

PRESS RELEASE

Igd S.p.A.: The BoD approved the 2008/2012 business plan which contemplates €800 million of investments.

Go-ahead for a share capital increase with exclusion of any pre-emption right, for a maximum nominal value of € 27 million, to be offered to Italian and foreign institutional investors.

Go-ahead for a bond offering convertible into IGD ordinary shares totalling approximately € 200 million.

The results for the first quarter of 2007 were approved: value of production of €18.34 million, EBITDA of €11.96 million, EBIT of €11.84 million, pre-tax profit of €8.40 million.

The BoD of Igd S.p.A., a blue chip company operating in the retail real estate sector, whose shares are listed in the MIDEK segment of the Italian Stock Exchange, approved the new 2008/2012 business plan, a share capital increase and a convertible bond offering and the quarterly results for the period ended March 31, 2007.

The new business plan – approved before the end of the previous business plan of October 2005 - plans new investments totalling €800 million, 70% of which are allocated to core business activities – acquisitions and development of retail real estate, and ongoing improvement of the returns achievable from the investment portfolio via refurbishment and repositioning activities. The plan also contemplates investments aimed at developing new retail real estate concepts beyond the typical shopping centre as the company aims to anticipate commercial trends in the sector as well as investments in foreign countries.

The growth strategy of Igd's business plan, which will be presented tomorrow morning in Milan to the financial community, will benefit both real estate investments and real estate services, which IGD provides also to third parties. Specifically, the latter - an area in which Igd is continuing to expand – represents a key factor for increasing the value of the Group's real estate assets, and allows it to benefit from synergies between shopping centre management and marketing activities which represent one of the major competitive advantages versus its competitors.

In order to support the new business plan, the BoD resolved upon a share capital increase for a maximum nominal value of € 27 million and the issue of a convertible bond of approximately € 200 million.

The share capital increase approved by the BoD, by virtue of authorisation provided for in Article 6 of the company's bylaws, is within the current limit of 10% of the share capital, and will be implemented through the issue of a maximum of 27 million ordinary shares of a nominal value of € 1.00 each. The share capital increase with exclusion of the pre-emptive right pursuant to Article 2441, paragraph 4 of the Italian Civil Code, is reserved for subscription by Italian and foreign institutional investors.

The proceeds from the share capital increase will be used for investments related to the new 2008/2012 business plan.

Igd has appointed JPMorgan as sole Global Coordinator and Bookrunner for the accelerated bookbuilding (ABB) of maximum 27 million primary shares (corresponding to 9.56% of the share capital), which will commence tomorrow May 8th, to be placed with Italian and foreign institutional investors, pursuant to *Regulation S* of the *US Securities Act* of 1933, as subsequently amended, and in the United States only to qualified institutional buyers as defined in and in reliance upon Rule 144A of the *US Securities Act* of 1933. The results of such placement will be promptly disclosed to the market.

The bond offering, convertible into Igd ordinary shares, is aimed exclusively at institutional investors and will total an amount of approximately Euro 200 million, have a five year maturity and a fixed rate return and each bond will have a nominal value of € 100,000.00.

The issue of convertible bonds and underlying ordinary shares will be subject to approval by an extraordinary shareholders' meeting to be called in the near future. The proceeds of the convertible bond offering will also be partially used to fund the investments related to the approved business plan

In light of the financial characteristics of convertible bonds, the pre-emptive right of shareholders in respect of such bonds will be excluded pursuant to Article 2441, paragraph 5 of the Italian Civil Code. The listing of such bonds is also planned on Luxembourg's Euro MTF market.

The terms of the bonds will be defined at a subsequent meeting of the Board of Directors, to be held prior to the launch of the bonds, and will be promptly disclosed to the market.

Igd has appointed JPMorgan and BNP Paribas as Joint Bookrunners for the placement of the convertible bonds with Italian and foreign institutional investors, outside the United States in reliance upon *Regulation S* of the *US Securities Act* of 1933, as subsequently amended, and outside Australia, Canada and Japan. JPMorgan will act as sole Global Coordinator and Joint Bookrunner, and BNP Paribas will act as Joint Bookrunner. Potential purchase orders from institutional investors shareholders of IGD will be granted preferential treatment in the allocation process.

Both offerings will allow Igd to increase its free float, and diversify its shareholder base.

Lastly, the BoD approved the first quarter results of 2007 confirming the positive performance seen in earlier periods.

Igd closed Q1 with a value of production of € 18.34 million, up 32% compared to Q1 2006.

EBITDA – € 11.96 million – increased by 35 % compared to € 8.8 million in Q1 2006.

EBIT stood at € 11.84 million compared to € 12.09 million for the same quarter of the previous year.

Pre-tax profit stood at € 8.40 million compared to € 10.9 million in Q1 2006.

Net profit stood at € 5.22 million compared to € 6.78 million for the same quarter of the previous year.

EBIT and pre-tax results show a one-off decrease due to the non recurring capital gain resulting from the acquisition of 4 commercial going concerns which affected Igd's P&L in 2006.



Net financial indebtedness was €352 million compared to €338.06 million at 31 December 2006.

“In its new business plan, Igd intends to expand by taking advantage of the best and most innovative opportunities the market has to offer - stated Filippo Carbonari, CEO Igd. The positive track record strengthened by recent first quarter results offers direct proof that we are able to create value for our shareholders and all other stakeholders.”

