



**igd** SIG  
SPACES TO BE LIVED IN

Conference call  
27 February 2014  
2.30 p.m.

Presentation of results as at 31/12/2013

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### 3 Highlights 1/2

#### REVENUES

•Total revenues

**€ 127.0 mn**

(+3.0% vs 31/12/2012)

•Core business revenues

**€ 120.7 mn**

(-2.1% vs 31/12/2012)

#### EBITDA

•EBITDA (core business)

**€ 82.8 mn**

(-3.5% vs 31/12/2012)

•EBITDA margin (core business)

**68.6%**

(-1 percentage point)

Group Net Profit

**€ 5.0 mn**

(-55.7% vs 31/12/2012)

Core business Funds From Operations (FFO)

**€ 35.5 mn**

(-4.8% vs 31/12/2012)

Dividend per share

**€ 0.065**

€ 0.07 in 2012

## 4 Highlights 2/2

**NNAV per share**

**€ 2.22**  
(2.31% as at 31/12/2012)

**Total Portfolio Market Value**

**€ 1,891.3 mn**  
(-15.3 € mn vs 31/12/2012)

**Income related Portfolio Market Value**

**€ 1,723.7 mn**  
(-30.9 € mn vs 31/12/2012)

### **EPRA FINANCIAL OCCUPANCY at 31/12/2013**

•ITALY

**97.4%**

•ROMANIA

**84.5%**

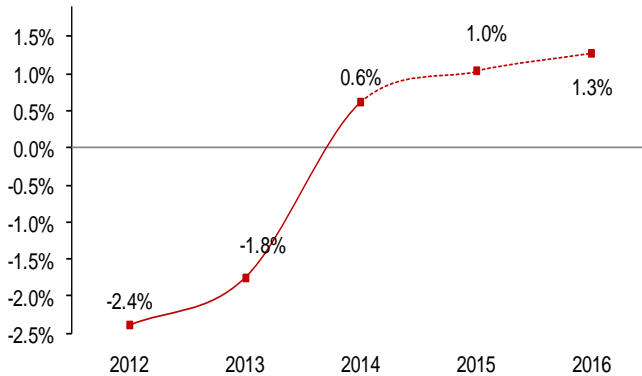




**ECONOMIC CONTEXT**

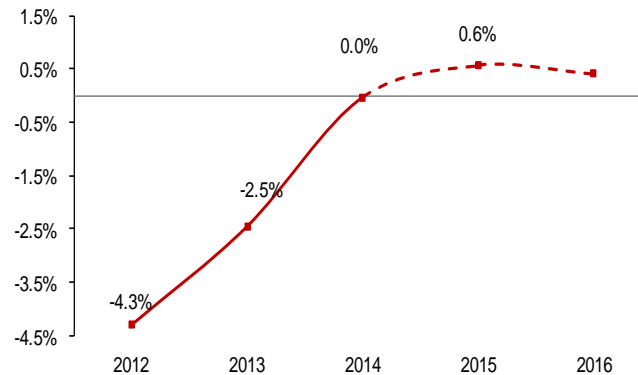
# 6 The Italian economic context in 2013

**GDP trend (change %)**



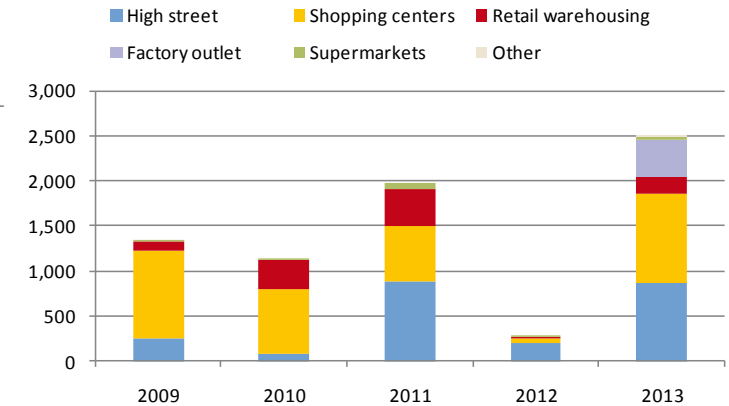
Data source: sample averages institutes and researches

**Consumption trend (change%)**



Data source: sample averages institutes and researches

**Retail investments in Italy**



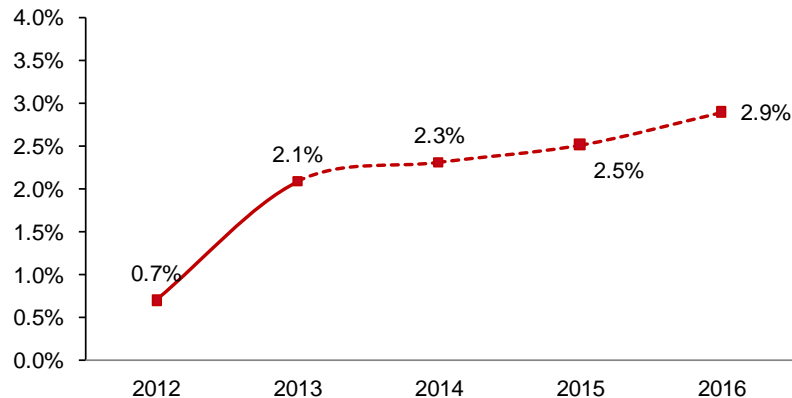
Data source: Jones Lang LaSalle

## Outlook

- **GDP:** The GDP seems to have stopped falling at the end of 2013, after 8 negative quarters, reaching an annual value of **-1.8%**. For 2014 a slight increase (**+0.6%**) is expected driven by foreign demand and by gradual expansion of investments. (source: Bank of Italy)
- **Inflation** in 2013 stood at an average of **1.2%** confirming a strong decrease compared to 2012 (3%). (source: Istat).
- **Unemployment** stood at about **12.7%** in December 2013 with a slight improvement compared to the previous month, but increasing compared to 2012 (11.2%) (source: Istat).
- **Consumption:** the decline in household consumption (**-2.5%**) eased off although still negative due to the weakness of available income and to the critical conditions of the labor market. A gradual recovery is expected in 2014. (source: Istat, Bank of Italy).
- **Retail investments:** Italy once again aroused the interest of international investors, institutional and pension funds, relating to good quality secondary assets with good performance. The total volumes of retail investments in 2013 were € 2.5 bn. (source: Jones Lang LaSalle)

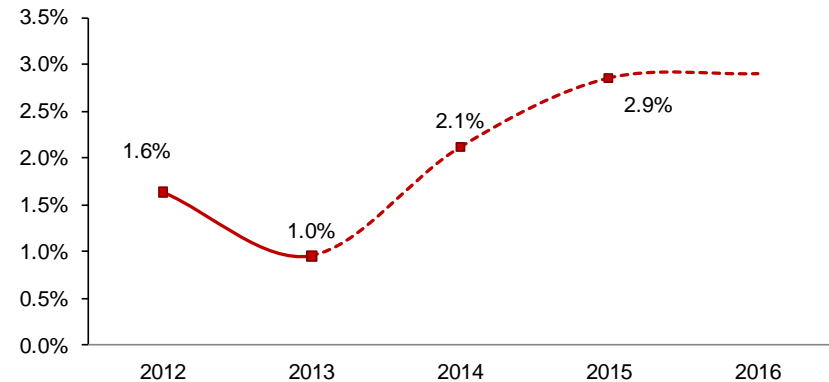
# 7 The Romanian economic context in 2013

GDP trend (change %)



Data source: sample averages institutes and researches

Consumption trend (change %)



Data source: sample averages institutes and researches

## Outlook

- **GDP:** The GDP growth (**2.1%**) in Romania was strengthened in 2013 thanks to strong agricultural and industrial production, while exports registered a slight decline and domestic demand was again weak. In 2014, GDP is expected to slightly increase with growth drivers moving from exports to domestic demand, in particular to investments which are expected to increase due to the acceleration of the absorption of European funds. (source: Raiffeisen research)
- The **exchange rate** as at December 2013 was equal to about **4.5 ron/euro** (source: BNR)
- The **Inflation rate** recorded in 2013 was equal to **4%**, decreased to 1.6% in December, thanks to a cut in VAT applied in September on bread and related products and to the decrease in food costs due to the good performance of agriculture. A gradual increase is expected in 2014. (source: Raiffeisen research)
- **Unemployment** in 4Q 2013 remained steady compared to the previous quarter, settling at about **7.1%** (source: BNR)
- **Consumption** slowed the growth in 2013, an acceleration is expected in 2014. (source: Raiffeisen research)
- **Retail investments:** In 2013, the GLA in the retail sector increased by 124,000 square meters and the new openings were concentrated in the main Romanian cities such as Bucharest, Ploiesti, Galati. The demand for space continued to be focused on prime locations of large shopping centers and high streets in the capital or in the main Romanian cities (source: CBRE)





