



**igd** io  
SPACES TO BELIVED IN

Conference call  
7 November 2013  
2.30 p.m.

Results presentation as at 30/09/2013

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## Highlights

### REVENUES

•Revenues from core business

**€ 90.4 mn**  
(-1.9% vs 30/09/2012)

### EBITDA

•EBITDA (core business)

**€ 62.3 mn**  
(-3.6% vs 30/09/2012)

•EBITDA margin (core business)

**68.9%**  
(- 1.2 percentage points)

Group Net Profit

**€ 11.1 mn**  
(-31.1% vs 30/09/2012)

Funds From Operations (FFO)

**€ 26.0 mn**  
(-4.1% vs 30/09/2012)

Gearing ratio

**1.37**  
(vs 1.38 at 30/06/2013)

### FINANCIAL OCCUPANCY as at 30/09/2013

•Average ITALY

**96.6%**

•ROMANIA

**85.6%**

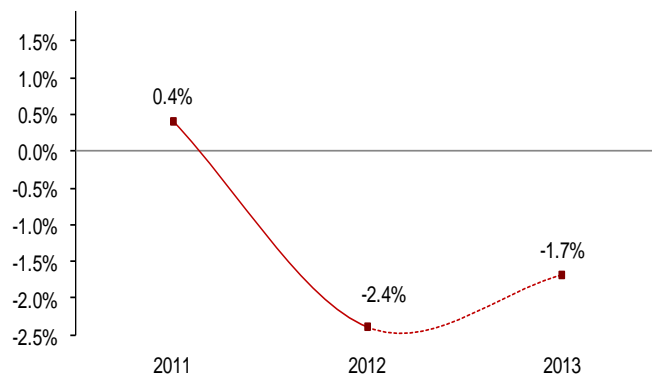




**ECONOMIC CONTEXT**

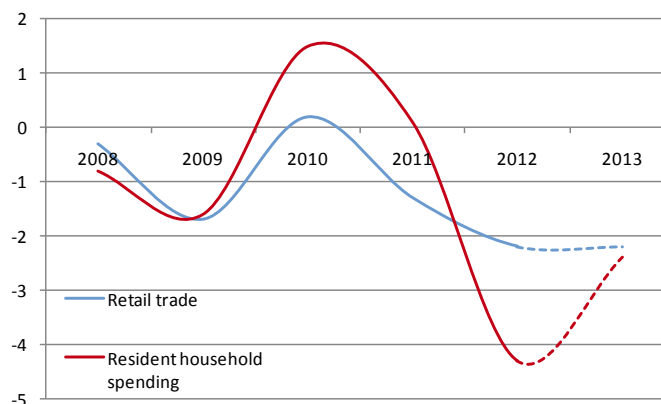
# 5 The Italian economic context

## GDP trend (change %)



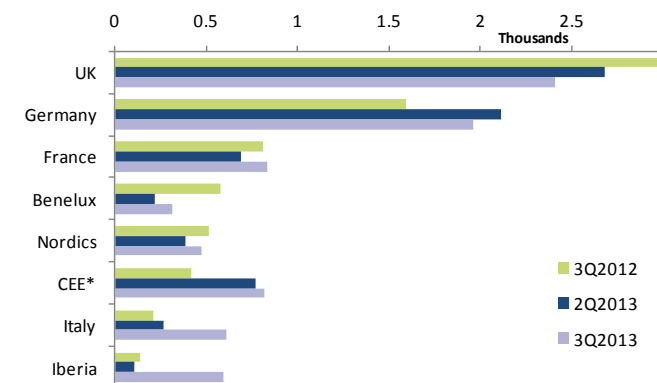
Data source: sample averages institutes and researches

## Household spending and retail trade (change %)



Data source: ISTAT, Bank of Italy, Confindustria

## European retail investment



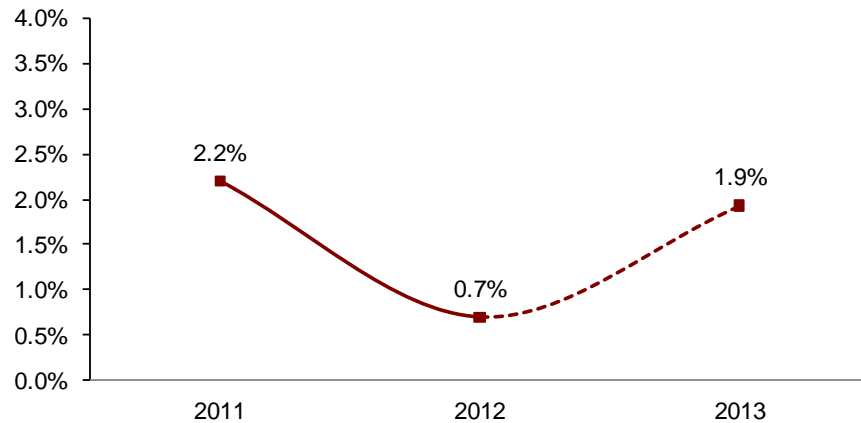
Data source: CBRE research

## Outlook

- **GDP:** The GDP seemed to have stabilized in the summer months thanks to strong foreign demand (+1.1%), confirming the forecast of an estimated value of **-1.7% / -1.9%** at year end.
- **Inflation** in the first 9 months of 2013 stood at an **average value of 1.5%** confirming a strong decrease compared to 2012 (3%). The increase in the standard VAT rate in force since 1<sup>st</sup> October should have a modest effect on inflation (<½ percentage point) (source: Bank of Italy).
- **Unemployment** stood in September 2013 at about **12.5%** in further deterioration from the previous quarter, but it is expected to slightly decrease at the end of 2013. (source: Istat).
- **Consumption:** The spending behavior remained very cautious, although the confidence of families is significantly enhanced. In the current year, household spending would reach an average value of **-2.4%**. (source: Istat, Bank of Italy)
- **Retail investments:** the retail investment trend in Italy increased in 3Q2013 (+128% compared to 3Q2012) because the investor sentiment towards Italy improved. (source: CBRE Research)

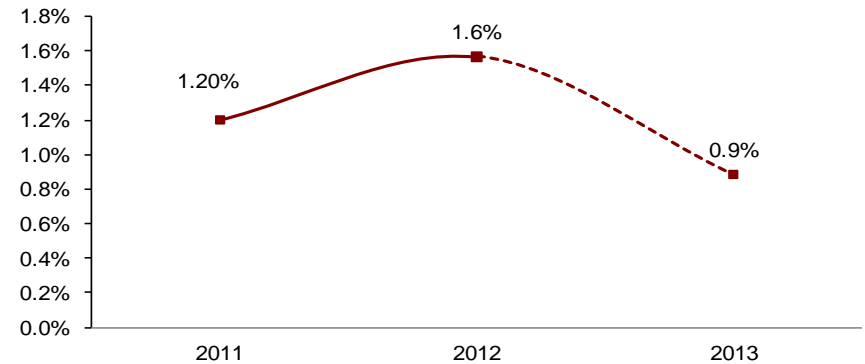
# 6 The Romanian economic context

GDP trend (change %)



