



Conference call  
3 October 2012  
10.00 a.m.



2012-2015 business plan presentation

Target: Sustainability

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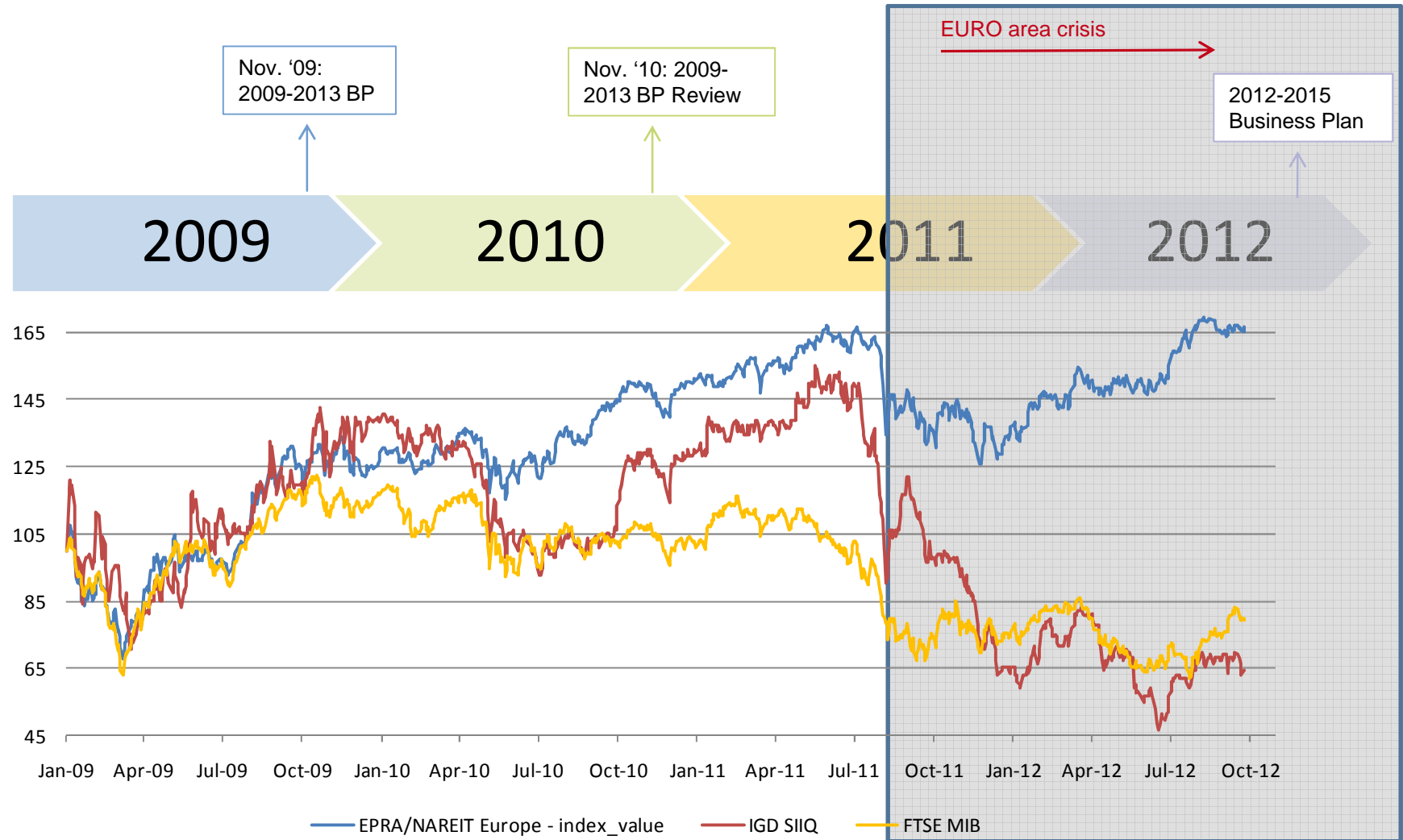
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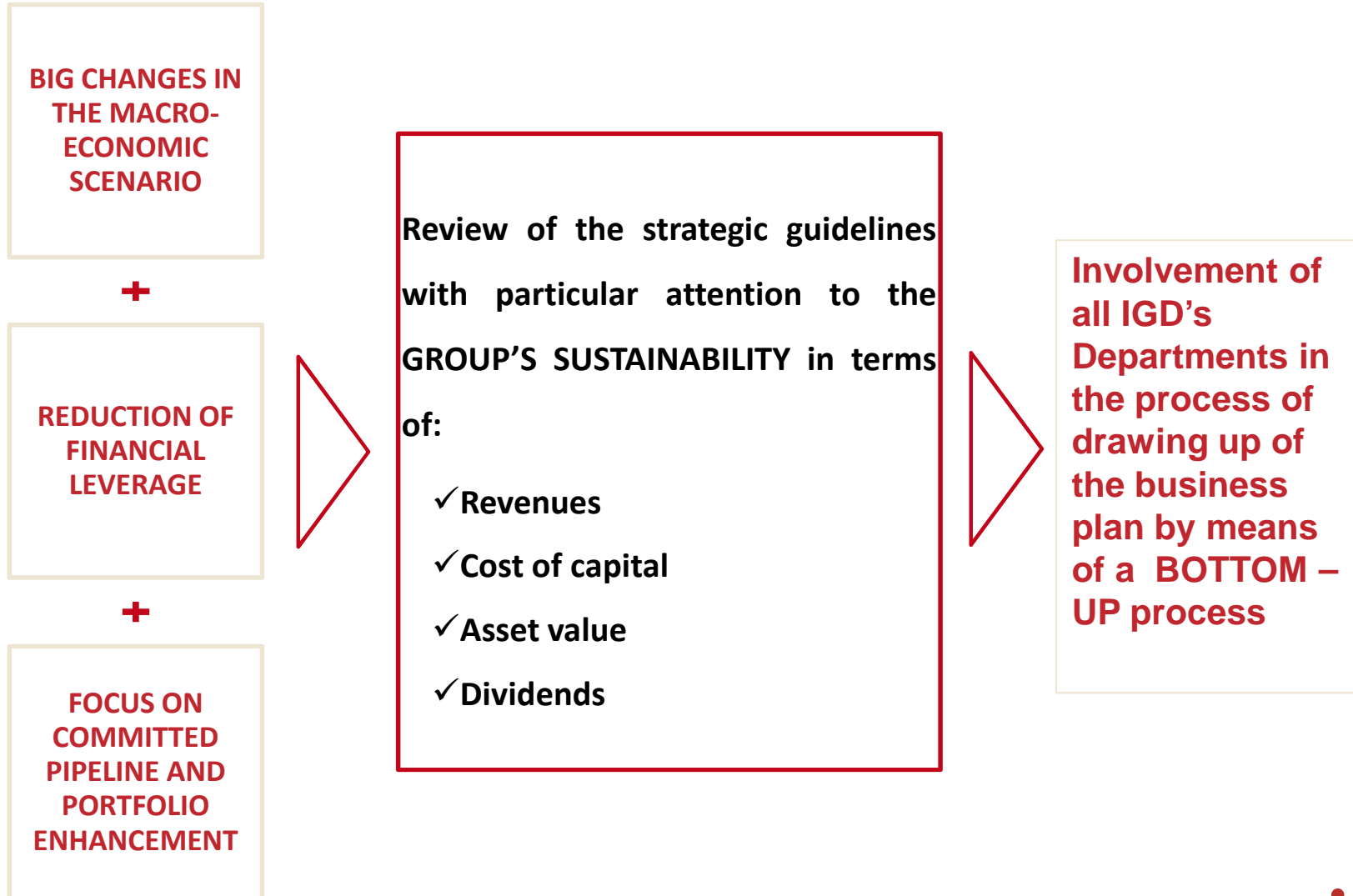
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### 3 Why a new Business Plan? (1/2)



