1Q07 Financial Results & 2008-2012 Business Plan

May 2007

igd gescom
immobiliare grande distribuzione

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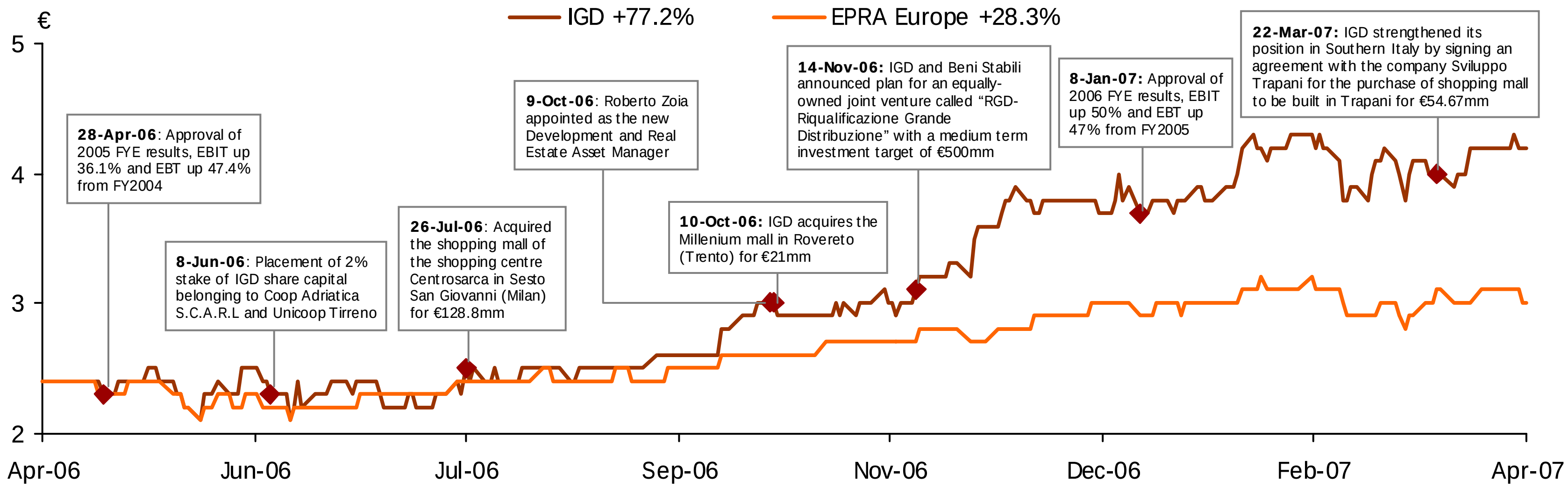
1Q07 Financial Results

IGD's results benefited its shareholders with strong share price performance and dividend growth

Share price chart (last one year performance, rebased to IGD)



Source: Factiva, DataStream as of April 13, 2007

Comments

- LTM return of 77.2%, outperforming the EPRA Europe index returns by 48.9%
- Capital appreciation has been accompanied by a compelling increase in dividend distributions
  - Dividend growth CAGR 31.7%
- Capital appreciation to an investor in the IPO: 182.4%

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IGD met all financial targets…

Operational results

- Strong performance based on successful management of the current portfolio and targeted accretive external growth
- Revenues increased 31.6% q/q and EBITDA increased 35.1% q/q
- 3.7% like-for-like rental growth achieved in FY06

Cash flow generation

- Attractive 10.2% q/q FFO growth in q107, confirming the positive track record of IGD
- Efficient capital recycling proven by successful divestment of the addition to Centro Leonardo in Imola for €43.06mm, resulting in €3.5mm capital gains

Accretive external growth

- Market value of freehold properties increased 3% to €904.5mm as in the first quarter in 2007
- Accretive acquisitions completed in higher margin areas such us Southern Italy

Successful Gescom integration

- Revenues from property management increased due to acquisitions and like-for-like growth
- Revenues from services increased for the management of five new malls and for the value add agency activity
- Target of 4% of total recurring revenues successfully passed

High-potential JV with Beni Stabili

- Acquisition of existing shopping centres offering high value creation potential via active management and refurbishment
- Virtuous circle: increase in investment capacity benefiting also Gescom's service activities which will in turn maximise IGD's sourcing potential leveraging on its third party network

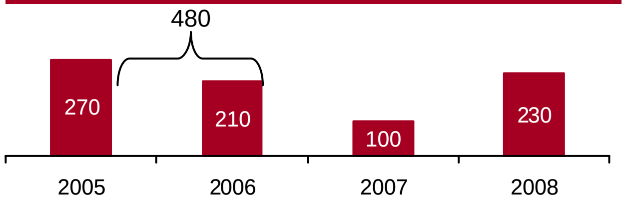
… exceeding the targets posed by its business plan at IPO

2005—2008 business plan | IGD actual results

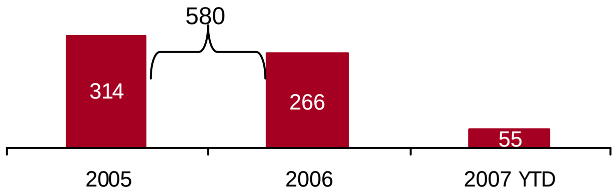
Investment

Total investments by year

2005—2008 business plan:



IGD actual results:



Expected investment yield

2005—2008 business plan:

- Expected yield from capex in the range of 6.5—7.0%

IGD actual results:

- Attractive investment yields achieved (Mondovi: 6.65%, Rovigo-Millennium: 6.70%, Guidonia: >7.5%
- IGD's portfolio is currently valued at a 6.11% yield

operations

Total investments by year

2005—2008 business plan:

- Like-for-like rental revenues CAGR in 2008 of 3.0%—3.5% (1.5% net of inflation)
- 4% of revenues due to service business

IGD actual results:

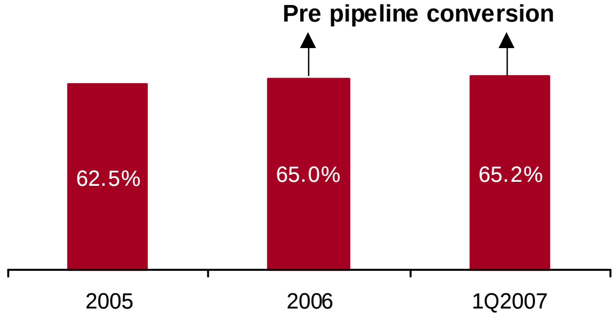
- 3.7% like-for-like rental growth achieved in 2006
- Service revenues reached 5.3% of recurring revenues in 2006

Profitability

2005—2008 business plan:

- EBITDA margin in a range of approximately 65—68%

IGD actual results:



Financial structure

Capital Structure

2005—2008 business plan:

- Long-term D/E target of 1.5x
- 100% long-term debt hedged with interest rate swaps at attractive fixed average interest rate

IGD actual results:

- Upon completion of the already secured pipeline, IGD's D/E is bound to reach a 1.3x-1.5x level
- 100% of long-term debt hedged at the highly attracted fully swapped interest rate of 3.7%

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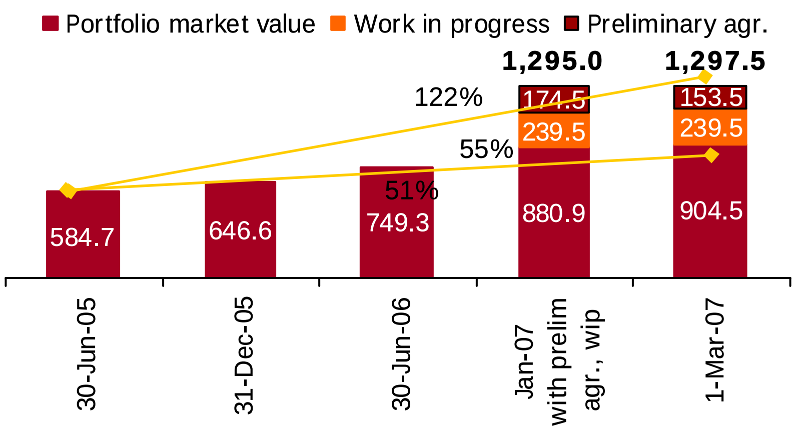
IGD's targeted acquisitions supported a consistent sustainable growth of the property portfolio under management…

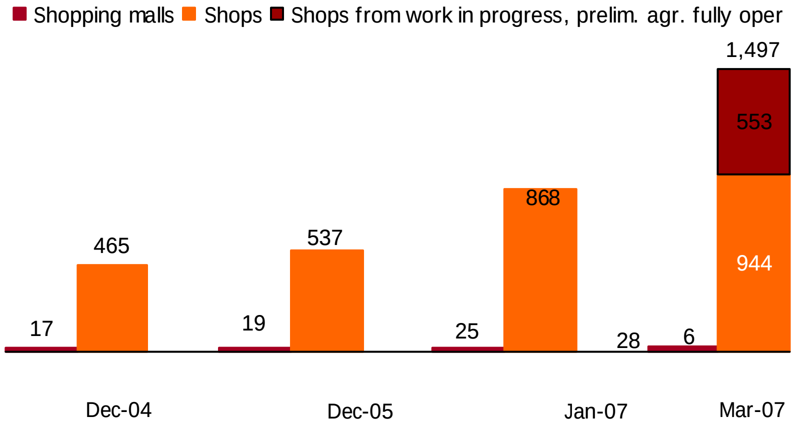
Comments

- Market value of freehold properties increased 18% to €881mm as of December 2006
- As of 1Q 07, total Gross Asset Value of 1,297.5mm including work in progress and preliminary agreements, representing a 122% growth sin June 2005
- 28 shopping malls under management, 34 expected upon current pipeline completion
- 1,497 shops under management after pipeline conversion, versus 486 as of December 2004

Igd's Properties fair value and capex value of acquisition made since IPO (€mm)

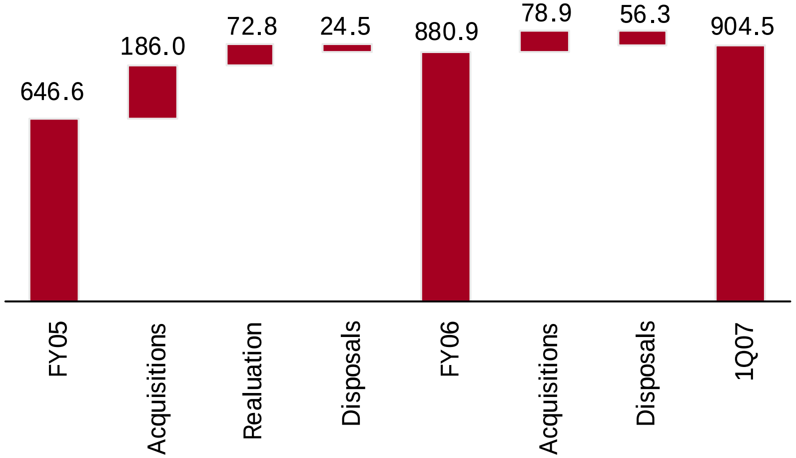


Sh. Malls and Points of sales managed



Note: Preliminary agreement and works in progress are capex value

A sustainable growth pattern (€mm)



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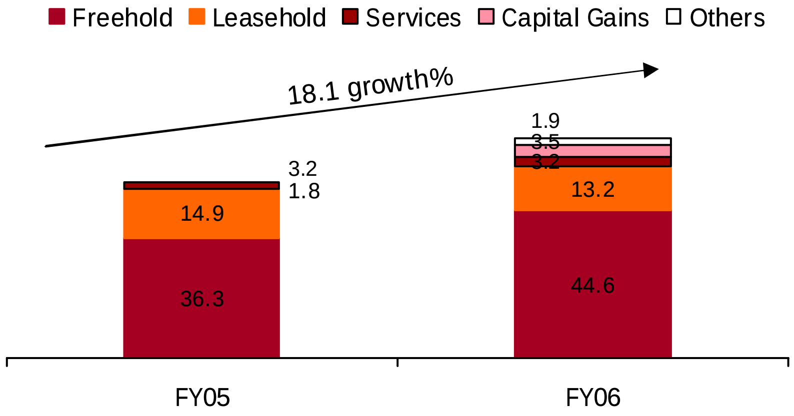
… with an accretive effect on income statement results magnified by active asset management…

