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winmarkt
SHOPPING CENTERS

Winmarkt Magazine Acquisition

March 28th, 2008

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Acquisition key features

Following its 2008-2012 plan presented last May IGD has signed with Ivington Enterprises Limited and Broadhurst Investment Limited (NCH Capital Group) a binding agreement for the acquisition of a real-estate portfolio in Romania.

The acquisition concerns a highly branded, well established and fully operational portfolio of centres in Romania: **Winmarkt Magazine SA**

	Prices (€ 000)	Assets	Lease terms (€ 000)
Winmarkt Magazine	182,500	15 centres for 141,000 sqm + 2,438 sqm office building	19,138*
Winmarkt Management	258	100% of company	

* Rent roll as per Feb 2008, based on actual revenues

Carpati Sinaia

Preliminary agreement to buy a further commercial centre of 6,000 sqm, presently under refurbishment, in 30 months

Targeted revenues: €1.35mn

Investment: €16.24mn

Essential portfolio details

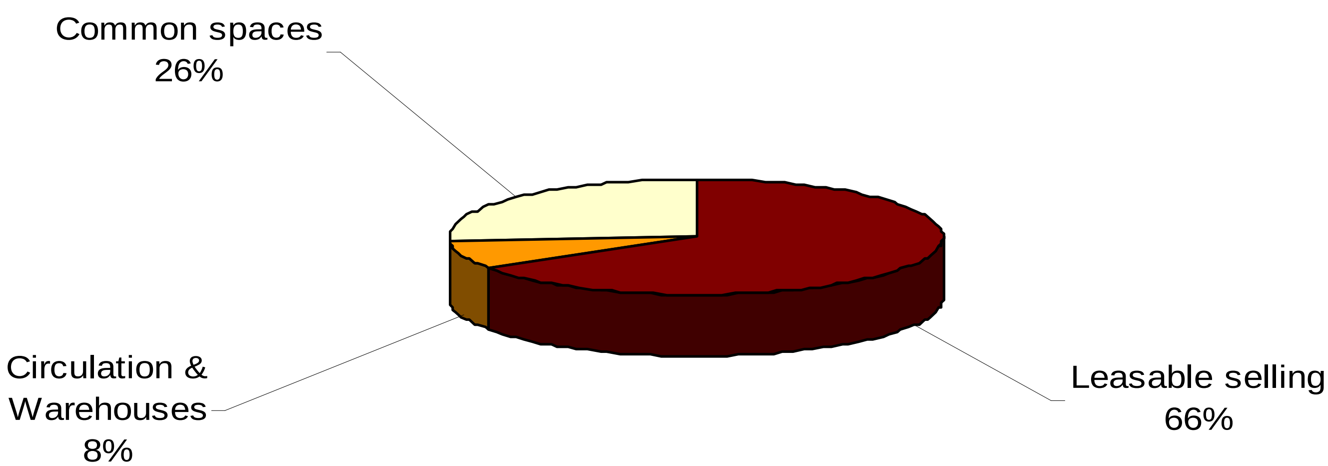
Out of the 141,000 sqm of total surface for the 15 malls:

-104,000 are leasable

-Of which **93,000 are selling area**

Even the 11,000 sqm of circulation and warehouses generate rents

SURFACES (sqm)