Data source: sample averages institutes and researches

Consumption trend (change %)



Data source: sample averages institutes and researches



## Outlook

- **GDP**: in 3Q2013 the change in GDP was almost steady at an average of **+1.9%** thanks to the growth of industrial production and exports, while domestic demand remained steady and imports decreased. (source: Raiffeisen research)
- The **exchange rate** in September 2013 was equal to about **4.50 ron/euro** (source BNR)
- **Unemployment** in 3Q 2013 remained steady compared to the previous quarter at about **5.4%** (source BNR)
- **Household spending** reached an average value of about **1%** in the first nine months of 2013, broadly in line with the values of the previous quarter. (source Raiffeisen research)





**ECONOMIC AND  
FINANCIAL RESULTS**

# 8 Consolidated Income Statement

	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT			
	€/000	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%
Revenues from freehold properties		81,896	80,478	-1.7%	81,896	80,415	-1.8%	0	63	n.a.
Revenues from leasehold properties		6,357	6,243	-1.8%	6,357	6,243	-1.8%	0	0	n.a.
Revenues from services		3,913	3,745	-4.3%	3,913	3,745	-4.3%	0	0	n.a.
Revenues from trading		0	0	n.a.	0	0	n.a.	0	0	n.a.
<b>Operating revenues</b>		<b>92,166</b>	<b>90,466</b>	<b>-1.8%</b>	<b>92,166</b>	<b>90,403</b>	<b>-1.9%</b>	<b>0</b>	<b>63</b>	<b>n.a.</b>
Direct costs		(18,423)	(18,782)	1.9%	(18,158)	(18,497)	1.9%	(265)	(285)	7.8%
Personnel expenses		(2,597)	(2,890)	11.3%	(2,597)	(2,890)	11.3%	0	0	n.a.
Increases, cost of sales and other costs		599	0	-100.0%	0	0	n.a.	599	0	-100.0%
<b>Gross Margin</b>		<b>71,745</b>	<b>68,794</b>	<b>-4.1%</b>	<b>71,411</b>	<b>69,016</b>	<b>-3.4%</b>	<b>334</b>	<b>(222)</b>	<b>-166.3%</b>
G&A expenses		(2,975)	(2,922)	-1.8%	(2,722)	(2,572)	-5.5%	(253)	(350)	38.4%
Headquarters personnel costs		(4,117)	(4,197)	2.0%	(4,099)	(4,147)	1.2%	(18)	(50)	186.3%
<b>EBITDA</b>		<b>64,653</b>	<b>61,675</b>	<b>-4.6%</b>	<b>64,590</b>	<b>62,297</b>	<b>-3.6%</b>	<b>63</b>	<b>(622)</b>	<b>n.a.</b>
<i>Ebitda Margin</i>					<b>70.1%</b>	<b>68.9%</b>				
Depreciation		(988)	(1,013)	2.6%						
Devaluation/restores work in progress and inventor		(771)	(316)	-59.0%						
Change in FV		(11,640)	(16,812)	44.4%						
Other provisions		0	(94)	n.a.						
<b>EBIT</b>		<b>51,254</b>	<b>43,440</b>	<b>-15.2%</b>						
Financial income		469	296	-36.8%						
Financial charges		(36,290)	(35,027)	-3.5%						
<b>Net financial income</b>		<b>(35,821)</b>	<b>(34,731)</b>	<b>-3.0%</b>						
<b>Income from equity investments</b>		<b>(566)</b>	<b>(490)</b>	<b>-13.5%</b>						
<b>PRE-TAX INCOME</b>		<b>14,867</b>	<b>8,219</b>	<b>-44.7%</b>						
Income tax for the period		1,057	2,496	136.1%						
<b>NET PROFIT</b>		<b>15,924</b>	<b>10,715</b>	<b>-32.7%</b>						
(Profit)/losses related to third parties		151	361	139.1%						
<b>NET GROUP PROFIT</b>		<b>16,075</b>	<b>11,076</b>	<b>-31.1%</b>						

### Total revenues from rental activities:

**86,721 €000**

*From Shopping Malls: 58,750 €000 of which:*

- Italian malls 50,924 €000
- Winmarkt malls 7,825 €000

*From Hypermarkets: 26,517 €000*

*From City Center Project – v. Rizzoli: 1,068 €000*

*From Other: 387 €000*



## 9 Margin for activities

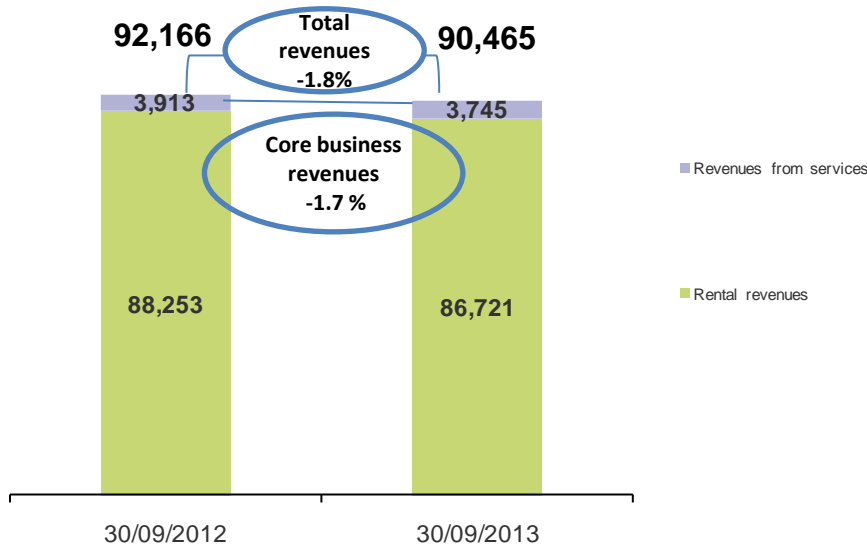
	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT			
	€/000	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%
Margin from freehold properties		69,583	67,808	-2.6%	69,583	67,745	-2.6%	0	63	n.a.
Margin from leasehold properties		1,153	989	-14.2%	1,153	989	-14.2%			n.a.
Margin from services		675	282	-58.2%	675	282	-58.2%			n.a.
Margin from trading		334	(285)	-185.3%				334	(285)	-185.3%
<b>Gross Margin</b>		<b>71,745</b>	<b>68,794</b>	<b>-4.1%</b>	<b>71,411</b>	<b>69,016</b>	<b>-3.4%</b>	<b>334</b>	<b>(222)</b>	<b>-166.3%</b>