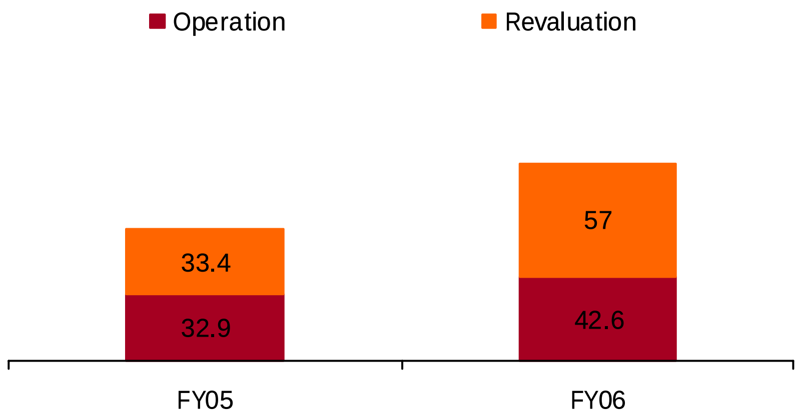
Comments

- Outstanding growth achieved with revenues increased 31.6% q/q and EBITDA increased 35.1% q/q
- Active management resulting in 3.7% growth in 2006
- Consistent growth pattern proving IGD's excellent track record and best-in-class asset class knowledge
- Attractive cash-flow generation potential, even disregarding capital gains caused by the material revaluations of the property portfolio

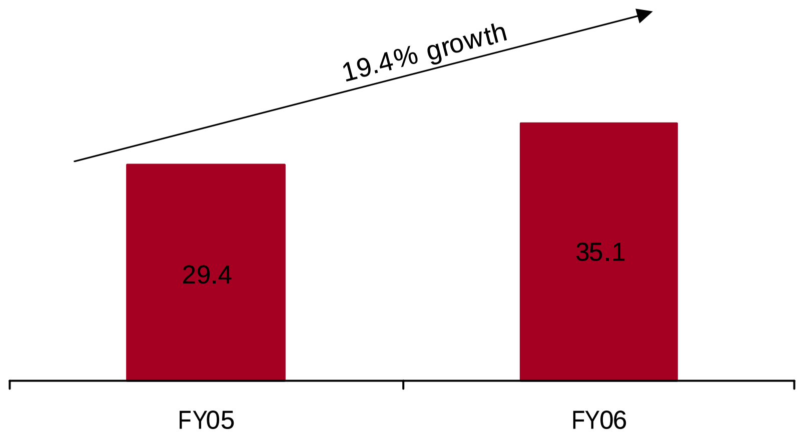
Revenue growth and breakdown (€mm)



EBIT growth (€mm)



FFO growth (€mm)[2]



[1] FFO (pre-tax) = EBITDA (excluding revaluation gains) – Net financial charges

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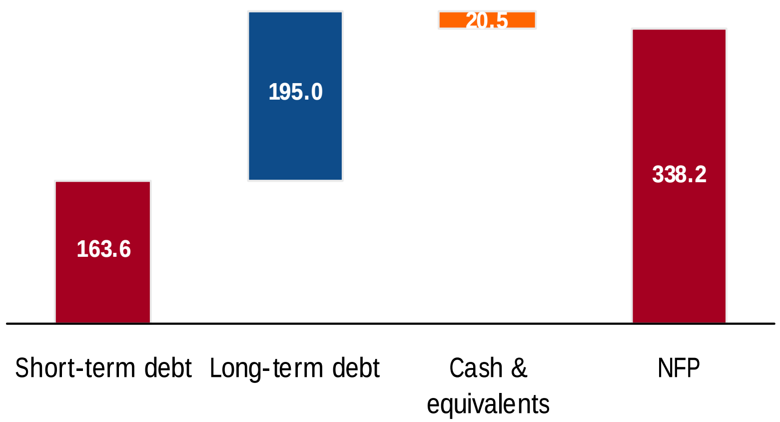
… and a proactive management of IGD's financial structure

Comments

- Consistent track record in securing highly attractive financing terms, with a current fully swapped average cost of long-term debt of 3.7%
- Further value unlocking potential via increase in financial leverage to meet the 1.5 D/E target
- Material increase in net financial position already achieved during 2006, proving IGD's active financial management skills
- After completion of the current pipeline, IGD management expects to reach a D/E in a 1.3x-1.5x range

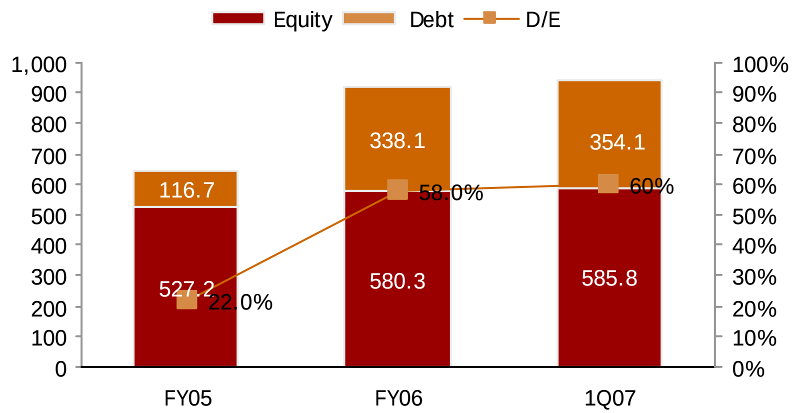
Net financial position — FY06



Financial snapshot

- **D/E as of 1Q07: 0.6x**
- **Long-term target D/E: 1.5x**
- **Current average cost of long term debt: 3.7%**
- **Long-term debt seniority split:**
  - Secured: 100%:
  - Unsecured: 0%
- **Hedging ratio: 100%**[1]

