

Event: **FY 2013 Financial results presentation**
Date: **27th February 2014**
Speakers: **Mr. Claudio Albertini, CEO**
Mr. Daniele Cabuli, COO

OPERATOR: GOOD AFTERNOON. THIS IS THE CHORUS CALL OPERATOR. WE'D LIKE TO WELCOME YOU TO IGD'S FULL YEAR 2013 FINANCIAL RESULTS PRESENTATION. ALL PARTICIPANTS' TELEPHONE LINES HAVE BEEN MUTED. AFTER MANAGEMENT'S PRESENTATION, THERE WILL BE A Q&A SESSION. TO BE ASSISTED BY A CHORUS CALL OPERATOR DURING THE CONFERENCE CALL, PRESS "*" FOLLOWED BY "0" ON YOUR TELEPHONE KEYPAD. NOW I'D LIKE TO TURN THE CALL OVER TO CLAUDIO ALBERTINI, IGD'S CEO. PLEASE, SIR.

CLAUDIO ALBERTINI: GOOD AFTERNOON, EVERYBODY. AS YOU'VE PROBABLY READ IN THE PRESS RELEASE THAT CAME OUT NOT TOO LONG AGO, OUR BOARD APPROVED THE FULL YEAR 2013 RESULTS THAT I AM ABOUT TO PRESENT TO YOU. AND INCIDENTALLY, YOU HAVE ALL RECEIVED COPIES OF THE PRESENTATION WHICH OTHERWISE IS AVAILABLE ON OUR WEBSITE.

WE ARE NOW ON PAGE 3. WE HAVE DEVOTED THE FIRST TWO PAGES TO THE HIGHLIGHTS OF THE PREVIOUS YEARS. REVENUES AMOUNTED TO A €127 MILLION, UP 3% COMPARED TO THE END OF 2012, WHILST THE CORE BUSINESS REVENUES THAT AS FAR AS OUR GROUP IS CONCERNED IS REPRESENTED BY RENTAL INCOME, SHRANK 2.1%. EBITDA STILL TALKING ABOUT THE CORE BUSINESS IS SLIGHTLY BELOW €83 MILLION, MINUS 3.5%, WHILE THE EBITDA MARGIN IS DOWN 1 PERCENTAGE POINT TO 68.6%. GROUP NET PROFIT AMOUNTED TO €5 MILLION, DOWN 55.7% AND THE FUND FROM OPERATIONS OF THE CORE BUSINESS AMOUNTED TO €35.5 MILLIONS, DOWN 4.8 PERCENTAGE POINTS COMPARED TO YEAR END 2012. THE BOARD RESOLVED TO PUT FORWARD THE PAYMENT OF A DIVIDEND OF €0.065 WHICH COMPARES TO THE €0.07 OF 2012.

ON THE FOLLOWING PAGE, YOU CAN SEE OUR €2.22 MILLION AND NET NAV PER SHARE, SORRY €2.22, THAT'S THE NET NAV PER SHARE, WHILST OUR TOTAL PORTFOLIO MARKET VALUE IS DOWN 15.3% COMPARED TO THE SAME PERIOD. THEN WE SPLIT OUR PORTFOLIO BETWEEN THE PART OF THE PORTFOLIO WHICH IS UNDER DEVELOPMENT AND THE ONE GENERATING INCOME, THE LATTER REPRESENTING €1.7 MILLION OR DOWN €30.9 MILLION COMPARED TO THE SAME PERIOD LAST YEAR. FINANCIAL OCCUPANCY, YOU CAN SEE THAT WE USED THE EPR'S CRITERIA TO ELABORATE THE NUMBERS. THE NUMBERS FOR ITALY AMOUNTED TO 97.4% WHICH COMPARES TO 97.5% LAST YEAR, SO AS YOU CAN SEE, REMAINED ALMOST UNCHANGED ALTHOUGH WE HAD A HIGHER VACANCY. LOOKING AT ROMANIA, THE OCCUPANCY AMOUNTED TO

84.5%, DOWN APPROXIMATELY 5 PERCENTAGE POINTS COMPARED TO THE SAME PERIOD LAST YEAR, THAT IS TO SAY FULL YEAR 2012. LET ME SAY RIGHT AWAY THAT THE BULK OF THIS VACANCY PERTAINS TO STRATEGIC OR CORE BUILDINGS OR PROPERTY.

ON PAGE 6 YOU CAN SEE THE ITALIAN ECONOMIC CONTEXT FOLLOWED BY THAT OF ROMANIA ON THE FOLLOWING PAGE. THE MAIN INDICATORS THAT AFFECTED OUR BUSINESS ARE GDP, CONSUMPTION AND RETAIL INVESTMENTS. AS WE ALL KNOW, GDP SHRANK IN 2013 1.8%, ALTHOUGH IN THE LAST PART OF THE YEAR, WE SAW THE FIRST POSITIVE SIGNALS. SO WE DO HOPE THAT WE FINALLY HAVE REACHED THE TREND REVERSAL. LET'S HAVE A LOOK AT CONSUMPTION, HERE TOO WE ARE IN THE NEGATIVE, WE HAVE NEGATIVE DATA, 2.5% THAT'S THE DECLINE IN HOUSEHOLD CONSUMPTIONS, BUT NONETHELESS, WE PERFORMED SLIGHTLY BETTER THAN THE AVERAGE OF THE INDUSTRY. THE LAST CHART ON THE RIGHT HAND SIDE IS THE MOST INTERESTING AND MEANINGFUL PIECE OF DATA, THAT'S RETAIL INVESTMENTS. THERE WAS AN ACCELERATION IN 2013, IF WE LOOK AT THE PAST FIVE YEARS, THE 2013 NUMBER IS PROBABLY THE MOST ATTRACTIVE ONE, AND ONCE AGAIN, THE PORTION OF RETAIL INVESTMENTS HAD QUITE A MEANINGFUL IMPACT. I'D LIKE TO TALK ABOUT THE AVERAGE INVESTMENTS BECAUSE YOU KNOW OUR CONTRACTS ARE INFLATION-INDEXED, WE STARTED WITH AN INFLATION OF 3% IN 2012. IT WENT TO 1.2%, OUR ESTIMATES WERE HIGHER IN THE 2%, 2.2% RANGE, THERE WAS A SORT OF COOLING-OFF EFFECT IN THE LAST PART OF THE YEAR AND I THINK THAT IN DECEMBER, WE GOT 0.7%.

LET'S HAVE A LOOK AT ROMANIA ON THE NEXT PAGE. THE ECONOMIC CONTEXT IS SLIGHTLY BETTER THAN IN ITALY. AND IF WE LOOK AT GDP, IT IS SLIGHTLY IN THE POSITIVE, SLIGHTLY OVER 2 PERCENTAGE POINTS. WE KNOW THAT IN ABSOLUTE NUMBERS, WE ARE TALKING ABOUT ONE EIGHTH OF ITALY'S GDP, AND WE WITNESSED A DECLINE IN CONSUMPTIONS, ALTHOUGH WE ARE STILL IN THE POSITIVE, PLUS 1%. WE HAVE DISCLOSED ALSO OUR FORECAST YEAR THAT HAVE BEEN EXTRACTED FROM THE MAIN FORECASTING INSTITUTES. IN ROMANIA, EXPECTATIONS ARE FOR A GROWING GDP AND CONSUMPTION LEVELS, ALTHOUGH TO A LESSER EXTENT THAN IN ITALY.

LET'S NOW MOVE ON TO SLIDE 9, AND HERE WE CAN HAVE A LOOK AT OUR CONSOLIDATED INCOME STATEMENT. WE KEEP SPLITTING IT BETWEEN THE CORE BUSINESS AND THE "PORTA A MARE" PROJECT WHICH HAS STARTED TO GENERATE THE FIRST REVENUES. WE HAVE SIGNED CONTRACTS FOR 18 FLATS IN THE LAST PART OF 2013, AND MORE ARE IN THE PIPELINE IN THE FIRST HALF OF THE CURRENT YEAR. AND THE 3% GROWTH IN REVENUES AS I ANTICIPATED, CAN BE ATTRIBUTABLE TO THESE SALES, SLIGHTLY OVER €6 MILLIONS WHICH ARE THE UNDERLYING DRIVER OF THE 3% REVENUES GROWTH. AS FAR AS RENTAL IS CONCERNED, WE SAW AN OVERALL DECLINE OF SLIGHTLY MORE THAN 2% INCLUDING RENTALS AND MISCELLANEOUS SERVICES. VERY RAPIDLY, THE GROSS MARGIN SHRANK 2.6% WITH EBITDA MINUS 3.3% OF WHICH 3.5% PERTAINS TO OUR CORE BUSINESS. WE ARE TALKING ABOUT €85.7 MILLION AGAINST €82.9 MILLIONS REPORTED LAST YEAR. EBITDA MARGIN, WE HAVE INCLUDED IN THE