**Margin from freehold properties: 84.2%** decreasing compared to 85.1% as at 30/09/2012

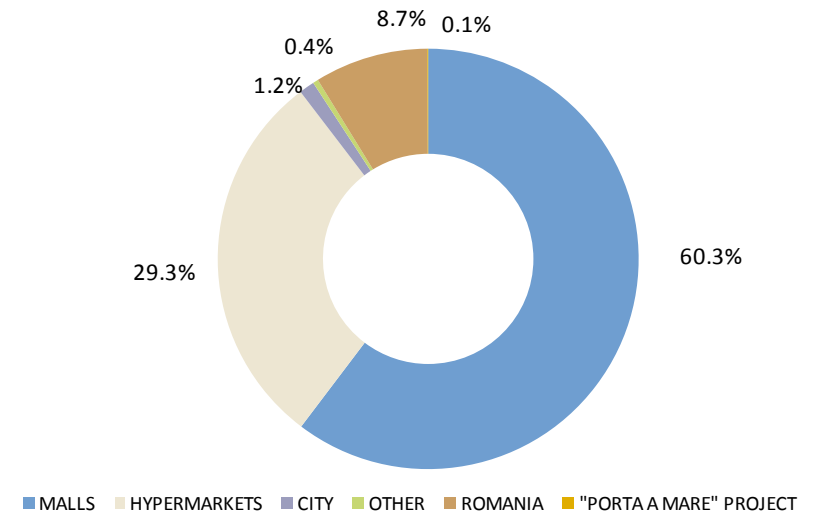
**Margin from leasehold properties: 15.8%** compared to 18.1% as at 30/09/2012

# 10 Revenues from core business: - 1.9%

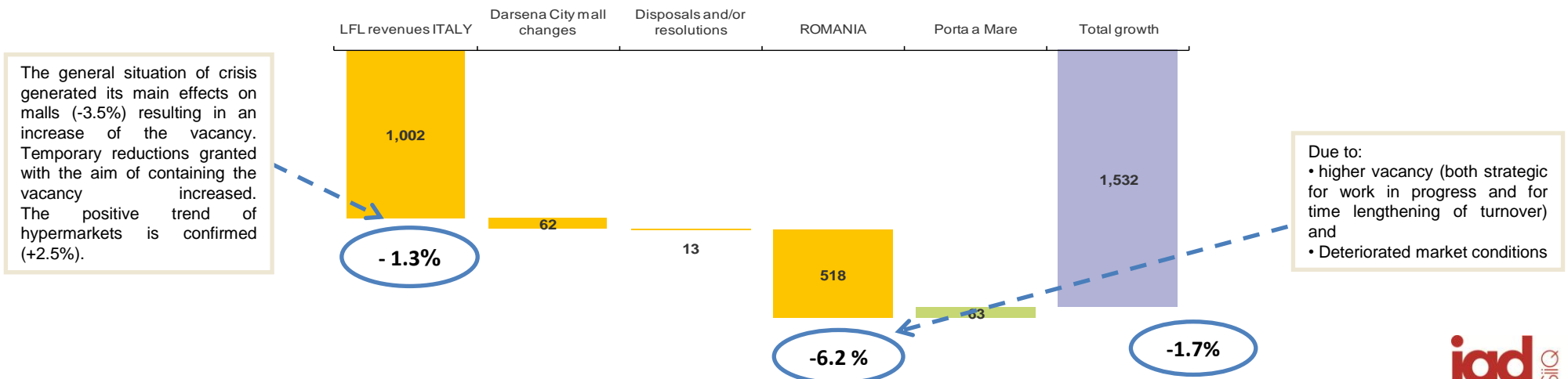
**TOTAL REVENUES (€/000)**



**BREAKDOWN OF TOTAL REVENUES BY TYPE OF ASSET**

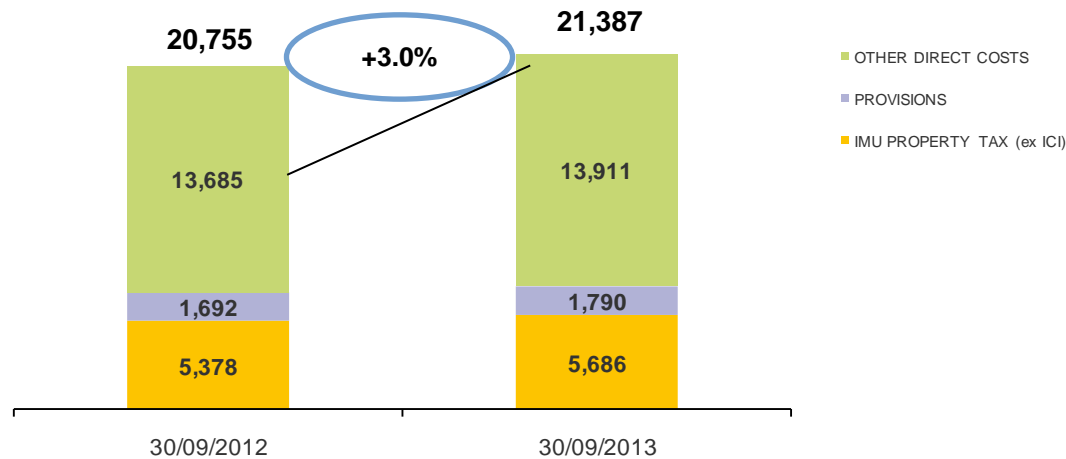


**RENTAL INCOME GROWTH (€/000)**



# 11 Direct costs and G&A expenses core business

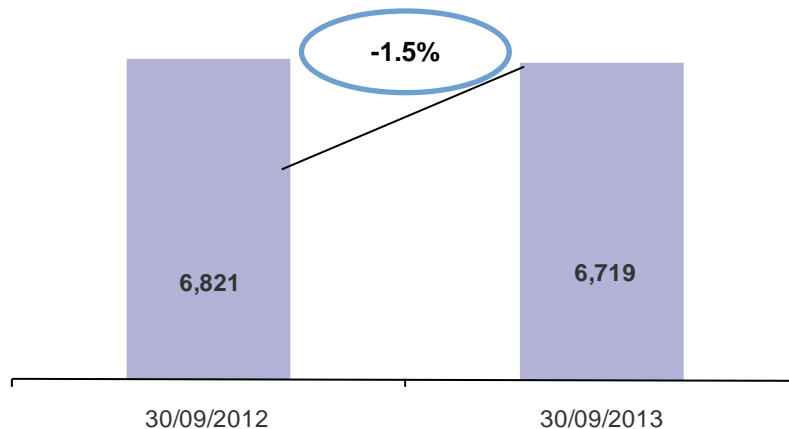
## DIRECT COSTS CORE BUSINESS (€ 000)



Increase in Direct Costs mainly due to:

- **IMU + 0.3 €mn (+5.7%)** due to the increase of the coefficients for calculating the D8 cadastral category
- **OTHER DIRECT COSTS + 0.2 €mn (+1.7%)** due to the increasing service charges for the higher average vacancy (especially in Mondovì and Millennium shopping centers)
- **PROVISIONS + 0.1 € mn (+5.8%)** substantial continuation of the prudent policy of provisions on concern credit positions

