



# Conference Call

## 4Q 2005 Financial Results

Bologna  
February 13th, 2006

# Agenda

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➤ KEY POINTS

➤ 4Q 2005 FINANCIALS

➤ APPENDIX

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# KEY POINTS

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# 4Q 2005 Key Points

## KEY POINTS

### Existing Portfolio Growth

- 5,6% rents revenues increase
- Revenues from services represents 3.4% of FY05E total revenues
- Ebitda margin was affected by higher organizational costs (i.e. Personnel and G&A) as a consequence of Igd both business model and development plan

### New Investments

- Achieved and excided 2005 Capex target
- Signed preliminary agreements in Sicily
- Acquisition of a fully operational hypermarket in Rimini

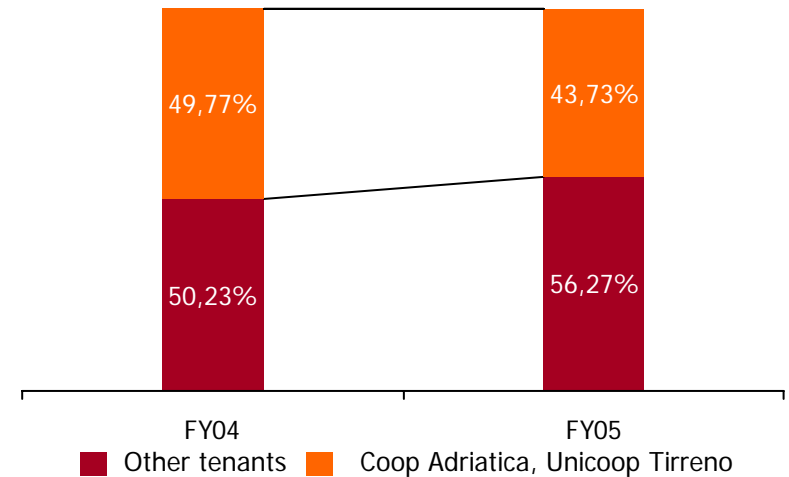
### Growing Portfolio Fair Value

- New Independent Appraisal by CB Richard Ellis on December 2005
- Estimated fair value of € 646.6m (10.6% vs June 05)
- Change in fair value of €19.2m in 2H2005

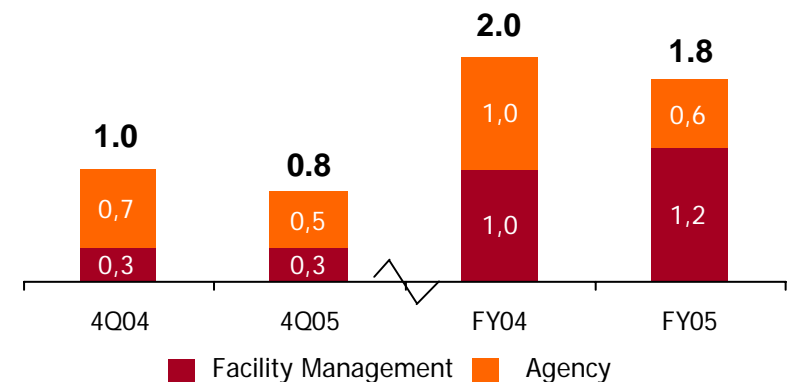
## Existing Portoflio growth

- **Rents revenues** from **other tenants** will further increase in 2006 due to the acquisition of 3 shopping malls' licences (Livorno, Afragola -NA and Casilino - Rome) from UniCoop Tirreno
- **Revenues** from **Agency** only refers to activities towards third parties
- 2004 revenues from **Agency** included a one-off fee relating to Centro Esp Ravenna