CORE BUSINESS COLUMN 69.6% DOWN ONE PERCENTAGE POINT COMPARED TO FULL YEAR 2012. IF YOU LOOK AT THE LINES BELOW EBITDA, AND IF WE ARE TALKING ABOUT A CHANGE IN FAIR VALUE AND THE WRITE-DOWNS, €34.5 MILLION WHICH HAS TO BE RELATED TO THE €1 MILLION OF WRITE-DOWNS OR WRITE-BACKS €233.5 (PH) MILLION OF FAIR VALUE WHICH GIVES US €47.9 MILLION EBIT, WE ARE DOWN 9% AND SOME POSITIVES INCLUDE OUR NFP. AS YOU CAN SEE, IT'S SHRINKING IN TERMS OF OVERALL NUMBERS, APPROXIMATELY €1.2 MILLION COMPARED TO 2012, SO 46 AGAINST 47.75 WITH A DECLINE IN FINANCIAL CHARGES. WE HAVE APPROXIMATELY €500 MILLION, THAT'S THE INCOME FROM EQUITY INVESTMENT WITH A PRE-TAX INCOME OF €920,000 AGAINST THE €4,967,000 WE HAD LAST YEAR. NOW, WE POSTED €3 MILLION IN DEFERRED TAXES, DTAs AND WE HAVE A POSITIVE CHANGE IN THE ACTUAL TAXES WHICH GIVES US A TAX POSITION AND NET GROUP PROFIT OF ABOUT €5 MILLION, WHICH I POINTED TO IN OUR FIRST SLIDE.

LET'S GO TO PAGE 10; AND HERE YOU CAN SEE OUR TRADITIONAL CHART WITH THE MARGINS BROKEN DOWN BY TYPE OF BUSINESS. THE CONSOLIDATED GROSS MARGIN SHRANK 2.6 PERCENTAGE POINTS OF WHICH 2.9 IS ATTRIBUTABLE TO CORE BUSINESS. AND AS YOU CAN SEE IN THE BOX AT THE BOTTOM OF THIS SLIDE, BELOW THE CHART GIVES US 85...86.5% OF MARGIN FROM FREEHOLD PROPERTIES SLIGHTLY DOWN COMPARED TO 2012. THEN WE HAVE APPROXIMATELY 3 PERCENTAGE POINTS OF LEASEHOLD PROPERTIES BECAUSE OF PROVISIONS AND DIFFERENT COSTS.

LET'S NOW HAVE A LOOK AT THE DIFFERENT ITEMS OF OUR P&L. ON PAGE 11, YOU CAN SEE SOME REVENUE HIGHLIGHTS, TOTAL REVENUES WAS UP 3%, IF YOU LOOK AT THE CORE BUSINESS REVENUES THEY ARE DOWN 2.1%. ON THE RIGHT HAND SIDE, YOU CAN SEE THE BREAKDOWN BY TYPE OF ASSETS, AND AS YOU CAN SEE MORE THAN 60% OF OUR TOTAL REVENUES ARE ACCOUNTED FOR BY SHOPPING MALLS 29.3% IS ACCOUNTED FOR BY OUR 19 HYPERMARKETS BY LEASEHOLDS AND FREEHOLDS. AND THEN WE HAVE THE CONTRIBUTION OF OUR CONTROL COMPANY IN ROMANIAN WINMARKT. AT THE BOTTOM OF THE SLIDE YOU CAN SEE THE VARIOUS RENTAL INCOME DRIVERS. AND ON A LIKE-FOR-LIKE BASIS, WE SEE €1.3 MILLION OR MINUS 1.2% DECLINE IN ITALIAN REVENUES ON A LIKE-FOR-LIKE BASIS. REVENUES FROM [INDISCERNIBLE] THROUGH INDEXATION AND STEP RENTS WAS RE-QUOTED AND THEN WE HAD 1.3% ON A LIKE-FOR-LIKE BASIS OF OUR RENTALS IN THE SHOPPING MALL AREA OR BUSINESS SEGMENTS. BUT ALSO, THANKS TO THE FACT THAT WE GRANTED TEMPORARY REBATES TO OUR TENANTS. ROMANIA WAS DOWN WITH 9 PERCENTAGE POINTS OR MORE THAN THAT DECLINE. THIS DECLINE OR THIS DROP IS ATTRIBUTABLE TO OUR DECLINE IN RENTAL INCOMES BECAUSE OF HIGHER VACANCIES AND LONGER TURNOVER TIMES. THE OVERALL NUMBERS OF RENTAL FEES IS MINUS 1.9% AS YOU CAN SEE.

LET'S NOW MOVE ON TO PAGE 12, AND HERE YOU CAN SEE THE SPILT OF DIRECT COSTS AND G&A EXPENSES. AGAIN, WE ARE TALKING ABOUT THE CORE BUSINESS ON A STANDALONE BASIS. AS YOU CAN SEE, DIRECT COST HELD UP PRETTY WELL. PLEASE BEAR IN MIND THAT THE

INCREASE RECORDED THERE IS BASICALLY ATTRIBUTABLE TO AN INCREASED IMU TAX. WE HOPE WE SAW THE LESS STEP-UP OF IMU APPROXIMATELY €400 MILLION, BECAUSE OF AN INCREASE IN CALCULATION COEFFICIENTS AND SO-CALLED D8 LAND REGISTRY CLASS. THIS IS VERY DIFFICULT TO EXPLAIN TO FOREIGN INVESTORS. BUT MR. ALBERTINI IS SAYING, LET ME SAY THAT I SHOULD SAY THE LAST FINAL SMALL INSTALLMENT WHICH WE ARE PAYING ON THESE TAX CALLED IMU, WHICH AMOUNTS TO €7.6 MILLION ON OUR P&L, AND IF WE CONSIDER ALSO THE ROMANIAN BUSINESS THAT'S A FEW HUNDRED THOUSAND EURO. THEN WE SAW SERVICES CHARGES WHICH ARE UP €0.2 MILLION AND THEN WE HAVE A TECHNICAL CONSULTING FEE OF APPROXIMATELY €0.3 MILLION. SO NET OF IMU, WE ARE BASICALLY IN LINE WITH LAST YEAR NUMBER. G&A EXPENSE IS SLIGHTLY UP 2% IN ABSOLUTE NUMBERS; WE ARE TALKING ABOUT SLIGHTLY LESS THAN €200,000. WHAT'S MORE IMPORTANT IS THE G&A EXPENSES WHICH AS A SHARE OF OUR CORE BUSINESS REMAINED PRETTY STABLE 8.2% IN LINE WITH LAST YEAR.

SO, AGAIN WE ARE ON THE P&L SIDE, ON PAGE 13 YOU CAN SEE THE MAIN EBITDA DRIVERS THAT MOVED FROM €85.7 MILLION IN 2012 TO €82.9 MILLION, AND THE MAIN REASON IS A DECLINE IN REVENUES OF €2.4 MILLION, THAT'S A CHANGE IN CORE BUSINESS REVENUES. SO THEN WE HAVE A CHANGE IN DIRECT COST OF APPROXIMATELY €300,000. AND THEN WE HAVE A CONTRIBUTION COMING FROM OUR TRADING ACTIVITIES, WE ARE TALKING BASICALLY ABOUT PORTA A MARE SAW IMPACT ON THE GROSS MARGIN OF SALES OF 18 PLUS, GAVE A CONTRIBUTION OF ALMOST €300,000 TO OUR EBITDA. AND THEN WE HAVE A CHANGE IN G&A EBITDA AND THAT LEADS US TO OUR YEAR-END 2013 EBITDA. NOW, WE'VE ALREADY COVERED EBITDA MARGIN. I WOULD LIKE TO DRAW YOUR ATTENTION TO THE EBITDA MARGIN RELATED TO FREEHOLD MANAGEMENT THAT TO SAY DIRECTLY OWNED PROPERTIES WHICH IS 10 PERCENTAGE POINTS ABOVE THE LEVEL OF THE CONSOLIDATED EBITDA. WE HAVE SEVERAL CASES OF MASTER LEASES OR OTHER SITUATIONS WHICH...FOR WHICH WE HAVE ADJUSTED THESE NUMBERS. SO THE ADJUSTED NUMBER WOULD HAVE BEEN 78.2%.

SO GROUP NET PROFIT €5 MILLION OR DOWN 55.7%. ON THE RIGHT HAND SIDE, YOU CAN SEE AGAIN THE DRIVERS THAT LED OUR PROFIT TO €4.9 MILLION SO A €150 MILLION...€155 MILLION [TECHNICAL DIFFICULTY] THAT'S CONTRIBUTION OF THE PORTA A MARE PROJECT. AND THEN WE HAVE €2.6 MILLION, THAT'S THE CHANGE IN DEPRECIATION AND DEPRECIATION AT FAIR VALUE. AND THEN WE HAVE A POSITIVE CONTRIBUTION OF FINANCIAL CHARGES AND INVESTMENTS. AND THEN WE HAVE A CHANGE IN TAXES, BOTH CURRENT AS WELL DEFERRED ONES OF €2.9 MILLION. NET OF LOSSES PERTAINING TO THIRD-PARTIES TO THE PORTA A MARE PROJECT REALLY GIVES US, AN OVERALL GROUP NET PROFIT SLIGHTLY BELOW €5 MILLION.