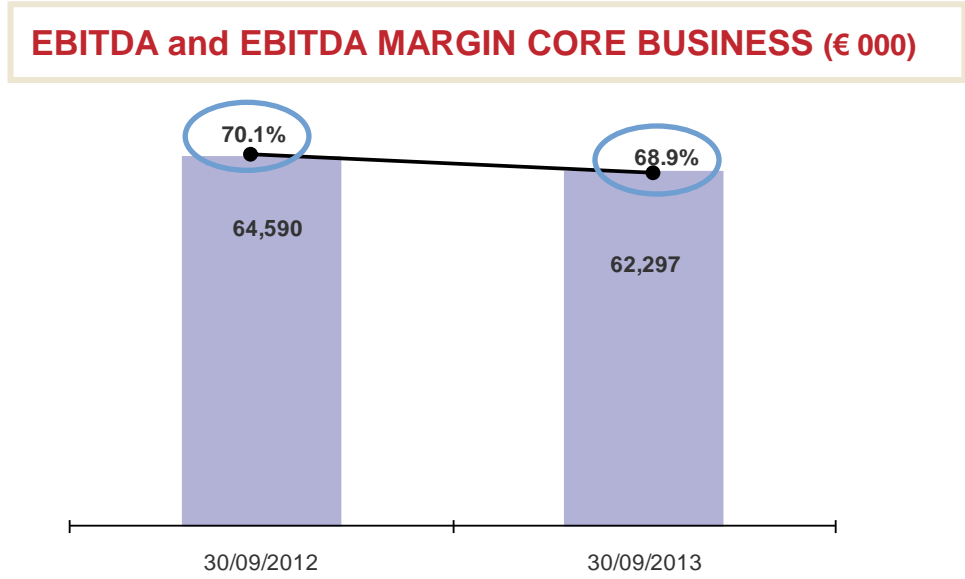
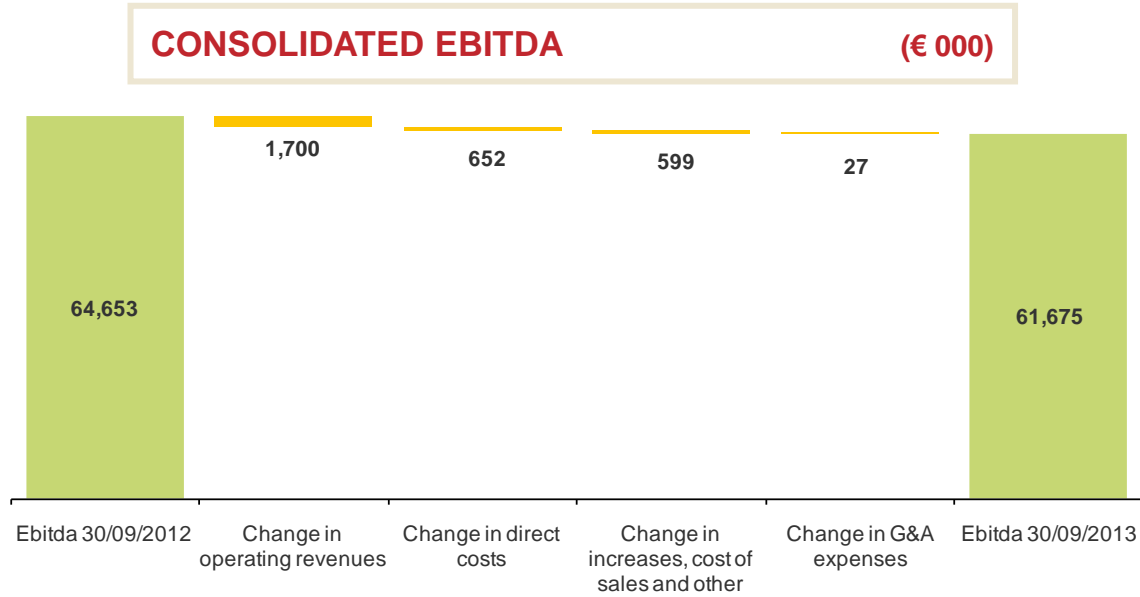
## G&A EXPENSES CORE BUSINESS (€ 000)



The impact of G&A expenses on core business revenues is equal to about 7.4% vs 7.4% as at 30/09/2012 and **it confirms steady.**

# 12

Total consolidated Ebitda: € 61.7 mn  
 Ebitda (core business): € 62.3 mn (-3.6%)

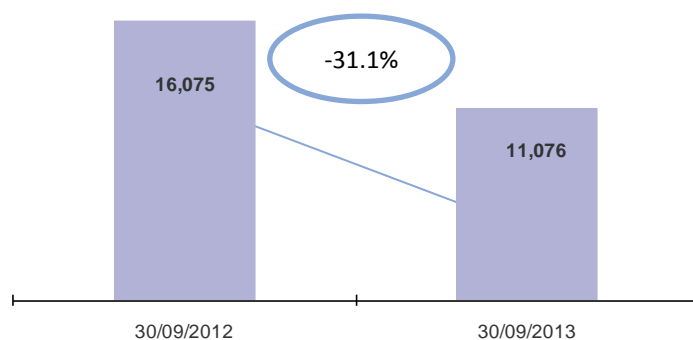


The EBITDA margin net of leasehold stood at **72.8%** compared to 73.9% as at 30/09/2012

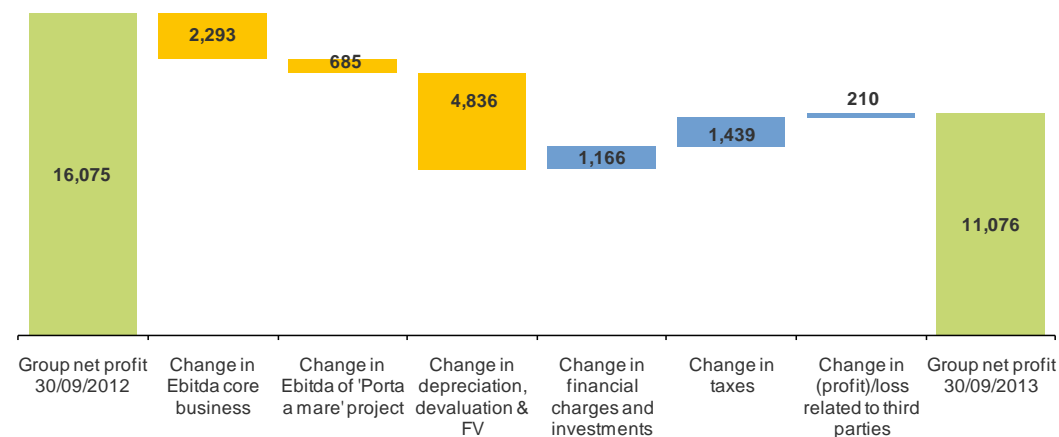


# 13 Group net profit: € 11.1 mn

## GROUP NET PROFIT (€ 000)



## NET PROFIT EVOLUTION (€ 000)



### PERFORMANCE OF GROUP NET PROFIT EQUAL TO € 11.1 MN COMPARED TO 30/09/2012 REFLECTS:



• positive impact in financial income for € 1.1 mn due to:

- ✓ new loans signed (+ 0.2 €mn)
- ✓ increase in spread (+ 0.5 €mn)
- ✓ change in euribor (- 0.7 €mn)
- ✓ other positive changes (- 1.1 €mn)



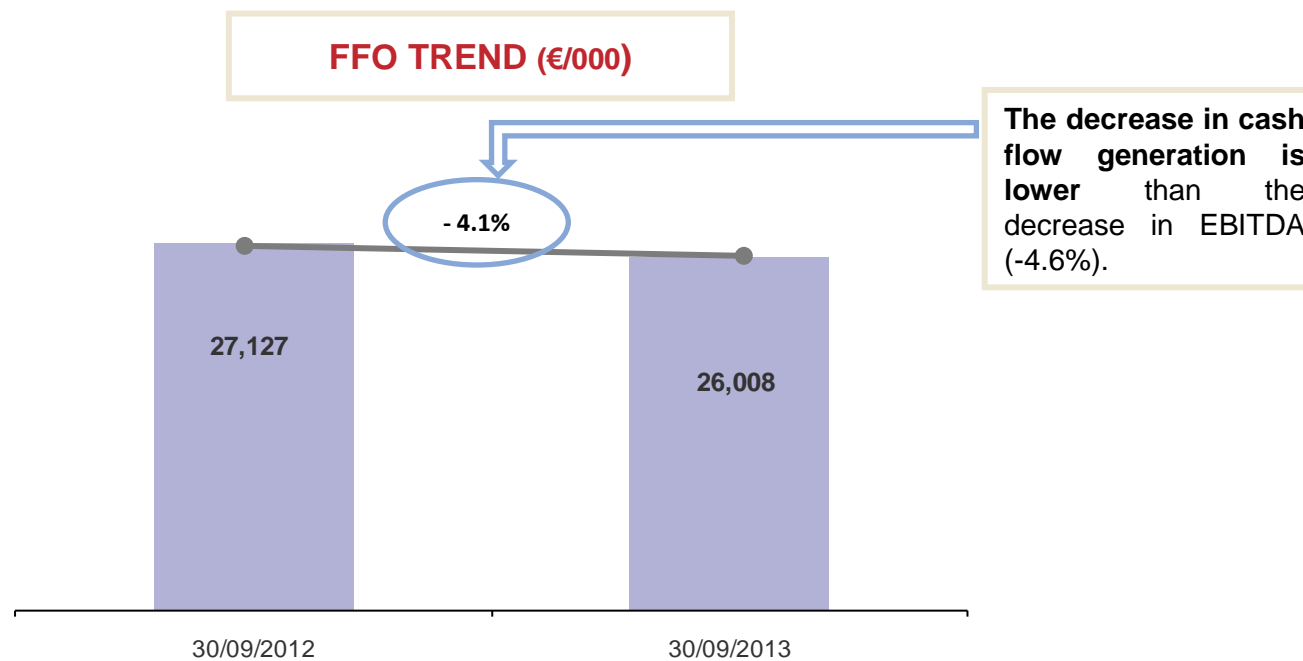
- negative changes in core business Ebitda (- 2.3 €mn) mainly due to decreased revenues, burden of direct tax component (IMU property tax) and increased direct costs for service charges (due to higher average vacancy of the period)
- negative impact on provisions, depreciation and FV devaluation (- 4.8 €mn)

# 14 Funds From Operations

FFO (€/000)	30/09/2012	30/09/2013	Δ	Δ%
<b>Pre-tax profit</b>	<b>14,867</b>	<b>8,219</b>	<b>-6,648</b>	<b>-44.7%</b>
Depreciation & other provisions	988	1,107	119	12.1%
Change in FV and writedowns	12,411	17,128	4,717	38.0%
Extraordinary management	566	490	-76	-13.5%
Margin from trading activity	-599	0	599	-100.0%
Income tax for the period	-1,106	-936	170	-15.4%
<b>FFO</b>	<b>27,127</b>	<b>26,008</b>	<b>-1,119</b>	<b>-4.1%</b>

Of which:

- **-3.0 €mn** due to decreased Ebitda;
- **+1.1 €mn** due to improvement in financial management;
- **+0.8 €mn** due to other changes.



# 15 Commercial Highlights

**Footfalls in Italian IGD shopping malls**  
(L4L)

**+ 0.9%** vs 30/09/2012

**Tenant sales in Italian IGD shopping malls**  
(L4L)

**- 2.6%** vs 30/09/2012

**Footfalls in Romanian WINMARKT shopping malls**  
(L4L)

**- 0.4%** vs 30/09/2012

# 16 The performance of our shopping malls as at 30/09/2013

## TENANT SALES AND FOOTFALLS IN OUR SHOPPING CENTERS

	SALES		FOOTFALLS		
	Total trend	LFL	Total trend	LFL	abs. Value
<b>ITALY</b>	-2.0%	<b>-2.6%</b>	+0.9%	<b>+0.9%</b>	48.0 million
<b>ROMANIA</b>	<b>n.p*</b>		<b>-0.4%</b>		24.0 million

\*not all our tenants have a cash register

### ITALY

**Footfalls: remained positive (+0.9%),** although after the good overall results for the month of August, the month of September has been a turnaround. Shopping centers did not seem to lose their ability to attract, even if the visitors who buy decreased.

**Sales: -2.6% LFL.** The decrease in food and in household goods continued, the latter explained by the decrease in the DIY category. A positive signal came from the video game sector strongly recovering in September waiting the 4Q2013 when new games and console will come out.