## 4 Why a new Business Plan? (2/2)



# 5 Trends in the Italian retail real estate sector

## GENERAL TRENDS

### Investor and retailer interest

- ✓ Decline in investment in 2012, but Italy still has a good potential
- ✓ Solidity of asset value, but wider supply/demand gap
- ✓ Development plans of retailers in Italy

### Focus on “Prime” centers and High Street

- ✓ Attention to prime shopping centers and High Street
- ✓ Lower risk factor

### New trends in consumption

- ✓ Critical context
- ✓ Selectivity
- ✓ Change in habits
- ✓ New level of mobility

## MOREOVER

### HAS TO DEAL WITH

- ✓ Country Risk
- ✓ Slowdown in consumption
- ✓ Regulatory and fiscal uncertainties

**BUT**

### IS STILL

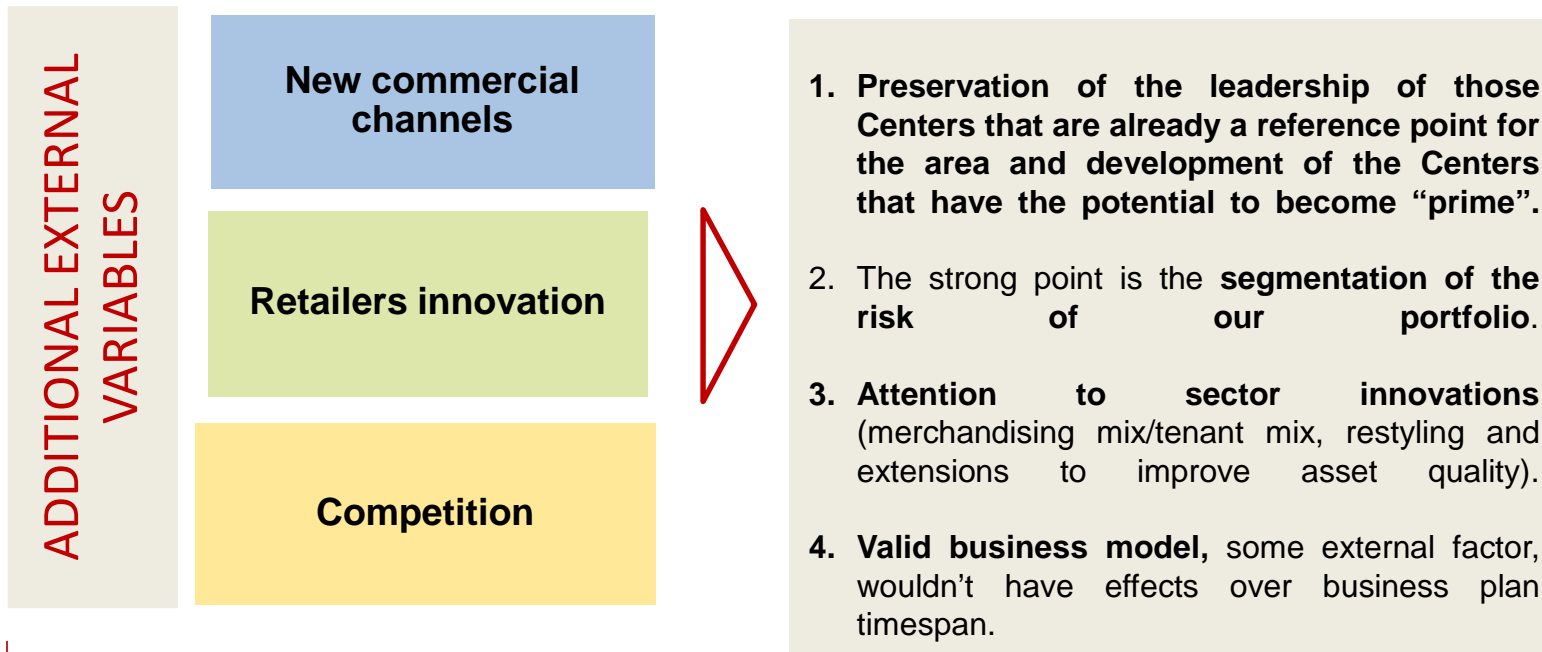
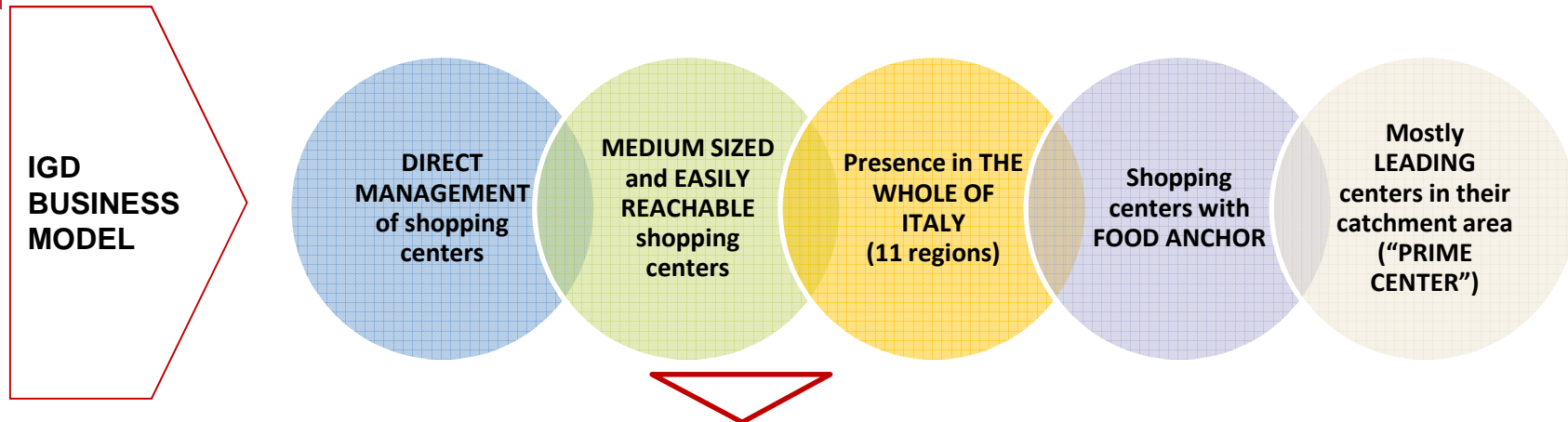
- ✓ attractive to investors, retailers and consumers;

