



1H2007 Financial Results

Bologna
September 12th, 2007

Agenda

➤ FINANCIAL HIGHLIGHTS

➤ 1H07 MAIN EVENTS

➤ 1H07 FINANCIAL RESULTS

➤ APPENDICES

FINANCIAL HIGHLIGHTS

1H2007 Financial Highlights

Please note these are **internal reclassification** data which could differ with accounting reported on Financial Statements. Particularly different are revenues (**36.2 vs 34.3**). Among accounting item “**other revenues**” there are amounts which are **expenses born by Igd for tenants** to which they are charged back. From a management point of view they must offset related costs.

IGD's 1H07 Highlights

■ Total Revenues	€ 34.3 mln	+19.01 % H/H
■ EBITDA	€ 22.9 mln	+25.39 % H/H
■ Fair Value Change	€ 24.5 mln	-38.63 % H/H
■ NP	€ 24.04 mln	-26.73% H/H
■ NFP	€ 237,64mln	+ €100.42 mln 1H07/FY06
■ Shareholder Equities	€ 722.52 mln	+ €141.18 mln 1H07/FY06
■ Invested Capital	€ 960.16 mln	+ € 41.76 mln 1H07/FY06

1H07 MAIN EVENTS

2005-2008 Business Plan concluded and launched a New One

GROWTH

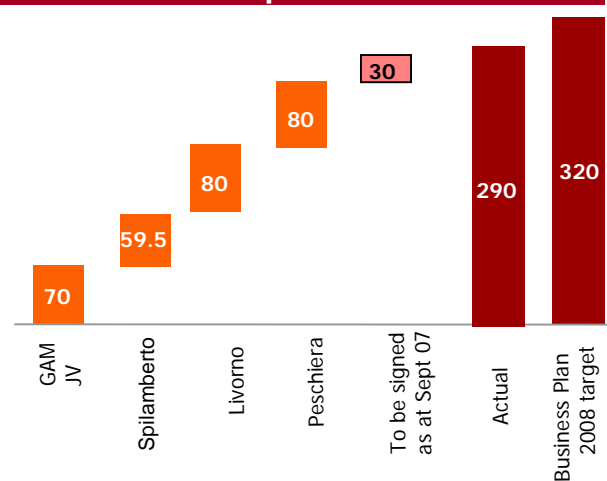
New Business Plan

- Launched a New 800€ m business plan
- Main **Targets**:
 - Yield **6.0% -6.5%**
 - Cagr **3.0% - 3.5%** like for like
 - EBITDA Margin **70%-75%**
 - **5%** of Service Revenues
 - Gearing **1.5**

Results upon New Business Plan

- **Anticipation of 290€m** of 2008 Capex
- Sometimes Igd took part to **development (Livorno, Peschiera Borromeo)**
- **Weighted yield higher than 6.0%-6.5%**
Business Plan target

New BP Capex Breakdown



Capital Increase and Convertible Bond

To finance New Investments, on May 8th, Igd launched a capital increase and a convertible bond with the following details:

CAPITAL INCREASE

- **98.55 mln** raised
- **3.65 per share** pricing
- **Book covered more than one time**

CONVERTIBLE BOND

- **230 mln** raised
- **Strike €4.93**
- **Coupon 2.5%**
- **Face value €100,000**

RATIONALS OF THIS KIND OF FUND RAISING

■ **GROWTH THROUGH NEW BUSINESS PLAN.** At the end of this Business Plan the Bond will be converted. This way Igd will reach its 1.5 financial target after having drawn debt to finance the remaining (about) 500€ m capex.