### ROMANIA

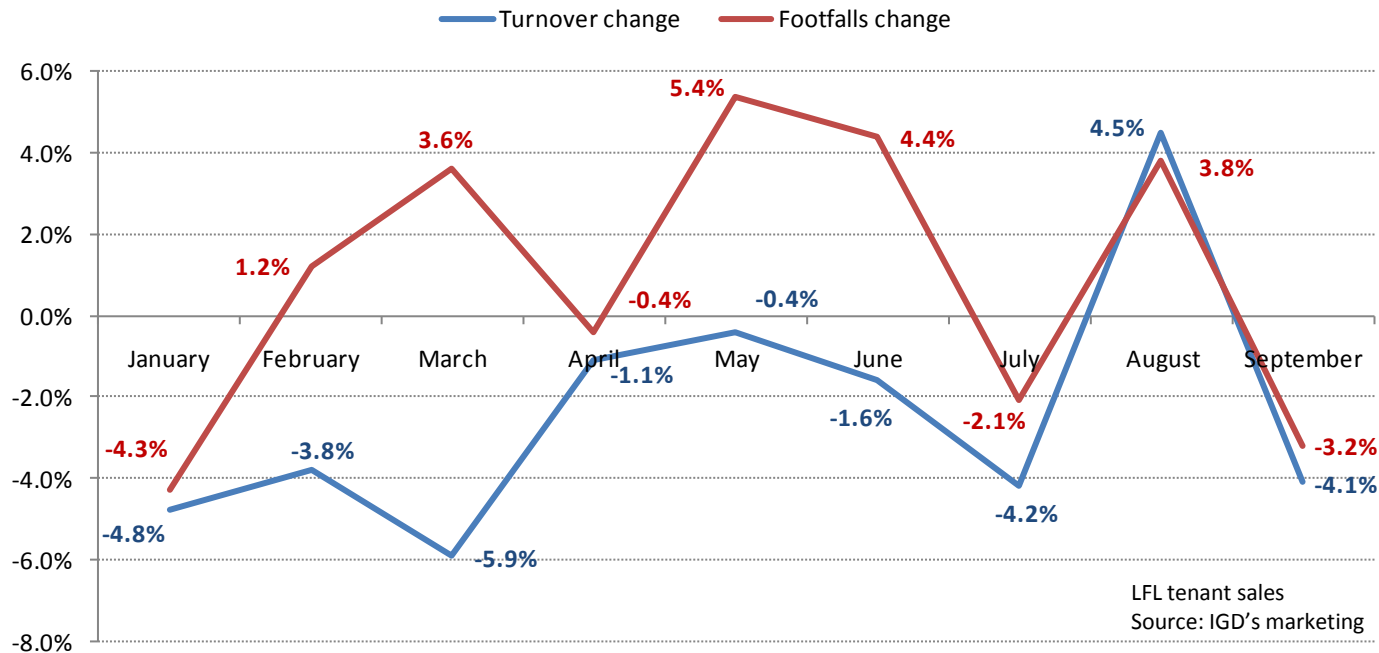
**Footfalls: -0.4%** almost steady compared to last year. The overall data took into account lower footfalls in some locations (eg Ploiesti), partially compensated by an increase in footfalls in others (eg Buzau, Cluj eTulcea).

**Sales** (only those that we can monitor): the difficulty of consumer electronics continued (-8% yoy in the first 8 months), while the performance of cosmetics was good (drogerie) (+12%)







# 17 The performance of our shopping malls as at 30/09/2013

TENANT SALES AND FOOTFALLS TREND (per month)



The strong correlation between footfalls and tenant sales trend is confirmed, excluding March and April.

# 18 | Hypermarket and supermarket trends as at 30/09/2013











HYPERMARKET AND SUPERMARKET SALES IN ITALY								
								
	Total trend	LFL	Total trend	LFL	Total trend	LFL	Total trend	LFL
<b>Supermarkets + Hypermarkets</b>	- 0.9%	- 1.6%	0.0%	- 1.1%	- 0.7%	- 1.4%	- 5.9%	- 5.9%
<b>Hypermarkets</b>	- 2.0%	- 2.5%	- 0.6%	- 0.6%	- 2.9%	- 2.9%	- 5.9%	- 5.9%
<b>Supermarkets</b>	- 0.2%	- 0.9%	+ 0.5%	- 1.5%	+ 0.3%	- 0.7%	/	/

Source: processing COOP on IRI Infoscan data

The overall **COOP network**, against a substantial strength of Supermarkets (-0.9% LFL), nationwide Hypermarkets turnover decreased (LFL -2.5%).

**Coop Adriatica** was the best Italian cooperative in the Hypermarket sector (-0.6% LFL).

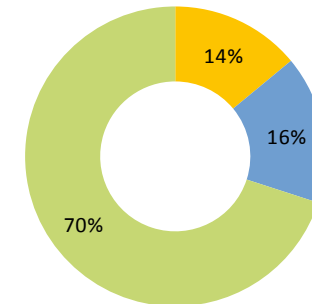
# 19 Tenants in Italy

TOP 10 Tenant	Product category	Turnover impact	Contracts
Gruppo Miroglio 	clothing	3.6%	34
	clothing	3.1%	10
	clothing	1.9%	7
	clothing and sport equipments	1.9%	3
COMPAR 	footwear	1.8%	9
	clothing	1.6%	19
	footwear	1.6%	4
BBC 	bricolage	1.4%	1
	electronics	1.4%	1
	entertainment	1.4%	20
<b>Total</b>		<b>19.6%</b>	<b>108</b>



TOTAL CONTRACTS	
Malls	1,001
Hypermarkets	19
<b>Total</b>	<b>1,020</b>

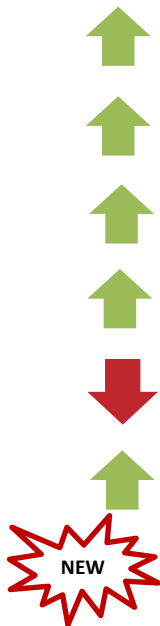
**BRANDS BREAKDOWN IN MALLS**  
By turnover



■ International brands ■ Local brands ■ National brands

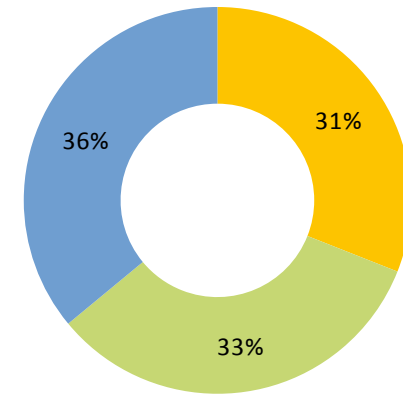
# 20 Tenants in Romania

TOP 10 Tenant	Product category	Turnover impact	Contracts
 Carrefour market	food	9.4%	10
 DOME	electronics	4.3%	8
 B&B collecties	jewellery	4.4%	11
 dm	household goods	2.5%	5
 House of Art	clothing (family)	2.5%	9
 SENSI blu	pharmacy	2.3%	7
 H&M	clothing	1.9%	1
 LEONARDO	footwear	1.4%	4
 Sevda	jewellery	1.4%	4
 JOLIDON EUROPEAN FASHION LINGERIE	clothing	1.0%	5
<b>Total</b>		<b>31.1%</b>	<b>64</b>