**ECONOMIC AND  
FINANCIAL RESULTS**



# 9 Consolidated Income Statement

	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT			
	€/000	31/12/2012	31/12/2013	%	31/12/2012	31/12/2013	%	31/12/2012	31/12/2013	%
Revenues from freehold properties		107,637	105,653	(1.8)%	107,625	105,556	(1.9)%	12	97	n.a.
Revenues from leasehold properties		10,503	10,183	(3.0)%	10,503	10,183	(3.0)%	0	0	n.a.
Revenues from services		5,136	4,996	(2.7)%	5,136	4,996	(2.7)%	0	0	n.a.
Revenues from trading		0	6,163	n.a.	0	0	n.a.	0	6,163	n.a.
<b>Operating revenues</b>		<b>123,276</b>	<b>126,995</b>	<b>3.0%</b>	<b>123,264</b>	<b>120,735</b>	<b>(2.1)%</b>	<b>12</b>	<b>6,260</b>	<b>n.a.</b>
Direct costs		(24,422)	(24,693)	1.1%	(24,083)	(24,332)	1.0%	(339)	(361)	6.6%
Personnel expenses		(3,665)	(3,679)	0.4%	(3,665)	(3,679)	0.4%	0	0	n.a.
Increases, cost of sales and other costs		663	(5,219)	n.a.	0	0	n.a.	663	(5,219)	n.a.
<b>Gross margin</b>		<b>95,852</b>	<b>93,404</b>	<b>(2.6)%</b>	<b>95,516</b>	<b>92,724</b>	<b>(2.9)%</b>	<b>336</b>	<b>680</b>	<b>n.a.</b>
G&A expenses		(4,373)	(4,518)	3.3%	(4,014)	(4,018)	0.1%	(359)	(500)	39.5%
Headquarters personnel costs		(5,747)	(5,983)	4.1%	(5,721)	(5,913)	3.4%	(26)	(70)	n.a.
<b>EBITDA</b>		<b>85,732</b>	<b>82,903</b>	<b>(3.3)%</b>	<b>85,781</b>	<b>82,793</b>	<b>(3.5)%</b>	<b>(49)</b>	<b>110</b>	<b>n.a.</b>
<i>Ebitda Margin</i>					<b>69.6%</b>	<b>68.6%</b>				
Depreciation		(1,326)	(1,323)	(0.2)%						
Devaluation/Restore work in progress and inventories		(1,211)	1,015	(183.8)%						
Change in FV		(29,383)	(34,502)	17.4%						
Other provisions		(374)	(125)	(66.5)%						
<b>EBIT</b>		<b>53,438</b>	<b>47,968</b>	<b>(10.2)%</b>						
Financial income		554	338	(39.0)%						
Financial charges		(48,279)	(46,888)	(2.9)%						
<b>Net financial income</b>		<b>(47,725)</b>	<b>(46,550)</b>	<b>(2.5)%</b>						
<b>Income from equity investments</b>		<b>(746)</b>	<b>(498)</b>	<b>(33.2)%</b>						
<b>PRE-TAX INCOME</b>		<b>4,967</b>	<b>920</b>	<b>n.a.</b>						
Income tax for the period		6,185	3,244	(47.6)%						
<b>NET PROFIT</b>		<b>11,152</b>	<b>4,164</b>	<b>(62.7)%</b>						
(Profit)/losses related to third parties		136	834	n.a.						
<b>NET GROUP PROFIT</b>		<b>11,288</b>	<b>4,998</b>	<b>(55.7)%</b>						

## Total revenues from rental activities:

**115.8 €000**

*From Shopping Malls: 78.5 €000 of which:*

- Italian malls 68.5 €000
- Winmarkt malls 10 €000

*From Hypermarkets: 35.4 €000*

*From City Center Project – v. Rizzoli: 1.4 €000*

*From Other: 0.5 €000*

# 10 Margins from activities

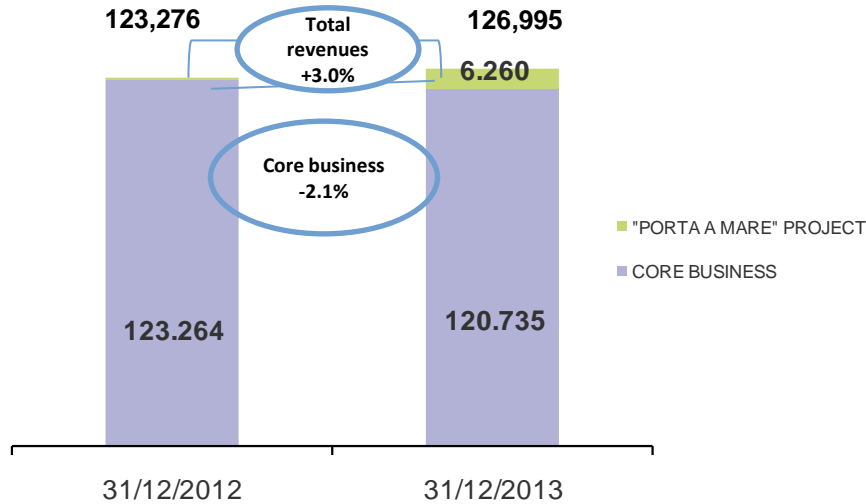
	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
	31/12/2012	31/12/2013	Δ%	31/12/2012	31/12/2013	Δ%	31/12/2012	31/12/2013	Δ%
€/000									
Margin from freehold properties	93,660	91,353	(2.5)%	93,648	91,256	(2.6)%	12	97	n.a.
Margin from leasehold properties	1,295	935	(27.8)%	1,295	935	(27.8)%			n.a.
Margin from services	573	533	(7.1)%	573	533	(7.1)%			n.a.
Margin from trading	324	584	80.1%				324	584	80.1%
<b>Gross margin</b>	<b>95,852</b>	<b>93,404</b>	<b>(2.6)%</b>	<b>95,516</b>	<b>92,724</b>	<b>(2.9)%</b>	<b>336</b>	<b>680</b>	<b>n.a.</b>

**Margin from freehold properties: 86.5%** substantially in line compared to 87.2% as at 31/12/2012

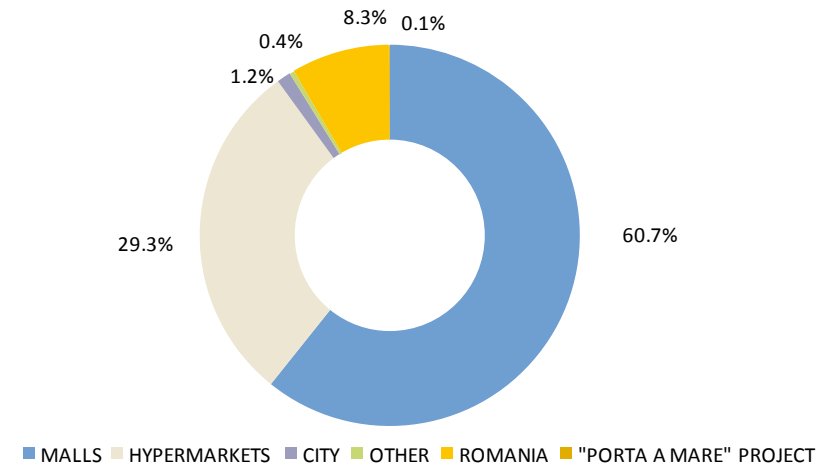
**Margin from leasehold properties: 9.2%** decreasing compared to 12.3% as at 31/12/2012 mainly due to higher direct costs (items that had the greatest impact were service charges and provisions)

# 11 Revenues

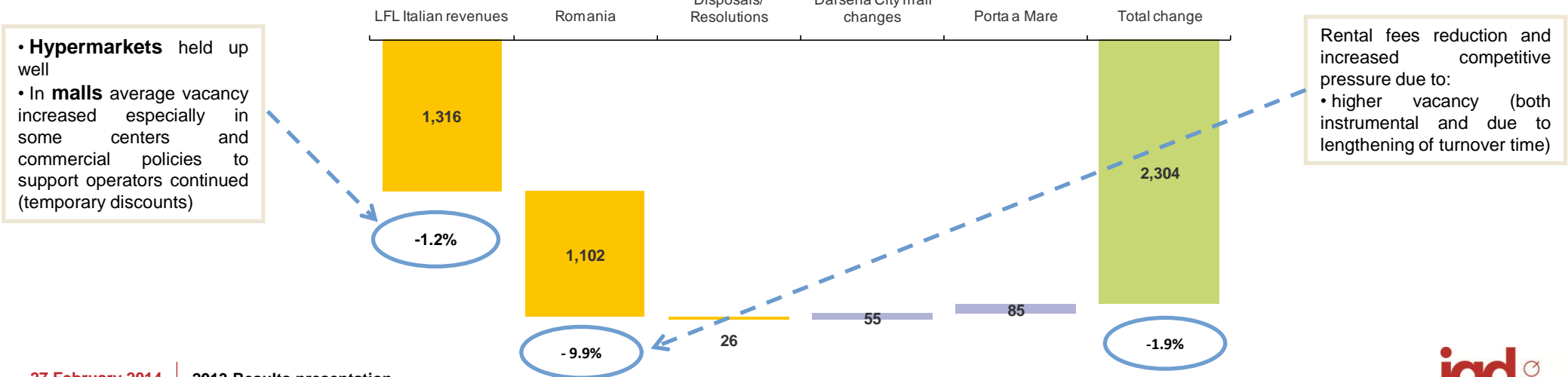
## TOTAL REVENUES (€/000)



## BREAKDOWN OF TOTAL REVENUES BY TYPE OF ASSET

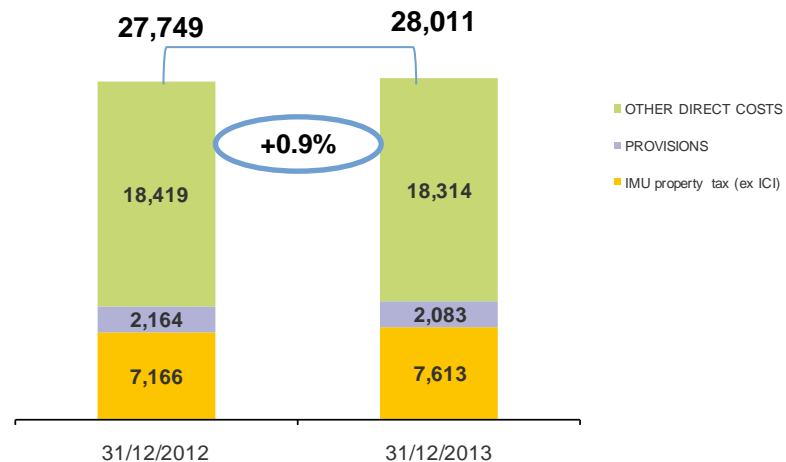


## RENTAL INCOME DRIVERS (€/000)



# 12 Direct costs and G&A expenses core business

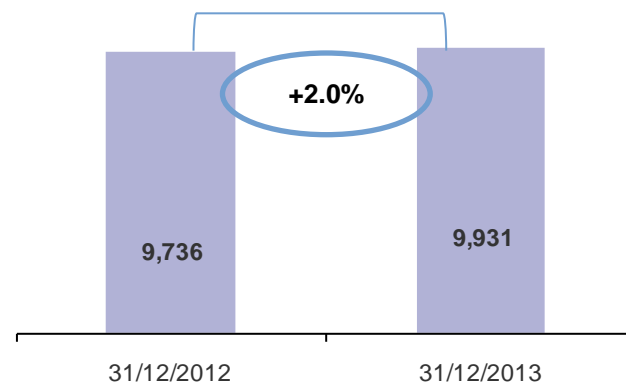
## DIRECT COSTS CORE BUSINESS (€ 000)



Trend of direct costs mainly due to:

- **IMU +0.4 € mn (+6.2%)** with an increase in calculation coefficients on D8 land registry category (large commercial areas).
- **SERVICE CHARGES +0.2 € mn (+6.3%)** due to higher vacancy
- Savings on **maintenance and technical consulting** (other direct costs) **-0.3 € mn**

## G&A EXPENSES CORE BUSINESS (€ 000)



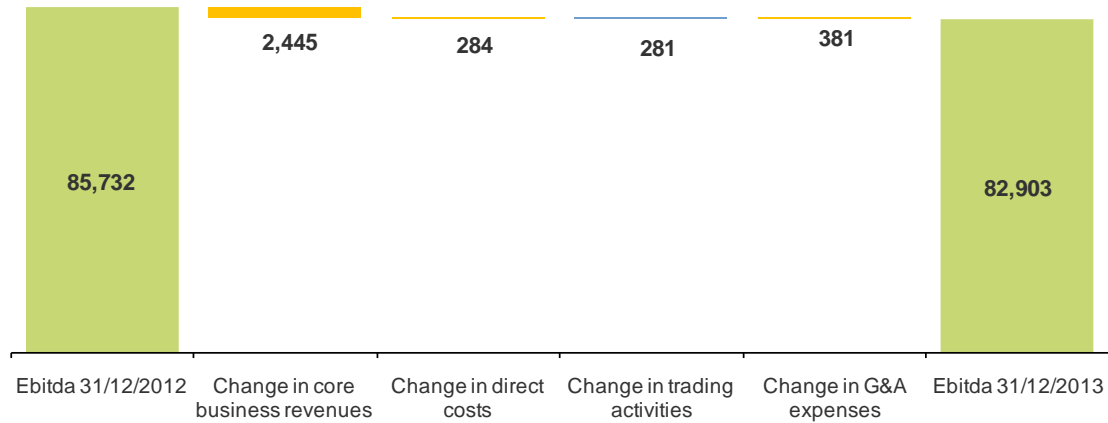
The impact of G&A expenses on core business revenues is equal to about **8.2%** and it is **confirmed as being steady** compared to **31/12/2012**



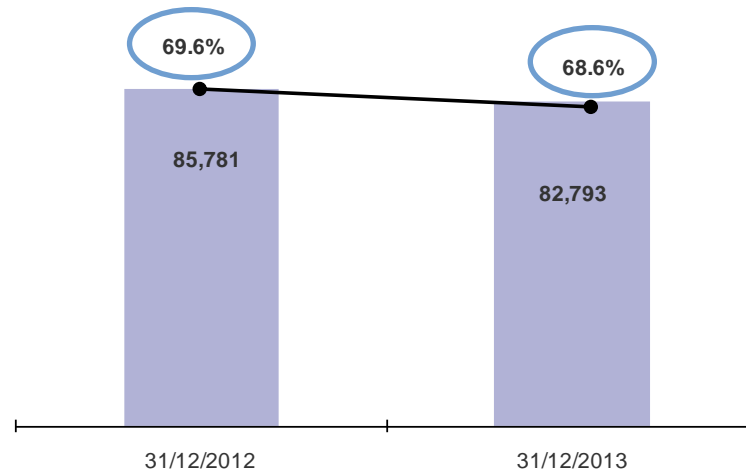
13

Total consolidated Ebitda: € 82.9 mn  
 Ebitda (core business): € 82.8 mn (-3.5%)

**CONSOLIDATED EBITDA (€ 000)**



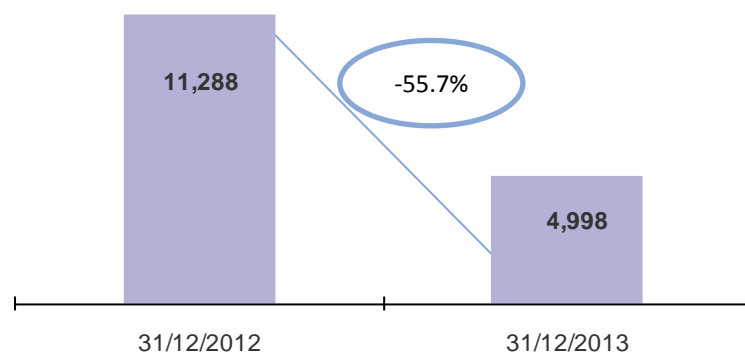
**EBITDA and EBITDA MARGIN CORE BUSINESS (€ 000)**



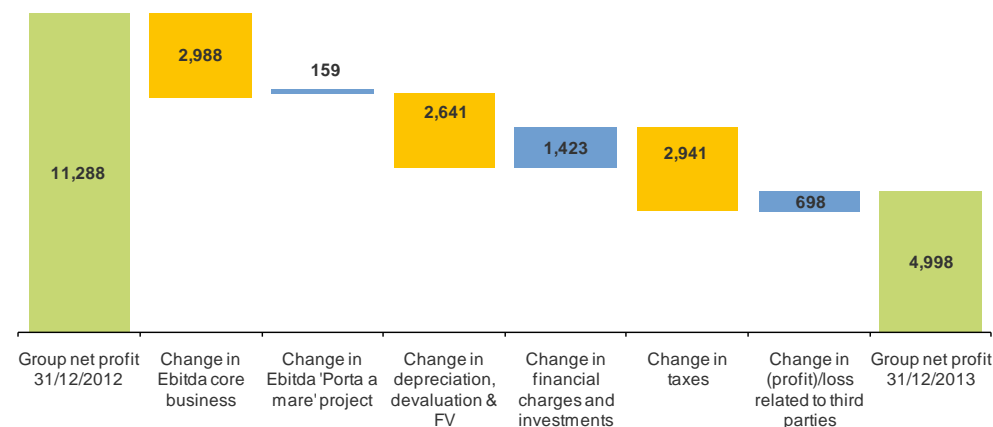
**EBITDA MARGIN from FREEHOLD MANAGEMENT was equal to 78.2%**

# 14 Group net profit: € 5.0 mn

## GROUP NET PROFIT (€ 000)



## NET PROFIT EVOLUTION (€ 000)



### PERFORMANCE OF GROUP NET PROFIT EQUAL TO € 5.0 MN COMPARED TO 31/12/2012 REFLECTS:



- an improvement in financial charges and investments equal to +1.4 € mn
- positive impact on change in profit/loss related to third parties (Porta Medicea) (+0.8 € mn)



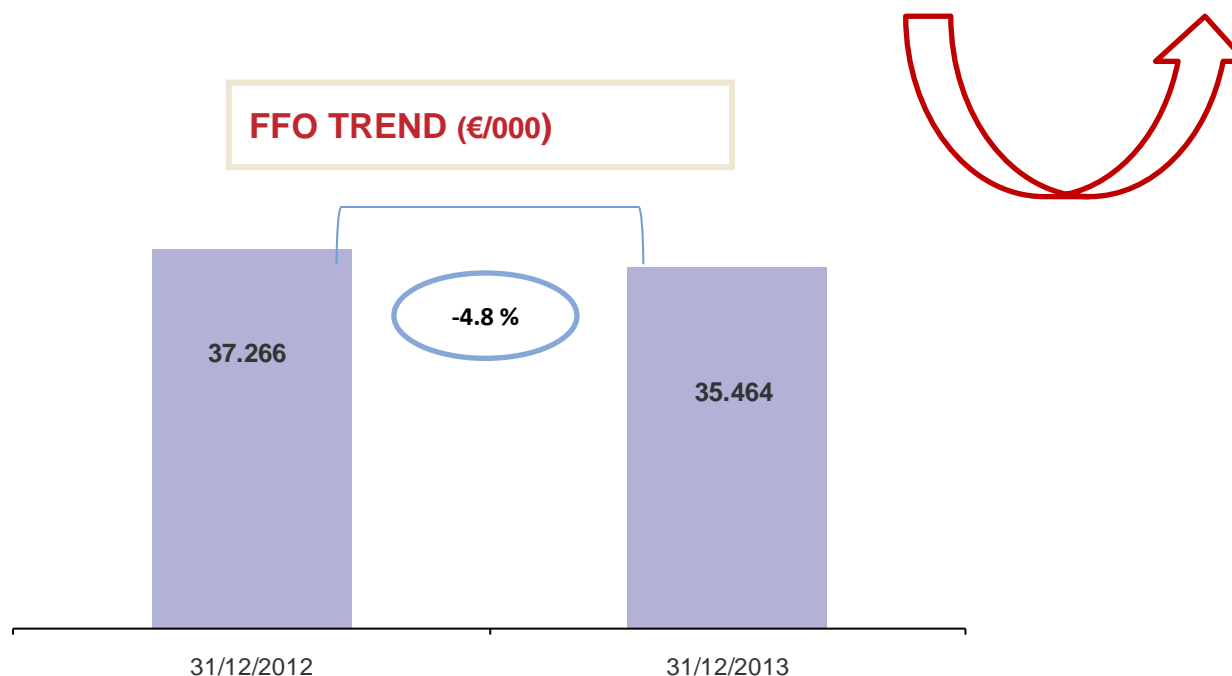
- negative change in core business Ebitda (-3.0 € mn) mainly due to decreased revenues in addition to increased direct costs caused by IMU property tax and increased service charges caused by higher average vacancy
- negative change in fair value and an increase in other provisions and devaluations (-2.6 € mn)
- negative impact on deferred taxes and transfer of deferred tax liabilities (-2.9 € mn)

# 15 Core business Funds From Operations

FFO (€/000)	31/12/2012	31/12/2013	Δ	Δ%
<b>Pre-tax profit</b>	<b>5,763</b>	<b>6,584</b>	<b>821</b>	<b>14.2%</b>
Depreciation and other provisions	1,688	1,446	-243	-14.3%
Change in FV and devaluations	30,594	28,467	-2,127	-7.0%
Extraordinary management	746	498	-247	-33.2%
Income taxes for the period	-1,526	-1,531	-6	0.4%
<b>FFO</b>	<b>37,266</b>	<b>35,464</b>	<b>-1,802</b>	<b>-4.8%</b>

Of which:

- **-3.0 € mn** due to decreased Ebitda (decreased net revenues, slightly increased direct costs, G&A expenses and other changes)
- **+1.2 € mn** due to decrease in financial management



**OPERATING  
PERFORMANCE**





# 17 Commercial Highlights

**Footfalls in Italian IGD Shopping Malls (L4L)**

**+ 0.9% vs 31/12/2012**

**Tenants sales in Italian IGD Shopping Malls (L4L)**

**-1.6% vs 31/12/2012**

Retailer sales in CNCC malls



**-2.5%**

**Footfalls in Romanian WINMARKT Shopping Malls (L4L)**

**-5.4% vs 31/12/2012**

# 18 The performance of our shopping malls in 2013

TENANT SALES AND FOOTFALLS IN OUR SHOPPING CENTERS					
	SALES		FOOTFALLS		
	total trend	LFL	total trend	LFL	abs. Value
<b>ITALY</b>	-1.4%	<b>-1.6%</b>	+0.9%	<b>+0.9%</b>	66.2 mn
<b>ROMANIA</b>	n.p*		<b>-5.4%</b>		31.7 mn

\*not all our tenants have a cash register

## ITALY

**Footfalls: +0.9%.** Footfalls held up well although 5 months of the year were lower than in 2012. This overall increase in visitors to the centers corresponds to a decrease in those carrying out purchases (nr. of receipts fell by -2.7%); buyers spent more than in 2012 (on average +1.1%).