## Rents revenues breakdown by tenant



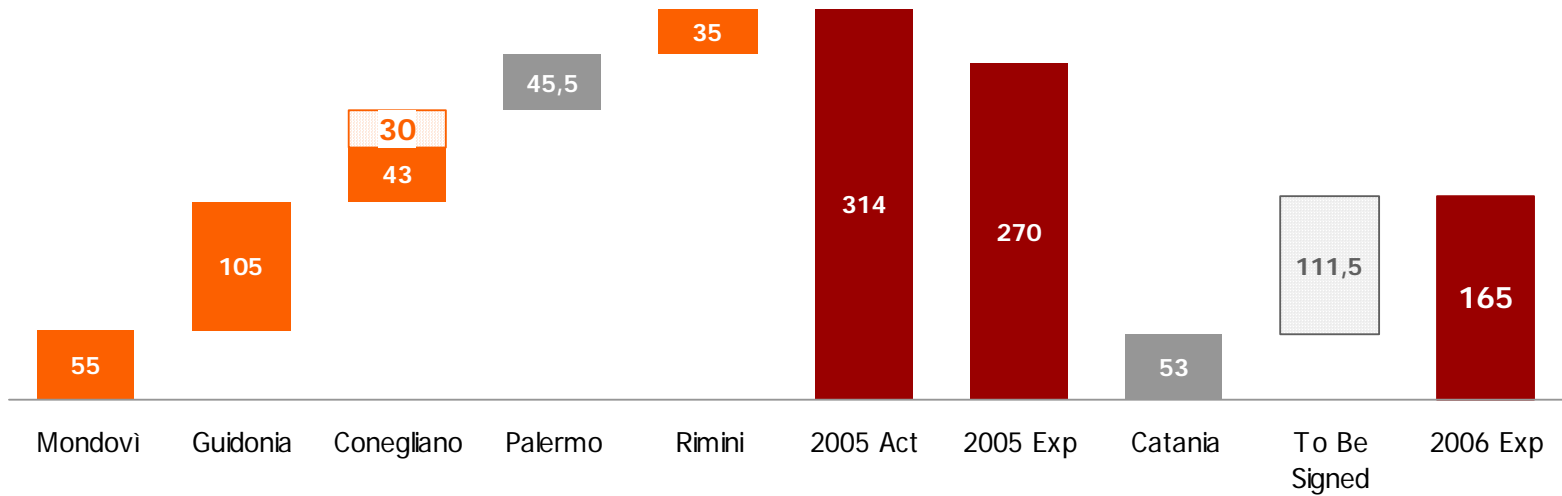
## Real estate service revenues (€ m)



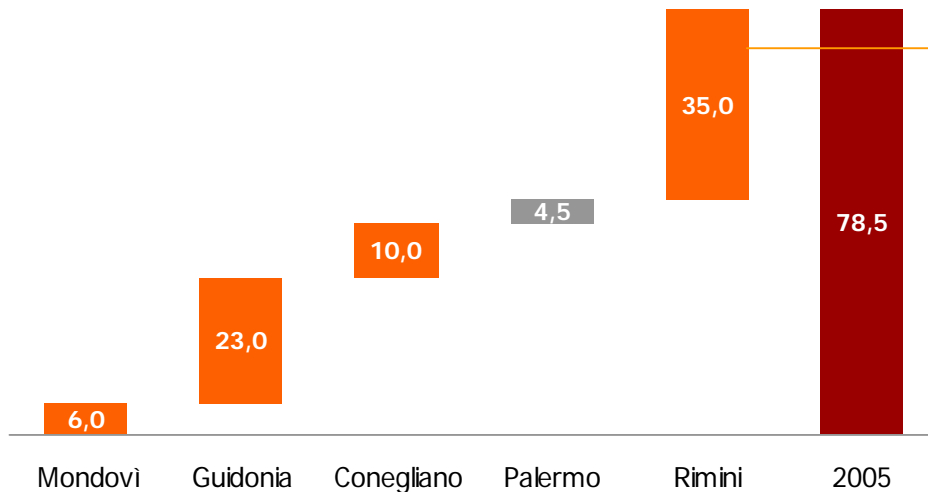
# 2005 – 2006 New Investments

KEY POINTS

## Signed Preliminary Agreements (€ m)



## Cash-out on signed Preliminary Agreements (€ m)



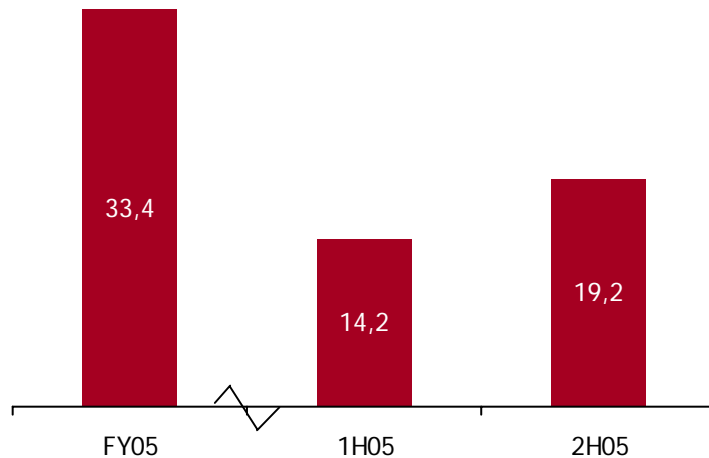
-€ 28m Financing  
 -15 years maturity  
 - to be hedged with IRS at a fixed costs of approx. 4% in line with Business Plan targets