NEXT PAGE, FUNDS FROM OPERATIONS FROM OUR CORE BUSINESS, AMOUNTING TO €35,464,000, DOWN 4.8%, YOU CAN SEE THE TWO MACRO ELEMENTS THAT AFFECTED THIS NUMBER €3 MILLION DECREASE IN EBITDA ON A CONSOLIDATED LEVEL AND THE €1.2 MILLION IN THE POSITIVE WHICH IS THE DECREASE IN FINANCIAL MANAGEMENT. SO MINUS 4.8% THAT'S THE OVERALL DELTA IN OUR FFO.

LET'S NOW COMMENT ON OUR OPERATING PERFORMANCE OR OUR SALES ACTIVITIES. THESE ARE THE COMMERCIAL HIGHLIGHTS THAT YOU CAN SEE ON PAGE 17. AS I MENTIONED ALREADY, LAST YEAR THERE IS A POSITIVE WHICH IS REPRESENTED BY FOOTFALLS, WERE ALMOST IN THE RANGE OF 1%, 0.9% TO BE MORE ACCURATE AGAINST LAST YEAR WHICH PROVE THE BEAUTY AND THE EFFECTIVENESS OF OUR FORMAT SO TO SPEAK. I LIKE TO SHARE QUITE AN ATTRACTIVE NUMBER WITH YOU, WHICH IS QUITE NEW. THE NUMBERS AT THE END OF JANUARY ARE IN THE POSITIVE; WE ARE TALKING ABOUT 3.5 PERCENTAGE POINTS, SO THERE IS AN INCREASE IN THIS ALREADY POSITIVE TREND. THERE IS A FURTHER INCREASE WHICH WAS RECORDED IN THE SECOND PART OF 2013, AND A FURTHER IMPROVEMENT IN JANUARY 2014. IF WE COMPARE OUR TENANT SALES IN ITALIAN IGD SHOPPING MALLS, AND WE COMPARE THAT WITH THE CNCC NUMBERS, WE ARE 2.5%, THAT TO SAY, THAT'S A DECLINE RECORDED BY THE CNCC MALLS. SO THIS MEANS THAT OUR SHOPPING MALLS PERFORMED APPROXIMATELY 1 PERCENTAGE POINT BETTER THAN THE BENCHMARK, ALTHOUGH STILL IN THE NEGATIVE. LET'S TALK ABOUT ROMANIA, APPROXIMATELY 5.5% OR 5.4% DECLINE IN FOOTFALLS, BUT THAT'S REALLY BEING OFFSET BY THE FACT THAT WE HAVE SUCCEEDED TO ATTRACT A MAJOR INTERNATIONAL TENANTS.

ON PAGE 18, YOU CAN SEE A FEW DETAILS ABOUT THE PERFORMANCE OF OUR SHOPPING MALLS AND FOOTFALLS. IN ITALY, WE HAVE ALMOST 66 MILLION FOOTFALLS, SO THAT GIVES US A PLUS 0.9%, WHICH IS COMBINED TO THE ROMANIAN DATA, WILL PLACE US SLIGHTLY BELOW 100 MILLION VISITORS COMBINING ITALY AND ROMANIA.

ON PAGE 19, THERE IS QUITE A MEANINGFUL CHART. HERE YOU CAN SEE A RELATIONSHIP BETWEEN FOOTFALLS AND SALES OF OUR TENANTS. SO IN THE FIRST HALF OF 2013 THE SITUATION WAS NOT COMPARABLE, THE MOST STRIKING NUMBER WAS THAT OF MARCH, FOOTFALLS WERE UP 3.5% WITH 5.7% AS THE DECLINE IN SALES OF TENANTS. THEN GRADUALLY THESE TWO DIFFERENTLY COLOR COATED LINES STARTED TO CONVERGE. AND LATER IN THE YEAR, AS YOU CAN SEE THEY WERE QUITE SIMILAR IN PERFORMANCE WITH AN INCREASE IN FOOTFALLS AND SEEING INCREASE IN SALES BY TENANTS AS IT SHOULD NATURALLY AND OBVIOUSLY BE.

ON PAGE 20, YOU CAN SEE AGAIN THE TRENDS AND SALES NUMBER OF THE HYPERMARKETS AND SUPERMARKETS OF THE COOP SYSTEM IN 2013. WE ARE TALKING ABOUT THE HYPERMARKETS, WHICH IS CIRCLED IN RED, SINCE BASICALLY OUR SHOPPING MALLS HAVE ADOPTED THE HYPERMARKET PERFORMANCE. SO THERE IS A 2.7% DECLINE, HYPER COOP ADRIATICA, WHICH IS OUR MAIN SHAREHOLDER DECLINED OUR SHARE 1%, UNICOOP TIRRENO MINUS 3% WAS 6.6% IS THE WORST PERFORMANCE REPORTED BY IPERCOOP SICILIA. IF WE LOOK AT OTHER SUPERMARKETS WE SAW DIFFERENT TRENDS. AND THIS INDEED SHOWS THE GOOD PERFORMANCE AND THE FACT THAT WE MANAGE TO RETAIN OUR

LEVELS 1.6%, LOWER THAN LAST YEAR, STILL BETTER THAN THE BENCHMARK, WE'VE OUTPERFORMED THE BENCHMARK, AS FAR AS THE COOP SYSTEM IS CONCERNED.

WE ARE NOW ON PAGE 21; THE TENANTS IN ITALY USED THE USUAL TABLE WITH THE TOP 10 TENANTS FOR ITALY. AND YOU SEE THE RELEVANT CONTRACT 1,016 MALLS, 19 HYPERMARKETS AND THE BREAKDOWN BETWEEN THE DIFFERENT BRANDS. INTERNATIONAL BRANDS ACCOUNT FOR 17%, AND NATIONAL BRANDS 66%, AND LOCAL BRANDS 16%.

SAME CAN BE APPLIED ON PAGE 22, TO THE ROMANIAN SITUATION. AND HERE YOU SEE THE TOP 10 TENANTS WE HAVE A TREND THAT RECONFIRMS THE INTERNATIONAL LEVEL OF OUR MALLS. YOU SEE CARREFOUR THE ONE, AND WE HAVE NINE FORMATS IN OUR SHOPPING MALLS AND THEN BILLA WHICH IS THE LAST AMONG THE TOP 10. SO ITS 11 NEW SUPERMARKETS HAVE BEEN INTRODUCED IN OUR MALLS OVER THE LAST FEW YEARS. H&M, WE'VE MANAGED TO INTRODUCE THEM, AND THEY ARE DOING VERY WELL, AND THERE ARE 12 OF THEM, THEY ARE LEADING BRANDS. AND THEN GROCERY MARKET, IT'S A GERMAN BRAND ACCOUNTS FOR 2.4%, 5 CONTRACTS THEY HAVE ALREADY SIGNED WITH US. ON THE RIGHT, OUT OF THE 552 CONTRACTS, YOU HAVE A BREAKDOWN BY TURNOVER OF THE DIFFERENT BRANDS; WE ARE MORE BALANCED VERSUS THE ITALIAN SITUATION HERE. INTENTIONAL BRANDS HERE ACCOUNT FOR 29%, WHICH IS A VERY APPEALING DATA INDEED AND IT'S GOING TO GROW OVER THE NEXT FEW YEAR, NATIONAL 25% AND LOCAL BRANDS IS 46%.

WE ARE NOW ON PAGE 23 OF THE HANDOUTS. THE CONTRACTS IN ITALY AND THE RELEVANT MATURITY PROFILE, ITALY 2013, 196 CONTRACTS THAT ARE DUE FOR MATURITY AND EXPIRY, 101 WERE TURNED OVER AND 95 RENEWED WITH A MORE THAN AVERAGE POSITIVE OUTCOME WHEN IT COMES TO RENEWALS. SO THAT'S VERY GOOD, IT MAKES US BE CONFIDENT GOING FORWARD FOR NEXT YEAR. ROMANIA IT'S A NEGATIVE DATA, 286 CONTRACTS RENEWED, DOWNSLIDE ON AVERAGE 9.1%, WE ARE TALKING ABOUT ROMANIA OVERALL. AND WE MANAGED TO UNDERWRITE 142 NEW CONTRACTS. THE DOWNSIDE IS MAINLY DUE TO THE NUMBER OF CONTRACTS THAT EXPIRED IN PLOIESTI, AND IT'S A CITY WHERE WE HAVE A HIGH LEVEL OF COMPETITION, NEW OPENINGS OF SHOPPING MALLS VERY CLOSE TO OURS, THAT WAS OPENED LAST YEAR, SO A VERY HIGH LEVEL OF COMPETITION THERE.