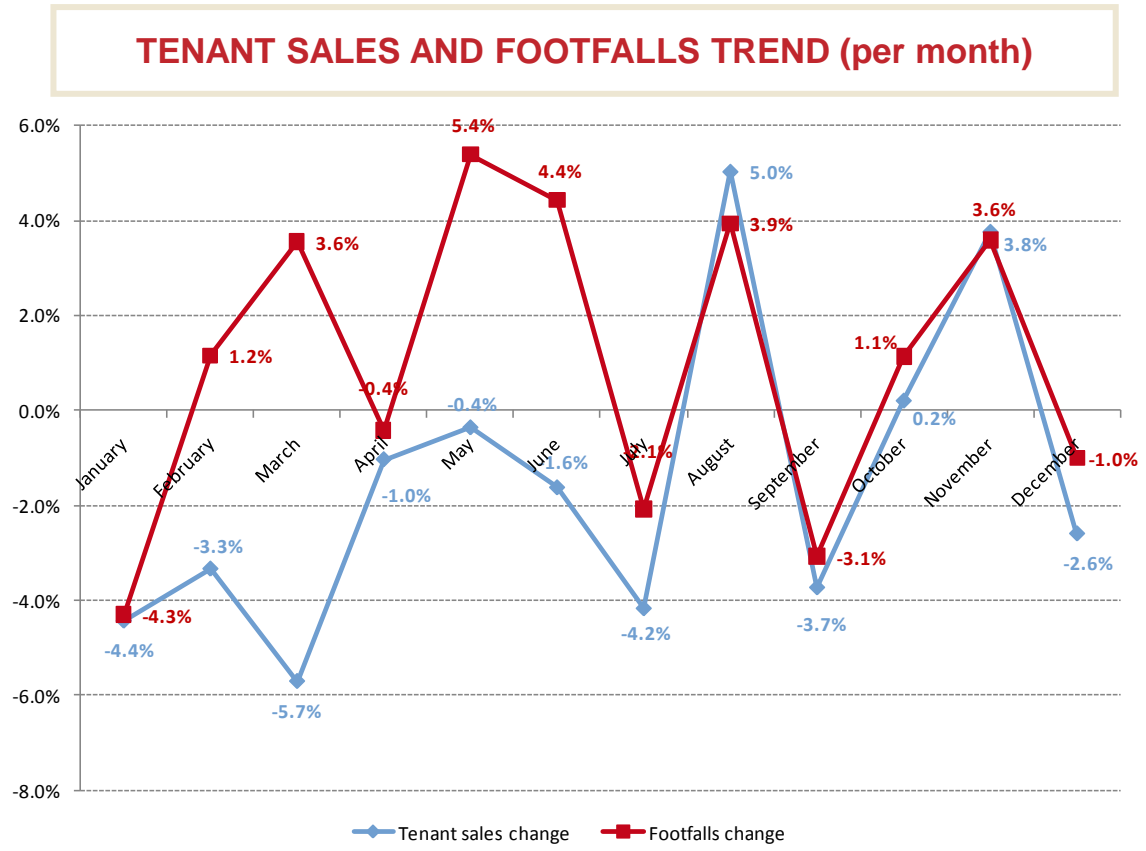
**Sales: -1.6%.** The year 2013 ended with an overall drop in LFL sales equal to -1.6%, helped by the better performance in the second half of the year. The month of December confirmed the critical issues (both in terms of sales and footfalls) already recorded in 2012, reversing the upward trend that appeared for the month of November (+3.8% compared to 2012). One Saturday less in the calendar had an influence on sales. **Clothing and electronics**, the two categories that represent almost 2/3 of the total turnover of the centers, **held up well**, despite slight declines. Conè and Katanè shopping centers, in particular, were positive.

## ROMANIA

**Footfalls: -5.4%** compared to 2012. The decline was also due to the still ongoing work which was started in 4Q on the ground floors of the centers where H&M will have openings in spring. In fact the comparison 2013vs2012 of the first nine months was equal to -0.4%. Within the network, there were also fewer footfalls in the cities where new centers were opened (Ploiesti, Galati, Alexandria), whereas the impact of the openings of international anchors (Carrefour in Slatina, H&M in Buzau, DM Braila) in Winmarket centers resulted in a double-digit growth.

**Sales:** From the data that we can monitor, there was a LFL increase in international food brands (12 shops) equal to 0.6%, whereas the decline in consumer electronics (-3.8 yoy, 12 shops) continued, due in part also to the constant increase in online sales. The good performance of the first H&M shop opened in March 2013 in a secondary city (Buzau), provides more confidence with regard to the 3 openings planned in 2014 in more interesting cities.





# 19 The performance of our shopping malls in 2013



Source: IGD's Marketing

Footfalls and tenant sales trends still in line, with the exception of the month of March.

# 20 | Hypermarket and supermarket trends in 2013

HYPERMARKET/SUPERMARKET SALES IN ITALY								
								
	total trend	LFL	total trend	LFL	total trend	LFL	total trend	LFL
<b>supermarkets + hypermarkets</b>	-0.8%	-1.6%	-0.7%	-1.5%	-0.7%	-1.4%	-2.1%	-6.6%
<b>hypermarkets</b>	-1.6%	<b>-2.7%</b>	-1.0%	<b>-1.0%</b>	-3.0%	<b>-3.0%</b>	-2.1%	<b>-6.6%</b>
<b>supermarkets</b>	-0.2%	-0.8%	-0.3%	-1.9%	+0.4%	-0.6%	/	/

Source: processing COOP on IRI infoscan data

**Coop Adriatica** ended the year in line with the average, its Hypermarkets were top performers.

**Unicoop Tirreno** was affected by the closure of Hypermarkets in Campania in the middle of the year.

**Hypermarkets in IGD shopping centers recorded -2.6%**

**IGD's hypermarkets recorded -2.9% due also to the negative performance of the non-food sector.**



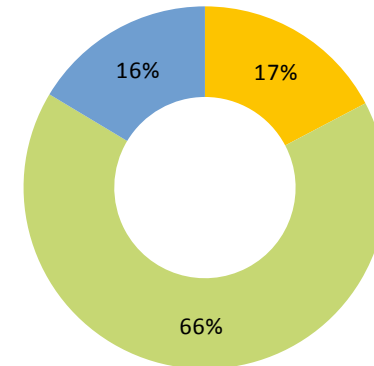
# 21 Tenants in Italy

TOP 10 Tenants	Product category	Turnover impact	Contracts
Miroglio group 	clothing	3.7%	34
PIAZZA ITALIA	clothing	3.2%	9
	clothing	1.9%	7
CALZEDONIA	clothing	1.7%	19
	footwear	1.6%	4
BBC 	bricolage	1.4%	1
	electronics	1.4%	1
	entertainment	1.4%	20
COMPAR 	footwear	1.4%	7
	restaurant	1.3%	8
<b>Total</b>		<b>19.1%</b>	<b>110</b>













TOTAL CONTRACTS	
Malls	1,016
Hypermarkets	19
<b>Total</b>	<b>1,035</b>

**BRAND BREAKDOWN IN MALLS**  
By turnover



■ International brands ■ National brands ■ Local brands

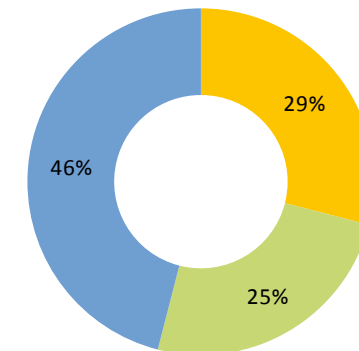
# 22 Tenants in Romania

TOP 10 Tenants	Product category	Turnover impact	Contracts
 Carrefour	food	9.7%	10
 DOME	electronics	6.6%	8
 B&B collection	jewellery	3.5%	9
 dm	household goods	2.4%	5
 SENSI	pharmacy	2.3%	5
 House of Art	clothing (family)	2.0%	5
 ALTEX	electronics	2.0%	3
 H&M	clothing	1.9%	1
 LEONARDO	footwear	1.7%	5
 BILLA	supermarkets	1.3%	2
<b>Total</b>		<b>33.4%</b>	<b>53</b>



**TOTAL CONTRACTS 552**

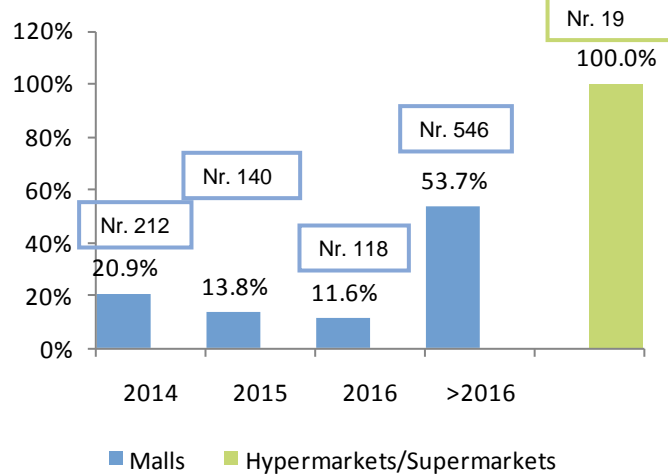
**BRAND BREAKDOWN IN MALLS  
By turnover**



