

**Event:** 1H 2014 Financial results presentation  
**Date:** 7th August 2014  
**Speakers:** Mr. Claudio Albertini, CEO  
Mr. Daniele Cabuli, COO

OPERATOR: GOOD AFTERNOON, EVERYBODY. THIS IS THE CHORUS CALL OPERATOR. WE'D LIKE TO WELCOME YOU TO FIRST HALF 2014 IGD FINANCIAL RESULTS PRESENTATION. AFTER MANAGEMENT'S PRESENTATION, THERE WILL BE A Q&A SESSION.

NOW, I'D LIKE TO TURN THE CONFERENCE CALL OVER TO CLAUDIO ALBERTINI, CEO OF IGD. PLEASE, SIR.

CLAUDIO ALBERTINI: GOOD AFTERNOON, EVERYBODY. AS YOU'VE PROBABLY READ IN THE PRESS RELEASE THAT CAME OUT THIS MORNING, OUR BOARD OF DIRECTORS MET THIS MORNING AND IT APPROVED THE MEDIA REPORT FOR THE PERIOD ENDING THE HALF YEAR ENDING JUNE 30. AND IN ADDITION TO COVERING THIS, AT THIS END OF THIS PRESENTATION, I WILL GIVE YOU A FEW HIGHLIGHTS ABOUT THE FORTHCOMING AGM.

LET'S START ON PAGE 3, AND AS IT IS CUSTOMARY FOR US, THE FIRST TWO PAGES WILL SHED SOME LIGHT ON OUR HIGHLIGHTS. REVENUES ARE SLIGHTLY LESS THAN 62% OR UP 2.1% COMPARED TO THE SAME PERIOD LAST YEAR ENDING JUNE 30, WHILST OUR CORE BUSINESS REVENUES THAT ARE MAINLY RELATED TO RENTAL INCOME AMOUNTED TO €60.3 MILLION, SLIGHTLY DOWN COMPARED TO THE SAME PERIOD LAST YEAR I.E. MINUS 0.3%. IF YOU LOOK AT THE EBITDA, YOU CAN SEE THAT EBITDA FROM CORE BUSINESS WERE SLIGHTLY BELOW 40% OR DOWN 4.3%. EBITDA MARGIN AMOUNTED TO 66.1% OR DOWN 2.7 PERCENTAGE POINTS, WHILST THE EBITDA MARGIN FROM FREEHOLDS THAT'S SAY FROM DIRECTLY OWNED SHOPPING CENTERS AMOUNTED TO 77.8%. AS YOU CAN SEE FROM THIS SLIDE, THE MASTER LEASE OF THE SHOPPING MALL LE FONTI DEL CORALLO IN LIVORNO HAD A GREAT IMPACT ON THIS NUMBER. AS YOU WILL KNOW, WE TRANSFERRED THAT MALL TO BANE PAYNE (PH) IN THE FIRST HALF OF THE CURRENT YEAR FOR A CORRESPONDENT VALUE FULLY IN LINE WITH BOOK VALUE OR JUST WITH A SLIGHT CAPITAL GAIN. AND SO STARTING FROM THAT, WE HAVE A MASTER LEASE ENVISAGING DIRECT COST THAT HAS INCREASED NOTWITHSTANDING THE FACT THAT WE ARE STILL DIRECTLY CASHING IN FROM OUR FORMER DIRECT TENANTS NOW BANE PAYNE (PH) TENANTS. SO THE NUMBER THAT YOU CAN SEE HERE WERE AFFECTED BY THIS EVENT. AS FAR OUR GROUP NET PROFIT, IT AMOUNTED TO €4.5 MILLION OR UP APPROXIMATELY 10 PERCENTAGE POINTS COMPARED TO THE END OF JUNE LAST YEAR, WHILST OUR FFO OR FUNDS FROM OPERATIONS OF OUR CORE BUSINESS AMOUNTED TO €17.2 MILLION, SLIGHTLY DOWN,

MINUS 6.3 PERCENTAGE POINTS COMPARED TO THE SAME PERIOD LAST YEAR AND WHAT A GREAT IMPROVEMENT, COMPARED TO THE END OF MARCH WHERE THE DECLINE AMOUNTED TO 11%. SO AS YOU CAN SEE, WE GOT UP PRETTY WELL IN Q2.