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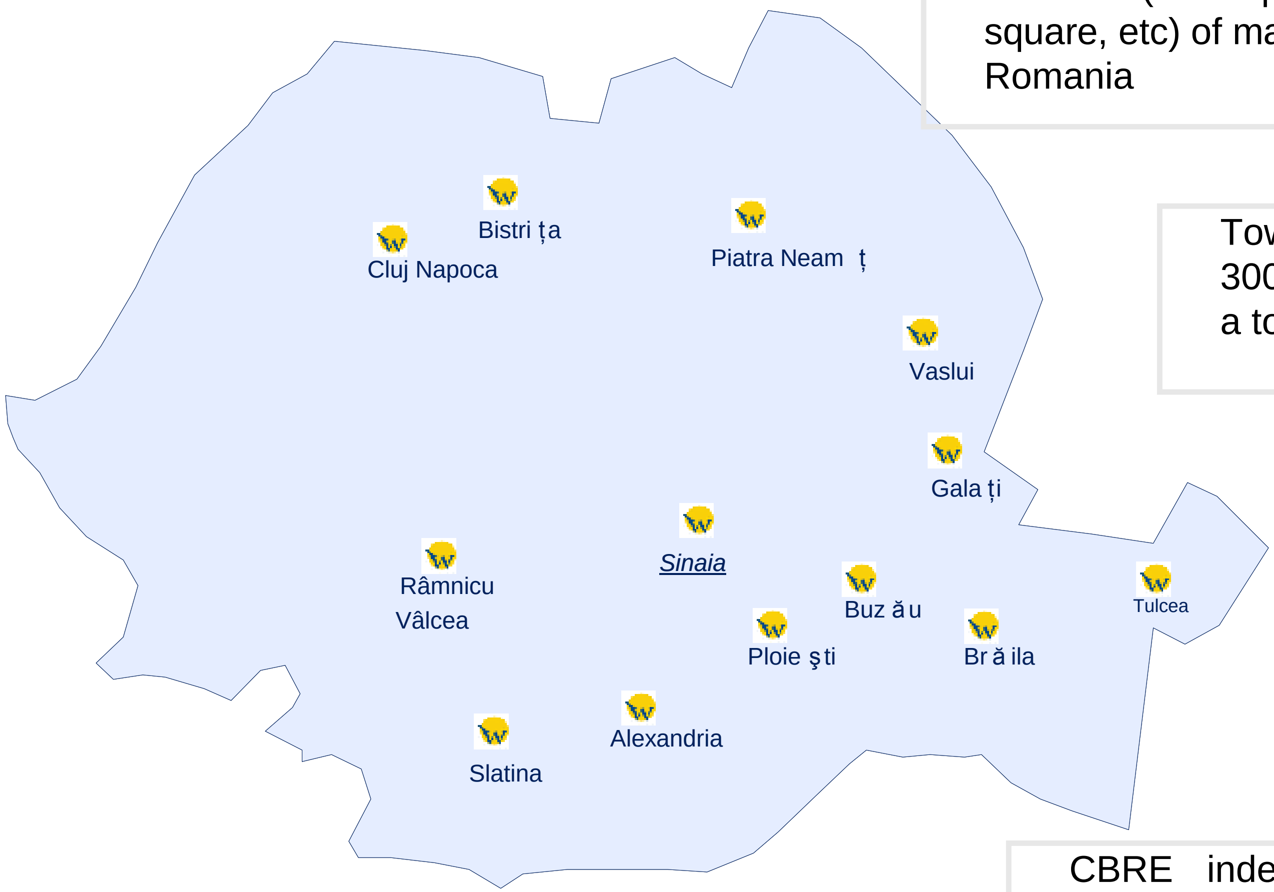
Essential portfolio details



The department stores are in prime central locations (Municipality square, Railway station square, etc) of main secondary cities in Romania

Towns are in the 100,000-300,000 inhabitants range, for a total of 1.95 mn inhabitants

CBRE independent market value of €201 mn (217 including Sinaia)

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Portfolio segmentation (15 malls)

	Features	Rents (€ 000)
4 Malls “Value portfolio”	To be either re-let or use to be changed	2,200
11 Malls “Core portfolio”	Already efficient	16,900

“Core portfolio” malls	Occupancy rate
7	100%
3	90%
1	n.m (just opened)

Acquisition highlights

Attractive key metrics	The acquisition price of €182.5 million implies (carved-out for the asset under option): • a gross initial yield above 10% • a day-one increase for IGD's cashflow • a positive gap vs. CBRE mkt value
Fiscal advantages	• 16% income tax rate • 1.5% asset taxation rate
Features consistent with IGD business plan	The acquisition is in line with at least 3 asset classes underlying the business plan: • Outside Italy • Urban • Refurbishment
Low-Risk profile	•Rents from the most relevant brand represent less than 5% (4.77%) of total rents •Assets values compared to business values • High fragmentation of business (15 centres in 14 cities, some 800 contracts) • Contracts are in Euro

Romania strenghts

S&P Rating	From “stable” to “positive” outlook
Euro adoption planned in 2014	S&P forecasts adoption in 2012
Economic growth	6% Avg GDP growth (2001-2006)
Up-to-date Regulatory Environment	New fiscal code in 2004 New labour code in 2003 and 2007

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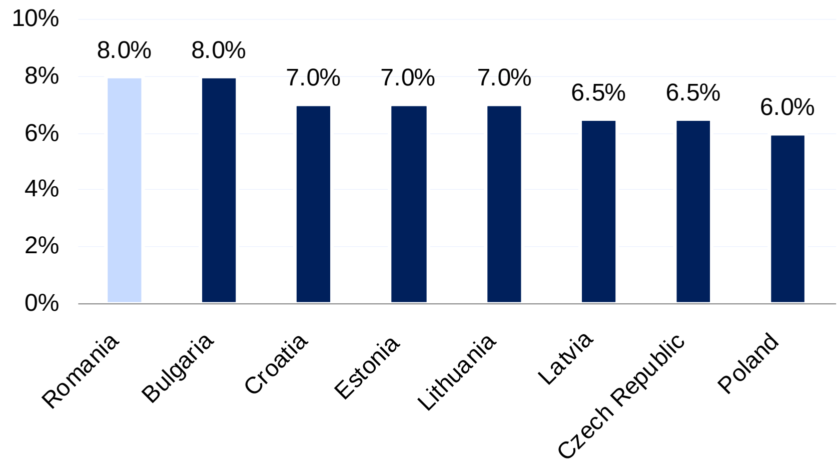
Romania average yields