## IGD

✓ Aims to improve the quality of its portfolio, that should be increasingly characterized by “prime” assets with flexibility, adaptability to the needs of consumers and environmentally compatible

✓ Is ready to grasp new business trends, to follow food anchor evolution, to attract brands that are traffic generators and to respond to the difficulties of the context.

## 6 How IGD is placed and the effects on the Business Plan



# 7 Basic macro assumptions

Basic assumptions	2012	2013	2014	2015
Inflation	3.2%	2.2%	2.0%	2.0%
GDP	-2.3%	-0.3%	1.1%	1.2%
Consumptions	-3.1%	-1.1%	0.7%	1.0%

**Italy**

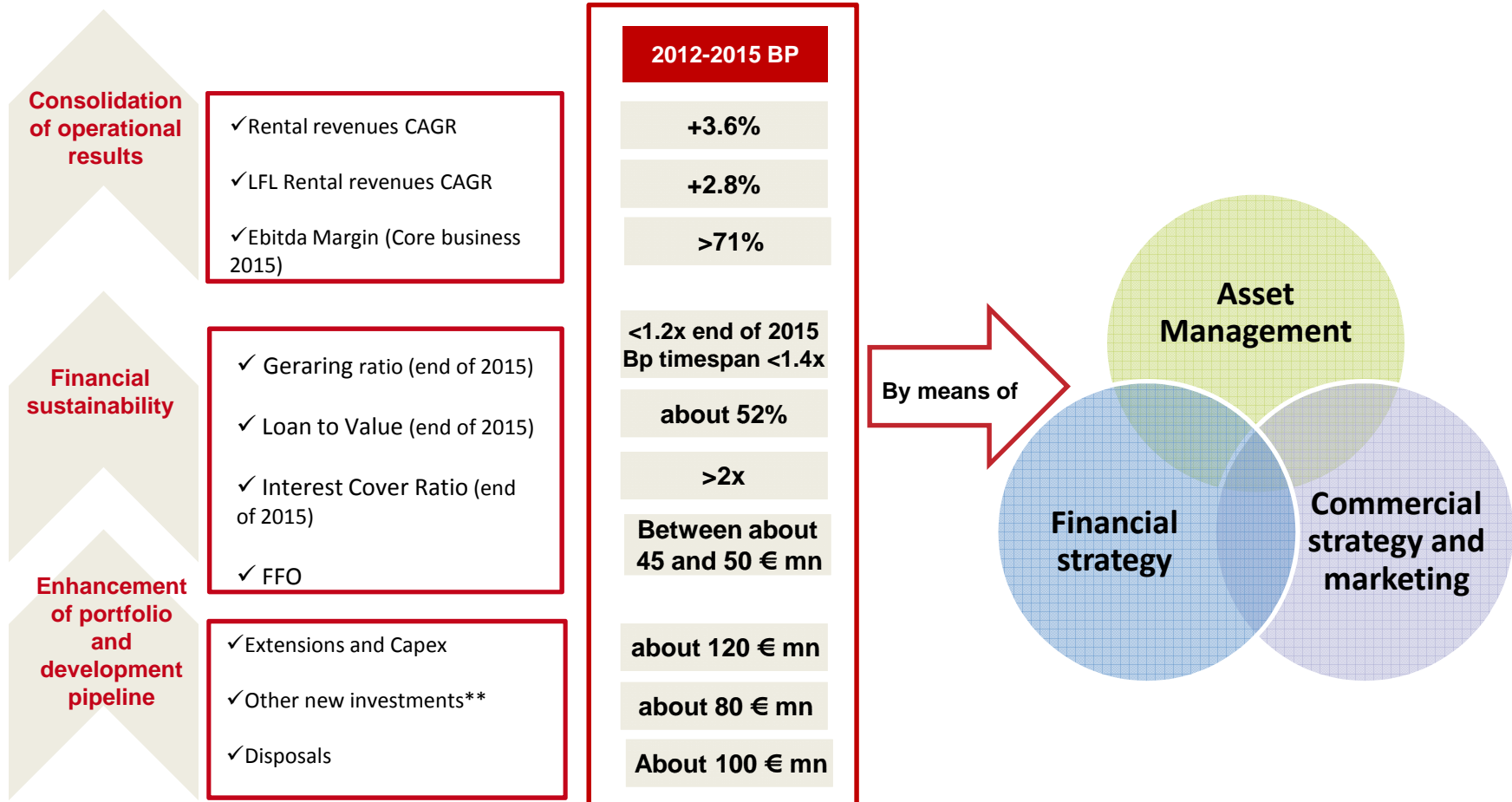
  

Euro area inflation	2.2%	1.7%	1.7%	1.7%
GDP	0.5%	2.2%	3.7%	4.0%
Consumption	0.8%	2.9%	nd	nd

**Romania**

*IGD processing on research and institute samples*

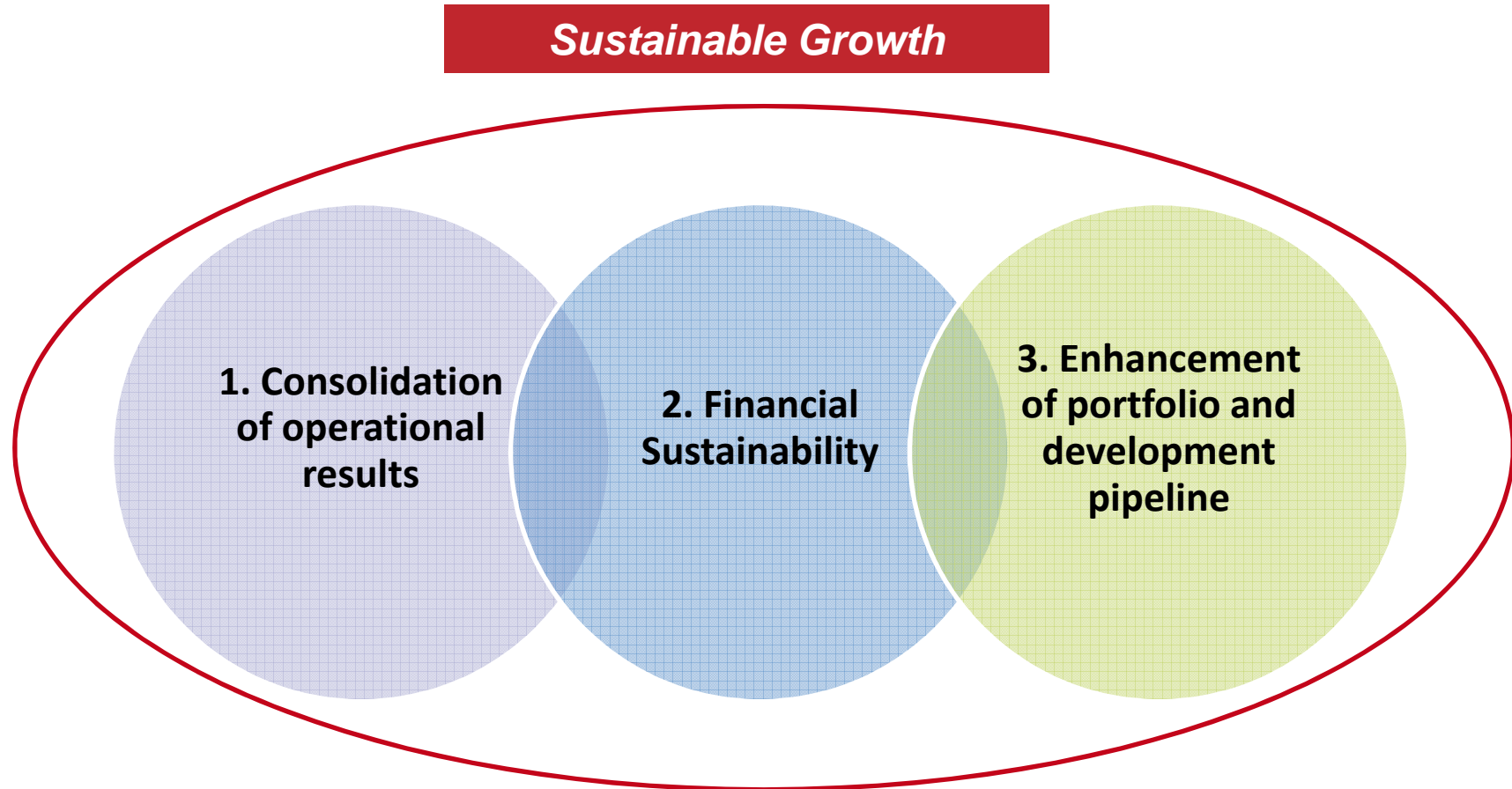
# 8 Key figures - 2012-2015 Business Plan



\*\* The new investments include Porta Medicea



## 9 Strategic guidelines



# 1. Consolidation of operating results: Italy

1.  
Consolidation  
of operational  
results

## Commercial strategies to support the headline of revenues:

- ✓ Ability to innovate... (increase in international brands, enhancement of local qualities, personal services)
- ✓ ... and to understand the changes in the sector (attention to the evolution of food anchor and temporary shop)
- ✓ Attention to the sustainability of tenants (gradual recovery of vacancy until 2015, upside level at renewal equal to an average of 1% annually, support plans for tenants confirmed, but on decrease),
- ✓ Coordinated marketing plans to favor a common identity,
- ✓ Monitoring credit risk

## Direct Costs

- ✓ Steady in absolute value
- ✓ The impact of IMU (property tax) has been considerable in 2012 with the law change.
- ✓ Impact on revenues from core business decreasing to about 21.5% at the end of plan.