THE NET NAV PER SHARE AMOUNTED TO €2.13 COMPARED TO THE €2.22 RECORDED AT THE END OF LAST YEAR. AND THE MAIN DRIVER WAS THE DILUTION FOLLOWING THE DIVIDEND REIMBURSEMENT OPTIONS WHICH INCIDENTALLY THIS YEAR GAVE QUITE A POSITIVE RESULT, APPROXIMATELY 78% WHICH IS THE BEST NUMBER EVER IN THE PAST THREE YEARS. THE TOTAL PORTFOLIO MARKET VALUE AMOUNTED TO €1,849 MILLION OR DOWN €42 MILLION; AGAIN THE DRIVER COMPARED TO LAST YEAR WAS THE WEIGHT WITH THE INCIDENT OF THE LE FONTI DEL CORALLO MALL TRANSFER FOR AN AMOUNT OF €47 MILLION IN FEBRUARY. AND THE SAME GOES FOR THE INCOME PORTFOLIO MARKET VALUE WHICH AMOUNTED TO €1.6 MILLION. THE DECLINE HERE IS DEPENDENT MAINLY ON THE TRANSFER OF THE LIVORNO SHOPPING MALL AND IT WAS A LESSER DECLINE. FINANCIAL OCCUPANCY, 96.6%, SLIGHTLY BELOW COMPARED TO THE END OF MARCH. WHILST AS FAR AS ROMANIA IS CONCERNED, THERE WAS AN INCREASE OF APPROXIMATELY 2 PERCENTAGE POINTS, 86.3% COMPARED TO 84% RECORDED AT THE END OF MARCH. FOR BOTH DATA WE WILL GET INTO DEEPER DETAILS IN THE NEXT FEW SLIDES.

WE ARE NOW ON PAGE 5, AND THE PURPOSE OF THIS SLIDE IS THAT OF GIVING YOU A BRIEF ACCOUNT OF MAJOR EVENTS THAT TOOK PLACE IN THE FIRST HALF OF THE CURRENT YEAR. SO AS YOU CAN SEE, THERE IS CORRELATION OF BETWEEN THESE EVENTS AND OUR STOCK PRICE AND OUR STOCK PERFORMANCE. UP UNTIL A CERTAIN POINT IN JUNE, THE PERFORMANCE OF OUR SHARE WAS VERY GOOD; SOMETIMES IT EVEN REACHED AN UPSIDE OF 50%. HOWEVER, THE GROWTH OF THE STOCK PRICE DECREASED IN THE SECOND PART OF JUNE. AND MAYBE I WILL GET BACK TO THIS POINT TALKING ABOUT THE STOCK PRICE PERFORMANCE IN JULY AND IN THE FIRST FEW DAYS OF AUGUST. AS YOU CAN SEE ON FEBRUARY 14, WE SOLD THE LE FONTI DEL CORALLO SHOPPING MALL IN LIVORNO, €47 MILLION IN LINE WITH BOOK VALUE AND HERE TOO, THE RESPONSE WAS NOT 100% POSITIVE. ANOTHER IMPORTANT FEATURE IN THE PAST FEW MONTHS WAS THE STRONG OR HIGH TRADING VOLUMES WHICH IS QUITE IMPORTANT, THAT'S TO SAY WE HAVE BEEN PUT BACK INTO THE INDEX WHICH WE BELONGED TO. WE THEN HAD ANOTHER EVENT WHICH HAD A MAJOR IMPACT ON THE MARKET, THAT'S TO SAY SALE OF TREASURY SHARES TO QUANTUM STRATEGIC PARTNERS CORRESPONDING VALUE €12 MILLION. THAT WAS MAINLY A DISPOSAL OF SHARES BY UNICOOP TIRRENO TO OUR SHAREHOLDER, THE QUANTUM STRATEGIC PARTNERS, BUT OVERALL 5%. SO THE STOCK PERFORMANCE WAS DRAMATICALLY AFFECTED BY THAT. THEN WE HAD A PRIVATE PLACEMENT IN APRIL WITH MORGAN STANLEY OF NON-SECURED SENIOR BONDS AT 3.875%. NOW, THIS DEAL, THIS TRANSACTION PUT US IN A VERY SAFE AND VERY SOUND POSITION FINANCIALLY SPEAKING. WE HAVE SECURED ALL SHORT-TERM LINES AND WE HAVE RECENTLY SEEN QUITE SHRINKAGE AND A DROP IN OUR SHORT-TERM COST OF DEBT BY COMPLETELY REVERSING OUR LEVERAGE POSITION WITH BANKS.