■ **TREASURY.** In the meanwhile Igd will finance the old and new growth with a low cost money

Convertible Bond accounting system

According to **IAS 32** principle Igd has to account items with the following rule:

Balance Sheet

- **discount future cashouts** due to convertible bond at market interest rate (calculated through a specified algorithm)
- put the value obtained from above as debt value
- net **expenses** for the **convertible** launch from debt
- put the **difference** between the face and the resulting value from the algorithm above as **shareholder equity** (option value)

Profit&Loss

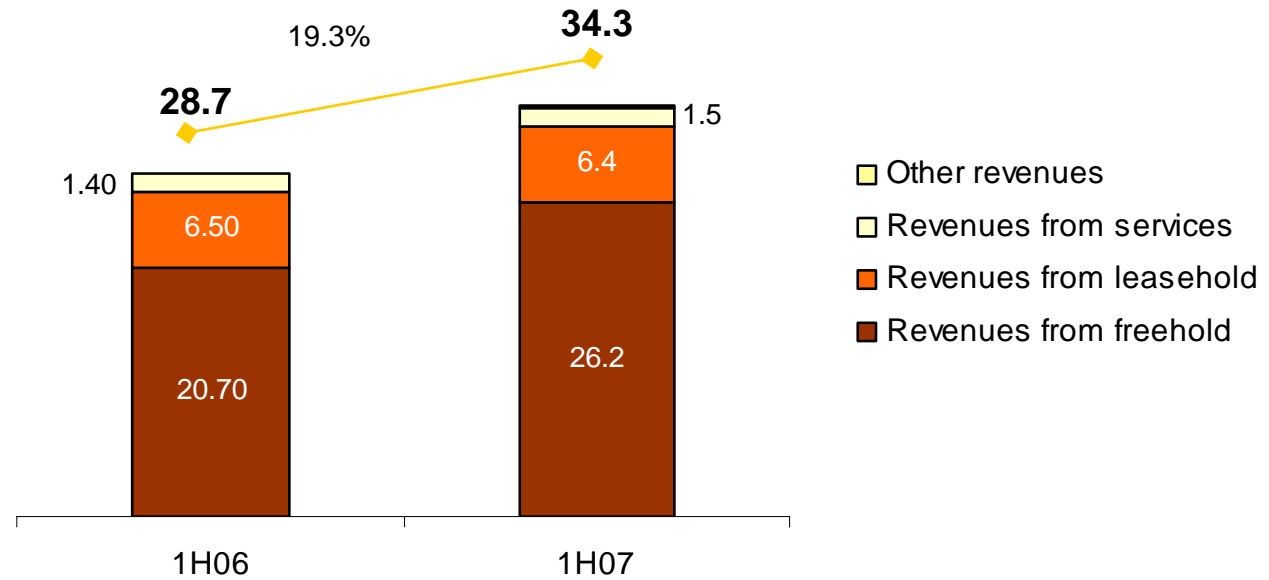
- **interest expenses**: must be accounted applying the forementioned market interest rate to the amount of debt obtained through the algorithm
- **expenses** due to convertible launch must be accrued for the referred period

MAIN EFFECT ON Igd

- **Interest expenses** in financial statements are largely **higher than** the **real** born paying the coupon
- **Interest rate** required by algorithm is higher than Igd real the marginal interest rate
- **NFP** is affected for the equity part of debt