## General Expenses

- ✓ Slightly increasing in absolute value
- ✓ Impact on revenues from core business decreasing under about 8%.

# 11 1. Consolidation of operating results: Romania

1. Consolidation of operational results

The estimated growth in Winmarkt net revenues in the period 2012-2015 will be influenced by:

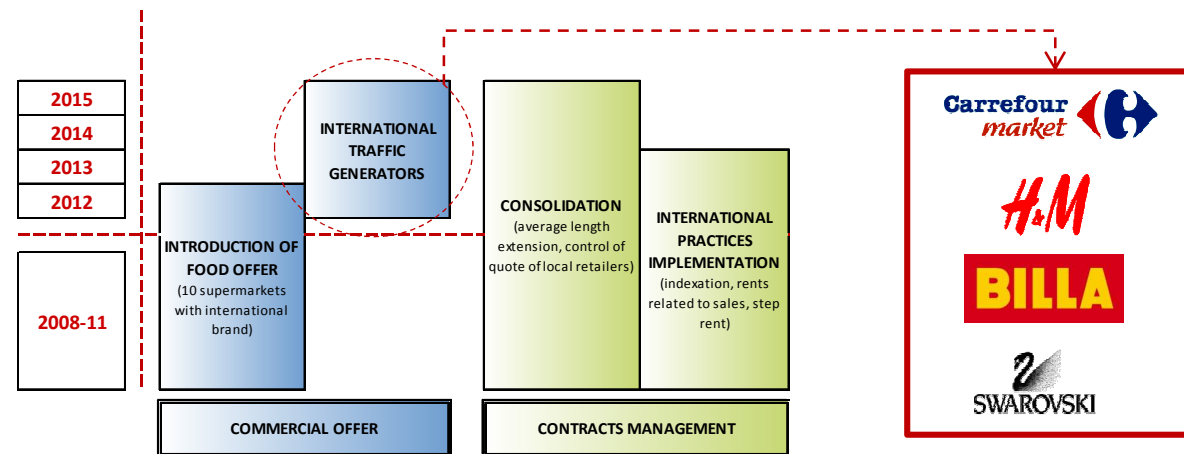
- ✓ Indexation of contracts;
- ✓ stepped rents;
- ✓ renewals carried out at market rent;
- ✓ GLA qualification actions.

• **Commercial policies:**

1. Broaden product type (food offer also)
2. Consolidation of the presence of national brands
3. Introduction of international traffic generator brands



Buzau

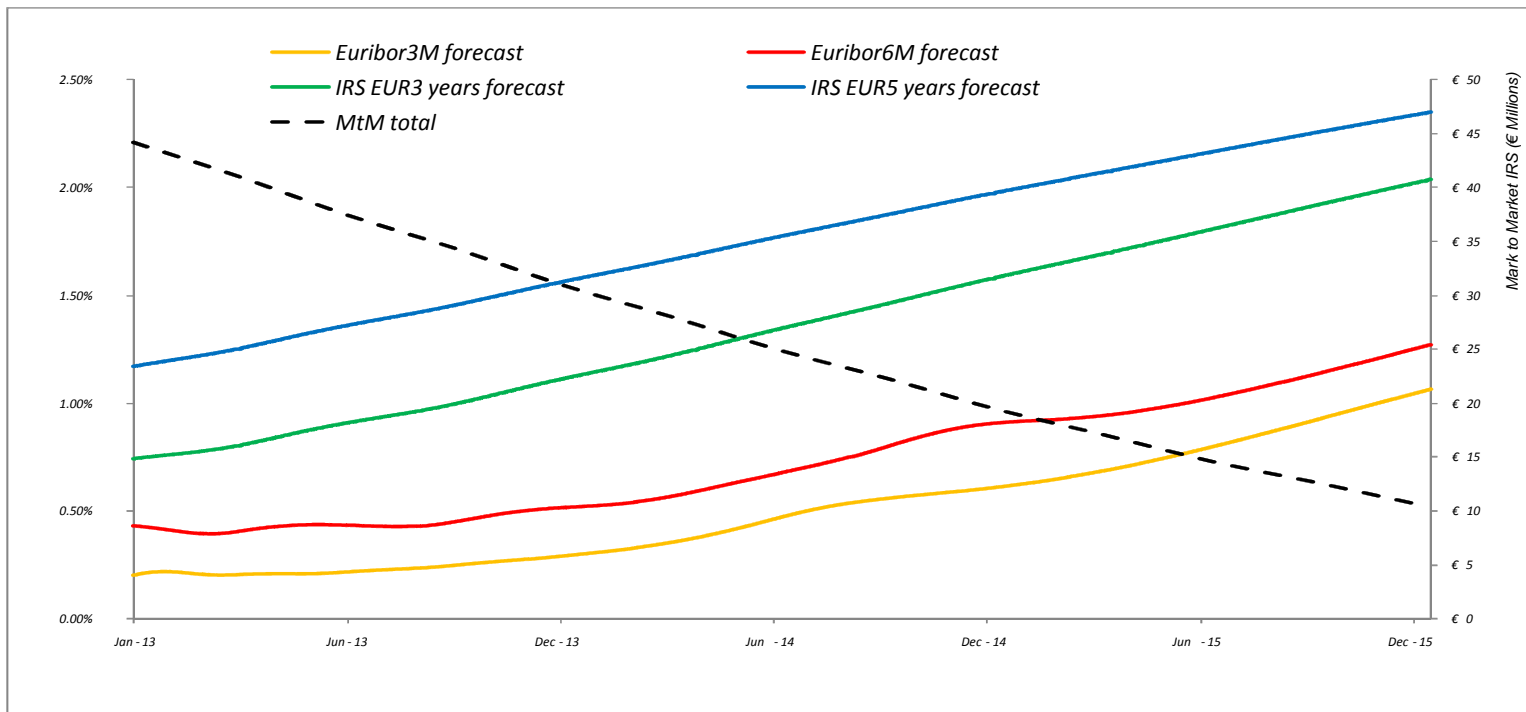


# 12 | 2. Financial Sustainability



	2012	2013	2014	2015
Spread on short term	3.1%	2.8%	2.5%	2.5%
Spread on new loans		3.5%	3.5%	3.3%