IGD - Immobiliare Grande Distribuzione – S.p.A. is one of the main players in the Italian retail real estate sector. As 31 December 2006, the market value of its real estate assets equalled €880.9 million. To date, the company portfolio comprises 9 shopping malls, 13 hypermarkets, and 2 plots for development. IGD S.p.A., offering retail operators an instrument to manage and make optimal use of real estate assets, also runs third party shopping malls.

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Villanova di Castenaso, May 7, 2007

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CONSOLIDATED BALANCE SHEET (€ million)

	31 mar 07 (a)	31 dec 06 (a)	31 mar 07	Change (a-b)
FIXED ASSETS				
INTANGIBLE FIXED ASSETS				
- Intangible Fixed Assets	0.01	0.01	0.01	0.00
- Goodwill	26.56	21.64	2.90	4.92
	<u>26.57</u>	<u>21.65</u>	<u>2.91</u>	<u>4.92</u>
TANGIBLE FIXED ASSETS				
- Investments	853.10	801.36	612.01	51.74
- Plant and Machinery	0.31	0.35	0.37	-0.04
- Industrial and Commercial Equipments	0.15	0.16	0.13	-0.01
- Improvements on Third Parties Assets	0.19	0.22	0.32	-0.03
- Assets under constructions and advances	132.57	145.60	65.58	-13.03
	<u>986.32</u>	<u>947.69</u>	<u>678.41</u>	<u>38.63</u>
OTHER FIXED ASSETS				
- Advanced tax	2.39	2.53	3.76	-0.14
- Other account receivables	4.23	10.59	4.07	-6.36
- Other non current assets	4.67	3.44	0.00	1.23
	<u>11.29</u>	<u>16.56</u>	<u>7.83</u>	<u>-5.27</u>
TOTAL FIXED ASSETS (A)	1,024.18	985.90	689.15	38.28
CURRENT ASSETS:				
Inventories	0.00	0.00	20.80	0.00
Trade receivables and Other assets	9.48	10.30	7.39	-0.82
Other current assets	8.42	16.89	8.63	-8.47
Financial receivables and other financial act.	0.19	0.01	41.90	0.18
Cash&Cash Equivalents	1.41	20.49	18.38	-19.08
TOTAL CURRENT ASSETS (B)	19.50	47.69	97.10	-28.19
TOTAL ASSETS (C=A + B)	1,043.68	1,033.59	786.25	10.09
NET EQUITY				
Group net Equity	585.83	580.33	533.40	5.50
Minorities	0.01	0.01	0.00	0.00
TOTAL NET EQUITY (D)	585.84	580.34	533.40	5.50
PASSIVITA' NON CORRENTI:				
Passività finanziarie non correnti	186.28	179.06	118.59	7.22
Fondo TFR	0.28	0.28	0.21	0.00
Passività per imposte differite	71.07	61.54	11.61	9.53
Fondi per rischi ed oneri futuri	0.50	0.50	0.43	0.00
Debiti vari e altre passività non correnti	11.75	11.79	17.47	-0.04
TOTALE PASSIVITA' NON CORRENTI (E)	269.88	253.17	148.31	16.71
CURRENT LIABILITIES:				
Current financial liabilities	174.11	182.94	65.55	-8.83
Trade payables and Other liabilities	8.30	14.68	14.51	-6.38
Liabilities for current taxes	3.77	1.10	22.99	2.67
Other current liabilities	1.78	1.36	1.49	0.42
TOTAL CURRENT LIABILITIES (F)	187.96	200.08	104.54	-12.12
TOTAL LIABILITIES (G=E+F)	457.84	453.25	252.85	4.59
TOTAL NET EQUITY AND LIABILITIES (H=D+G)	1,043.68	1,033.59	786.25	10.09

CONSOLIDATED INCOME STATEMENT (€ million)

	31 mar 07	31 mar 06	Change	1st Quarter		
	(a)	(b)	(a-b)	2007	2006	Change
Revenues from sales and services	16.80	13.25	3.55	16.80	13.25	3.55
Other revenues and income	1.54	0.69	0.85	1.54	0.69	0.85
Total revenues	18.34	13.94	4.40	18.34	13.94	4.40
Raw and ancillary materials and goods	4.86	10.53	-5.67	4.86	10.53	-5.67
Personnel costs	0.68	0.57	0.11	0.68	0.57	0.11
Other costs	0.84	0.77	0.07	0.84	0.77	0.07
Variation in inventories	0.00	-6.78	6.78	0.00	-6.78	6.78
EBITDA	11.96	8.85	3.11	11.96	8.85	3.11
Amortization / Depreciation	0.08	0.08	0.00	0.08	0.08	0.00
Change in Fair Value	-0.04	3.31	-3.35	-0.04	3.31	-3.35
EBIT	11.84	12.08	-0.24	11.84	12.08	-0.24
Financial income	1.70	1.38	0.32	1.70	1.38	0.32
Financial charges	5.14	2.50	2.64	5.14	2.50	2.64
EBT	8.40	10.96	-2.56	8.40	10.96	-2.56
Taxes	3.18	4.18	-1.00	3.18	4.18	-1.00
NET PROFIT	5.22	6.78	-1.56	5.22	6.78	-1.56