A sustainable leverage position



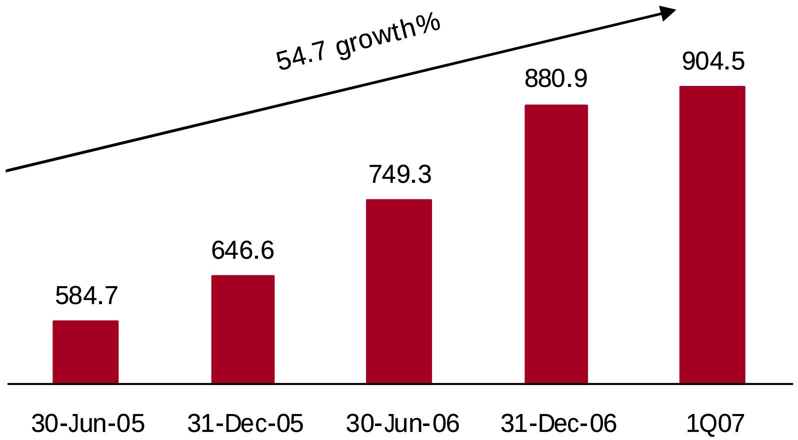
[1] Long term debt is hedged with interest rate swaps at a fixed average rate of 3.7%

IGD currently secured extremely attractive financing terms

IGD is today the clear leader in Italian shopping centre and hypermarket asset and property management

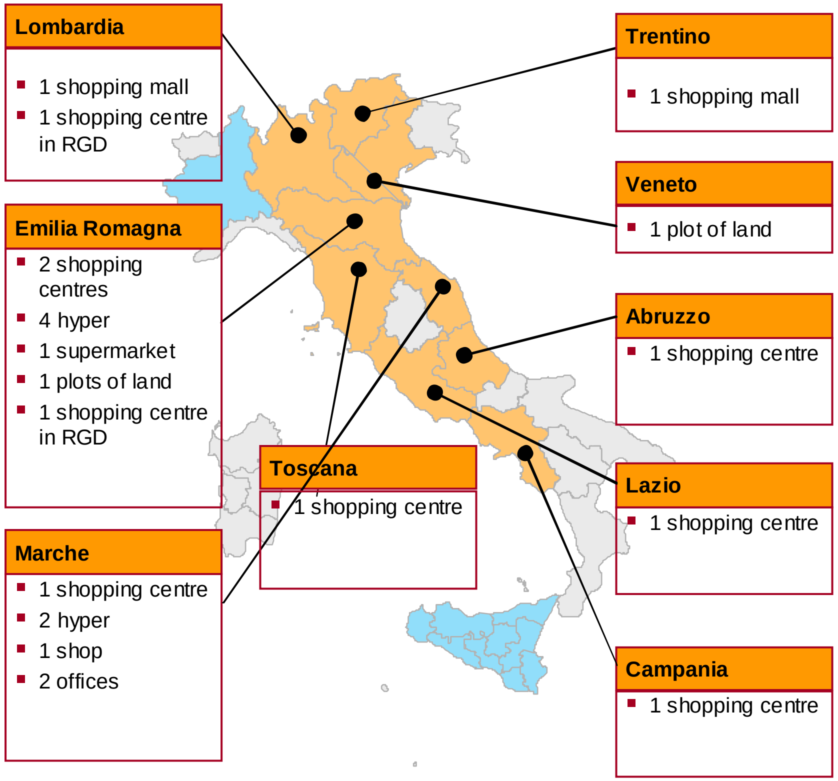
- **IGD asset management:**
  - **acquisition** and development of retail estate assets
  - **pro-active capital optimisation** via restructuring, refurbishment, redevelopment and enlargement
  - **capital recycling after value maximisation**
- **Total average occupancy rate**
  - hypermarkets and supermarkets: 100%
  - shopping malls: 99.0%

Freehold properties market value*



* It does not include all preliminary agreements and work in progress

IGD's truly national platform



Freehold properties
- 9 Shopping Malls
- 13 Hypermarkets
- 2 Plots of land
- 2 RGD (JV) Shopping Centres

Preliminary agreements and work in progress
- 1 Shopping Mall
- 2 Galleries
- 2 Retail Parks

Freehold Properties, preliminary agreements and work in progress

Only preliminary agreements and work in progress

IGD's current portfolio ensures compelling medium term organic growth opportunities sustained by a highly stable and predictable cash-flow cushion

Shopping malls: material active management opportunities

Main lease terms:

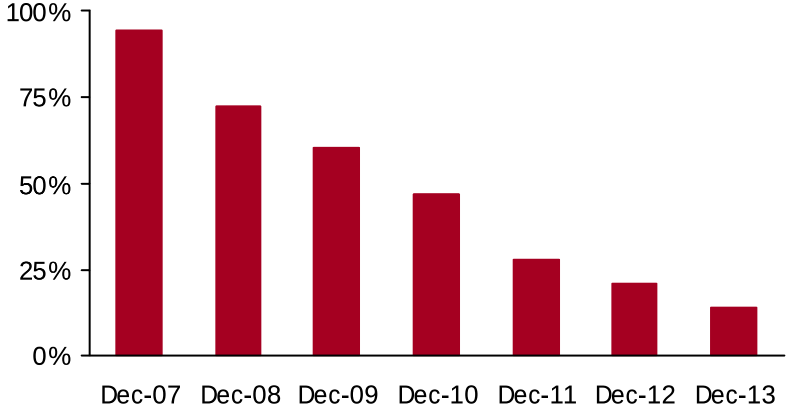
- **Average maturity:**
  - lease agreement of the going concern[1]: 5 years
  - rental agreement: 6 years
- **Rental income: a minimum guaranteed rent plus a percentage based on the occupier's sales**
- **Key money (non-recurrent): approximately 20% of annual rent**
- **Rents indexation**
  - lease agreement of the going concern[1]: 100% of inflation rate
  - rental agreement: 75% of inflation rate
- **Lease of temporary spaces**
- **IGD can benefit from a very diversified tenants base, with limited credit risk, thanks to a careful screening of potential new tenants**