Financial assumptions



# 13

## 2. Financial Sustainability

2. Financial Sustainability

### Italy

#### Gearing ratio

✓ Reduction in debt ratio at 2015 D/E: <1.2 X (in the event of asset disposal for about € 100 mn over bp timespan, not exceeding 1.4x)

#### Hedging policies

✓ **Target:** degree of total debt coverage up to **about 65%**  
(depending on the performance of benchmarks and spreads)

#### Loan to Value

✓ **Target** LTV about 52% (end of business plan)

### Romania

#### Contribution to the Group's performance

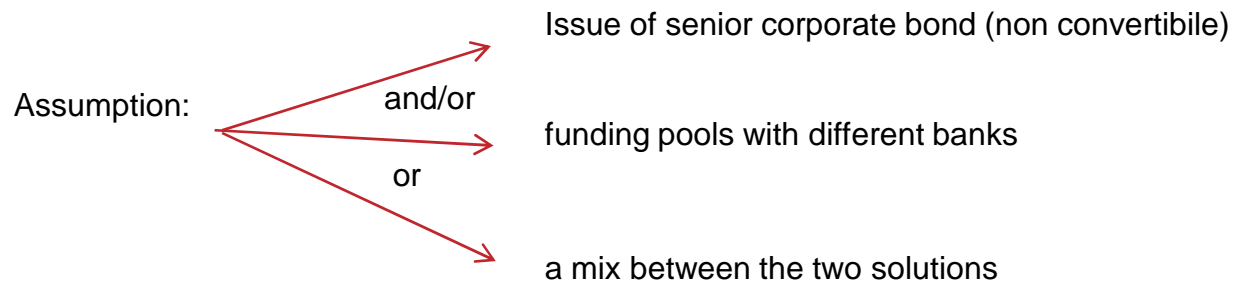
✓ **Cash producer** guaranteed constant cash flows equal to about € 0.8 mn/month  
Further **dividend distributions** for about 20 € mn (excluding capex) expected over the bp timespan.

# 14 | 2. Convertible Bond



## Convertible Bond *(Expiry date 28/12/2013)*

Work in progress with some of the leading financial institutions (Italian and foreign) on how to refinance.



Both assumptions could include a breakdown into one or more phases, possibly of different time lengths, capable of permitting more flexible management when refinancing at the expiry date.

# 15 | 3. Pipeline

3. Enhancement of portfolio and development pipeline

New investments

Chioggia  
Porta Medicea

Restyling/  
extension

Esp  
Centro d'Abruzzo  
Porto Grande  
Centro Sarca  
Grand Rondò  
Le porte di Napoli

Investment	Opening		2012	2013	2014	2015	Total	of which in bp timespan
	Month	Year						
Chioggia	3	2014					39	23
Porto Grande MS	5	2014					10	6
Abruzzo extension	3	2014					16	10
ESP extension	4	2015					51	35
Gran Rondò extension	11	2015					11	11
PM - Piazza Mazzini	11	2013					22	8
PM - Officine Storiche	11	2015					36	21
<b>Total investments</b>			<b>8</b>	<b>37</b>	<b>43</b>	<b>26</b>	<b>185</b>	<b>114</b>
<i>Average Yield 6.5%</i>								
Capex Italy							46	46
Capex Romania							12	12
<b>Grand total (investments + capex)</b>			<b>16</b>	<b>58</b>	<b>58</b>	<b>41</b>	<b>243</b>	<b>172</b>
Other work in progress Porta Medicea			10	8	7	6	95	30
<b>TOTAL</b>			<b>25</b>	<b>66</b>	<b>65</b>	<b>47</b>	<b>339</b>	<b>203</b>

# 16

## 3. Italy

3. Enhancement  
of portfolio and  
development  
pipeline

### Investments and capex

*Focus on the committed pipeline:*

- ✓ Restyling and extensions in prime shopping centers according to the commercial targets and to maintain high level of attractiveness
- ✓ New openings in shopping centers with potential in the area or innovative projects such as Porta a Mare (retail city center)
- ✓ Support given to recently opened shopping centers in order to reach full profitability

### Existing Portfolio

- ✓ Portfolio segmentation
- ✓ Rotation/disposal of non-strategic assets

### Environmental Sustainability

- ✓ Strong focus on energy efficiency in both maintenance work and new systems



✓ **Disposal of assets** for an amount of **€ 100 mn** during the Business Plan timespan.

✓ **Asset rotation and Partnership with institutional financial investors** also in light of the appeal of the Italian retail market and to grasp further development opportunities.

✓ **Aggregation strategy** of third party retail real estate portfolios (interest in real estate portfolios in the co-operative world)

## 3. Disposals and further development opportunities: Romania

3. Enhancement  
of portfolio and  
development  
pipeline

### Investment plan for upgrading

Investment target for extraordinary maintenance (about **12mn€**):

- ✓ Adjustment of centers to international standards (facades and interior fit-out)
- ✓ Property efficiency (redevelopment of GLA)
- ✓ Enhancement of the appealing of the centers for both retailers and potential international investors

### Environmental sustainability

- ✓ Strong focus on energy efficiency in both maintenance work and new systems (heat insulation and energy transformers)