IT'S VERY INTERESTING TO SEE ALSO WHAT IS PROPOSED BY THE NEXT FOUR SLIDES, WE SEE THE COMMERCIAL STRATEGIES WE HAVE DRAWN UP IN ITALY TO TRY AND REACT TO THE ONGOING CHANGES IN CONSUMPTION MODELS. AND NEXT INDEED, HAND-IN-HAND WITH THE NEW NEEDS IN THE FOOD INDUSTRY, WE HAVE TEMPORARY SHOPS, WE HAVE INTRODUCED TRADITIONAL SHOPS SELLING, TYPICAL PRODUCTS, FOOD AND DESIGN PRODUCTS, AND WE HAVE NEW SECOND HAND AREAS, BOTH IN CLOTHING AND ELECTRONICS. AND WE FURTHER PROCEEDED IN OUR MARKETING PLANS TO SHARE A COMMON IDENTIFY AND TO OPTIMIZE COSTS.

AND IN 2013, WE MANAGED TO ORGANIZE 514 EVENTS WITH AN INCREASE OF ABOUT 10%, COMPARED TO 2012, AND THAT IS ONE OF THE BEST DRIVERS THAT LED TO THE 1% GROWTH WE HAVE WITNESSED FOR OUR SHOPPING MALLS, 36% OF THESE WERE RECREATIONAL-SPORTS EVENTS CARRIED OUT IN ASSOCIATION WITH LOCAL ORGANIZATIONS, AND 17 WERE EVENTS THAT SOMEHOW WE ARE IN THE SOCIAL ENVIRONMENTAL UNIVERSE.

MERCHANDIZING MIX, WE ARE ON PAGE 25 OF THE PRESENTATION. WE ARE TRYING TO CHANGE ON THE SLIDE SO TO SAY, AS WE GO ALONG, AND WE HAVE INTRODUCED NEW TYPES OF SERVICES. AND IN ADDITION TO E-COMMERCE, WE WILL BE SEEING IT ON THE NEXT SLIDE. AND THERE ARE NO THREATS THERE, THE PHYSICAL PRESENCE OF THE CUSTOMER THERE. THE FOOTFALL IS COMPULSORY, THERE ARE DENTAL CLINICS, AND MEDICAL CLINICS, FITNESS AND WELLNESS CENTERS. AND WE HAVE ALSO WORKED WITH OUR DEVELOPMENT FUNCTION. WE HAVE WORKED ON LAYOUTS, AND THIS IS AN EXAMPLE WE ARE PROVIDING IN THE PRESENTATION, AND THIS IS SOMETHING WE HAVE ALREADY COMPLETED WITH AVERAGE SERVICE COVERED; IT'S THE TIBURTINO SHOPPING MALL WE ARE TALKING ABOUT. WE ARE CONDUCTING A FAR REACHING ACTION HERE, AND WE WANT TO FURTHER REDUCE THE HYPERMARKET, AND WE WANT TO INSTEAD FOCUS ON SHOPPING MALLS, PART OF THE ROOM THAT WILL BE LEFT FREE FROM 30,000 SQUARE METERS TO ABOUT 4,500, THE NEW SURFACE AND IT WILL BE DEVOTED TO NEW SHOPS AND INITIATIVES WITHIN THE SHOPPING MALL.

AND ON PAGE 26, I HEAR THIS QUESTION OVER AND OVER, ESPECIALLY IN NORTHERN EUROPE, E-COMMERCE. WHAT ARE YOU DOING WITH E-COMMERCE? THIS IS WHAT WE DO IN ITALY, FOR INSTANCE SOMETHING IS CHANGING, ON LINE SALES IN ITALY HAS GONE UP 17% AND WE EXPECT A SUSTAINED GROWTH GOING FORWARD. AS WELL AS IN THE COMING YEARS, YOU SEE ON THE RIGHT HAND SIDE, YOU SEE A TABLET OF E-COMMERCE SALES IN ITALY VERSUS OTHER EUROPEAN COUNTRIES, WHAT WE WOULD LIKE TO STRESS IS THAT E-COMMERCE IN ITALY, WE ARE TALKING ABOUT RETAIL SALES, ACCOUNT FOR A VERY SMALL PORTION OF TOTAL RETAIL...IT'S ABOUT 3% OF TOTAL RETAIL SALES. IF YOU LOOK AT THE PIE CHART, BOTTOM RIGHT, YOU SEE E-COMMERCE SALES IN ITALY BROKEN DOWN CATEGORY-BY-CATEGORY. SO PERCENTAGE WISE YOU HAVE MAINLY TRAVEL TECHNOLOGY AND CONSUMER ELECTRONICS, INSURANCE AND BOOKS. AND INDEED IT IS A PHENOMENON THAT WE ARE KEEPING A KEEN EYE ON. HOWEVER, WE SEE A CONVERGENCE BETWEEN THE DIFFERENT PURCHASING MODES, SO TO SAY. THERE WILL BE SHOWROOMS ALSO OF PLAYERS THAT WILL BE SELLING E-COMMERCE. SO THE PHYSICAL WORLD AND THE VIRTUAL WORLD CAN LIVE TOGETHER, AND IT WILL BE INTEGRATED IN THE SAME POINT OF SALES.

IT'S VERY INTERESTING WHAT WE ARE DOING WITH THE NEW TECHNOLOGIES AS WELL. THIS IS PAGE 27 OF THE PRESENTATION; THIS IS A DASHBOARD OF WHAT WE ARE DOING IN THE NEW TECHNOLOGY FIELD. LOOK AT THE INTERNET SITE AND WI-FI, ALL OF OUR SHOPPING MALLS ARE NOW EQUIPPED WITH BOTH INTERNET SITE AND WI-FI CONNECTIONS. AS FAR AS SOCIAL MEDIA ACCOUNTS, WE ARE TWO THIRDS...WE HAVE TWO THIRDS OF THE WORK. WE THINK, WE ARE

GOING TO COMPLETE THAT BY THE END OF THIS YEAR, EACH SHOPPING CENTERS, SHOPPING MALL WILL HAVE ITS OWN FACEBOOK AND WEB PAGE. AND WE HAVE TWO APPS THAT ARE BEING TESTED IN TWO SHOPPING MALLS; WE WILL GIVE YOU THE RESULTS IN THE COMING MONTHS.

AND NOW, WE ARE ON PAGE 28 OF THE PRESENTATION. LET'S HAVE A LOOK AT SUSTAINABILITY. SUSTAINABILITY, HERE WE ARE INVESTING HEAVILY, WE HAVE BEEN INVESTING HEAVILY FOR QUITE A FEW YEARS, NOW. YOU HAVE THE MAIN EVENTS WITH THE TIMEFRAME MARCH, ISO-14001 ENVIRONMENTAL CERTIFICATION WAS OBTAINED FOR SHOPPING CENTERS AND FOR THE HEADQUARTERS; I AM TALKING FROM THE HEADQUARTERS. IN APRIL 3RD SUSTAINABILITY REPORT WAS PRESENTED, AND ALWAYS IN APRIL WE HAD SPECIALIZED TRAINING ON SUSTAINABILITY CARRIED OUT TO TWO THIRDS OF IGD'S STAFF EMPLOYEES AND IT WILL BE EXTENDED TO ALL OF THE IGD'S EMPLOYEES BY 2014, END OF 2014. AND WE DID AN IN-DEPTH TYPE OF WORK TO INVOLVE PEOPLE IN-HOUSE FOR SUSTAINABILITY PURPOSES AND ALSO FOR WHATEVER IS INCLUDED, AND FACTORED INTO THE BUSINESS PLAN THAT WAS PRESENTED IN DECEMBER. GROWTH, WE ARE STARTING TO BE ACKNOWLEDGED IN OUR EFFORTS FOR SUSTAINABILITY AND THERE ARE TWO INSTITUTIONS THAT ARE ACTUALLY ASSESSING THE LEVEL OF SUSTAINABILITY COMPANIES AND ORGANIZATIONS, SO WE WENT UP 7 PERCENTAGE POINTS WITH GRESB AND 9 PERCENTAGE POINTS WITH CDP.

LET'S HAVE A LOOK AT OUR PORTFOLIO RIGHT NOW. BOTH ITALY AND ROMANIA, WE ARE ON PAGE 30 OF THE PRESENTATION. ITALY, THE PORTFOLIO IS BASICALLY UNCHANGED. WE ARE NOW ON PAGE 31; I AM LOOKING THROUGH IT VERY, VERY QUICKLY AND BRIEFLY. PAGE 32, YOU HAVE A BREAKDOWN OF PORTFOLIO APPRAISALS, AND ITS INDEPENDENT APPRAISALS THAT'S BEEN RUNNING THE APPRAISAL. CBRE AND REAG 61% OF THE PORTFOLIO AND REAG ACCOUNT FOR 38.9% OF THE TOTAL PORTFOLIO APPRAISALS.