Hyper and supermarkets: Stable base to build future success on

Main lease terms:

- **Average maturity: from 6 to 18 years + 6 years**
- **Rents indexation: 75% of inflation rate**
- **Maintenance: ordinary and extraordinary maintenance works charged to the tenant. External maintenance of the properties (façade, etc.) payable by the landlord**
- **Hypermarkets and supermarket of IGD Portfolio are leased as follow**
  - 10 hypermarkets and 1 supermarket to Coop Adriatica
  - 3 hypermarkets to Unicoop Tirreno Group
- **Coop Adriatica and Unicoop Tirreno are among the major cooperatives of Coop, the first retailer in Italy**

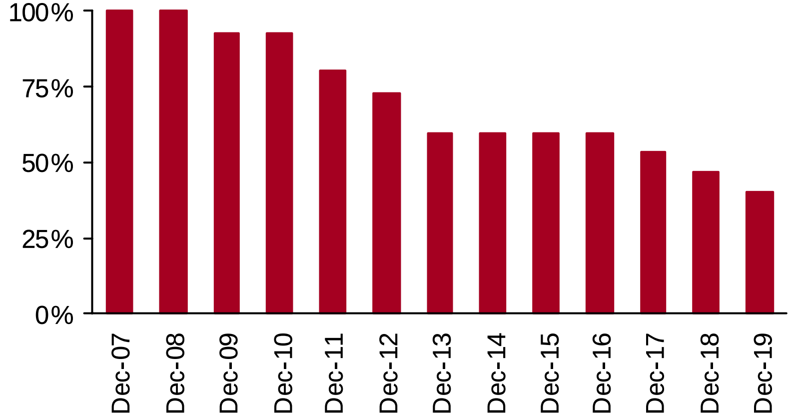
Rents arising from shopping malls still rented at a certain date



¹ Rental agreement regarding the shop and the commercial licences

* Analysis based on shop operators. Source: company data

Freehold rents arising from hypermarkets still rented at a certain date



IGD's real estate services business represents a material potential growth driver

Service activity

Facility management

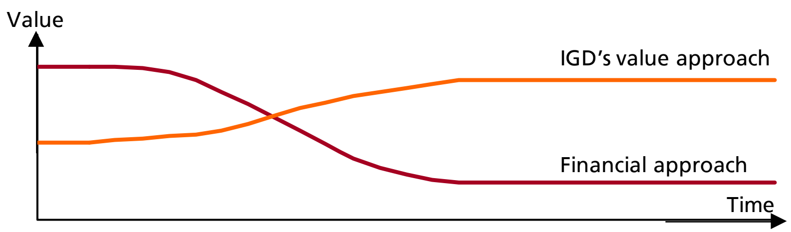
- **The facility management activity includes:**
  - preparation and implementation of the shopping centre's marketing plan
  - shopping centre's internal budgeting and reporting system
  - organisation of security, cleaning, and maintenance services

Agency services

- **The agency activity includes:**
  - marketing/promotion activity of the shopping centre and management of mall expansion
  - analysis of potential synergies
  - tenant mix definition and screening
  - lease negotiations with shop operators
    - Revenues from Agency only refers to **activities towards third parties**
    - Revenues from Agency develop around the **shopping centre opening** date that mainly occurs in the **2nd Half of the year**
- **The advisory activities includes:**
  - Marketing/promotion activity of the shopping centre and management of mall expansion
  - Analysis of potential synergies
  - Value-optimising re-launching, redevelopment and remodelling

Recent service revenue growth track record suggest future expansion in the segment

IGD's value focus ensures LT table value creation



IGD's asset and property management aims at maximising consumers' satisfaction to boost each centre's long-term profile and profitability

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RGD: the first step to boost IGD's growth potential…

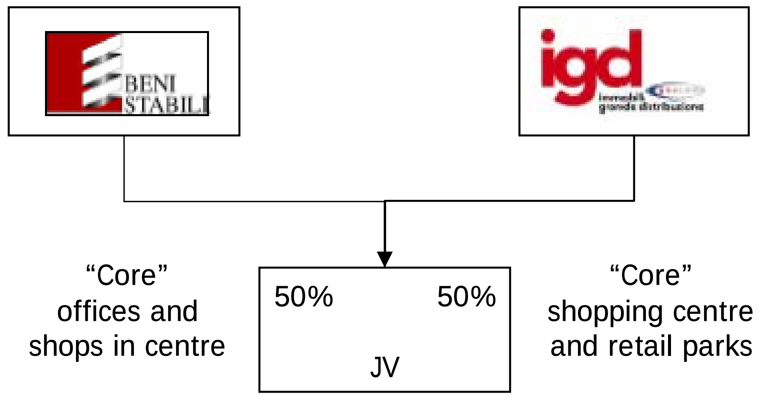
Activity

Activity: Acquisition of operative shopping centres in Italy at market condition to boost their profitability through

- Restyling
- Modification in the tenant and merchandising mix
- Enlargement and refurbishment
- Exploitation of the temporary and advertising spaces

Requalification of the shopping centre identity

JV structure



Comments

- Economies of scale might be achieved through the JV combination which could strengthen deal sourcing capabilities
- Diversify the activity systematically entering, through a specific investment plan, the already operative and capital intensive shopping centre sector with a partner of high real estate management and financing standing
  - This could potentially increase the investments
- Increase in shopping centres under management would lead to improved capacity to attract outstanding brands which would increase the attractiveness of the shopping centre belonging both to the JV and IGD
  - Possibility to increase rents