# CB Richard Ellis New Appraisal

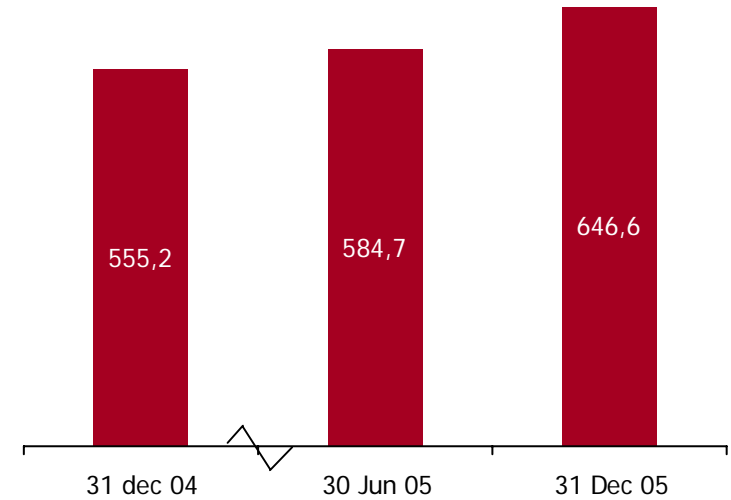
Change in fair value is affected by:

- **WACC decrease**
- **Exit Cap Rates decrease**
  - improvements of the existing portfolio
  - market trend
- **Acquisition of a hypermarket in Rimini**

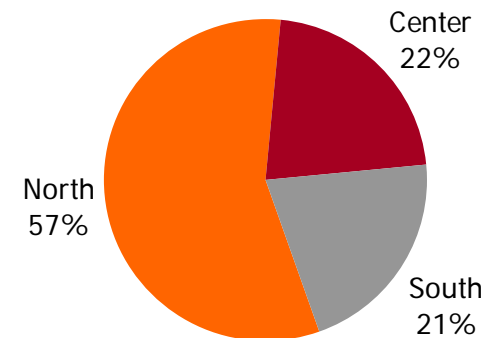
## Change in fair value (€ m)