**TOTAL CONTRACTS 582**

**BRANDS BREAKDOWN IN MALLS  
By turnover**

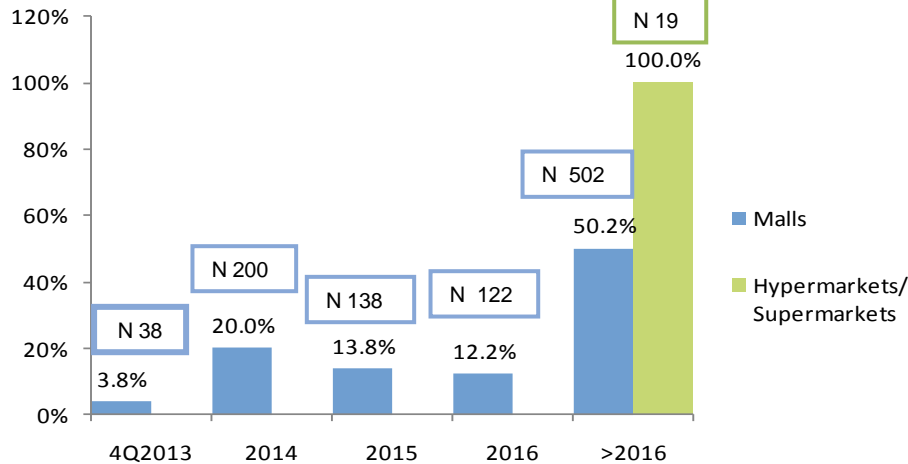


■ International brands ■ National brands ■ Local brands

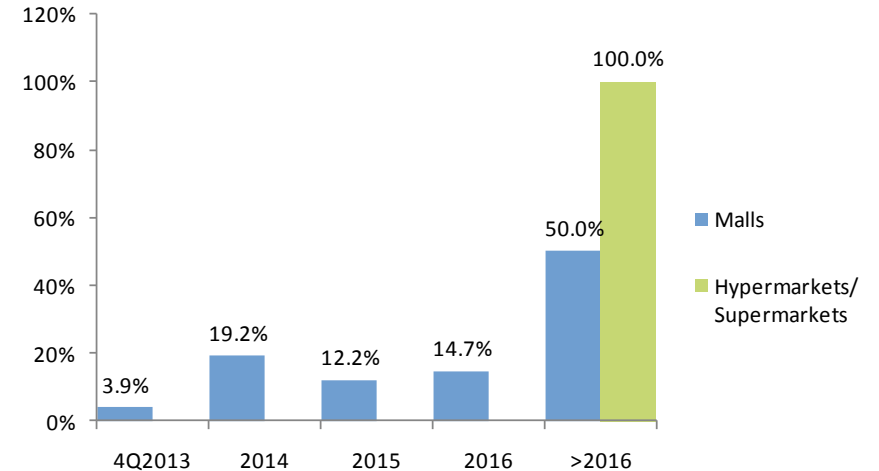


# 21 Contracts in Italy and Romania

**EXPIRY DATE OF CONTRACTS OF HYPERMARKETS AND MALLS IN ITALY (% no. of contracts)**



**EXPIRY DATE OF CONTRACTS OF HYPERMARKETS AND MALLS IN ITALY (% of value)**



## ITALY

In the first 9 months 128 contracts were renewed, of which 57 turned over and 71 renewed.  
Average upside on renewal: **+ 0.9%**

## ROMANIA

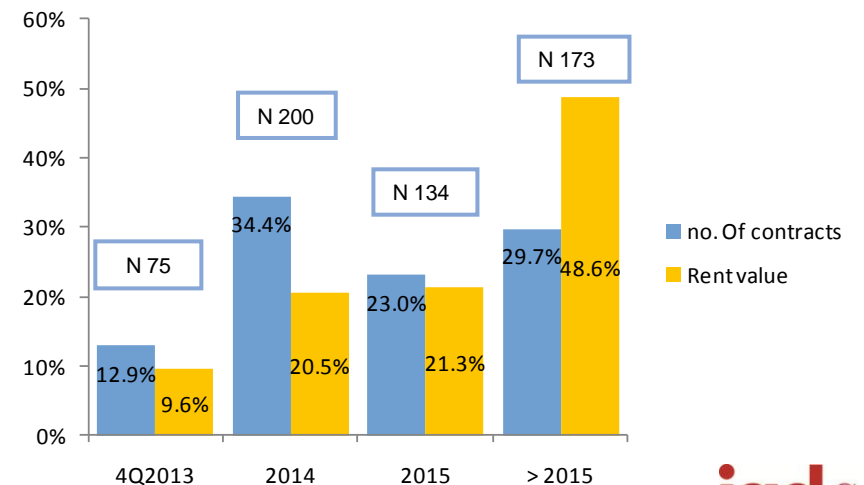
In the first 9 months 187 contracts were renewed (downside of -9.8%) and 199 new contracts were signed.

Downside mainly due to renewals in Ploiesti (28% of total renewals) where a re-adjustment of market rents has been recorded due to the opening of 2 new projects and to the restructuring of the network of consumer electronics that brought a downside of around -9% on rent/sqm.

(Renewals and new contracts of the first 9 months 2013 represent respectively 26% and 8.3% of Winmarkt total revenues)



**EXPIRY DATE OF CONTRACTS OF MALLS IN ROMANIA (no. and % of contracts and % of value)**



# 22 Towards the integration of sustainability in the business plan

In October the project of **integrating business strategies with the sustainability approach** finished. This project recorded, in its various stages, the involvement of about half of the workforce.

These are the main results achieved, according to stakeholders, which will be integrated into business planning under review:



## ENVIRONMENT

1. To obtain the **BREEAM certification** on asset portfolio
2. To reduce **energy consumption** of shopping centers with specific and targeted actions
3. To set **Guidelines** after the disabled people audit



## TENANTS, VISITORS

1. To monitor **tenants and visitors' satisfaction** with two pilot surveys
2. To increase the **integrated communication strategy**
3. To increase **services to customers** in Shopping Centers



## INVESTORS, FINANCIAL COMMUNITY

1. To involve banks and investors on CSR issues through **stakeholder engagement** activities
2. To deepen the feasibility of CSR oriented **road show**
3. To obtain the **legality rating**

# FINANCIAL STRUCTURE



## 24 Financial Highlights 1/2

	30/06/2013	30/09/2013
GEARING RATIO	1.38	1.37
LOAN TO VALUE	57.3%	57.3%
COSTO DEL DEBITO	3.79%	3.94%
INTEREST COVER RATIO		
• Total	1.80X	1.78X
• “Adjusted” (excluding figurative charges on bond)	1.95X	1.91X

# 25 Financial Highlights 2/2

	30/06/2013	30/09/2013
AVERAGE LENGTH OF LONG TERM DEBT (Bond excluded)	9.7 years	9.7 years
MID/LONG TERM DEBT RATE	69.2%	70.5%
HEDGING ON LONG TERM DEBT + BOND	76.9%	78.3%
HEDGING ON LONG TERM DEBT	68.1%	69.7%
BANKING CONFIDENCE	€ 278.5 mn	€ 283.5 mn
BANKING CONFIDENCE AVAILABLE	€ 98.6 mn	€ 85.5 mn
MKT VALUE OF MORTGAGE FREE ASSETS	€ 547.2 mn	€ 547.2 mn

If we would consider the remaining part of the Convertible Bond (expiring in the financial year) as long term it would have been 80.6%