THERE ARE SEVERAL BANKS WHICH HAVE APPROACHED US IN ORDER TO PROMPT US TO TAP THE CREDIT LINES, BUT WE DON'T NEED THAT MONEY THAT MUCH. THEN APPROXIMATELY 78% OF THE DRO WAS SUBSCRIBED FOR A CORRESPONDING VALUE OF €14 MILLION THAT TOOK PLACE AT THE END OF MAY, WHICH WAS VERY COMFORTING NEWS WITH LEADING THEN TO THE CAPITAL INCREASE AND THE BOARD APPROVED IT. AND THIS MORNING THE AGM FURTHER APPROVED IT. SO THESE ARE THE HIGHLIGHTS OF THE MAJOR EVENTS THAT WERE THE DISTINCTIVE FEATURES OF THE FIRST HALF OF 2014 WITH THE ENSUING IMPACT ON OUR STOCK PRICE PERFORMANCE.

IN THE LAST PART, THAT TO SAY BETWEEN JULY AND AUGUST, THE PERFORMANCE WAS DIFFERENT AND ITS NOT REFLECTED IN THE NUMBERS THAT WE ARE HERE TO DISCLOSE.

PAGE 7 AND 8, WELL I WILL ALMOST SKIP IT, BECAUSE THAT GIVES YOU THE ECONOMIC CONTEXT IN ITALY AND IN ROMANIA. AT THE BEGINNING OF THE YEAR, WE HAD GOOD SIGNALS FOR A PICKUP. THERE WERE MULTIPLE SIGNALS POINTING TOWARDS GROWTH WHICH SIMPLY WAS NOT THERE AS CONFIRMED BY THE NEGATIVE GDP DATA RELEASED A FEW DAYS AGO. AND THEREFORE, INDICATORS ARE POINTING TOWARD A PICKUP IN THE SECOND HALF OF THE YEAR. DURING OUR ROAD SHOWS AND THE MEETINGS WITH INVESTORS, I REPEATEDLY STATED THAT IN ORDER TO SEE A PICKUP, WE SHOULD WAIT TILL THE SECOND HALF OF THE CURRENT YEAR AND Q4. BUT IF THIS POSITIVE SIGNS ARE NOT CONFIRMED AS MIRRORED BY THE RECENTLY RELEASED GDP DATA, WE WILL HAVE TO WAIT TILL 2015 WHICH REALLY STRESS THE IMPORTANCE OF OUR ACHIEVEMENTS IN THE SEMESTER WHICH HAS BEEN A HARD ONE.

A FEW WORDS ABOUT GDP AGAIN. THESE ARE NOT LAST MINUTE UPDATED NUMBERS. WE HAVE USED INDICATORS THAT ARE NOT INCLUDING THIS DATA; WE ARE STILL TALKING ABOUT 3 POINT SOMETHING, YES, POSITIVE NOW, BUT I THINK THAT THIS YEAR WE WILL SEE ZERO GROWTH IS NOT NEGATIVE NUMBERS. THE CONSUMPTION SHOULD SEE THE IMPACT OF THE BONUS OF €80 THAT SHOULD BE PERCEIVED IN Q3. IN THE FIRST TWO QUARTERS OF THE CURRENT YEAR, WE SAW INDEED QUITE A MEANINGFUL INCREASE IN RETAIL INVESTMENTS COMPARED TO THE PREVIOUS YEARS.