## Igd's Freehold Properties fair value (€ m)



## Igd's Freehold Properties fair value by region



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# 4Q 2005 FINANCIALS

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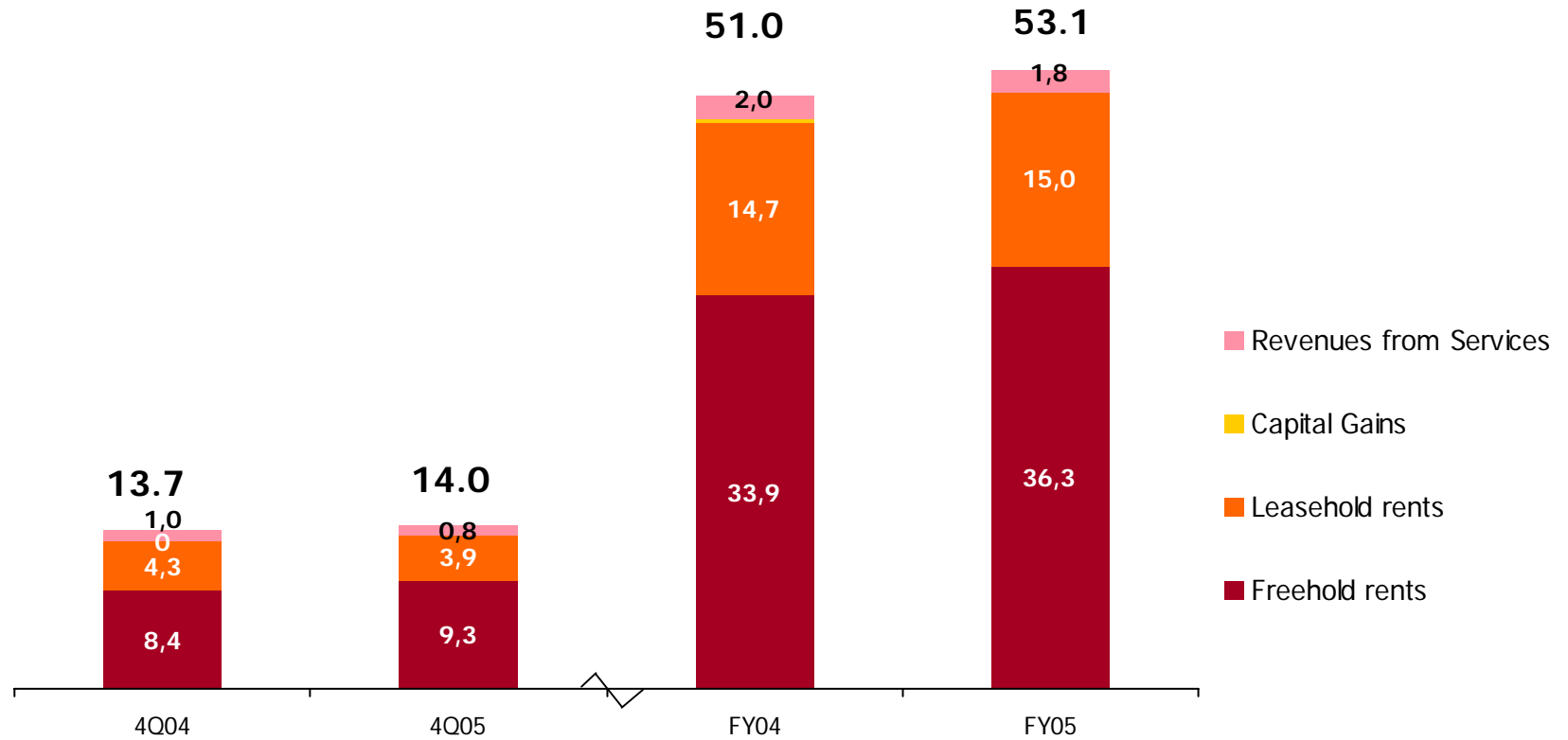


# Income Statement

€ m	4Q04	4Q05	Var %	FY04	FY05	Var %
Total Revenues	13,7	14,0	2,2%	51,0	53,1	4,1%
Direct Costs	(4,1)	(4,4)	7,3%	(15,6)	(16,4)	5,1%
<i>of which passive rents</i>	(3,3)	(3,2)	-3,0%	(12,6)	(13,0)	3,2%
SG&A	(1,0)	(1,2)	20,0%	(2,8)	(3,3)	17,9%
<b>EBITDA</b>	<b>8,6</b>	<b>8,4</b>	<b>-2,3%</b>	<b>32,6</b>	<b>33,4</b>	<b>2,5%</b>
<b>EBITDA %</b>	<b>62,8%</b>	<b>60,0%</b>		<b>63,9%</b>	<b>62,9%</b>	
Depreciation	0,0	0,0		(0,3)	(0,3)	0,0%
Fair Value Change	6,3	19,2	204,8%	16,4	33,4	103,7%
<b>EBIT</b>	<b>14,9</b>	<b>27,6</b>	<b>85,2%</b>	<b>48,7</b>	<b>66,5</b>	<b>36,6%</b>
Net Financial income/(charges)	(2,3)	(0,9)	-60,9%	(6,3)	(3,7)	-41,3%
<b>Profit Before Tax</b>	<b>12,6</b>	<b>26,7</b>	<b>111,9%</b>	<b>42,4</b>	<b>62,8</b>	<b>48,1%</b>

