



## **PRESS RELEASE**

November 5<sup>th</sup>, 2004

### **IFIL sells Rinascente's food business to Auchan**

The Auchan Group and IFIL Group have reached an agreement for the sale of Rinascente's food business. The agreement follows the plans announced by the Board of Directors of IFIL on September 9<sup>th</sup>, 2004.

Rinascente Group has recently been demerged in two separate companies: Rinascente S.p.A., that includes the textile business, and Società Italiana Distribuzione Moderna S.p.A., primarily comprising the food business.

According to the agreement, the IFIL Group will sell to the Auchan Group its share of Società Italiana Distribuzione Moderna S.p.A. – which includes the Auchan hypermarkets, the SMA supermarkets, 50% of SIB S.p.A. (DIY) and 51% of Gallerie Commerciali Italia S.p.A. – for approx. €1,063 million.

The closing of the deal, which is subject to approval by the relevant antitrust authority, is expected to take place by the end of this year.

The transaction foresees a payment of € 810 million at closing with payment of the balance by the middle of 2005.

At the same time, Auchan and IFIL also reached an agreement regarding Rinascente S.p.A.'s textile business (Department Stores and UPIM) and the

process for their sale through a competitive bidding process. Lazard Italia, the designated advisor, has begun the sale procedure.

Commenting on the business agreement, Christophe Dubrulle, General Manager of the Auchan Group, said: “This transaction strengthens Auchan’s presence in Italy, where our first investment was made in 1989. Auchan has a real ambition to increase the performance and to grow in this important country of the European Union. We believe that both the hypermarket and supermarket operations in the food sector and the Italian shopping centers are part of our core business. This deal – he added – would not have been possible without the outstanding cooperation begun in 1997 with our partner IFIL.”

Daniel John Winteler, CEO of the IFIL Group, declared: “The agreement we are announcing today allows IFIL to fully value all the improvements made over the last ten years – seven with our partner Auchan – and represents a major contribution towards reaching our objectives. The agreement also ensures the best prospects for the food business, for its management and for all those involved, under the direction of an industrial partner whose capability and competence we have appreciated throughout these years”.