33, LET'S DIVE INTO FIGURES AND IF YOU COMPARE THAT WITH THE ITALIAN PORTFOLIO GENERATING REVENUES, WE HAD A REDUCTION, 1.67% REDUCTION, IT'S THE INCOME RELATED PORTFOLIO IN ITALY WE ARE TALKING ABOUT. AND FOR ROMANIA INSTEAD THERE WAS A DECLINE OF 2.5%, FOR A TOTAL OF MINUS 1.76%, PORTA A MARE PLUS PLOT OF LAND WENT ON AND THAT LEADS TO A TOTAL IGD PORTFOLIO FIGURE WHICH IS €1.891 BILLION.

PAGE 34, YOU SEE THE MARKET VALUE EVOLUTION IN GREATER DETAIL, 1.67% IS THE VARIATION ON A LIKE-FOR-LIKE BASIS FOR ITALY, AND INCLUDING HYPERMARKETS, MALLS AND RETAIL PARKS AND CITY CENTER, IT'S A POSITIVE PIECE OF INFORMATION, UP 1%. AS FAR AS HYPERMARKETS ARE CONCERNED, IT'S A NEGATIVE OUTCOME, MINUS 3.21% FOR MALLS AND RETAIL PARKS, AND OTHER IS MINUS 0.62% AND THEN OTHER AS I SAID, 2.62% AND CITY CENTER WAS SLIGHTLY UP, 0.36%. AS FAR AS ROMANIA IS CONCERNED, ON A LIKE-FOR-LIKE BASIS, MINUS 2.53% OF WHICH SHOPPING MALLS 2.08% WHILST THE OFFICES WENT DOWN IN A BIT MORE MARKED WAY.

PAGE 35 PORTFOLIO FEATURES AND CHARACTERISTICS, FINANCIAL OCCUPANCY, EPRA COMPLIANCE HAS BEEN OFFERED FOR A COUPLE OF YEARS NOW. THE OCCUPANCY RATE IN OUR HYPERMARKET IS 100%, 19 OUT OF 19, GALLERY, SHOPPING MALLS, SHOPPING MALLS 96.2%, AVERAGE FOR ITALY 97.4% WHILST AS FAR AS ROMANIAN MALLS, WE ARE 84.5% OCCUPANCY RATE. MARKET VALUE, SO COMPOUND AVERAGE YIELD 6.6% FOR HYPERMARKETS, 6.52% IN MALLS, AND 6.44% FOR ROMANIA ONLY MALLS, WE WERE TALKING ABOUT THE COMPOUND AVERAGE YIELD OF TOTAL PORTFOLIO.

PAGE 36, A SHORT UPDATE ON THE MAJOR PROJECT WE'VE BEEN WORKING ON OVER THE LAST FEW YEARS. IT'S THE PORTA A MARE PROJECT. WE ARE GOING TO BE FOCUSING IT ON THE LIVORNO AREA AS WELL THE PORTA A MARE PROJECT. AND WE VERY RECENTLY, WE HAVE ACQUIRED THIS, YOU SEE THE STAMP, IT'S THE INNOVATION, IT WAS VOTED AS THE BEST INNOVATIVE PROJECT FOR 2013 BY THIS SPECIFIC MAGAZINE. SO WE WERE VERY PROUD OF THE QUALITY OF WORK, WE WILL BE LEADING ON THIS PROJECT. IN THE SECOND HALF OF 2013, WE COMPLETED THE WORK IN PIAZZA MAZZINI, AND BOTH ON THE RETAIL AND RESIDENTIAL AREA. OUT OF 73 APARTMENTS IN TOTAL, 23 WERE SIGNED FOR IN 2013 AND WE'VE ALMOST COMPLETED ALL THE DEEDS WITH NOTARY PUBLIC FOR ALL OF THE 73 APARTMENTS. WE COMPLETED THE SALES OF THE MAZZINI AREA APARTMENTS, BETWEEN NOW AND 2015 THEY WILL ALL BE COMPLETED AND THE DEEDS WILL BE SIGNED AS WELL.

PAGE 37, MAIN INVESTMENTS AND CAPEX, FOR ITALY 2013 CENTRO D'ABRUZZO IS THE FIRST ONE, WE ARE SIGNING (PH) AN EXTENSION, LOOK AT THE PICTURES AND WE HAVE MONDOVI AND LA TORRE IN PALERMO AND THE REVENUE GENERATION AND THEN TIBURTINO SHOPPING CENTER REMODELING AND THEN WE STARTED WORK ON A RETAIL PARK CHIOGGIA AS WELL. WORK STARTED AT THE END OF 2013 AND IT SHOULD BE OPEN FIRST HALF OF 2015. TALKING ABOUT THE COMMERCIAL PARK FOR 2015 IN PORTA A MAZZINI, WE SHOULD BE ABLE TO OPEN...TO OPEN IT IN THE SECOND HALF OF THIS YEAR, BETWEEN JUNE AND JULY.

LOT OF WORK WAS DONE IN ROMANIA AS WELL, PAGE 38 OF THE PRESENTATION. ON THE REAL ESTATE PORTFOLIO, WE INVESTED SLIGHTLY LESS THAN €5 MILLION, €4.7 MILLION WERE INVESTED AND TOTAL INVESTMENT EXPECTED FOR 2014 IS AROUND €4.1 MILLION. AND ITS WORK IN PROGRESS INDEED MAJOR BRANDS WERE INTRODUCED. YOU SEE TOP LEFT, WE ARE GOING TO INTRODUCE SPRING AND AUTUMN, AND WE ARE GOING TO OPEN THREE MORE H&M POINTS OF SALE AND ANOTHER ONE IN TULCEA IN 2015. IF YOU SEE, THERE ARE PICTURES THAT REALLY SHOW YOU HOW OUR SHOPPING MALLS AND SHOPPING CENTERS ARE CHANGING IN ROMANIA; THEY ARE MORE AND MORE WESTERNIZED IF YOU ALLOW ME TO USE THIS WORD. YOU LOOK AT THE FAÇADE, THE FLAT FAÇADE, VERY MODERN ONE, YOU SEE BEFORE AND AFTER THE REVAMPING, THE GLIMPSE YOU CATCH IS VERY, VERY IMPACTFUL I WILL SAY.

LET'S GO BACK TO THE PAGE 39, THE NNAV, THE NET NAV FIGURES, 2.22 AGAINST THE 2.31 IN 2012. NET NAV PER SHARE, BOTTOM OF THE TABLE YOU SEE THE RATIO BETWEEN MARKET

VALUE AND NAV. AT YEAR END IT WAS 35% END OF 2012, 39% END OF 2013. AND SO THE STOCK PRICE WENT UP 27% AND SO THE RATIO IS NOW AROUND .0.5%. AND IN THE BOX AT THE BOTTOM OF THE PAGE, YOU SEE THE INCREASE IN NET NAV DUE TO POTENTIAL GAIN ON RETAIL OFFICINE STORICHE, AN INCREASE IN TREASURY SHARES MARKET VALUE. AND THEN THE DRO, DIVIDEND REINVESTMENT OPTION THAT ACCOUNTED FOR THIS FURTHER INCREASE HAD A DILUTIVE EFFECT.

LET'S HAVE A LOOK AT OUR NFP WHICH I THINK IS ONE OF THE AREAS WE WERE MOST FOCUSED ON AND WHERE WE GOT THE BEST RESULTS IN 2013 IN MY OPINION. I THINK THAT THE...OUR ACHIEVEMENTS WERE REALLY POSITIVE. NOW, LET'S HAVE A LOOK AT GEARING RATIO LOAN TO VALUE BASICALLY FLAT 1.38 AND 57.4%, COST OF DEBT FLAT TOO AND I THINK THAT IS POSITIVE ESPECIALLY CONSIDERING THE FACT THAT 2013 WAS A DIFFICULT YEAR FOR FUNDING FOR ALL THE REAL ESTATE PLAYERS. SO 3.94% IS THE COST OF DEBT, INTEREST COVER RATIO IS SLIGHTLY DOWN DESPITE THE DECLINE IN...THE DECLINE IN FINANCIAL INCOME AS A SHARE TO EBITDA MARGIN. YOU KNOW, THAT THIS IS THE INDICATOR WHICH MEASURES THE RELATION BETWEEN EBITDA AND FINANCIAL INCOME. AND THEN THE AVERAGE LENGTH OF LONG-TERM IS STILL LONG, 8.6% IS DOWN AS A CONSEQUENCE OF THE TWO DEALS THAT WERE EXECUTED IN 2013 TO REFINANCE OUR BOND WITH A MATURITY OF BETWEEN 4 TO 5 YEARS, WHICH IN TURN SHORTENED THE MATURITY OF OUR LONG-TERM AND MEDIUM LONG-TERM, THAT IS 75%, SO MID/LONG TERM PERCENTAGE IS 75%.