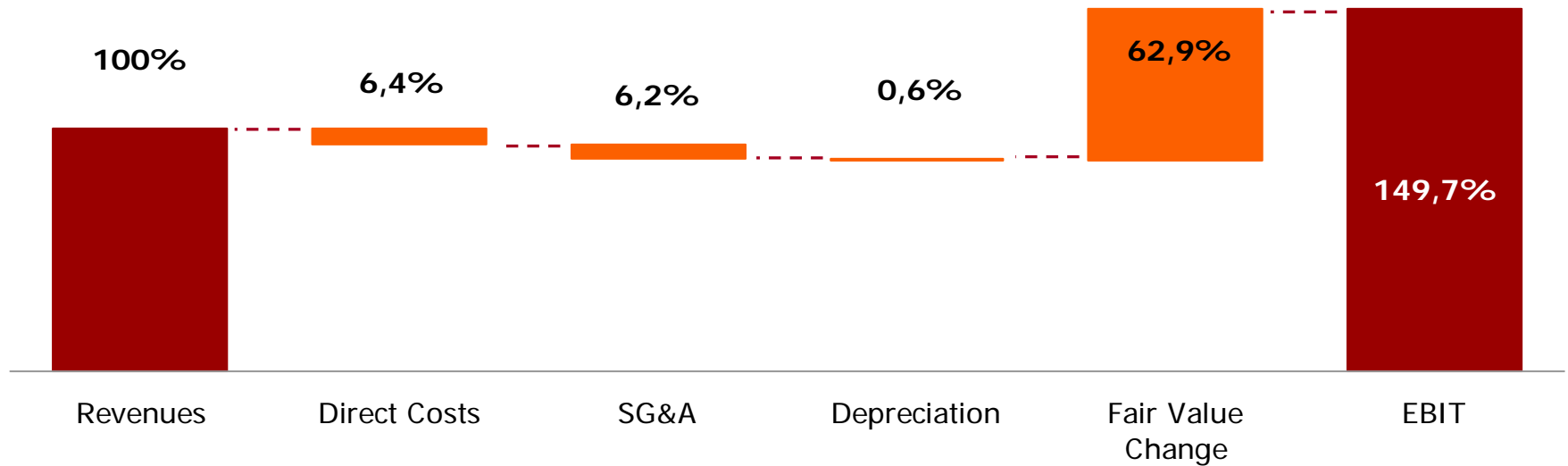
# Revenue growth and breakdown

## Revenues (€m)



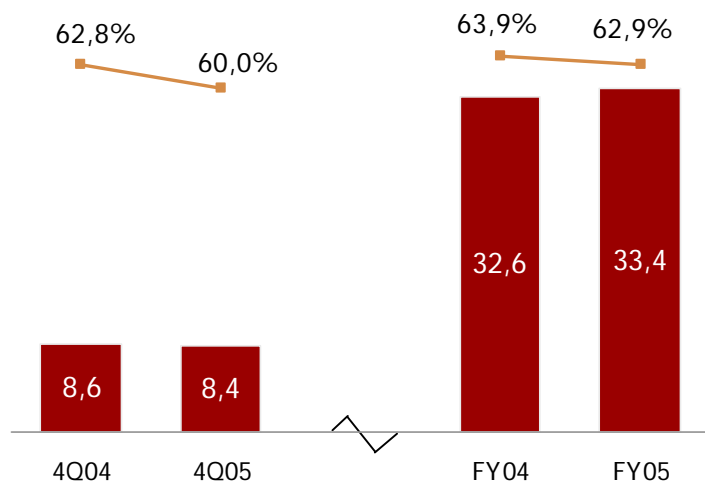
# Cost structure (pre passive rents)

Cost reconciliation to FY 2005 EBIT—% of sales

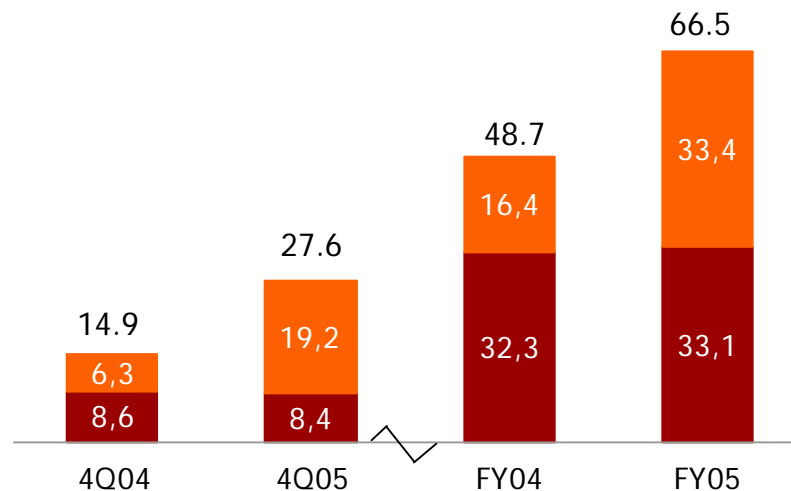


# EBITDA and EBIT Trend

Ebitda and Ebitda Margin (€m)