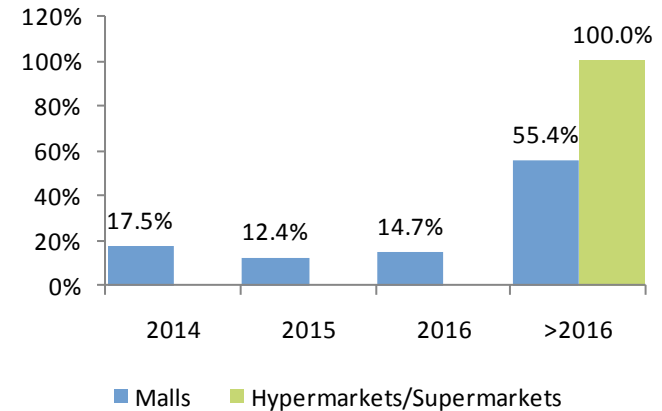
International brands National brands Local brands

# Contracts in Italy and Romania

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



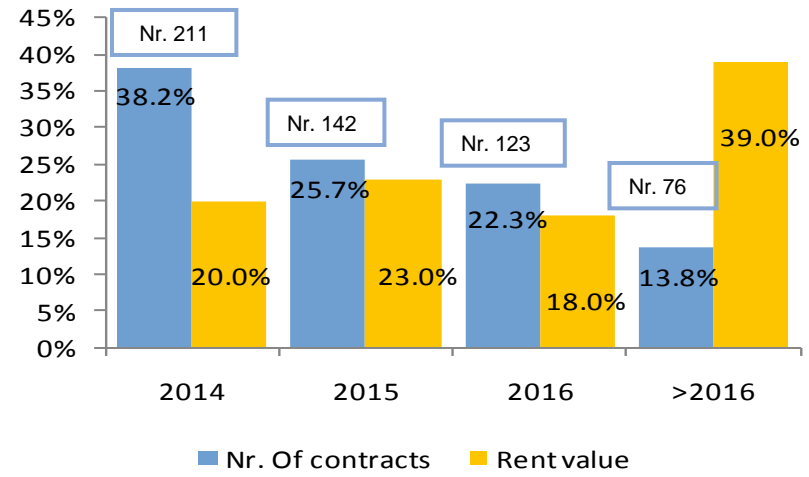
**EXPIRY DATE OF CONTRACTS OF HYPERMARKETS AND MALLS IN ITALY (% of value)**



**ITALY**  
 In 2013 196 contracts were signed, of which 101 turned over and 95 renewed.  
 Average upside on renewal: **+0.5%**.

**ROMANIA**  
 In 2013 287 contracts were renewed (downside of **-9.1%**) and 142 new contracts were signed.  
 Downside mainly due to the expiration of several contracts in Ploiesti, city where the competitive environment deeply changed in the last year.  
 Average rents held up well with improving step rent in centers, which in 2014 will see the arrival of new international anchors (Galati, Ramnicu, Piatra Neamt).  
 (Renewals and new contracts in 2013 represented respectively 39% and 19.6% of Winmarkt's total revenues)

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



# 24 Commercial strategies: Italy (1/2)

✓ Ability to understand and react to the ongoing changes in consumption models: new food anchor needs, development of temporary shops, introduction of traditional shops selling typical and food design products, a new second-hand area (both in clothing and in electronics).



Cake design event in Le Maioliche – Faenza

Traditional shops event in Centronova – Bologna



Traditional shops in Gran Rondò - Crema



Traditional shops in Katanè - Catania

✓ Coordinated marketing plans to share a common identity and to optimize costs. In 2013, there were 514 events that took place (an increase of 9.4% compared to 2012). 36% of these were recreational-sports events carried out with local associations and 17% were socio-environmental events.



## 25 Commercial strategies: Italy (2/2)

✓ **Merchandising mix** not only stores dedicated to shopping but also personal services (such as medical and dental clinics, fitness centers, spa). This also serves as a balance to the new shopping trends resulting from the spread of e-commerce.

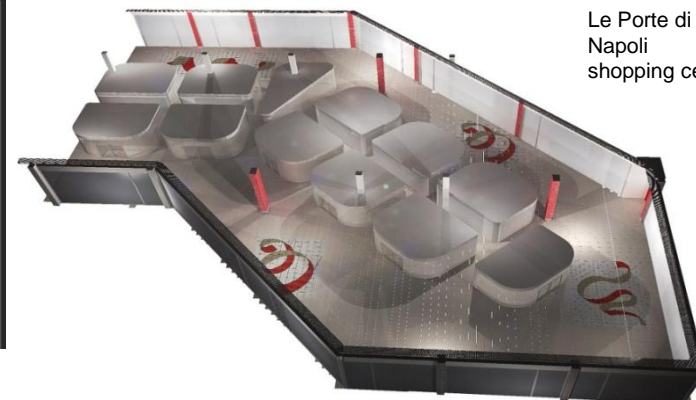


✓ **Adjustment of layout** to rearrange the mix of medium-sized areas and neighborhood shops

Tiburtino shopping center



Le Porte di Napoli shopping center



# 26 E-commerce

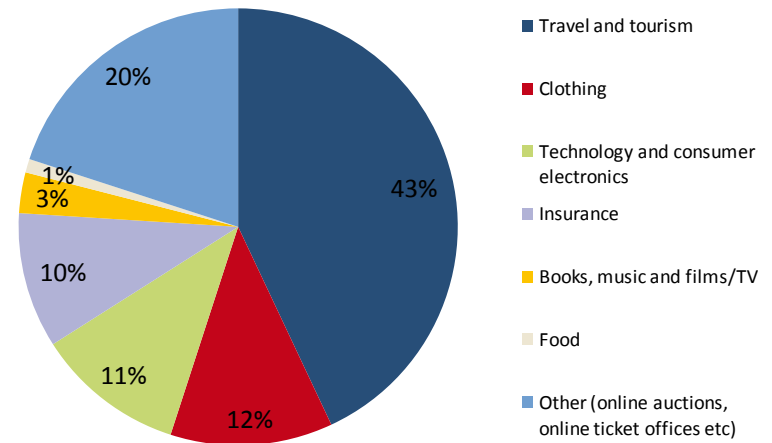
- ✓ **Italy is an emerging market** in e-commerce even if something is changing.
- ✓ **2013 online sales in Italy: +17%** (total estimated turnover € 11.2 bn).
- ✓ E-commerce in Italy represents a very small portion of total **retail sales**, about 3% in 2013.
- ✓ **Sectors** most affected: clothing, IT, grocery, tourism, insurance and publishing.

***Traditional commerce and e-commerce can be considered as two sides of the same coin, the material world and the virtual world can come together inside a single store.***

**Change in e-commerce sales by country 2012-2016**

	2012	2013	2014	2015	2016
<b>Italy</b>	17.0%	16.8%	15.3%	13.5%	12.0%
<b>UK</b>	13.7%	13.7%	12.2%	10.2%	8.2%
<b>US</b>	14.2%	13.4%	11.8%	11.4%	10.9%
<b>France</b>	32.3%	10.3%	10.0%	9.8%	7.6%
<b>Germany</b>	25.6%	5.7%	7.4%	6.9%	6.5%
<b>China</b>	93.7%	78.5%	63.8%	43.3%	34.4%
<b>Japan</b>	12.3%	-10.2%	7.1%	6.7%	5.6%

**2013 e-commerce sales in Italy by category (% of the total)**

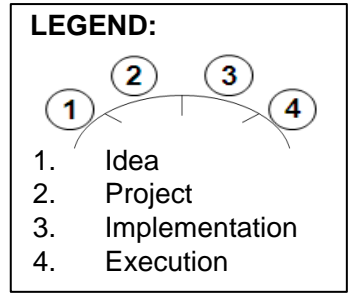


Source: eMarketer

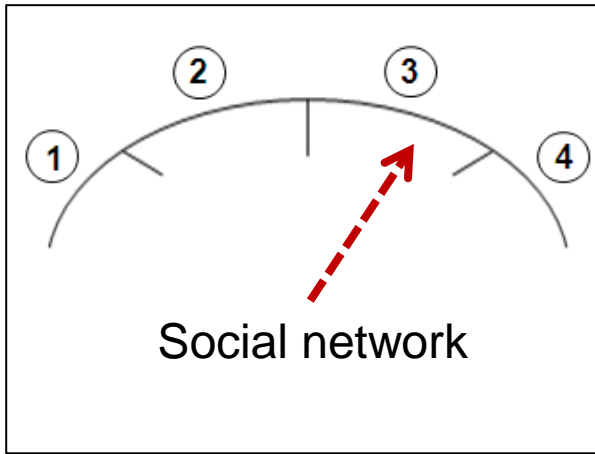


# 27 IGD and new technologies

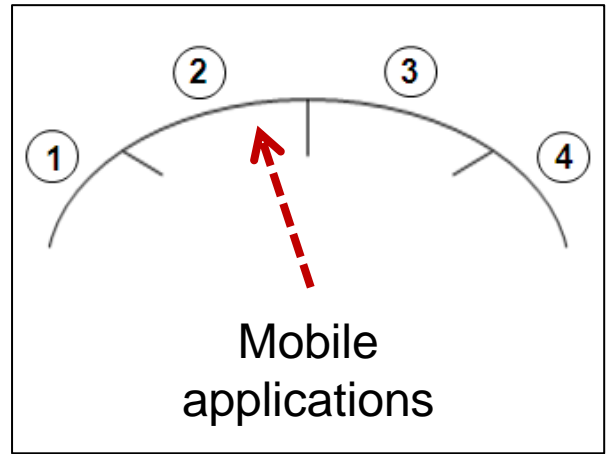
## CURRENT SITUATION OF NEW TECHNOLOGIES IN IGD



- **All shopping centers** have a website and wi-fi
- Alignment to sole format near completion



- 66% of the shopping centers have an **active Facebook account**, with contacts continuously increasing



- After completion of the survey, in the first half of 2014 IGD will produce its **first two "apps"** in two Shopping Centers

## 28 Sustainability

- ✓ **MARCH:** ISO14001 environmental certification obtained for 4 shopping centers and for the headquarters
- ✓ **APRIL:** 3° Sustainability Report presented
- ✓ **APRIL:** Specialized training on sustainability carried out to 2/3 of IGD's employees (to be extended to all in 2014)
- ✓ **JULY/DECEMBER:** Internal involvement process carried out leading to the inclusion of sustainability issues in the business plan

