

## **PRESS RELEASE**

### **Market Value of the IGD Group at 31 December 2007 amounts to Eur 1,004 million**

IGD Immobiliare Grande Distribuzione S.p.A., Blue Chip company active in the real estate sector for the retail industry, listed on the MIDEX segment of Borsa Italiana, releases the new independent valuation made by BC Richard Ellis of its real estate portfolio. As at 31 December 2007 the overall Market Value of the IGD Group amounts to Eur 1,004 million. The annual increase, on a like-for-like basis, is equal to Eur 34 million.

Market Value amounts to Eur 945 million excluding the real estate asset market value of 50% of RGD, "Riqualficazione Grande Distribuzione", the 50/50 joint venture between IGD and Beni Stabili.

The most relevant contribution to the increase of the size of the portfolio derives from the "Millenium" shopping centre in Rovereto (TN), acquired in February 2007, and from the shopping centre in Mondovì (CN), opened last November. In particular, we outline that the latter one, thanks to the good performance, shows a big increase above the purchase price, only two months after the opening, according to the appraisal.

If compared with the evaluation carried out on 30 June 2007, the average exit cap rate used for the appraisal went from 6.06% to 6.04%, confirming the substantial stability of the Italian retail real estate market and in particular of the value of the IGD's quality portfolio, which is situated in well-selected locations and has therefore the ability to consolidate its revenues on a sustainable level.

IGD improves its profitability, against a stable weighted average cost of capital (WACC) and increasing the IRR rate, which moves from 8.16% to 8.21% over the same period of time. The WACC shows a marginal increase from 6.84% at 30 June 2007 to 6.88%, as the majority of the increase in interest rates was already factored in at 30 June.

The portfolio of IGD reflects a good balance when analysing its break-down by ageing of the shopping centres: in fact, only 11% of the centres are in the start-up phase, (from the first to the third year of life); 58% of the portfolio falls in the stage of market share consolidation, from 3 to 5 years of life, which projects further scope of growth in revenues from rents; while the remaining 31%, over 5-year old, shows stable revenues, thanks to an established market position.

"The increase in value, within just two months, of our centre in Mondovì – commented IGD's Chief Executive Officer, Filippo Carbonari – proves the validity of our business model: indeed we generate a substantial portion of our overall value creation through the active management of the centres, above all through the marketing activity of leasable areas (agency) that we execute directly on our investments. In the specific case of Mondovì – Filippo Carbonari added – the business results obtained so far will receive further enhancement from the forthcoming opening of the factory outlet – owned by third parties – next to our shopping centre."



“After the strong growth phase for real estate values in the commercial retail sector during 2006, the trend of 2007 showed that those who in the past operated on a selective basis, targeting sustainable rents with a value creation objective in the long term, can benefit today from a consolidation of cap rates and, therefore, of the related real estate values” – concluded the IGD Chief Executive Officer – “Our occupancy ratios continue to be higher than the sector average; this, together with our ability to source sustainable revenues through the management of the centres, allows IGD to confirm the targets outlined in our business plan 2008-2010”.

**IGD Immobiliare Grande Distribuzione S.p.A.** is one of the leading players in the commercial retail segment of the Italian real estate market, with a market value for its real estate assets of 1,004 millions of Euros as of 31 December 2007. This portfolio consists of 10 shopping malls, 13 hypermarkets, 1 retail park and 2 pieces of lands under development. Furthermore, the Group owns two shopping centres through the RGD “Riqualificazione Grande Distribuzione” joint venture. IGD, which also provides management and valorisation of real estate assets to retailers, also manages shopping malls owned by third parties.

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