Final  
target

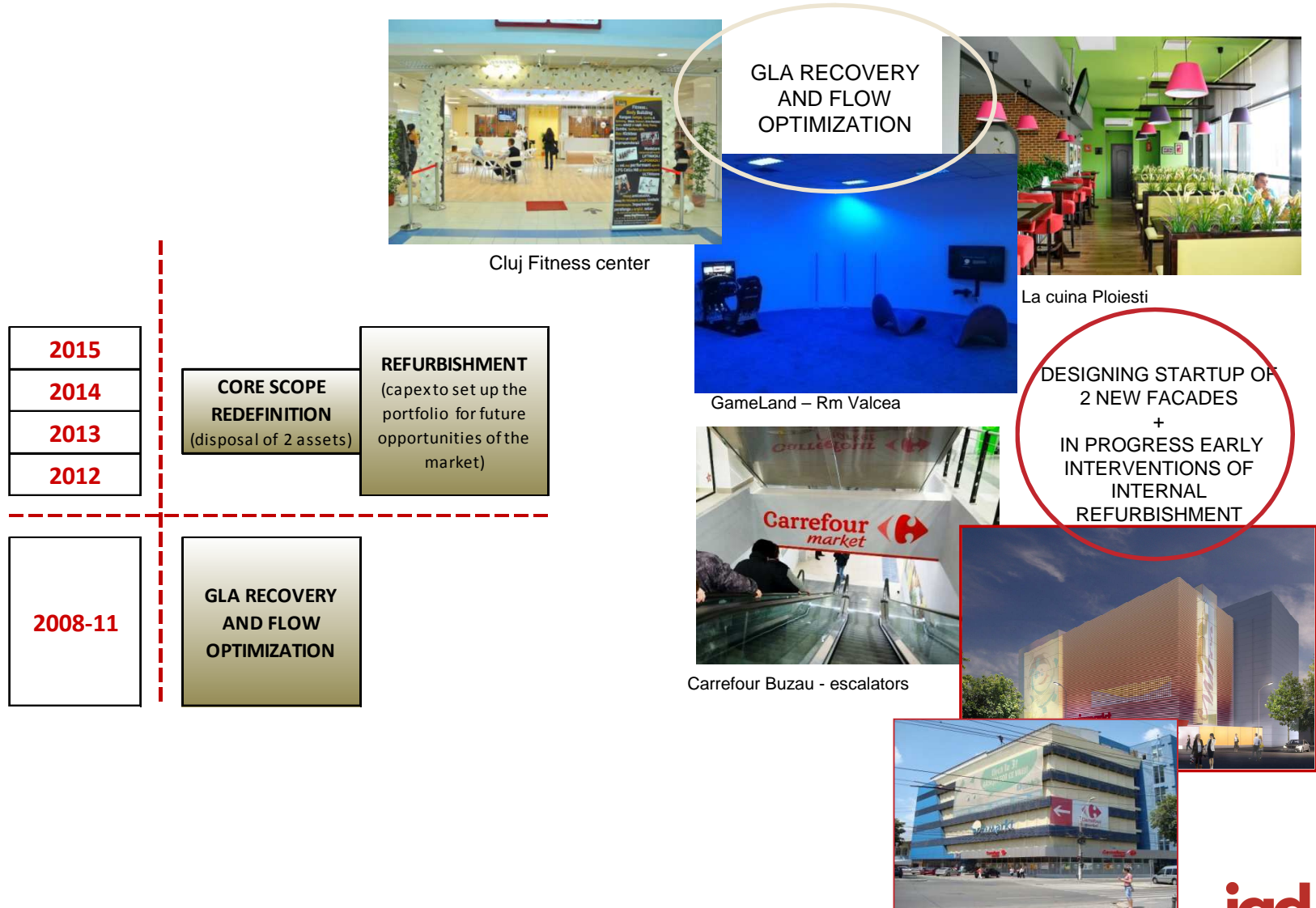
**Disposal of the entire portfolio after 2015**

Meanwhile

The non-strategic properties to be sold have already been identified. In particular, **Ploiesti Junior at the end of 2013 and Slatina in 2014** (about **8 € mn**).

# 19 3. Romania

3. Enhancement of portfolio and development pipeline



# 20 3. Chioggia Retail Park

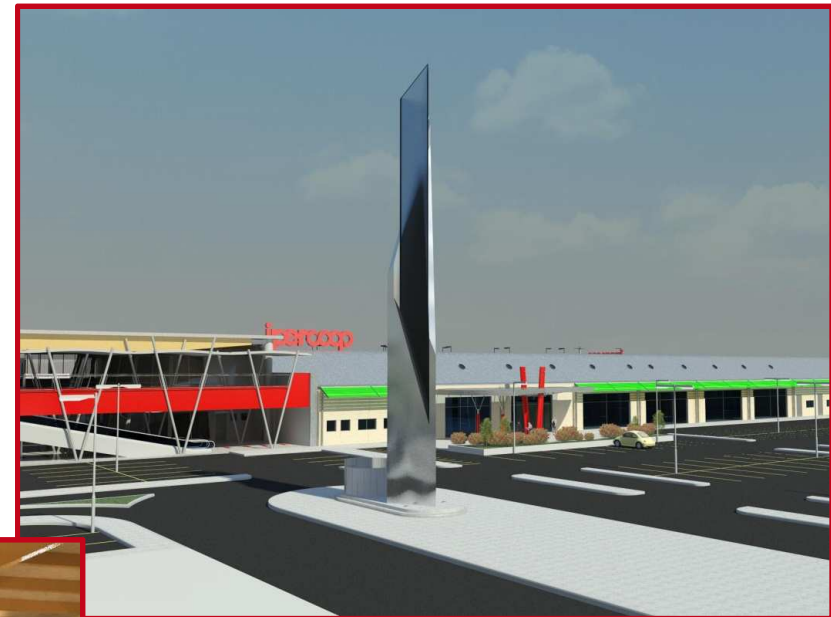
3. Enhancement of portfolio and development pipeline

## CHIOGGIA RETAIL PARK – CHIOGGIA (VE)

**Start of work end 2012 End of work March 2014**

The project consists of a total GLA of 18,343 m<sup>2</sup>, which will incorporate a Hypercoop of 7,490 m<sup>2</sup> (of which 4,500 m<sup>2</sup> of sales area), 5 medium surface areas for a total of 9,575 m<sup>2</sup> and 8 stores of which one will be a restaurant. The expected parking places will be 1,465.