ON PAGE 42, YOU CAN SEE THE HEDGING ON LONG-TERM DEBT PLUS BOND FIXED RATE, WE ARE ALMOST IN THE REGION OF 80%, IF WE TAKE LONG-TERM DEBT ONLY, THAT GIVES US 75%. THEN THE €273 MILLION WHICH IS THE BANKING CONFIDENCE OR CREDIT LINE STILL THAT ARE BEING GRANTED APPROXIMATELY €87 MILLION OR ALMOST ONE THIRD STILL AVAILABLE AND MARKET VALUE MORTGAGE FREE ASSETS, NET OF THE DEAL AMOUNTS TO APPROXIMATELY €350 MILLIONS.

WE ARE NOW ON PAGE 43 AND LET'S HAVE A LOOK AT OUR FINANCIAL STRUCTURE. WITH THIS BREAKDOWN 187 (PH) IS THE STOCK (PH) OF TOTAL DEBT WHICH AMOUNTS TO €1 BILLION, OVER €1 BILLION. SO SHORT-TERM DEBT €187 MILLION, THEN THE CURRENT SHARE OF LONG-TERM DEBT IS €86,814 MILLION INSTEAD IS A LONG-TERM DEBT. AT THE BOTTOM YOU CAN SEE THE DEBT MATURITY GOING FORWARD.

WE ARE NOW ON PAGE 44; AND LET'S HAVE A LOOK AT OUR NET DEBT. WITH THE DRIVERS UNDERLYING THE CHANGE IN OUR NET IN FV FROM THE ONE POINT THAT YOU SEE AT THE END OF 2012 TO THE €1,084 MILLION THAT YOU SEE AT THE END OF 2013, THEN YOU CAN SEE DNA SLIGHTLY LESS THAN €35,568 MILLION THAT'S A CHANGE IN NET WORKING CAPITAL. AND THEN WE HAVE CHANGE IN DERIVATIVES OF €17 MILLIONS, €22 MILLION, THAT'S A CHANGE IN FIXED ASSETS. SO LAST YEAR WE INVESTED APPROXIMATELY €30 MILLION, SO IF WE LOOK AT THE NFP, THAT'S STABLE ALMOST DECLINING. AND YOU HAVE TO CORRELATE THAT TO THE FACT

THAT WE INVESTED AS MUCH AS €30 MILLION. AND SO, WE GET TO €1,085 MILLION THAT YOU SEE AT THE END OF 2013.

ON PAGE 45, YOU CAN SEE OUR RECLASSIFIED BALANCE SHEET. ON THE ASSET SIDE, YOU CAN SEE THAT THE BULK OF THE ASSETS IS REPRESENTED BY FIXED ASSETS TO €1.8 BILLION, OUT OF A TOTAL OF €1.881 BILLION. THEN WE HAVE NET WORKING CAPITAL AND SHAREHOLDERS EQUITY, AS YOU CAN SEE THEIR GEARING RATIO IS ALMOST ONE STABLE ONE POINT SOMETHING.

NEXT PAGE; OUR DIVIDEND; IGD BOARD OF DIRECTORS, AS ANTICIPATED EARLY IN THE PRESENTATION, AS WELL AS THE SHAREHOLDERS DURING THE AGM TO BE HELD ON APRIL 15, TO PAY A DIVIDEND OF €0.065, SO THAT COMPARES TO €0.070 OF LAST YEAR, DIVIDEND YIELD IS 7.5% COMPARED TO 8.5%. BUT IF WE USE LAST NIGHT VALUE, WE ARE TALKING ABOUT A DIVIDEND YIELD WHICH IS SLIGHTLY BELOW 6 PERCENTAGE POINTS, TO BE MORE ACCURATE, THE SPECIFIC NUMBER IS 5.8% COMPARED TO LAST YEAR. THEN WE HAVE A DIVIDEND POOL OF €21.9 MILLION, THIS PROPOSED DIVIDEND IS TO BE CORRELATED TO THE DRO, THAT'S THE THIRD TIME THAT WE ARE PROPOSING A DRO, AND THAT'S THIRD TIME THAT WE ARE PUTTING FORWARD THIS PROPOSAL TO OUR DIVIDENDS, THAT'S A PROPOSAL WHICH IS PUT FORWARD TO THEM ONLY.

WE ARE NOW ON PAGE 47. THE BOARD OF DIRECTORS WILL PROPOSE THE ANNUAL GENERAL MEETING TO MAKE CAPITAL INCREASE, WHICH WILL BE OFFERED TO IGD SHAREHOLDERS ONLY. SO IGD SHAREHOLDERS ARE ENTITLED TO RECEIVE THE 2013 DIVIDENDS WILL DECIDE TO PAY THE ENTIRETY OR ONLY A PART OF THEIR TOTAL CASH IN DIVIDENDS NOT EXCEEDING 80%, AND TO REINVEST IT. THE PAYMENT OF DIVIDENDS WILL BE CASH ACCORDING TO STANDARD PROCEDURES, AND THEN SHAREHOLDERS WILL DECIDE WHETHER TO REINVEST THESE DIVIDENDS IN THE PROPOSED CAPITAL INCREASE. SO THIS IS THE THIRD YEAR IN A ROW THAT WE HAVE DECIDED TO PUT FORWARD OUR DRO IN LINE WITH THE BEST PRACTICE OF THE TOP REITS IN EUROPE.

ON PAGE 48, LET ME SUMMARIZE THE MAIN STEPS OF THE DIVIDEND REINVESTMENT OPTIONS. WHO IS ELIGIBLE AS PARTICIPANTS? WELL, SHAREHOLDERS OWNING SHARES ON THE TRADING DAY PRIOR TO THE DATE OF PAYMENT OF THE 2013 DIVIDEND. THE AMOUNT IS UP TO A MAXIMUM OF 80% OF THE PROPOSED 2013 DIVIDENDS, AND SO THE CAP IS 80% OF THE TOTAL AMOUNT. HOW THE AGM OF THE SHAREHOLDERS WILL SET THE CRITERIA TO DETERMINE THE SUBSCRIPTION PRICE OF THE NEW SHARES, AND THAT WILL BE MADE, AND WITH REFERENCE TO THE PROPOSALS OF THE BOARD OF DIRECTORS AND IN LINE WITH MARKET PROCEDURES. TAKING INTO CONSIDERATION, THE AVERAGE SHARE PRICE OF THE PERIOD PRIOR TO THE DATE ON WHICH THE PRICE WILL BE ESTABLISHED. A MAXIMUM DISCOUNT OF 10% WILL BE APPLIED, CONSIDERING THE FACT, THAT FROM THE PRICE ESTABLISHED, THE 2013 CASH DIVIDEND WILL BE DEDUCTED BEFORE MAKING A DISCOUNT. THEN THE NOTICE WILL BE GIVEN DURING THE AGM AND PRIOR THE START OF THE DRO.

THANK YOU VERY MUCH. THAT'S THE END OF THE MANAGEMENT PRESENTATION, AND THEN WE ARE GLAD TO TAKE YOUR QUESTIONS.

Q&A

OPERATOR: THIS IS THE CHORUS CALL OPERATOR. WE'D LIKE TO START THE Q&A SESSION. TO ASK A QUESTION, PLEASE PRESS "*" FOLLOWED BY "1" ON YOUR TELEPHONE KEYPAD. TO EXIT THE QUESTION QUEUE, PLEASE PRESS "*" FOLLOWED BY "2" ON YOUR TELEPHONE KEYPAD. PLEASE ASK YOUR QUESTIONS SPEAKING DIRECTLY INTO THE SPEAKERPHONE OR YOUR TELEPHONE. AGAIN TO ASK A QUESTION, PRESS "*" FOLLOWED BY "1" NOW.

THE FIRST QUESTION COMES FROM THE LINE OF SIMONETTA CHIRIOTTI WITH MEDIOBANCA. PLEASE, MADAM.

SIMONETTA CHIRIOTTI: GOOD AFTERNOON TO ALL OF YOU. I HAVE TWO QUESTIONS, FIRST ONE CONCERNING TEMPORARY REBATES, AS YOU DID IN THE PREVIOUS YEARS, COULD YOU GIVE US SOME GUIDANCE AS TO THE AMOUNT OF THOSE REBATES FOR 2013? AND SECOND QUESTION CONCERNS THE PORTA A MARE PROJECT, DID YOU GENERATE REVENUES AND...WELL €6 MILLION IF I UNDERSTAND CORRECTLY, WAS EBITDA CONTRIBUTIONS QUITE LIMITED? SO I WAS WONDERING, WHEN CAN WE EXPECT GOING FORWARD, THAT IS TO SAY IN 2014, AS FAR AS THE OVERALL CONTRIBUTION TO REVENUES, BUT ALSO AS FAR AS THE EBITDA CONTRIBUTION IS CONCERNED? THANK YOU VERY MUCH.