1H2007 FINANCIALS RESULTS

Revenues growth and breakdown

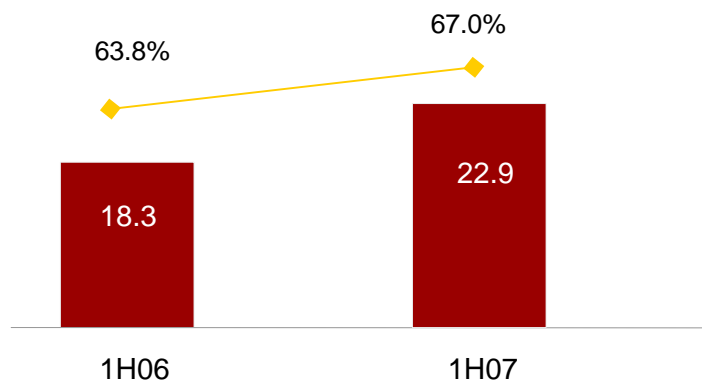


Internal riclassification

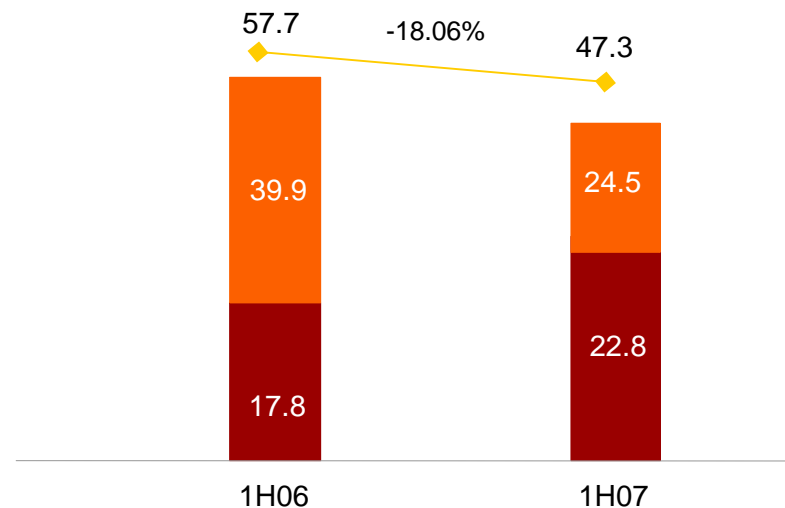
- **Revenues from property management** increased for Millennium Centre, CentroSarca, Rgd and for a like for like growth
- **Revenues from leasehold** decrease as Centro Leonardo Mall was disposed
- **Revenues from services** growth for new Malls under management

EBITDA and EBIT Trend

EBITDA (€m) and EBITDA margin (%)



EBIT (€m)

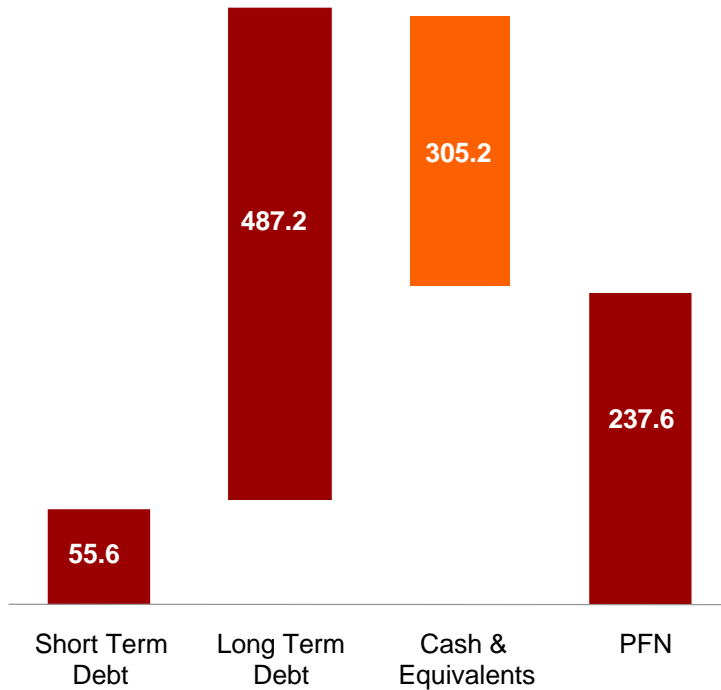


■ EBIT from operation ■ RE Fair Value change

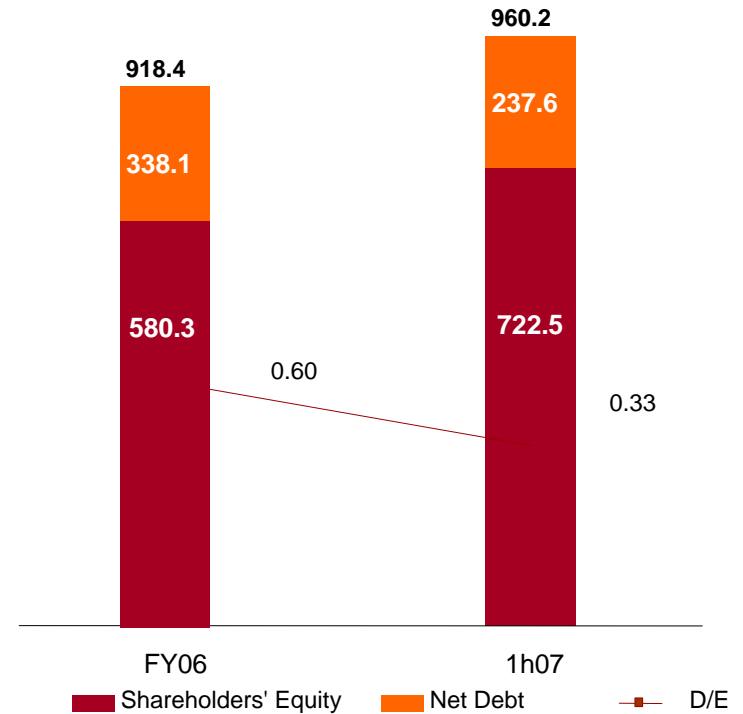
EBIT reduced mainly for the decrease of Fair Value Change due to a little stabilisation in real estate market. As a matter of fact **impact of G&A** is **smaller** with respect to the previous period.