LET'S HAVE A LOOK AT ROMANIA AND GOOD FOR THEM OUR ROMANIAN CEO TOLD US THIS MORNING THAT THE ECONOMIC BACKDROP THERE IS MUCH, MUCH BETTER THAN HERE. ALTHOUGH THE ROMANIAN ECONOMY IS MUCH SMALLER, BUT HERE YOU CAN SEE THE CORRELATION BETWEEN GDP AND CONSUMPTION TRENDS AND THEY ARE TALKING ABOUT...ABOVE 2 PERCENTAGE POINTS, AND WE ARE EVEN SEEING A 2.8% GROWTH RATE FOR GDP SOMETHING WHICH HAS TO BE CONFIRMED ALSO FOR THE NEXT TWO YEARS. WHILST THE GROWTH OF CONSUMPTION IS 2.5%, WE HAVE A GROWTH CORRESPONDING APPROXIMATELY TO THE EXPECTED GDP GROWTH IN THE FOLLOWING YEARS.

A FEW WORDS ABOUT REVENUES, AND REVENUE TRENDS, WE ARE NOW ON PAGE 10. AS I SAID, OVERALL, REVENUES WENT UP 2.1%. THIS GROWTH WAS MAINLY DRIVEN BY TRADING REVENUES. AS YOU CAN SEE €1.3 MILLION WHICH IS THE TRAIL (PH) SO TO SPEAK OF THE CONTRACTS THAT WERE SIGNED IN THE FIRST HALF. AND ALSO AGREEMENT SIGNED IN RELATION TO THE PORTA A MARE PROJECT LAST YEAR, I THINK THAT WE ADDED 25 PRELIMINARY SALES AGREEMENTS MOST OF THEM SAW THE CLOSING AT THE END OF 2013 WITH A TRAIL IN THE FIRST HALF OF 2013.

SO THAT'S THE EXPLANATION FOR REVENUES AND TRADING THEN REVENUES FROM RENTAL ACTIVITIES WAS SLIGHTLY DOWN. IN THE PIE CHART, YOU CAN SEE OTHER REVENUE FIGURES, AND YOU CAN SEE THAT REVENUE FROM MALLS AMOUNT TO APPROXIMATELY 60%, WHILST REVENUES FROM HYPERMARKETS AMOUNTED TO 31.1% AND 7.3% IS ACCOUNTED FOR BY ROMANIA.

A FEW WORDS ABOUT OUR RENTAL INCOME DRIVERS, YOU CAN SEE THEM ON PAGE 11. ON A LIKE-FOR-LIKE BASIS AND WE ARE TALKING ABOUT ITALY. REVENUES WERE UP 0.7% WHICH IS QUITE CLOSE TO THAT, WHICH WE SAW IN Q1. AGAIN THIS NUMBER IS NET OF THE SO-CALLED STRATEGIC VACANCY. WE ARE STILL SEEING GOOD GROWTH OF HYPERMARKETS UP 1.7% AND THAT'S ALSO DUE TO A CERTAIN CONTRACTS THAT ARE REACHING THE NORMALIZED RENTAL ACTIVITY LEVEL, AND MALLS HELD THE GROUND PRETTY WELL 0.1%, THAT'S THE INCREASE. POSITIVE TREND OF REVENUES, THANKS TO THE EXPANSION OF THE ABRUZZO SAN GIOVANNI TEATINO CENTER AND YOU WILL SEE DETAILS IN THE FOLLOWING PAGES €260,000 FOR THE FIRST FEW MONTHS FROM ITS STARTUP OPERATION.

ROMANIA ON A LIKE-FOR-LIKE BASIS WAS MINUS 11.9%, BUT THE POSITIVE SIDE WE ARE SEEING €759 UP TO THE NUMBERS THAT WHICH WE SAW IN FEBRUARY. SO AS FAR AS ROMANIA IS CONCERNED, WE CAN SAY THAT IN JUNE-JULY WE HAVE KIND OF REVERSED THE TREND, THEREFORE GOING BACK TO OUR PATH TOWARDS GROWTH. SO MINUS 0.5% THAT'S THE TOTAL CHANGE.