The RGD Joint Venture has been fully operational since March 2007

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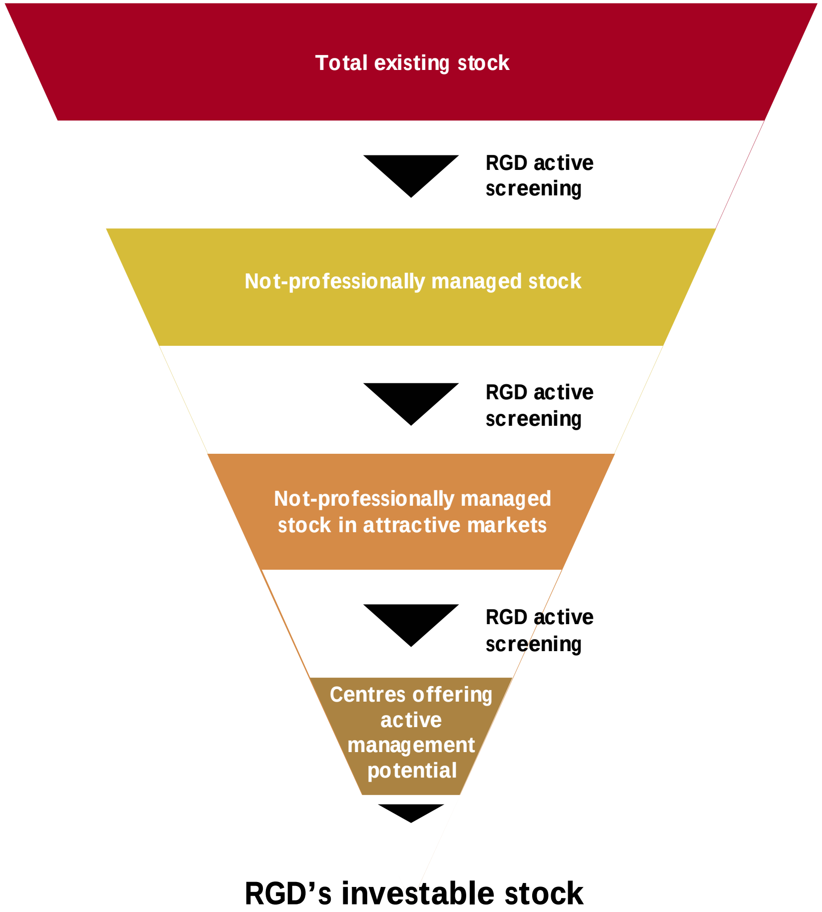
… positioned to exploit opportunities offered by the segmented Italian shopping centre market

Sourcing analysis is well under-way



Comments

- Performing a detailed analysis of the Italian shopping centre market
- RGD can also leverage on the retail component present in the bundled portfolio's Beni Stabili acquires for its own investment
- After selecting shopping centres representing the most attractive repositioning opportunities, RGD plans to manage €500mm of assets
- RGD focused approach will ensure efficient investment of the available resources and maximisation of the achievable returns
- Specific repositioning skills developed by the specialist RGD will be efficiently transferred to IGD, benefiting the core business and the enhanced shopping centre refurbishment and repositioning efforts

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2008-2012 new business plan

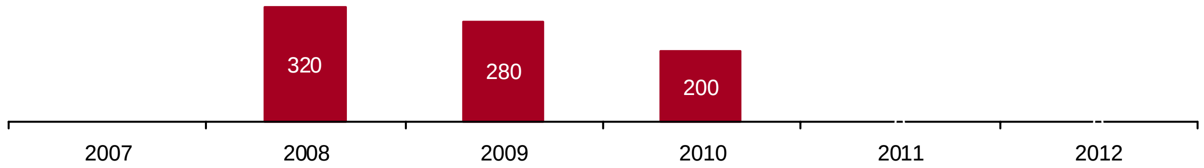
IGD is moving its strategy to the next stage to magnify shareholder value creation…

	Operational growth drivers
Value maximisation of the existing portfolio	▪ Maximise rental revenues in the existing high quality portfolio ▪ Value maximisation via active re-development and refurbishment ▪ Active capital recycling out of mature assets
Expansion in the Italian core markets	▪ Confirm IGD as the leader of the Italian retail market maximising its market share in the existing sub-segments ▪ Existing large-scale retailers, developer and advisory relationships maximising off-market acquisition opportunities
Sub-market expansion in Italy to high growth asset classes	▪ Focus on market share increase in attractive local markets where IGD is currently underweight ▪ Entry in new attractive retail real estate sub-segments ▪ Proactive partnership with Italian retailers to plan innovative retail concepts
Beneficial growth of the service business	▪ Focus on value-added service business benefiting IGD's bottom-line ▪ Increase reach toward third parties ▪ Leverage relationships created with third-party clients to create off-market acquisition opportunities
Targeted foreign expansion	▪ Leverage IGD's best-in-class core asset class knowledge on traditional shopping centres to enter new under-invested markets ▪ Strengthen tenant relationships facilitating their retail activity in foreign target markets

IGD strategic actions are all aimed at consistently maximising shareholders' value in the long-term

… leveraging on its top quality existing portfolio to sustain further accretive growth via a €800mm 2008-2012 investment plan

IGD's investment plan (€mm)



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Stability

- Significantly sized portfolio
- Focus on secured key tenant relationships
- High weighted average unlimited lease term maximising cash-flow predictability
- A secure floor to IGD's cash flows

Key statistics

Prop. Under management : 34
MV[1] (€mm): [881]
Secured pipeline (€mm): 414
Gross yield: 6.06%
Vacancy: 1.04%
Expected investment: 70%
Target yield: 6-6.5%%

Internal growth potential

- Active approach to value-add refurbishment and remodelling of existing shopping centres
- Participation in third-party development projects to extract potential development returns with active risk minimisation

Key statistics

- Completed repositioning projects: Centro Borgo, Centro Leonardo
- Expected investment: Dynamic allocation[3]
- Target yield: In-line with current yields, expected material benefit to the overall centre