COMPANY REPRESENTATIVE: AS TO THE FIRST QUESTION, TEMPORARY REBATES. THE TEMPORARY REBATES IS €3.3 MILLION ROUGHLY, €3 MILLION ITALY, AND €300,000 FOR ROMANIA. WELL, FOR THE EBITDA CONTRIBUTION FOR PORTA A MARE, IT WAS NOT MAJOR IN NATURE INDEED, BUT IT TAKES INTO ACCOUNT THE MARKET CONDITIONS OF THE RESIDENTIAL REAL ESTATE MARKET, AND THE LOCAL MARKET IN LIVORNO MORE SPECIFICALLY WHERE WE ARE STUCK AROUND THE PRICE BRACKETS SO TO SAY WHICH WAS HIGHER THAN THE AVERAGE PRICE BECAUSE WE BELIEVE THIS IS A QUALITY PROJECT. SO IN BETWEEN THE FRONT ENDS FACING THE SEA, SO WE THINK IT WILL PICK UP AS FAR AS CONTRIBUTION IS CONCERNED GOING FORWARD. THERE ARE NO MAJOR VARIATIONS EBITDA-WISE ACCORDING TO US THIS YEAR. WE DON'T EXPECT A SIZABLE CONTRIBUTION, BUT WE DON'T EXPECT A NEGATIVE CONTRIBUTION EITHER. SO IT WON'T BE HAVING A MAJOR IMPACT ON OUR P&L ANYWAY.

OPERATOR: NEXT QUESTION COMES FROM THE LINE OF ANDREA BONFÀ WITH BANCA ALETTI. YOU HAVE THE FLOOR.

ANDREA BONFÀ: GOOD AFTERNOON TO ALL OF YOU. COULD YOU GIVE US AN UPDATE ON YOUR DISPOSAL, THE PROGRAM YOU HAVE AS FAR AS DISPOSALS ARE CONCERNED? AND MARKET VALUES VERSUS BOOK VALUE ALONG THOSE LINES, SO COULD YOU ELABORATE ON THAT FOR ME, PLEASE?

COMPANY REPRESENTATIVE: SO THE DISPOSAL PROGRAM OR PLAN IS GOING FORWARD AND WE ARE STARTING TO SEE THE FIRST OUTCOMES. YESTERDAY, WE MANAGED TO FORMALLY CLOSE WITH THE FINAL DEED WITH THE NOTARY PUBLIC WE CASHED IN FROM THE LIVORNO DISPOSAL. AND THE VALUE IS IN LINE WITH BOOK VALUE THAT IS TO SAY AROUND €47 MILLION. WE ARE MAYBE I SHOULD SAY UNDER...ALMOST UNDER NEGOTIATION, WE ARE QUITE CONFIDENT TO FINALIZE TO CLOSE THIS DEAL IN THE NEXT TWO THREE MONTHS ANOTHER ASSET WE HAVE IN OUR PORTFOLIO. AND THE VALUE WILL BE IN LINE WITH THE BOOK VALUE, EVEN HIGHER THAN THE BOOK VALUE I COULD SAY. AND THEN THE OTHER CONTRIBUTION WE EXPECT TO GET IS TOGETHER WITH THE RESIDENTIAL THE OFFICE REAL ESTATE ALWAYS STEMMING FROM THE PORTA A MARE PROJECT, THE, LIVORNO PROJECT. SO WE ARE FURTHER PROCEEDING ALONG THAT LINE.

THE SALES, THE DISPOSAL WE MANAGED TO COMPLETE IN LIVORNO WERE ACCRETIVE VERSUS WHAT WE HAVE ASSUMED. AND AS FAR AS THE OTHER SALE IS CONCERNED, SO IN THE FIRST HALF WE THINK WE CAN CLOSE IT, WE CAN COMPLETE IT. WE ARE QUITE OPTIMISTIC AS FAR AS THE MACROECONOMIC BACKGROUND BACKDROP IS CONCERNED IN ITALY BECAUSE WE ARE SEEING SIZABLE INTEREST OR SIGNS FROM INVESTORS ESPECIALLY FOR ITALY AND ESPECIALLY FOR THE ASSET CLASS THAT IS SHOPPING CENTERS.

WE MANAGED TO SELL WITH A YIELD OF AROUND 7%, SO IT'S GROSS INITIAL YIELD WE ARE TALKING HERE, IT'S A GROSS INITIAL YIELD AT 7% WHICH SOMEHOW MEANS THAT THE QUALITY OF OUR ASSETS WAS REWARDED. AND WE SPENT A LOT IN REFINING, SO IT'S VERY IMPORTANT WHEN YOU COMPARE YIELDS, VERY IMPORTANT TO BEAR IN MIND THAT YOU HAVE GIVEN STATUS (PH) FOR THE ASSETS, FOR THE PROPERTY IT MAYBE 7% OR 8% BUT THEN YOU HAVE TO INVEST HEAVILY TO REFURBISH THE BUILDING, IT'S A TOTALLY DIFFERENT STORY. SO THE YIELD WOULD BE MUCH LOWER. SO ON A LIKE-FOR-LIKE BASIS INSTEAD IT VERY MUCH DEPENDS ON THE TYPE OF TRANSACTION DEAL YOU CLOSE. WE ARE SAY PROUD ENOUGH TO SAY THAT WE RELY ON A HIGH QUALITY PORTFOLIO EVEN THOUGH WE DON'T HAVE VERY MANY INCENTIVES, BUT OUR PORTFOLIO IS A HIGH QUALITY ONE, THIS IS WHAT WE WOULD LIKE...WE'D LIKE TO THINK BECAUSE WE ARE COMPARED WITH LOW CONSUMPTION, REGULATIONS, WITH LIGHTING REGULATIONS AND EVEN FOR THE LIVORNO PROJECT THIS WAS FURTHER RECONFIRMED...IT WAS RECONFIRMED THAT WE WORKED.

ANDREA BONFÀ: WELL, THANK YOU VERY MUCH. SORRY, BUT THE SOUND QUALITY IS VERY POOR. INTEREST RATE LEVEL, IF I CAN HEAR CORRECTLY, INTEREST RATE LEVELS APPLIED BY BANKS, BASED ON THOSE RATES, CAN YOU STILL ENGAGE IN DEVELOPMENT PROJECTS?

COMPANY REPRESENTATIVE: YES, I THINK WELL. AS FAR AS I'M CONCERNED BANKS AND I'M TALKING ABOUT ITALIAN BANKS IN PARTICULAR. I DON'T THINK THEY ARE IN A POSITION TO LOOK INTO DEVELOPMENT PROJECTS BECAUSE WE ARE GOING THROUGH A TIME WHERE CONSUMPTION IS VERY LOW, SO COST OF DEBT IS ON AVERAGE QUITE HIGH IF YOU CONSIDER THAT. AND COMPANIES WITH A GOOD CREDIT WORTHINESS AS WE ARE, AVERAGE COST OF DEBT FOR US IS 3.9%, BUT TODAY THEY ACCESS LOANS AT HIGH RATES OR SIZABLE RATES 3.5% TO 4% WITH 10 YEAR PROJECTS IN MIND. SO DEVELOPMENT TRANSACTIONS AND PROJECTS CAN INDEED BE ENTERED I MENTIONED THE LIVORNO AND CHIOGGIA, THIS IS SOMETHING WE STILL HAVE IN THE PIPELINE. BUT YOU KNOW, THERE IS A HIGH SELECTION WHEN IT COMES TO INVESTORS TEND TO FOCUS A LOT MORE ON EXISTING CENTERS THAN ON DEVELOPMENT PROJECTS, CENTERS THAT ARE ALREADY BEYOND THE START-UP PHASE, THAT ARE LOCATED NICELY ON HIGH STREETS OR THAT HAS A POSITIVE LOCATION. SO I DON'T SEE A LOT OF FOCUS, NEITHER BUYBACKS NOR BY INVESTMENT TO FOCUS ON NEW DEVELOPMENT PROJECTS.

OPERATOR: TO ASK A QUESTION, PRESS "*" FOLLOWED BY "1" ON YOUR TELEPHONE. NEXT QUESTION COMES FROM THE LINE OF FEDERICO PEZZETTI FROM INTERMONTE. PLEASE, SIR.

FEDERICO PEZZETTI: GOOD AFTERNOON, EVERYBODY. I HAVE A COUPLE OF QUESTIONS. ONE IS ABOUT THE OCCUPANCY, WHICH IS 2%, IT STARTED TO BE LIKE THIS, IN 95-96, AND COULD YOU PLEASE GIVE US MORE COLOR.

COMPANY REPRESENTATIVE: MR. ALBERTINI SAYS, I COULD NOT UNDERSTAND YOUR QUESTION, COULD YOU PLEASE REPHRASE IT?