Capital Structure

Net Debt – 30 JUNE 2006 (€m)



Total Capitalisation (€m)



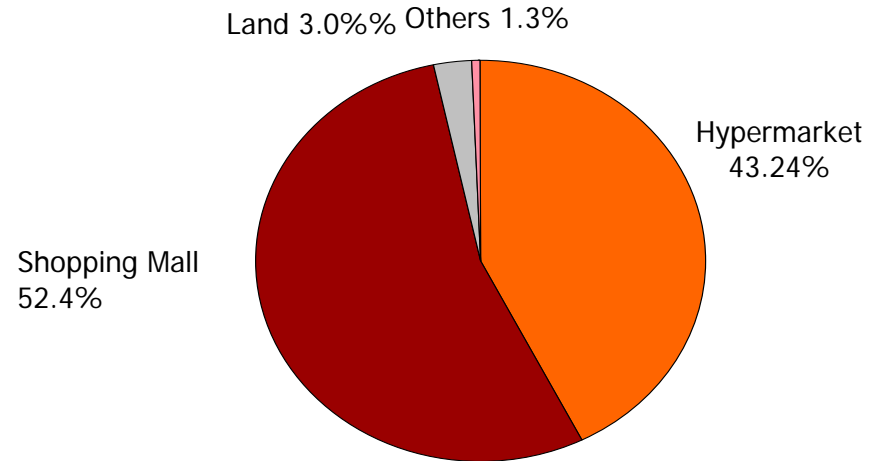
LT Debt Breakdown at September 2007

	Residual Debt	Cost	Hedging	Duration
Total LT Debt	141	3.71%	Fully hedged	7
Bond	230	2.50%		5
LT Debt hedged after 1H	100	4.93%	Fully hedged	20
Total LT fixed debt	471	3.38%	Fully hedged	9
LT Variable debt	50	4.75%		
Total LT Debt	521	3.51%		
Short Term Debt	Eur 1M + 0.005-0.01			

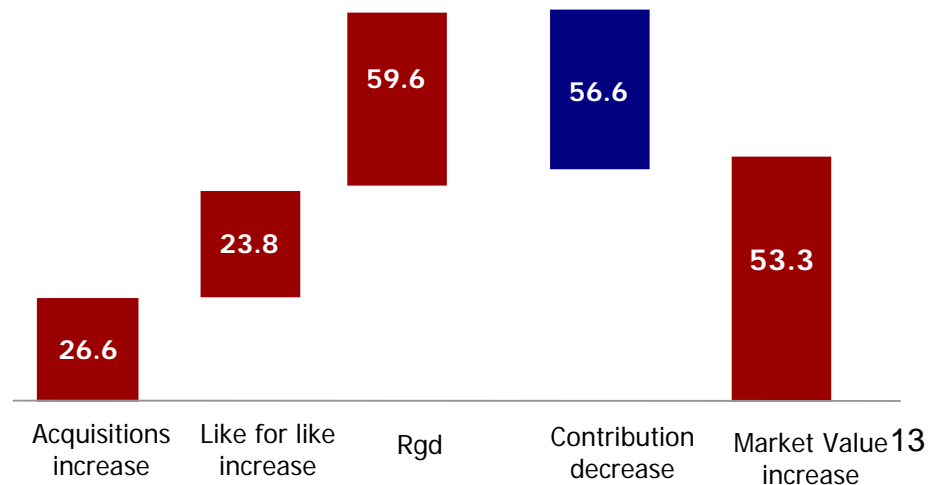
Increase in Portfolio Value

- **Market value** of Igd freehold properties is € **934.2m** as of June 07 including Rgd Assets
- Market value of Igd is €**874.6** as of June 07
- 1H07 change in Market Value was affected by:
 - **Exit Cap Rates decrease**
 - improvements of the existing portfolio
 - market trend
 - **Acquisition of Millennium Centre (Rovereto)**
 - **Darsena City (Ferrara) contribution in RGD**