High potential external growth

- Diversification on new high-potential retail sub-segments leveraging IGD's unique client-oriented approach
- Partnership with key retailers to develop innovative concepts
- Selected entry into fast growing and low risk foreign countries

Key statistics

- Expected investments in new retail sub-segments: Dynamic allocation
- Expected yield: Opportunistic
- Expected investments abroad: Up to 15%
- Expected yield: 6-7%

[1] includes preliminary agreement already committed and work in progress
[2] rents from freehold and leasehold
[3] Excluding RGD

IGD is actively exploring valued add expansion opportunities while maintaining its current strategic focus
Operational targets EBITDA margin from 75 to 78%; FFO margin 40 to 50%

A targeted dynamic capital allocation process to maximise value creation for shareholders

Sourcing of investment opportunities

- **Proprietary market intelligence**
- **Existing tenants relationships**
- **Third party advisory and service relationships**

Screening vs. IGD's risk/return requirements

Detailed in-house investment analysis

- **Risk-oriented investment analysis**
- **Analysis of like-for-like growth potential/active management opportunities**
- **Analysis vs. flexible business plan allocation targets**

SVA-driven asset allocation

- Market analysis
- Reversionary potential analysis
- Yield expectation assessment
- Risk analysis
- Self-financiability assessment

IGD's investment portfolio

- Dynamic asset allocation facilitating long-term cherry-picking without rigid allocation targets
- Shareholder value creation driving all investment decisions
- Organic portfolio management approach to maximise potential synergies and cross-selling

IGD focuses on a balanced risk/return long-term oriented approach as opposed to a short-term oriented yield-based investment style

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❶ The existing portfolio: stable cash-flow generation to sustain growth

- As of 31 March 2007, IGD's portfolio is composed of 9 shopping malls, 13 hypermarkets, 2 plots of land and two RGD shopping centres
- The €904.5mm GAV is due to €478.9mm invested in prime shopping malls, €373.5mm in hypermarkets and €29.1mm in supermarkets and land plots
- The hyper and supermarkets portfolio benefits from an extremely compelling weighted average lease length, maximising investment return and cash flow stability
- The shopping mall portfolio, with a relatively shorter lease profile, provides attractive organic growth potential to the existing portfolio
- Established anchor tenant relationships across the portfolio ensure long term mutual partnership
- An highly stable portfolio, recent trends nonetheless show a compelling FFO growth rates

❷ Internal growth potential: unlocking existing value-creation opportunities

Active portfolio management

- Active tenant management maximising rotations and re-positioning when facilitation value creation and improvement of the centre value
- Focus on customers, to maximise retailers' turnover
- Focus on sustainable rents to create long-term win-win relationships

Active value enhancement

- Continue analysis of the existing stock to identify repositioning and refurbishment opportunities
- Pro-active development of structured extensions in order to maximise cash-flows

Opportunistic value realisation

- Active approach to capital recycling
- Opportunistic divestment of mature assets to realise capital appreciation achieved via active management

Leverage on unique network of contacts

- Unique relationships with existing tenants based on tailored approach focused on sustainable rents and shopping centre turnover maximisation
- Active advisory and real estate service activities, allowing third party relationships over the whole retail real estate value chain, ensuring unparalleled understanding of potential refurbishment requirements

Leverage on new RGD partnership

- Specialist in Italian shopping centre management and repositioning
- Invaluable resource in terms of cross-transfer of repositioning market requirements and execution skills

Case study

- Active requalification of a successful mature shopping centre
- Expansion via addition of alternative areas transforming a traditional shopping centre in an advanced integrated commercial park
- Plan to increase additional 19,777 sqm to the existing 21,042 sqm, doubling the previous GLA

❸ High potential external growth: leverage on IGD's unique competitive positioning

External growth

Sub-market diversification in Italy

- Actively screening investment opportunities in Italian alternative retail properties, alongside a continuing commitment to the core shopping centre sub-segment
- Perfectly positioned to develop complex alternative retail real estate concepts in partnership with premium tenants, anticipating key future market demands
  - City centre retail compounds
  - *Superettes*
  - Public areas and covered markets requalification
- A partial diversification towards the retail park asset class, supporting future growth opportunities and maximise management opportunities

Complementary expansion abroad

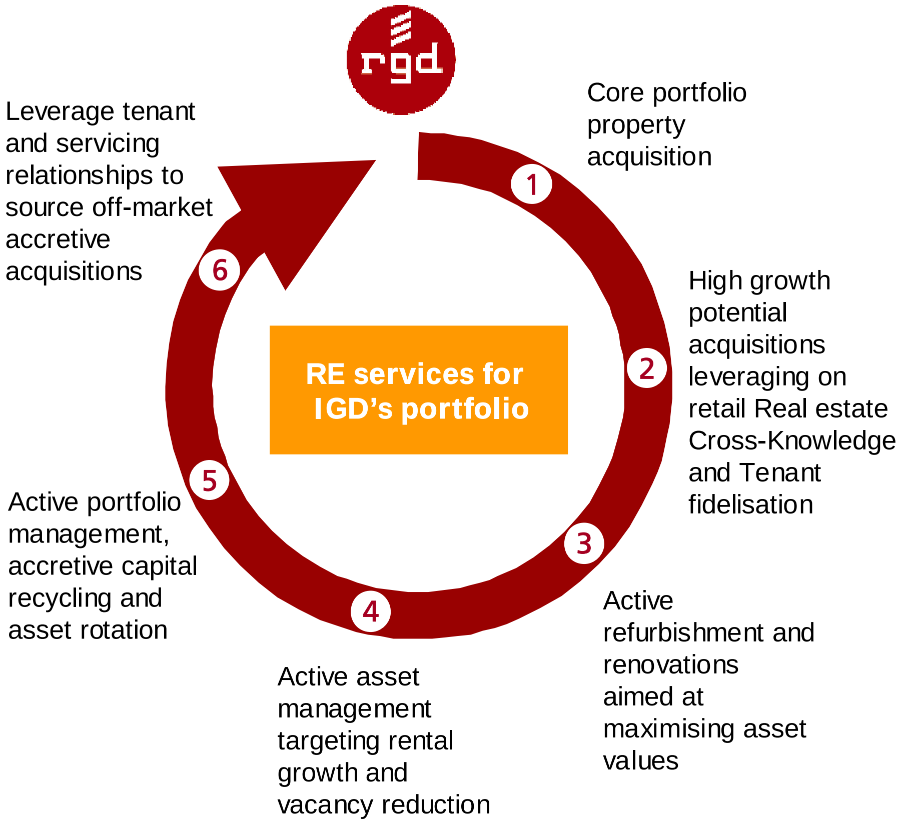
- Opportunity to leverage on IGD's unparalleled asset class knowledge and successful investment and management track record to enter high growth foreign markets
- Focus on countries with social and retail dynamics comparable to Italy and characterised by a low risk profile and high GDP growth expectations
- Strong leverage on existing tenant relationships: IGD will consider partnering with existing tenants to enter new markets
  - Detailed discussions are already in place