**Growth** in third-party assessment regarding performance in 2013:



**+ 7 percentage points vs 2012**



**+ 9 percentage points vs 2012**

bert



PORTFOLIO

laTorre  
centro commerciale

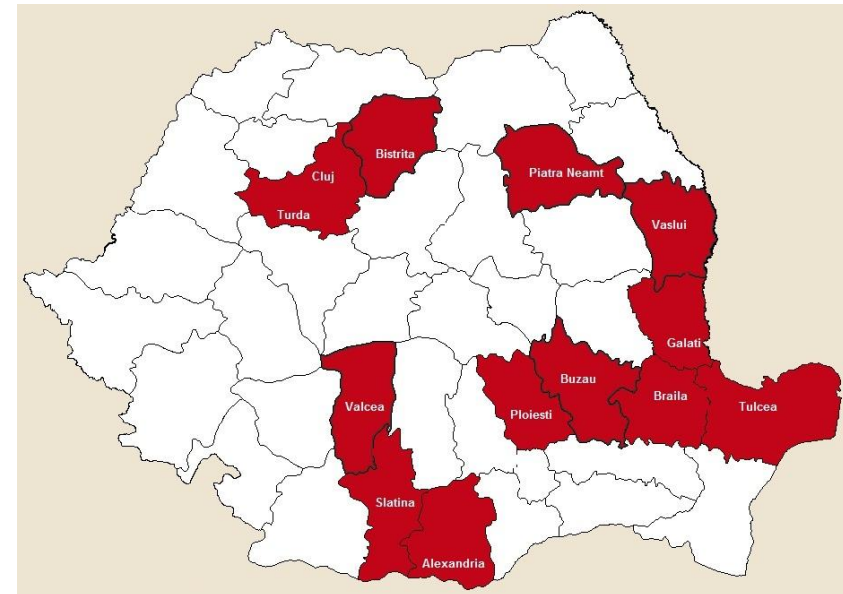
Princess Cafe



## 30 Italian and Romanian Portfolio



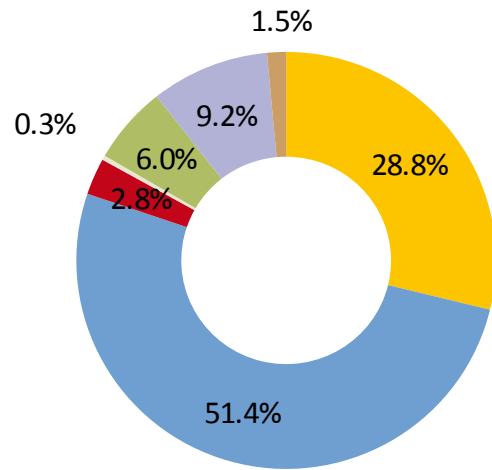
**51 REAL ESTATE UNITS IN  
11 ITALIAN REGIONS:**  
19 shopping malls and retail parks  
19 hypermarkets and supermarkets  
1 city center  
4 plots of land for development  
1 property held for trading  
7 other



**15 SHOPPING CENTERS + 1 OFFICE  
BUILDING IN 13 DIFFERENT ROMANIAN  
MEDIUM SIZED CITIES**

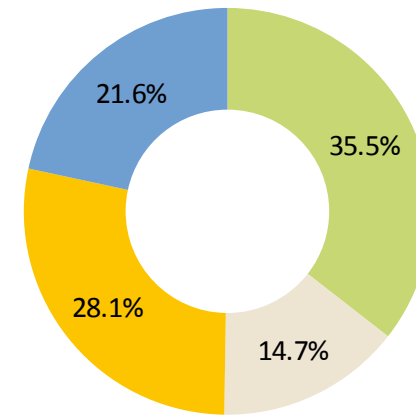
# 31 Italian and Romanian portfolio

**BREAKDOWN BY TYPE OF IGD'S PORTFOLIO MARKET VALUE**



- HYPERMARKETS/SUPERMARKETS
- LANDS
- PORTA A MARE
- CITY CENTER
- MALLS
- OTHER
- WINMARKT

**PORTFOLIO BREAKDOWN BY GEOGRAPHIC AREA IN ITALY (mkt value)**



- NORTH EAST
- NORTH WEST
- CENTRE
- SOUTH+ISLANDS

## 32 Breakdown of portfolio appraisals

PROPERTY CATEGORY	% PORTFOLIO	APPRAISER
Hypermarkets and supermarkets	13.37%	CBRE
	15.20%	REAG
Shopping malls and retail parks	28.83%	CBRE
	23.03%	REAG
City Center	1.47%	CBRE
Other	0.33%	CBRE
	0.02%	REAG
Porta a Mare	6.04%	CBRE
Development and lands	1.73%	CBRE
	0.66%	REAG
Winmarkt (Romania)	9.33%	CBRE
	100.00%	
<b>Total</b>	<b>61.09%</b>	<b>CBRE</b>
	<b>38.91%</b>	<b>REAG</b>
	100.00%	



# 33 Market Value evolution 1/2

€ mn	Mkt Value 31/12/2012	Mkt Value 31/12/2013	
LFL Italian portfolio (malls+hypermarkets+other)	1,548.95	<b>1,522.49</b>	
City Center Project V. Rizzoli	27.70	<b>27.80</b>	
<b>Total income related portfolio in ITALY</b>	<b>1,576.65</b>	<b>1,550.29</b>	<b>-1.67%</b>
<b>Total income related portfolio in ROMANIA</b>	<b>177.90</b>	<b>173.40</b>	<b>-2.53%</b>
<b>TOTAL IGD INCOME RELATED PORTFOLIO</b>	<b>1,754.55</b>	<b>1,723.69</b>	<b>-1.76%</b>
Porta a Mare + plots of land	152.01	<b>167.59</b>	
<b>TOTAL IGD PORTFOLIO</b>	<b>1,906.56</b>	<b>1,891.28</b>	

## 34 Market Value evolution 2/2

### ITALIAN Portfolio

**Change in income related LFL FV (hypermarkets, malls, city center and others): -1.67% of which:**

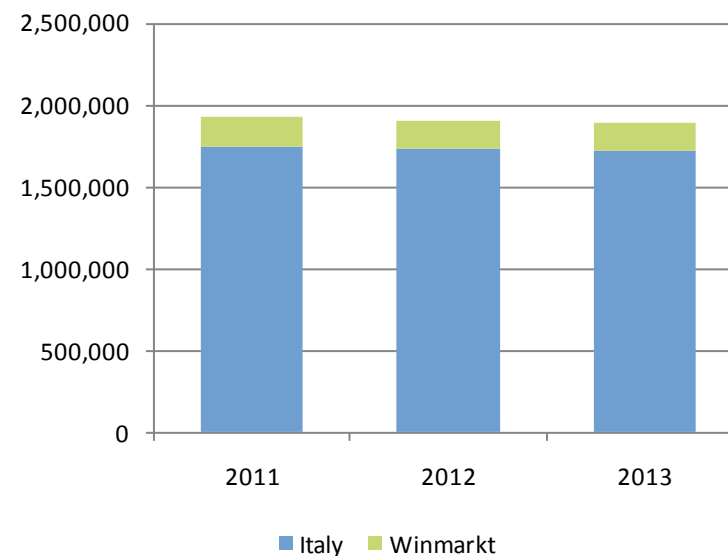
- **HYPERMARKETS: +1.11%** (FV of hypermarket asset class suffered a decrease of about -0.7 € mn due to the reduction of inflation rate hypothesis used in DCF, with the exclusion of Tiburtino and Casilino hypermarkets because they benefited from a different distribution of IMU property tax between Hypermarket and Mall )
- **MALLS and RETAIL PARKS: - 3.21%** (Decrease in revenue prospects in terms of contracted rents for new rents (MGR Minimum Granted Rent) and market rents (ERV Estimated Rental Value). In addition the vacancy rate increased in some shopping centers. There were no substantial changes in the discount rate)
- **OTHER: -2.62%**
- **CITY CENTER: +0.36%**

### ROMANIAN Portfolio


**LFL change: -2.53% of which**

- **SHOPPING MALLS: - 2.08%** (due to the reduction in the inflation rate used in the DCF, for MGR and ERV)

### MARKET VALUE EVOLUTION (€ 000)



# 35 Portfolio characteristics

	ITALY			ROMANIA
	HYPERMARKETS	MALLS	AVERAGE	MALLS
 Financial occupancy	100.0%	96.2%	97.4%	84.5%
Market value as at 31 December 2013 €mn	544.39	971.52		170.00
Compound average yield of total portfolio (gross initial yield)	6.63%	6.52%		6.44%



The profit return on **HYPERMARKETS (6.63%, +0.04%)** grew due to the gradual contractual fulfillment of the established rents of newly opened hypermarkets.

The profit return on **ITALIAN MALLS (6.52%, -0.09%)** affected by an increase in vacancy, longer time needed for commercialization and a reduction in estimated market rents.

The profit return on **ROMANIAN MALLS (6.44%, -0.28%)** decreased due to the reduction in MGR (contractual rents for new rentals) and ERV (market rents) used to enhance vacancy.

