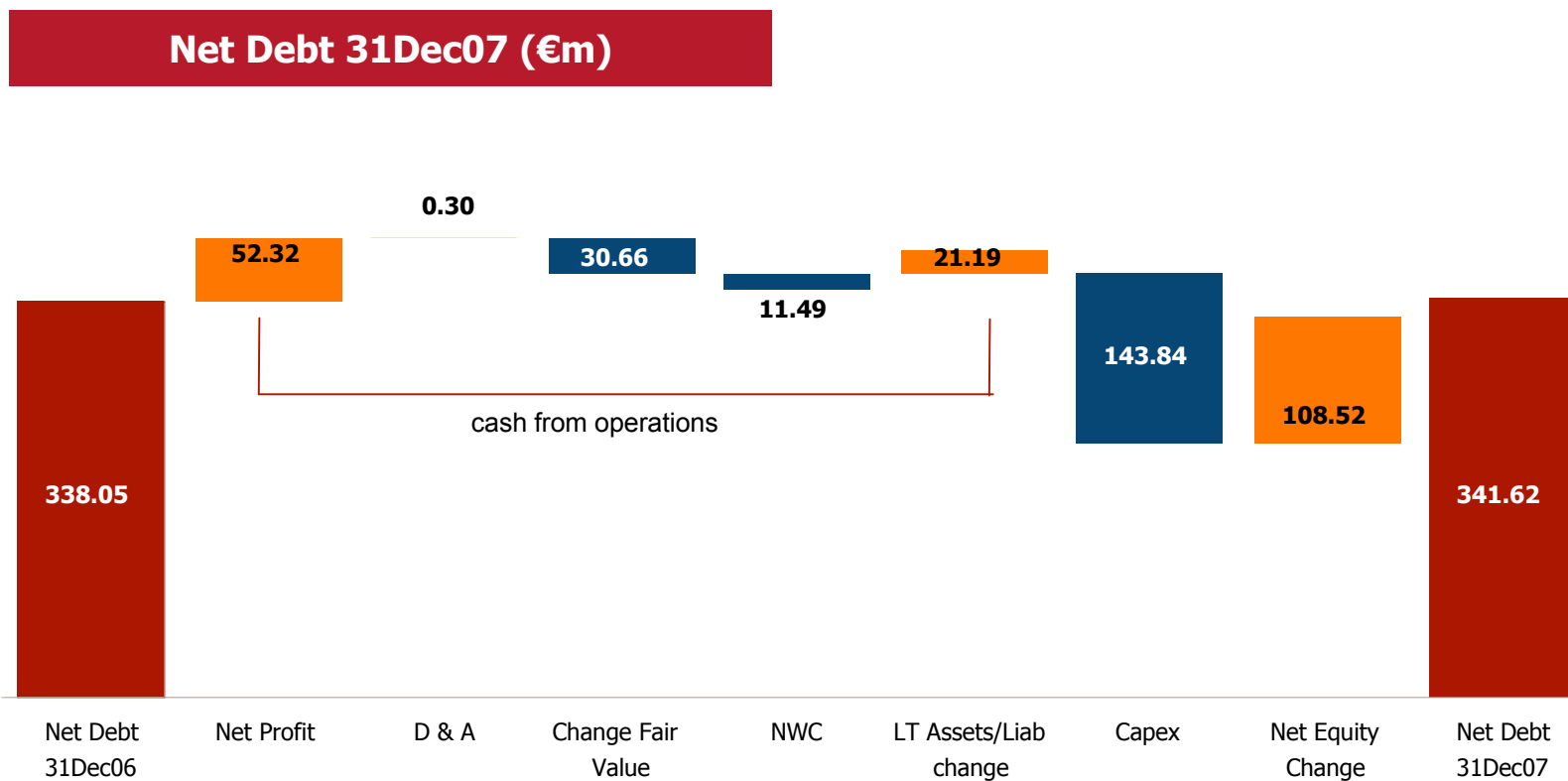
## Enterprise Value (€m)



- Variable rate loans are fully hedged by IRS
- Short term parts of long term loans are included in long term
- Out of €230mn of convertible bond, just €198mn are classified as debt - the rest being part of Net Equity

- The increase of EV is substantially driven by equity
- Gearing ratio of 0.46 provides growth sustainability given a target gearing of 1.5

# Net Debt Change



The net equity change and cash from operations allowed capex above targets without significant impact on net debt



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# Appendices

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## CONSOLIDATED A&L (€m)