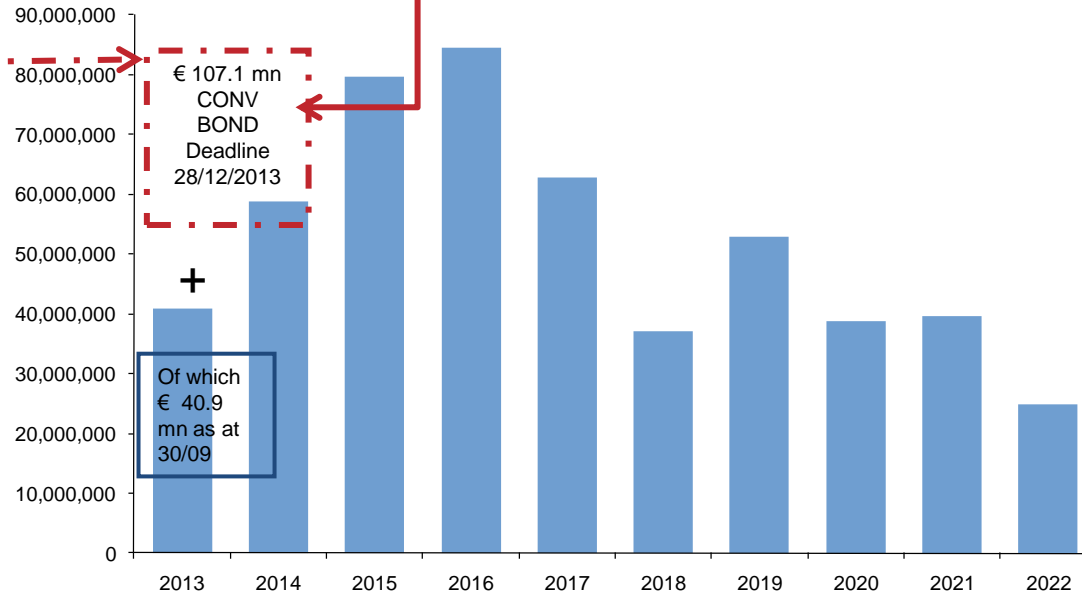
# Financial structure

## NET DEBT COMPOSITION (€ 000)



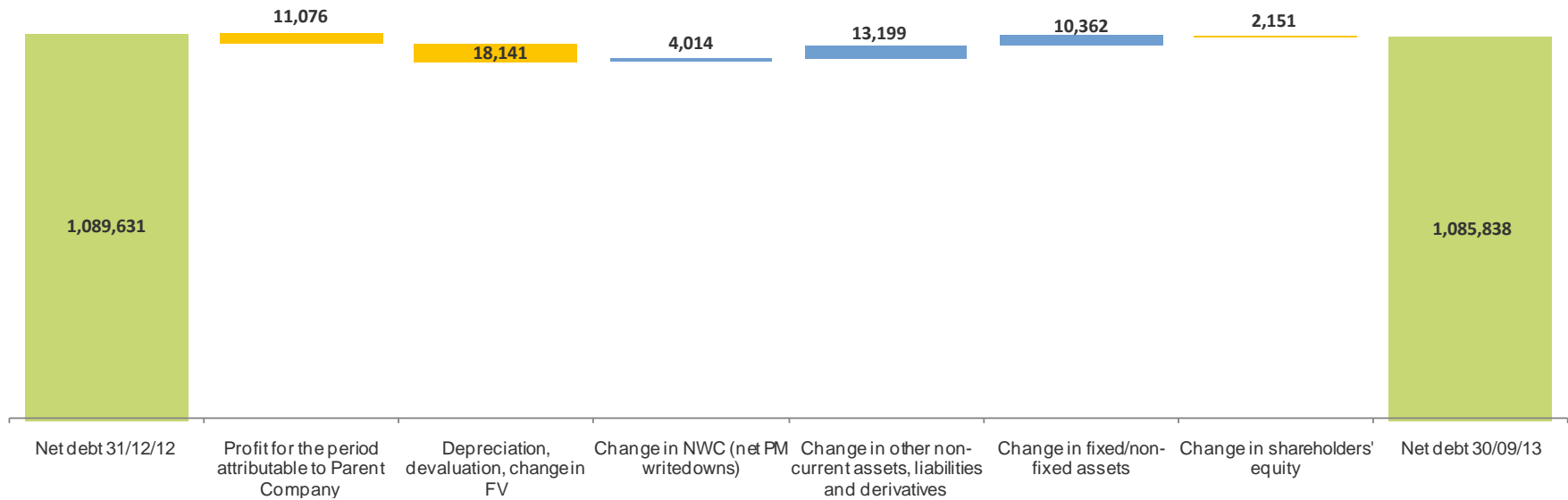
## DEBT MATURITY (€ 000)

An operation (secured) for about € 135 mn is under finalization



# 27 Net debt

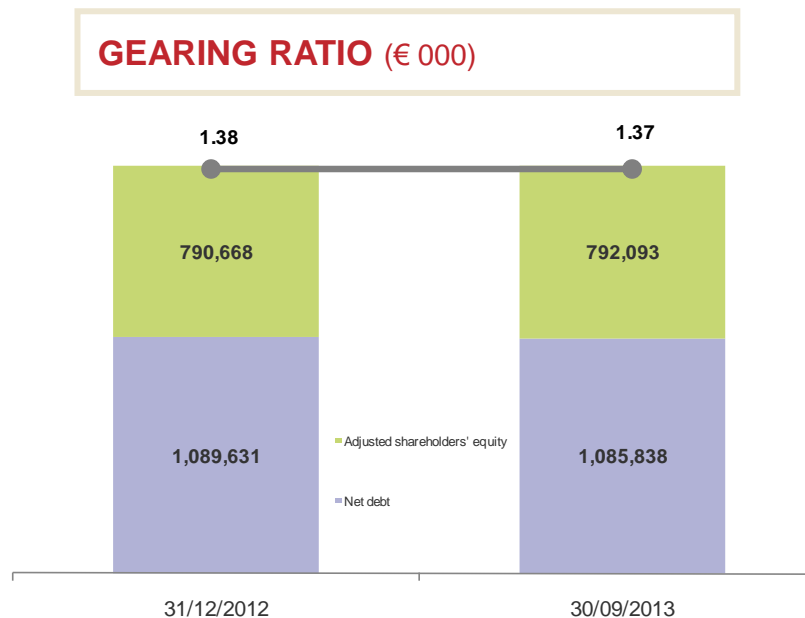
## NET DEBT CHANGE (€ 000)





## 28 Reclassified balance sheet

SOURCES/USE OF FUNDS (€ 000)			30/06/13	30/09/13	Δ	Δ%
Fixed assets	1,889,979	1,879,899	-10,080	-0.5%		
NWC	75,713	78,536	2,823	3.7%		
Other long term liabilities	-68,520	-67,690	830	-1.2%		
<b>TOTAL USE OF FUNDS</b>	<b>1,897,172</b>	<b>1,890,745</b>	<b>-6,427</b>	<b>-0.3%</b>		
Net debt	1,089,631	1,085,838	-3,793	-0.3%		
Net (assets) and liabilities for instrument	53,975	38,114	-15,861	-29.4%		
Shareholders' equity	753,566	766,793	13,227	1.8%		
<b>TOTAL SOURCES</b>	<b>1,897,172</b>	<b>1,890,745</b>	<b>-6,427</b>	<b>-0.3%</b>		



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