# 36 Porta a Mare evolution: work in sub area Piazza Mazzini completed



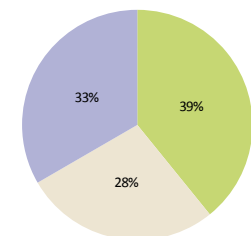
## Work in Piazza Mazzini completed in the second half of 2013

**Retail area:** work in progress for commercialization. Expected opening date **July 2014**

**Residential area:** 73 apartments in total of which 23 deeds signed between late 2013 and early 2014

Conclusion of sales of Mazzini area apartments expected in 2015/2016

## Breakdown of Piazza Mazzini areas (19,208 m<sup>2</sup>)



■ retail ■ Palazzo Orlando (offices) ■ residential

# 37 2013 investments/capex

2013 main investments were:

## Centro d'Abruzzo Restyling and Extension



Inside Restyling



Extension

## Mondovì and La Torre Fit out



Creation of a new medium sized area in Mondovì

## Tiburtino shopping center remodeling



Creation of a new medium sized area

## Retail Park Chioggia

*Work begun at the end of 2013*



outside



inside



# 38 Focus on Romania

## The renovation of the portfolio continues



Total investments activated in **2013** equal to about € 4.7 mn

Total investments expected in **2014** about € 4.1 mn

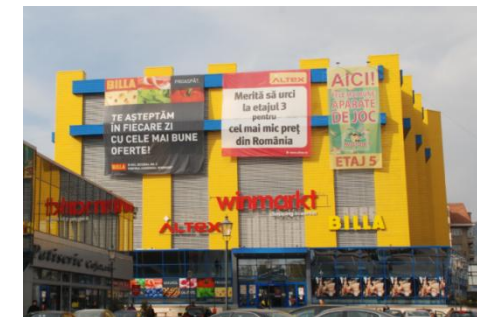
shopping center	status as at 31Dic2013	main targets	target time
Alexandria	<b>completed</b>	facade and building insulation	<b>2013</b>
	obtaining permits	electricity transformer	Jun-14
Braila	<b>completed</b>	electricity transformer	<b>2013</b>
Buzau	<b>completed</b>	international anchor and facade make up	<b>2013</b>
Cluj	<b>work in progress</b>	phase 2 : internal refurbishment and new GLA	<b>Mar-14</b>
Galati	<b>work in progress</b>	international anchor insertion	<b>Mar-14</b>
Ploiesti	<b>completed</b>	pedestrian suspension bridge to link 2 assets	<b>2013</b>
	<b>work in progress</b>	Omnia internal refurbishment	<b>Feb-14</b>
Ploiesti big	obtaining permits	facade and building insulation	Dec-14
	<b>completed</b>	facade / flooring / building insulation	<b>2013</b>
Ploiesti offices	<b>work in progress</b>	facade and building insulation	<b>Mar-14</b>
Piatra Neamt	<b>nearing completion</b>	facade and building insulation	<b>1Q2014</b>
	market selection	internal refurbishment	Aug-14
Ramnicu Valcea	obtaining permits	international anchor insertion	Aug-14
	<b>completed</b>	panoramic elevators insertion	<b>2013</b>
Tulcea	<b>work in progress</b>	international anchor insertion	<b>Apr-14</b>
	<b>nearing completion</b>	electricity transformer	<b>1Q2014</b>
Slatina	executive planning	international anchor and facade	Dec-14
	obtaining permits	electricity transformer	May-14
Vaslui	<b>completed</b>	electricity transformer	<b>2013</b>

### NEXT OPENINGS



Spring 2014 – Galati  
 Spring 2014 – Ramnicu Valcea  
 Autumn 2014 – Piatra neamt  
 Spring 2015 - Tulcea

before



Piatra Neamt

after

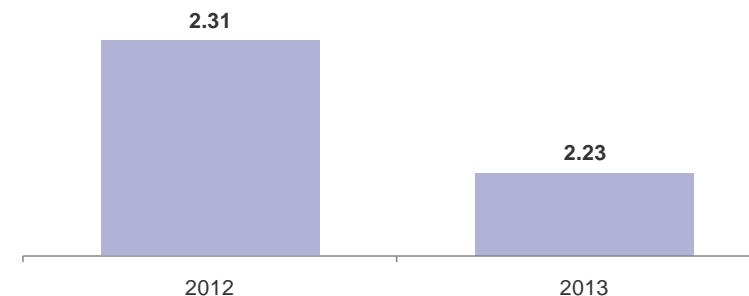




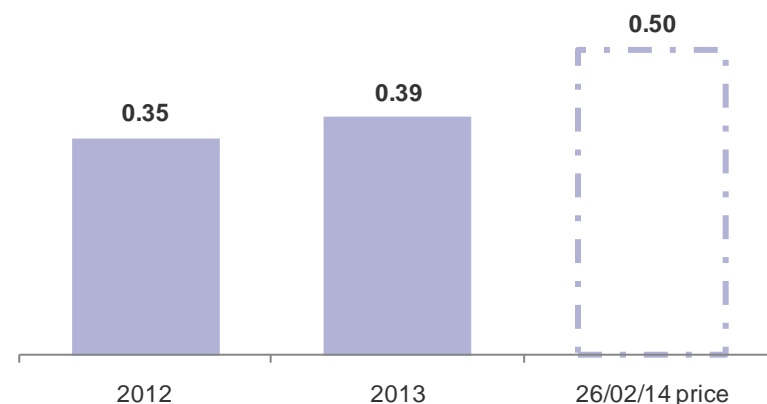
# 39 NNAV

NNAV		FY12	FY13
Market value owned properties, lands, direct development initiatives and assets held for trading	a	1,906.56	1,891.28
Investment properties, lands and development initiatives, assets held for trading	b	1,905.78	1,890.86
<b>Potential capital gain</b>	<b>c=a-b</b>	<b>0.78</b>	<b>0.42</b>
Shareholders' equity (incl. Third parties)		753.57	763.69
Treasury shares value (incl. Commissions)		22.25	22.25
<b>Adjusted shareholders' equity</b>	<b>h</b>	<b>775.82</b>	<b>785.94</b>
<b>Present IGD stock price</b>	30-dic-13	<b>0.82</b>	<b>0.87</b>
<b>Potential gain/(loss) on treasury shares</b>	<b>d</b>	<b>(13.14)</b>	<b>(12.59)</b>
<b>Total capital gain/(loss)</b>	<b>e=c+d</b>	<b>(12.36)</b>	<b>(12.17)</b>
<b>NAV</b>	<b>f=e+h</b>	<b>763.45</b>	<b>773.78</b>
Number of shares	g	330.03	348.00
<b>NAV per share</b>	<b>f/g</b>	<b>2.31</b>	<b>2.22</b>
Tax rate on asset gain/loss		27.6%	27.6%
<b>Total net capital gain/(loss)</b>	<b>i</b>	<b>(12.58)</b>	<b>(12.29)</b>
<b>NNAV</b>	<b>l=h+i</b>	<b>763.24</b>	<b>773.66</b>
<b>NNAV per share</b>	<b>m=l/g</b>	<b>2.31</b>	<b>2.22</b>

## NNAV PS (€)



## YE PRICE/NNAV (€)



**The increase in NNAV** is due to:

- potential gain on retail area Officine Storiche
- increase in treasury shares market value

**The decrease in NNAV per share** compared to 2012 is mainly due to:

- dilutive effect of the DRO (increase in number of shares)

A photograph of a modern shopping mall interior. The space is characterized by a large, circular skylight at the top, which allows natural light to illuminate the area. The walls are a vibrant red color, and the floor is made of polished, light-colored tiles. Several people are seen walking through the mall, some carrying shopping bags. In the background, there are glass-fronted shops and a sign that says "CLICK". A black rectangular box with the text "FINANCIAL STRUCTURE" is overlaid on the right side of the image.

## FINANCIAL STRUCTURE

# 41 Financial Highlights 1/2

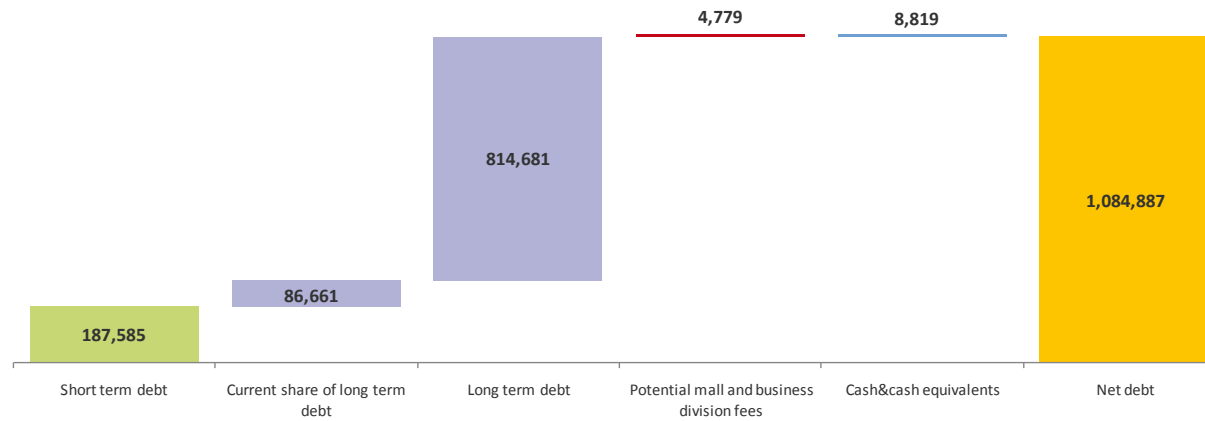
	31/12/2012	31/12/2013
GEARING RATIO	1.38	1.38
LOAN TO VALUE	57.2%	57.4%
COST OF DEBT	3.91%	3.94 %
INTEREST COVER RATIO	2.00X	1.91X
AVERAGE LENGTH OF LONG TERM DEBT (Bond excluded)	10.2 years	8.6 years
MID/LONG TERM DEBT RATE	56.3%	75.3%

## 42 Financial Highlights 2/2

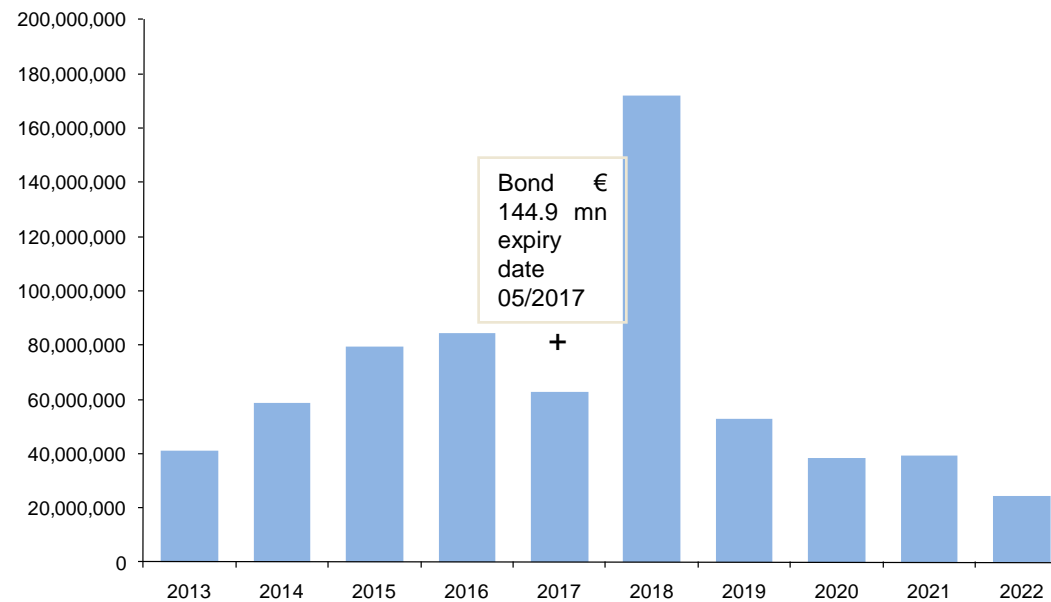
	31/12/2012	31/12/2013
HEDGING ON LONG TERM DEBT + BOND	76.1%	79.3%
HEDGING ON LONG TERM DEBT	68.1%	75.3%
BANKING CONFIDENCE	€ 273.5 mn	€ 273.5 mn
BANKING CONFIDENCE AVAILABLE	€ 93.8 mn	€ 86.6 mn
MKT VALUE OF MORTGAGE FREE ASSETS7LANDS	€ 551.3 mn	€ 347.7 mn