- IGD has developed a medium-term investment plan in order to ensure its shareholder consistent growth targeted at delivering an attractive total return
- IGD's entrance in new sub-markets and foreign markets is strongly supported by two main pillars:
  - Replication of the unique IGD's model based on industrial business approach, sustainable rent policies and space optimisation to maximise customer satisfaction
  - Unparalleled knowledge of the Italian retail market and profitable cooperation with premium retail specialists
  - Leverage on existing tenants to enter new markets, facilitating their existing operations or allowing entrance in their high-growth target markets

Leveraging a successful service activity will further boost IGD's value creation

- Clear integrated business model creating material synergies and cross-selling potential
- Real estate services platform achieves two main immediate goals:
  - Streamlined operations on own investment portfolio
  - Access to unvaluable third party relationships
- Gescom directly benefiting from IGD's portfolio growth
- RGD to generate material cross-selling and knowledge transfer for IGD's development division

IGD's fully integrated value chain



RE services to third parties

IGD's fully integrated approach represents a key competitive advantage versus its main competitors

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IGD: a pure retail play committed to consistent growth and shareholder value creation

1. The main Italian retail real estate specialist with a 360 ° approach to retail properties

2. An attractive growth profile via a €800mm plan of targeted acquisitions and via strategic partnerships underpinned by stable and predictable cash flows

3. Attractive diversification opportunities in the national market

4. Leveraging tenant relationships to access high-growth foreign markets

5. Optimal vehicle to benefit from the new Italian SIIQ legislation

6. Unchanged total commitment from the major shareholders

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Appendices

Financial statements

Income statement

€mm	1Q07	1Q06	Var.
Revenues from sales and services	16.8	13.3	
Other revenues and income	1.5	0.7	
Total revenues	**18.3**	**13.9**	**31.6%**
Raw and ancillary materials and goods	4.9	10.5	
Personnel costs	0.7	0.6	
Other costs	0.8	0.8	
Change in inventories	0.0	(6.8)	
EBITDA	**12.0**	**8.9**	**35.1%**
Depreciation	0.1	0.1	
Change in Fair value	(0.1)	3.3	
EBIT	**11.8**	**12.1**	**(2.0)%**
Net Financial Income/(charges)	(3.4)	1.1	
Profit before Tax	**8.4**	**11.0**	

Balance sheet

€mm	1Q07	FY06	Var.
Intangible fixed assets	26.6	21.7	
Tangible fixed assets	986.3	947.7	
Total fixed assets	**1,012.9**	**969.3**	**43.6**
Inventories	0.0	0.0	
Receivables	9.5	10.3	
Other receivables	8.4	16.9	
Payables	(8.3)	(14.7)	
Other payables	(5.6)	(2.5)	
Net Working Capital	**4.1**	**10.1**	**6.0**
Long term payables	(77.0)	(61.0)	
Invested capital	**937.0**	**918.4**	**21.6**
Shareholders Equity	585.8	580.3	5.5
Net Financial Position	354.1	338.1	16.1
Total funding	**937.0**	**918.4**	**21.6**

Eastern Europe offers significant growth potential from capital appreciation combined with rental growth

Comments

Eastern Europe

- €13bn was invested in CEE in 2006,a 100% growth over last year
- "Prime yields continues to fall in CEE markets, most rapidly in the more emerging markets. New stock is being released to the market, but it is not becoming available fast enough to satisfy the ever-increasing appetite for inst. Prop." – CBRE CEE Investment report
- "Istanbul and Moscow retained top rankings for development prospects, being the fastest growing economies in the region with a shortage of modern high-quality assets" – PWC report
- "There appears to be a move toward the higher risk/higher opportunity markets. The recent Meinl Land investments in Ukraine and Russia and DEGI deal in Croatia are early signs of this trend." – CBRE CEE Investment report
- The prime retail yields in CEE range between 5.75%-10.0%, much higher than Western Europe

Western Europe

- €77bn of investment occurred with London, Paris and Stockholm accounting for €50bn
- Transfer tax regime on real estate in Italy impacted negatively the foreign buyer interest
- "Buyers are looking at secondary cities and locations to achieve higher initial yields" – CBRE European Investment 2006
- "For prime property in most major cities the cost of finance is now noticeably higher than initial yields on real estate investments. This has resulted in a shift in the profile of buyers active in the market and it is evident that the use of borrowing is much less" – CBRE European Investment 2006
- The average retail yield in the region fell to 4.85%, with prime yields ranging between 4.0% -6.0%

Medium term trend

Country	Rents	Yields
	↑	↓
	↑	■
	■	↓
	■	↓
	■	↓
	■	↓

Medium term trend

Country	Rents	Yields
	↑	■
	■	■
	■	■
	■	■
	■	■
	■	■

Source: Cushman & Wakefield snapshots, CB Richard Ellis Retail Investment Market Overview as of Q406

Continued investor interest in Eastern Europe along with higher projected economic growth is expected to drive total returns in the region

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