Igd's Freehold Properties market value (€ m) breakdown esclusing Rgd



Igd's Market Value breakdown



Appendices

Investments

New Business Plan Investment

■ 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 Gescom
- Within the start-up period (not longer than 24 month) Igd has the opportunity to buy the 50% of the new company or to underwrite a reserved capital increase up to 70€ million if the company will do new Investments

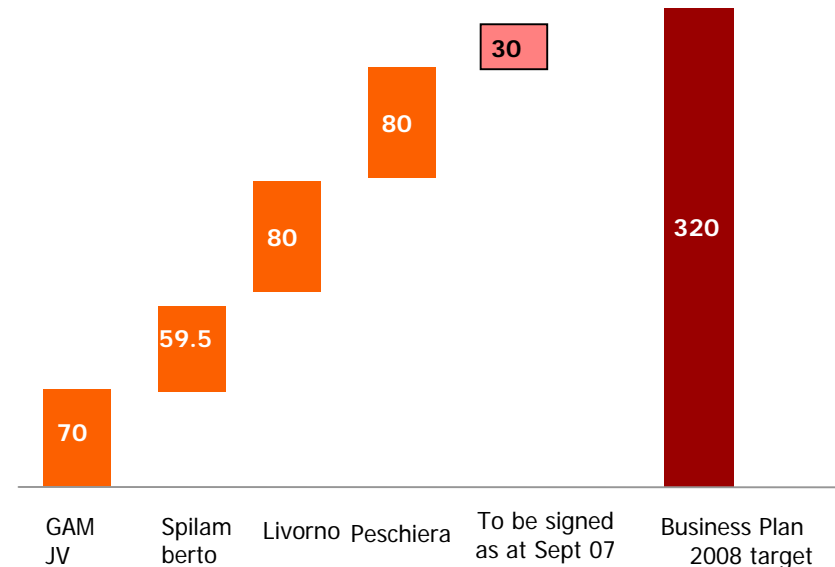
■ Spilamberto (Modena) Retail Park:

- 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 Multifunctional 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

New Business Plan Investments (€m)



■ Peschiera Borromeo (Milano)

- On August 3rd a preliminary agreement for the acquisition of Shopping Mall for about 80€ millions was signed
- Igd will take part and coordinate the development through a 15% share equity in the company which will build the shopping centre
- 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

Consolidated Balance Sheet

€ m	1H07	FY06	Var
Total Assets	969.3	1040.2	70.9
Net Working Capital	10.1	9.6	-0.46
Other LT receivable and payab	-61.0	-89.6	-28.6
Invested Capital	918.4	960.2	41.8
Shareholder Equity	580.4	722.5	142.1
NFP	338.0	237.7	-100.3
Total Funding	918.4	960.2	41.8

Consolidate Income Statement

CONSOLIDATED INCOME STATEMENT (€ million)

	<i>1H07</i>	<i>1H06</i>	<i>Change</i>
Revenues from freehold	26.2	20.7	
Revenues from leasehold	6.4	6.5	
Revenues from services	1.5	1.4	
Other revenues and income	0.1	0.1	
Total revenues	34.3	28.7	19.5%
Direct Cost	(8.3)	(8.1)	
SG&A	(3.0)	(2.3)	
EBITDA	22.9	18.3	25.2%
Amortization / Depreciation	(0.2)	(0.5)	
Change in Fair Value	24.5	39.9	
EBIT	47.3	57.7	-18.1%
Financial charges	(6.8)	(2.5)	
EBT	40.4	55.2	-26.8%
Taxes	(16.4)	(22.4)	
NET PROFIT	24.0	32.8	-26.8%