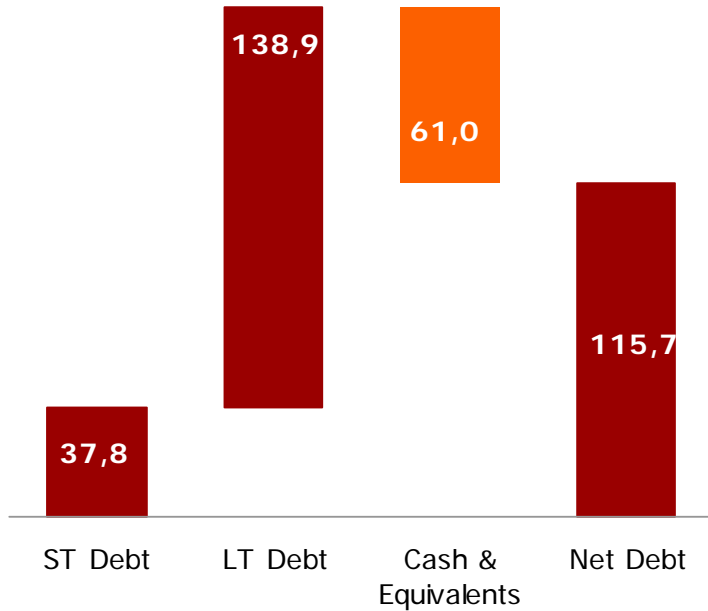


Ebit (€m)

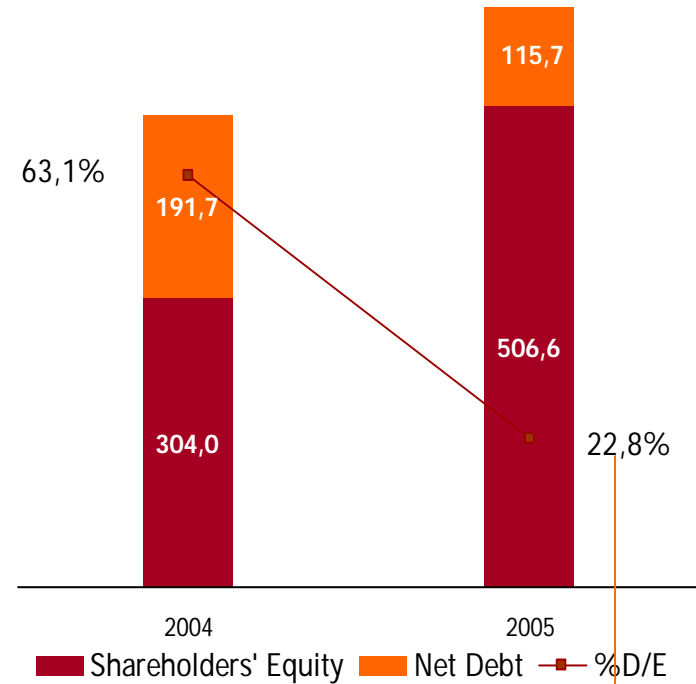


# Capital Structure

## Net Debt – December, 31 2005 (€m)



## Total Capitalisation (€m)



## Interest Expense

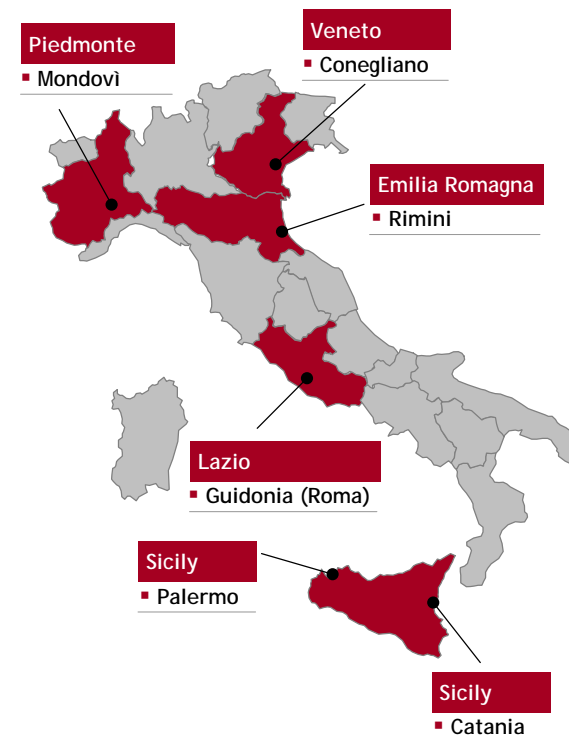
- 100% long term debt is hedged with Interest Rate Swaps at a fixed average rate of 3.59%
- Short term debt is linked to Euribor plus a spread from 0.3%