# 43 Financial structure

**NET DEBT COMPOSITION (€ 000)**

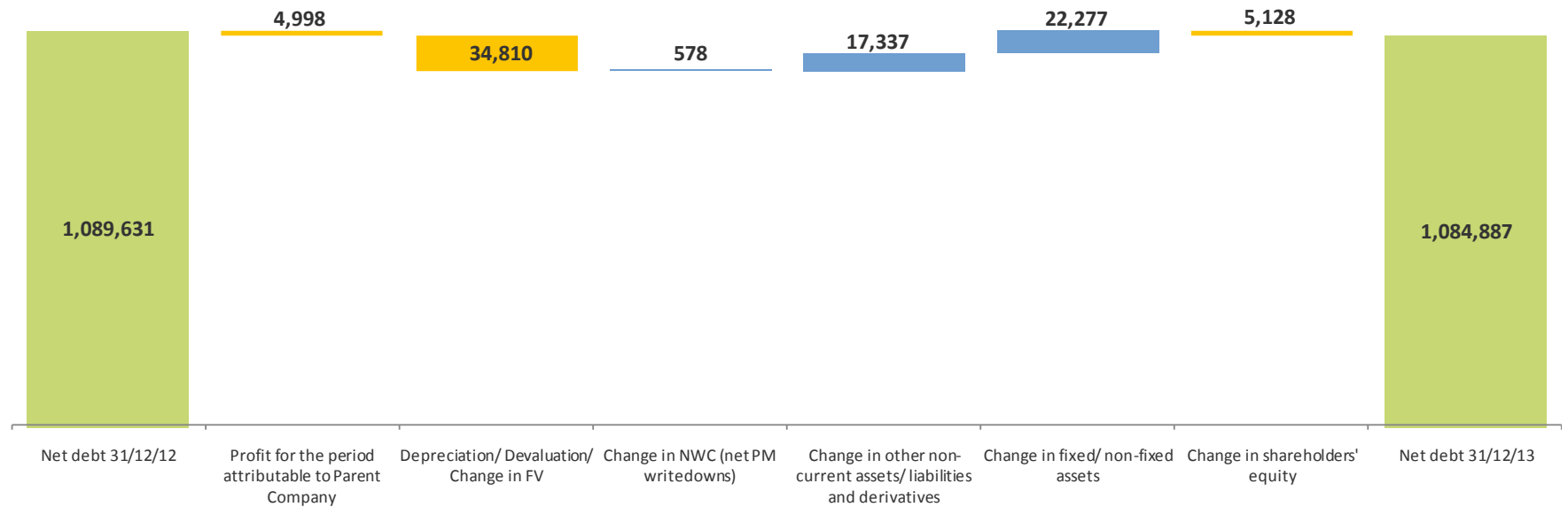


**DEBT MATURITY (€ 000)**



# 44 Net Debt

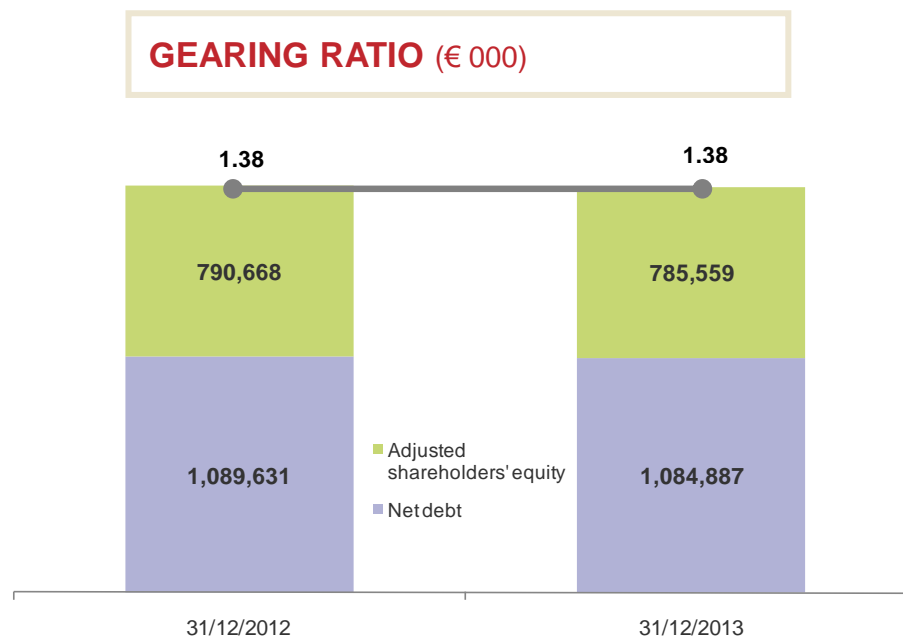
## NET DEBT CHANGE (€ 000)





# 45 Reclassified balance sheet

SOURCES/USE OF FUNDS (€ 000)	FY12	FY13	Δ	Δ%
Fixed assets	1,889,979	1,879,129	-10,850	-0.6%
NWC	75,713	71,271	-4,442	-5.9%
Other long term liabilities	-68,520	-68,519	0	0.0%
<b>TOTAL USE OF FUNDS</b>	<b>1,897,172</b>	<b>1,881,881</b>	<b>-15,291</b>	<b>-0.8%</b>
Net debt	1,089,631	1,084,887	-4,744	-0.4%
Net (assets) and liabilities for derivative instruments	53,975	33,302	-20,673	-38.3%
Shareholders' equity	753,566	763,692	10,126	1.3%
<b>TOTAL SOURCES</b>	<b>1,897,172</b>	<b>1,881,881</b>	<b>-15,291</b>	<b>-0.8%</b>

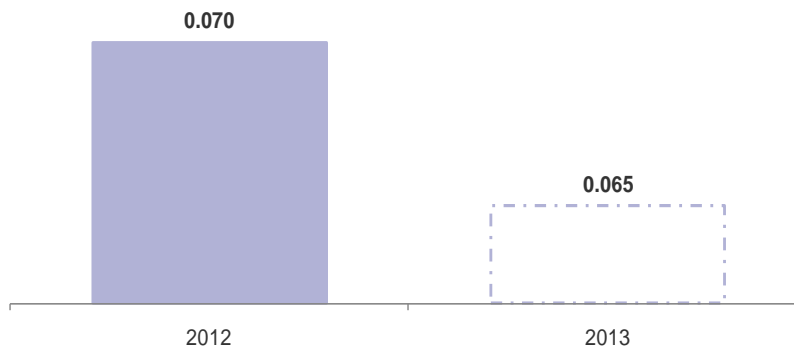


# 46 Dividend

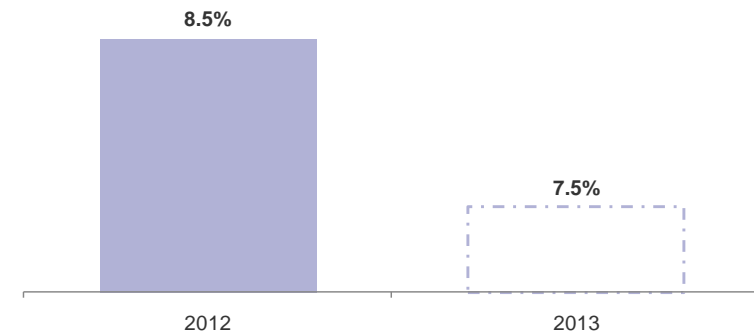
The IGD Board of Directors will ask the shareholders at the Annual General Meeting on **15 April 2014** to approve the distribution of a:


 **dividend of € 0.065 per share**

**DIVIDEND (€)**




**DIVIDEND YIELD (%) on price at year-end**



 A **Dividend yield of 5.8%** on the basis of the share price at 26 February 2014 equal to € 1.117

 A **Dividend amount** equal to **€ 21.91 mn**

 The proposed dividend is to be considered together with the subsequent transaction that will be offered to IGD shareholders, the **DIVIDEND REINVESTMENT OPTION**, in line with what happened in 2012 and 2013 and with that foreseen in the 2014-2016 Business Plan

## 47 Dividend Reinvestment Option

The **Board of Directors** at the  
**Annual General Meeting** to be held on 15 April 2014  
will propose

a share capital increase without pre-emption rights, to be offered to IGD  
Shareholders entitled to receive the 2013 dividend.

Those who decide to agree to the capital increase will be offered the possibility to  
reinvest a part, not to exceed 80%, of their gross dividend.

The 2013 dividend will be paid in cash in accordance with standard procedures  
and the Shareholders may then decide whether to invest part of the dividend in  
the capital increase as per the terms and conditions proposed.

The purpose of this transaction, which is in line with the best practices adopted  
by a number of European REIT's, is to give the shareholders entitled to receive  
the dividend, the possibility to reinvest in IGD, and to give IGD the possibility of a  
capital increase

# 48 Dividend Reinvestment Option: steps

## Who can participate

Shareholders that own IGD shares on the trading day prior to the 2013 going-ex dividend

## How much

The **total offer will amount to 80%** of the proposed 2013 dividend.

Each shareholder may reinvest an amount not exceeding 80% of their gross dividend received.

## How

During the AGM shareholders will establish the criteria to be used to determine the subscription price of the new shares, with reference to the BoD proposal and to the market procedures of similar transactions, taking into consideration the average share price reported during a period of trading days prior to the date on which the price will be established. From this the 2013 cash dividend amount will be subtracted and a discount of no more than 10% will be applied.

A subsequent BoD will determine the final subscription price on the basis of the criteria established during the AGM.

*The details of the transaction will be disclosed to the market after the Annual General Meeting and before the start of the transaction*

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