FEDERICO PEZZETTI: CAN YOU HEAR ME? SO WERE YOU ASKING ABOUT THE OCCUPANCY? WELL, MY QUESTION IS ON OCCUPANCY, COULD YOU GIVE US MORE COLOR. WHAT TYPE OF ASSETS ARE WE TALKING ABOUT, AND COULD YOU ALSO GIVE US DETAILS ABOUT THE TERMS AND CONDITIONS. DID YOU MANAGE TO GET CONDITIONS IN LINE WITH THE PREVIOUSLY EXISTING ONES? AND THEN I HAVE A BROADER QUESTION ON THE VALUATION OF YOUR PORTFOLIO. I FULLY APPRECIATE THAT ONLY ONE MONTH AGO, YOU RELEASED SOME GUIDANCE ABOUT WHAT YOU EXPECT THE VALUATION OF YOUR PORTFOLIO TO BE ALONG THE BUSINESS PLAN TIME LINE. YOU ARE EXPECTING A 3% DECLINE. COULD YOU READJUST OR CHANGE YOUR VALUATION CONSIDERING THE IMPROVEMENTS OR THE NEW POSITIVE SIGNALS THAT WE HAVE BEEN WITNESSING OR DO YOU PREFER TO STAY CONSERVATIVE, DESPITE THE FACT, THAT THERE HAVE BEEN THE FIRST SIGNS OF AN IMPROVEMENT IN THE INDUSTRY?

COMPANY REPRESENTATIVE: WELL, LET ME TAKE YOUR SECOND QUESTION RIGHT AWAY. WHILST, OUR GENERAL MANAGER WILL TAKE YOUR FIRST ONE? WE RESTATE THE €70 MILLION WRITE-DOWN WHICH IS BASICALLY RELATED TO REFINING AND CAPEX, AND THAT'S SPREAD OVER OUR WEB BUSINESS PLAN, WE ARE DOUBTFUL, WE WANT TO SEE AN IMPROVEMENT OF THE REAL ESTATE INDUSTRY FOR A COUPLE OF THE YEARS. AND I THINK THAT WE ALREADY BEING SEEING SIGNALS THAT LEAD US

TO HOPE FOR A VALUATION TO HELD-UP. GOING FORWARD ALSO, IN PARALLEL WILL DECREASE SPREADS, BECAUSE WHEN WE DO THAT THIS YEAR; SO WE ALSO HAVE TO READJUST THE ASSESSMENT OF OUR RISK, SO THERE WILL BE AN IMPROVEMENT IN THIS YEAR FOR OUR SHOPPING CENTERS. IF THIS IS THAN COUPLED WITH, AND INCIDENTALLY THIS IS PROBABLY THE MOST VOLATILE THING AND THAT'S REVENUES, WE SAW A DECLINE IN MALLS, BECAUSE ON AVERAGE SALES BY TENANTS WENT DOWN, AND THERE WAS A STRONGER PRESSURE ON RENTS, SO WITH DECLINING RENTAL LEVELS. SO THERE WAS A DECLINE ON OUR LIKE-FOR-LIKE BASIS. SO THAT'S WHY WE DECIDED TO BE PRETTY CONSERVATIVE AND CAUTIOUS. THE IMPROVED MACROECONOMIC SCENARIO AND IN PARTICULAR IMPROVED CONSUMPTIONS, WILL LEAD TO INCREASED SALES AND BETTER SUSTAINABILITY OF REVENUES, MIGHT PROBABLY LEAD US TO READJUST OUR EXPECTED WRITE-DOWNS. BUT, THIS MORNING, WE GOT A QUESTION FROM ONE OF OUR DIRECTORS SAYING, HOW MUCH WE HAD TO WRITE-DOWN IN THE PREVIOUS YEAR. WELL, I'VE CHECKED THE NUMBERS, BUT BETWEEN 2009 TO-DATE, WE KEPT TALKING AND STRESSING THE ISSUE OF WRITE-DOWNS ONLY. SO I DO HOPE TO SEE THE FIRST YEAR WITH A POSITIVE NUMBER ON THE WRITE DOWNS OF FAIR VALUE SIDE. I DON'T KNOW WHETHER THAT YEAR COULD BE, BUT AT LEAST WE MIGHT SEE WEAKER EROSION OF OUR NET PROFIT. IN THE FIRST FEW YEARS, WE HAD OVER €60 MILLION, 31 LAST YEAR AND 33 OF WRITE DOWNS. SO WE ARE TALKING ABOUT TOTAL AMOUNT OF €65 MILLION. AS FAR AS THE PERFORMANCE OF OUR MALLS MEASURED IN TERMS OF VACANCY AND OCCUPANCY, I'D LIKE TO GIVE THE FLOOR TO OUR GENERAL MANAGER WHO WILL GIVE YOU MORE COLOR.

COMPANY REPRESENTATIVE: GOOD AFTERNOON EVERYBODY. WE ARE TALKING ABOUT 97.4 THAT'S THE FINANCIAL OCCUPANCY FOR HYPER PLAZA MALLS, SO 100% OF HYPER IS FULL, SO WE ARE TALKING ABOUT 96.3, AND IF WE CONSIDER MALLS ON A STANDALONE BASIS. NOW, SPECIAL CASES DURING THE YEAR ARE PALERMO CENTRO LA TORRE WHERE WE HAD A FEW ISSUES ON THE CATERING OR RESTAURANT FOOD SIDE, FOOD MEANING, BEVERAGES AND FOOD. WE WILL USE THAT SPACE FOR A MULTI-THEATER, MULTIPLEX THEATER AND THEREFORE, WE ARE TRYING TO RECOVER A BIG PART OF THE VACANCY AT THAT SHOPPING CENTER.

ALREADY DURING THE END OF 2013, WE FIXED THE PROBLEMS OF THE CENTRO TIBURTINO AT GUIDONIA. WE DELIBERATED CREATED SOME VACANCY BY BUNDLING SOME FOOTAGE AND BY MOVING AND RELOCATING CERTAIN TENANTS IN ORDER TO GET MORE PALATABLE, MORE ATTRACTIVE SPACE TO BE DEVOTED TO APPAREL, MORE ATTRACTIVE AND MORE PALATABLE COMPARED TO THE PREVIOUS SOLUTION. ON TOP OF THAT, WE HAVE ALSO TAKEN A MEDIUM-SIZED AREA THAT IS BEING USED FOR SELLING PETS AND PETS-RELATED PRODUCTS. I WANT TO MENTION THIS BECAUSE IN JANUARY ALONE, THAT'S INCREASED 30% INCREASE IN FOOTFALLS OR TRAFFIC. AND THAT REALLY REASSURED US ON OF THE EFFECTIVENESS OF THIS DECISION WE MADE. THEN OVER THE COURSE OF 2013, WE HAD A FEW PROBLEMS AT ANOTHER SITE, BUT AGAIN, WE ARE FINE TUNING A SOLUTION, THAT'S MONDOVI. THERE TOO WE BUNDLED AND POOLED SOME AREAS, IN PARTICULAR ONE AVERAGE...SO THEREFORE, GETTING AN AVERAGE SIZED AREA THAT WILL BE DEVOTED TO APPAREL AND THAT WILL BE OPENED SHORTLY.

AS FAR AS ASTI IS CONCERNED, WE STILL HAVE A FEW THOUSAND SQUARE METERS IN ONE OF THE SECTIONS OF THE SHOPPING CENTERS, WE STILL HAVE ONE THIRD OF THAT SHOPPING CENTER WHICH IS VACANT. SO WE HAVE DECIDED TO HAVE...WE DON'T WANT TO HAVE...WE DECIDED NOT TO HAVE A MULTIPLEX THEATER OR MOVIE THEATER. SO THERE IS SORT OF IN PROGRESS SITUATION. WE HAVE DECIDED TO SPEED UP THIS CHANGE PROCESS, BUT I WOULD SAY THAT BASICALLY WE ARE IN LINE WITH THE PREVIOUS YEARS TRENDS AND [INDISCERNIBLE], WE HAVE A 96.3% OCCUPANCY LEVEL WHICH WE ARE NOW WORKING AND HAS TO BE READ POSITIVELY, ESPECIALLY IF PUT AGAINST A NOT VERY BRILLIANT BACKDROP.

OPERATOR: FOR FURTHER QUESTIONS YOU MAY PRESS "*" FOLLOWED BY "1" ON YOUR PHONE KEYPAD. LET ME REMIND YOU THAT IF YOU WISH TO ASK A QUESTION, YOU MAY ENTER THE Q&A QUEUE BY PRESSING "*" FOLLOWED BY "1" ON YOUR PHONE KEYPAD. MR. ALBERTINI, FOR THE TIME BEING THERE ARE NO MORE QUESTIONS.

CLAUDIO ALBERTINI: THANK YOU VERY MUCH. THANK YOU ALL AND WE WILL TALK AT THE NEXT CONFERENCE CALL WHERE WE WILL BE DISCUSSING AND DISCLOSING Q1, 2014 RESULTS. THANK YOU VERY MUCH.

OPERATOR: THE CONFERENCE CALL HAS COME TO AN END. YOU MAY DISCONNECT YOUR PHONES. THANK YOU VERY MUCH.