2005 Net Equity includes PBT instead of Net income

# Appendices

## Acquisition Summary

Signing Date	Location		Capex Value € m	IGD Freehold Properties			
	City	Region		Land	Hypermtk	Shopping Mall	Retail Park
apr-05	Mondovì	Piedmonte	39,5 <sup>(1)</sup>			✓	✓
mag-05	Guidonia (Roma)	Lazio	105,0	✓		✓	
ott-05	Conegliano	Veneto	43,0 <sup>(2)</sup>	✓			
dic-05	Palermo	Sicily	45,5			✓	
dic-05	Rimini	Emilia Romagna	35,0	✓			
gen-06	Catania	Sicily	53,0			✓	



- (1) The Preliminary agreement amount refers to the property housing the retail park and the company which owns the mall. As a consequence the value of the investment is higher and amounts to approximately Euro 55 m
- (2) The Preliminary agreement amount refers only to the land value. The final value of the investment (relating to both the land and the shopping center) will be of approximately Euro 73 m. The works completion date refers to the opening of the shopping center

# Acquisition Summary cont'd

Location		Land Area smq	Hypermarket		Shopping Mall		Retail Park		Works	
City	Region		Brand	Sel. Area smq	Shops N°	GLA smq	Shops N°	GLA smq	Starting	Completion
Mondovi	Piedmonte		Coop Liguria	7.500		6.800	5	10.000	1H 2006	1H 2008
Guidonia (Roma)	Lazio		UniCoop Tirreno	8.500	120	25.000			2H 2005	2H 2007
Conegliano	Veneto	82.000	Coop Adriatica							2H 2008
Palermo	Sicily		IperCoop Sicilia	8.500	52	14.000			1H 2006	2H 2008
Rimini	Emilia Romagna		Coop Adriatica	19.398 <sup>(3)</sup>						03-dic-05
Catania	Sicily		IperCoop Sicilia	8.000	57 + 6 med size	14.919			1H 2006	2H 2008

(3) The Preliminary agreement refers to the acquisition of a hypermarket and two two medium sized surface areas inside the Malatesta shopping center in Rimini.



## Balance Sheet

€ m	FY04	FY05
Intangible Fixed Assets	2,9	2,9
Tangible Fixed Assets	543,2	661,5
Other Fixed Assets	0,9	5,0
<b>Total Fixed Assets</b>	<b>547,0</b>	<b>669,4</b>
Inventory	4,5	14,0
Receivables	12,7	5,9
Other receivables	1,6	15,6
Payables	(2,1)	(8,1)
Other payables	(1,8)	(4,8)
<b>Net Working Capital</b>	<b>14,9</b>	<b>22,6</b>
Long term payables	(66,2)	(69,7)
<b>Invested Capital</b>	<b>495,7</b>	<b>622,3</b>
<i>Funded by:</i>		
<b>Shareholder's Equity</b>	<b>304,0</b>	<b>506,6</b>
Cash and Equivalents	0,8	61,0
ST Financial Debts	(39,0)	(37,8)
Long Term Financial Debt	(153,5)	(138,9)
<b>NFP</b>	<b>(191,7)</b>	<b>(115,7)</b>
<b>Total Sources of funding</b>	<b>495,7</b>	<b>622,3</b>

## Income Statement

€ m	4Q04	4Q05	Var %	FY04	FY05	Var %
Rents from Freehold Properties	8,4	9,3	10,7%	33,9	36,3	7,1%
Rents from Leasehold Properties	4,3	3,9	-9,3%	14,7	15,0	2,0%
Revenues from Services	1,0	0,8	-20,0%	2,0	1,8	-10,0%
Revenues from Sales	-	-		0,3	-	-100,0%
<b>Total Revenues</b>	<b>13,7</b>	<b>14,0</b>	<b>2,2%</b>	<b>51,0</b>	<b>53,1</b>	<b>4,1%</b>
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