**Total expected investment** about 39 € mn



Chioggia Retail Park rendering, inside and outside.

# 21 3. ESP

3. Enhancement of portfolio and development pipeline

## ESP – Restyling and Extension

### Restyling - Work completed at the end of 2011

Total investment about 2.8 mn €

The restyling (inside and outside) concerned lighting, flooring, furnishing and layout of some stores in the shopping mall.

### Extension

At the authorization and planning stage.

**End of work:** April 2015

The extension includes an increase of 23,400 m<sup>2</sup> of GLA and the creation of 1,100 parking places. The project regards the mall.

**Total expected investment** about 51 € mn



Above rendering of ESP extension, on the left view of the internal restyling.

# 22 3. Porto Grande

3. Enhancement of portfolio and development pipeline

## PORTO GRANDE – Porto d’Ascoli (AP)

**Start of work** half 2013

**End of work** May 2014

The final urban planning with the municipality is in progress.

The **extension** consists of an additional 5,000 m<sup>2</sup> for 2 external medium surface areas, in addition to 1,700 m<sup>2</sup> of green areas and 10,531 m<sup>2</sup> of new parking places.

**Total expected investment about 9.9 mn €**



Rendering of Porto Grande extension

# 23 3. Centro d'Abruzzo

3. Enhancement of portfolio and development pipeline

## CENTRO D'ABRUZZO – S. Giovanni Teatino (CH)

**Start of work** second half 2012

**End of work** March 2014

The final urban planning with the municipality is in progress.

The **extension** consists of the construction of a building of 4,700 m<sup>2</sup> with 3,000 m<sup>2</sup> of GLA in addition to 8,743 m<sup>2</sup> for parking places.

**Total expected investment** about 16 € mn



Rendering of Centro d'Abruzzo extension, inside and outside



# 24 3. Centro Sarca, Gran Rondò, Le Porte di Napoli (capex)

3. Enhancement of portfolio and development pipeline

## CENTRO SARCA – Sesto San Giovanni (MI)

**Start of work** 2013  
**End of work** 2015  
Restyling of the mall and of the facade.  
**Total expected investment** about 6 € mn



Rendering Centro Sarca extension, inside and outside

## GRAN RONDO' – Crema (CR)

**Start of work** 2013  
**End of work** 2015  
Extension with creation of a medium surface and restyling of the mall.  
**Total expected investment** about 11 € mn

## LE PORTE DI NAPOLI - HYPERMARKET – Afragola (NA)

**Start of work** 2013  
**End of work** 2013  
Reduction of the hypermarket area increasing GLA in mall.  
**Total expected investment** about 2.7 € mn



# 25 3. Porta a Mare - City Center (1/3)

3. Enhancement of portfolio and development pipeline

## PORTA A MARE PROJECT- LIVORNO



It is a project aimed at transforming an area of the port of Livorno, near the city center, with the construction of a multifunctional complex of about 70,000 m<sup>2</sup> for retail, residential, tertiary and accommodation and leisure uses, alongside a newly built touristic port. IGD will retain ownership of all the retail section.

The Porta a Mare project is under revision with the aim of optimizing uses and function types.

It is expected that the necessary authorizations will be forthcoming at the end of 2013 and therefore until that date the plan is to complete only the Mazzini sub-area.

Work in progress in Porta a Mare, Livorno



# 26 3. Porta a Mare – City Center (2/3)

3. Enhancement of portfolio and development pipeline



# 27 3. Porta a Mare – City Center (3/3)

3. Enhancement of portfolio and development pipeline

2012-2013  
Piazza Mazzini  
retail and  
residential

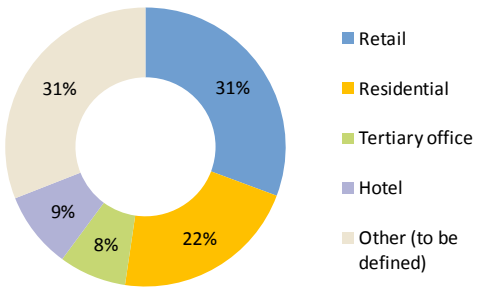
2014-2015  
Mazzini: end of sales for residential  
Officine: retail and start of sales for residential

PORTA MEDICEA - Sales development	Pre 1H 2012	2H 2012	2013	2014	2015
<b>Total</b>	1.7	0.0	45.9	22.2	52.1
<i>of which to IGD for retail</i>	0.0	0.0	27.9	0.0	47.5
<b>Cumulative total</b>	121.9				

PORTA MEDICEA - Building development	Pre 1H 2012	2H 2012	2013	2014	2015
<b>Total</b>	100.7	6.7	13.2	14.8	17.9
<i>of which retail portion</i>	28.5	4.3	5.2	7.5	12.2
<b>Cumulative total</b>	153.3				

Sub-area	Use	Start of work
Piazza Mazzini	retail, residential and offices	2010
Officine Storiche	retail and residential	2H2013
Molo Mediceo	retail	POST 2015
Lips	retail, touristic and hotel	POST 2015
Arsenale	retail and offices	POST 2015

## SURFACES BREAKDOWN



## 28 Final remarks (1/2)

*We believe that:*

- ✓ the 2012-2015 Business Plan, as an evolution of the previous plan, can be considered a **consolidation plan of the great development achieved over the previous years**  
*(Value of the property portfolio from 500€ mn at IPO in 2005 to 1,9€bn end 2011)*
- ✓ the Business Plan is realistically feasible, not including extraordinary transactions

*In this sense  
we are  
committed to*

Creating, over the business plan timespan,

**Sustainability** in terms of:

- ✓ **operating management**
  - ✓ **asset value**
  - ✓ **cost of capital.**

## 29 | Final remarks (2/2)

But most of  
all to:

✓ **Remain at or above 0.07 € of dividend**  
and

✓ If the share price levels will permit it, to repeat  
the ***Dividend Reinvestment Option*** every year

*(It is assumed that 50% of the amount to be distributed will be reinvested in a capital increase organized ad hoc)*

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