	FY07		FY06	
Net Invested Capital	1,164.43	107.53%	982.46	106.98%
Net Working Capital	21.55	1.99%	10.06	1.10%
- Other LT Liabilities	-103.19	-9.52%	-74.12	-8.07%
<b>NET INVESTED CAPITAL</b>	<b>1,082.79</b>	<b>100.00%</b>	<b>918.40</b>	<b>100.00%</b>
Net Financial Debt	341.62	31.56%	338.06	36.81%
Net Equity	741.17	68.44%	580.34	63.19%
<b>NET DEBT + NET EQUITY</b>	<b>1,082.79</b>	<b>100.00%</b>	<b>918.40</b>	<b>100.00%</b>

## Net Financial Debt

	FY 06	FY 07
Financial receivables	0.01	40.51
Cash and Cash equivalents	20.49	123.07
<b>FINANCIAL ASSETS</b>	<b>20.51</b>	<b>163.59</b>
Cash flow hedge	-3.44	-5.65
Current Financial Liabilities	182.84	29.28
Outstanding Loans	179.06	279.19
Related Parties	0.10	3.49
Outstanding convertible bond	0.00	198.91
<b>FINANCIAL LIABILITIES</b>	<b>358.56</b>	<b>505.21</b>
<b>NET FINANCIAL DEBTS</b>	<b>338.05</b>	<b>341.62</b>

# Cost of Debt

LT Debt Breakdown at December 31, 2007 (€mn)				
	Residual Debt	Cost	Hedging	Duration
Total LT Debt	131	3,72%	Fully hedged	6
Bond	230	2,50%		5
LT Debt hedged	98.5	4,39%	Fully hedged	19
<b>Total LT fixed debt</b>	<b>460</b>	<b>3,36%</b>	<b>Fully hedged</b>	<b>8</b>
LT Variable debt	50	5,35%	150 mln € Revolving	
<b>Total LT Debt</b>	<b>510</b>	<b>3,56%</b>		
<b>Short Term Debt</b>		<b>Eur 1M + 0.05%-0.1%</b>		

Total Long Term Debt is not completely comparable to Total Financial Liabilities presented at page 17, which are:

- Net of €5.65m of Interest Rate Swaps (cash Flow Hedge)
- Net of the part of Convertible Bond classified as Equity
- Inclusive of short term debt.

# P&L

## Consolidated P&L (€m)

	FY07	FY06	Change
Freehold rents	54.2	44.7	
Leasehold rents	13.2	13.2	
Revenues from services	5.7	3.2	
<b>Total revenues</b>	<b>73.1</b>	<b>61.0</b>	<b>19.8%</b>
Direct costs	(19.5)	(12.7)	
SG&A	(5.7)	(5.2)	
<b>EBITDA</b>	<b>47.9</b>	<b>43.1</b>	<b>11.2%</b>
Depreciation	(0.3)	(0.5)	
Fair Value Change	30.7	57.0	
<b>EBIT</b>	<b>78.3</b>	<b>99.6</b>	<b>-21.4%</b>
Net Financial Charges	(14.6)	(8.0)	
<b>EBT</b>	<b>63.7</b>	<b>91.6</b>	<b>-30.4%</b>
Taxes	(11.4)	(34.9)	
<b>NET PROFIT</b>	<b>52.3</b>	<b>56.7</b>	<b>-7.7%</b>

## Reclassification of Revenues

CONSOLIDATED P&L (€mn)				
	FY07	FY06	?	?
Freehold rents	54.16	44.66	9.50	21.28%
Leasehold rents	13.22	13.16	0.06	0.46%
Revenues from services	5.71	3.18	2.53	79.45%
<b>REVENUES</b>	<b>73.09</b>	<b>61.00</b>	<b>12.09</b>	<b>19.82%</b>
Other revenues	3.97	1.94	2.03	104.92%
Capital gains		3.47		
<b>TOTAL REVENUES</b>	<b>77.06</b>	<b>66.41</b>	<b>10.66</b>	<b>16.05%</b>

# Share Buyback Plan Underway

BUYBACK PLAN

## MAIN FEATURES

**Up to 6.5% of Co.'s share capital,  
i.e. up to 20,101,200 ordinary shares,  
up to maximum cash-out of €56 mn.**

## TIME FRAMEWORK

**Jan. 8, 2008 – June 30, 2008  
112 trading days available**

## VOLUME LIMIT

**Every day no more than 25% of total  
trading volume, anyway no more than  
300,000 shares on a daily basis**

## PRICE LIMIT

**Highest repurchase price may not  
exceed the lower between:**  
**- €3.05 p.s. (9 month avg.)**  
**- Official closing (day-1) + 20%**

**As at March, 19<sup>th</sup> IGD has repurchased  
the ctv of € 19,218,222 in ordinary shares  
i.e. 3.1% of total share capital  
at an average price of € 2.03 per share**