Source – CB Richard Ellis (H2 2006), Europe Real Estate Yearbook 2007

Romania RE yields are the highest in CEE…

…but with substantial differences among towns

Bucharest	5.75-6%
Other cities	8.5-9%

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Portfolio strenghts

Today Winmarkt is the largest network of shopping centres in Romania

Unique Locations	No building area left in the centre of these cities High residential values reached crowding out any analogue commercial initiatives
High demographic density	The ‘block’ model shaped urban features with high population density so: Commercial centres enjoy target clients not only driven by “retailer appeal”
Flexibility	Flexible formats and expiry dates of contracts

Winmarkt key success factors

Strong commercial positioning in terms of:

- Expected increase in the medium-low term of purchasing power of middle class
- Cost of mobility (fuel prices, increasing traffic to commune in and out city centres)
- Short terms retailers contract (average expiring 2009)

Successful management:

- Strategically, as it could catch the favourable demand and offer balance for consumers' goods in a moment of dramatic change in both society and domestic markets
- In terms of operation and general management issues, as it could cope with the strict requirements of previous US investors

Room for enacting key strategic options

Flexible competitive positioning

Present offer focused on domestic retailers

Availability of international brands to step into Romania – encouraging sentiment tested

Potential development of Italian products distribution in Romania

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Opportunities for further development

IGD will bring additional value to its investment in Romania by:

- acting as a long term investor in Romania and in Winmarkt
- bringing italian and international retailers in order to improve market mix and stabilize cashflows
- optimizing merchandising mix
- improving non-commercial uses of surfaces
- extending to larger towns the winning concept of Winmarkt

APPENDIX

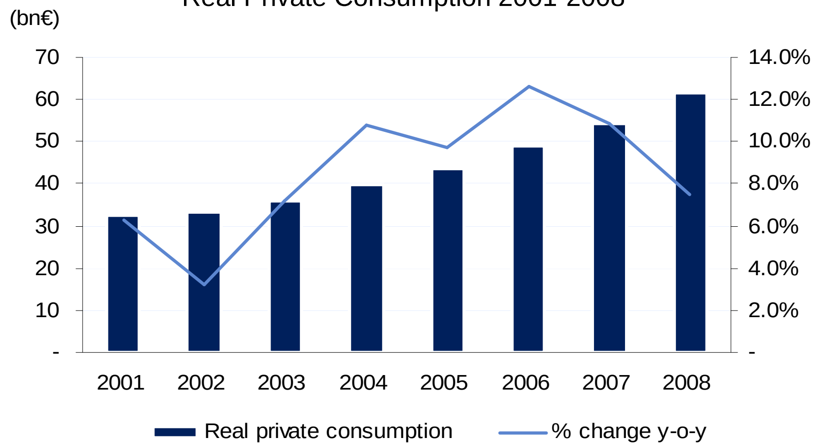
Romania as target country

A promising location for real estate investment. Romania appears today as one of the best areas for real estate investment in the region due to a unique combination of political and economic trends: EU membership in 2007, legal environment improvement, Schengen- and Euro-zone medium-term aspirations, strong economic growth, booming personal incomes, declining consumer price inflation, foreign exchange stability and convergence towards EU yields.

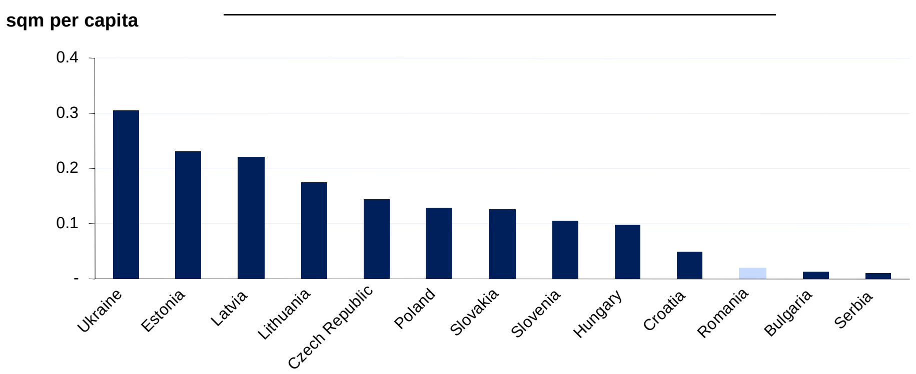
Romania still has great development potential in shopping centres growth compared to other Eastern Europe countries

	2002	2003	2004	2005	2006e	2007e	2008e
Real GDP growth	5.1%	5.2%	8.4%	4.1%	7.7%	6.1%	5.4%
Average CPI	22.5%	15.3%	11.9%	9.0%	6.6%	4.2%	4.5%
Budget balance (% of GDP)	(2.6%)	(2.2%)	(1.0%)	(0.8%)	(1.6%)	(3.0%)	(2.8%)
Current account balance (% of GDP)	(3.4%)	(5.8%)	(8.5%)	(8.8%)	(10.3%)	(11.6%)	(12.5%)
Fx reserves (months of import cover)	4.7	4.5	5.7	6.0	6.7	6.8	7.0
Total debt (% GDP)	36.4%	38.0%	39.9%	39.8%	44.7%	46.6%	50.5%

Real Private Consumption 2001-2008



Shopping centre stock in Eastern European in December 2006



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