ON PAGE 12, YOU CAN SEE COST. AS I'VE TOLD YOU, COSTS ARE HEAVILY AFFECTED APPROXIMATELY €1.1 MILLION BY THE MASTERLEASE. SO THE PAYABLE RENT ON THE LIVORNO SHOPPING MALLS, SO FROM 14,048 TO 15,427. SO AGAIN THE MAJOR DRIVER BEING THE MASTERLEASES, YOU CAN SEE IN THE BOX ON THE RIGHT HAND SIDE OF THE SLIDE. AND THEN, YOU CAN SEE AN INCREASE IN EXPENSES BECAUSE OF THE AVERAGE STRATEGIC VACANCY AT CERTAIN SHOPPING MALLS AND SHOPPING CENTERS.

THERE HAS BEEN A DECLINE APPROXIMATELY €400,000 IN TERMS OF PROVISIONING. LITIGATION FEES IMPROVED FROM 19 LITIGATION CASES IN THE FIRST HALF OF 2013. IN THE FIRST HALF OF THE CURRENT YEAR, WE ONLY HAD STILL A LARGE NUMBER, BUT ON A DECLINING PATH. WE HAD A SMALL NUMBER OF LITIGATION CASES, EIGHT OF THEM. GENERAL OR G&A

EXPENSES ARE UP 8.1%, BUT I WOULD SAY THAT AS A PERCENTAGE ON TOTAL REVENUES, THE NUMBERS ARE PRETTY STABLE ONLY A SLIGHT INCREASE IF ANY, BUT WE HAD HIGHER ASSESSMENT ON EVALUATION COST BECAUSE WE HAVE INTRODUCED ALSO CUSHMAN AS OUR NEW INDEPENDENT APPRAISING AGENCY. BUT I WILL GIVE MORE LIGHTS ON THAT MORE COLOR ON THAT.

PAGE 13, FEW WORDS ABOUT OUR EBITDA, HERE TOO YOU CAN SEE THE DRIVERS UNDERLYING OUR EBITDA EVOLUTIONS. IF WE COMPARE THE FIRST HALF OF 2014 AGAINST THE SAME PERIOD 2013; AS YOU CAN SEE WE SAW A DECLINE OF REVENUES OF FEW EUROS...A €102 AND THEN €1.4 MILLION THAT'S A CHANGE IN DIRECT COST THEN €252,000, THAT'S A CHANGE IN TRADING ACTIVITIES AND €190,000, THAT'S A CHANGE IN G&A. THEREFORE REACHING OF €39 MILLION EBITDA, SO EBITDA OF OUR CORE BUSINESS MOVES FROM 68.8% TO 66.1% WE COMPARED ACTUALS WITH BUDGET NUMBERS AND WE HAD ESTIMATED AN EBITDA BETWEEN 66 PERCENTAGE POINTS. SO WE ARE SLIGHTLY AT AN IMPROVED LEVEL COMPARED TO BUDGET. THE FIELD MANAGEMENT BUDGET EBITDA IS 77.8% AGAINST 78.5% RECORDED AT THE END OF JUNE LAST YEAR.

LET'S NOW MOVE ONTO PAGE 14, GROUP NET PROFIT €4.5 MILLION AS WE SAID BEFORE, UP 9.8% VERSUS H1, 2013. SO YOU SEE THE NET PROFIT EVOLUTION ON THE RIGHT HAND SIDE. SO €1,770 MILLION CHANGE IN EBITDA CORE BUSINESS, AND THEN POSITIVE CONTRIBUTION BY THE PORTA A MARE PROJECT, WELL LOWER DEPRECIATION AND EVALUATION WE WILL COME BACK TO THIS LATER ON, €2,543 MILLION. AND THEN, AN IMPROVEMENT €663 MILLION IMPROVEMENT CHANGE IN FINANCIAL AND EXTRAORDINARY MANAGEMENT. AND THEN CHANGES IN TAXES, IT'S MAINLY DDAs, AND THEN €1,344 MILLION AND THEN CHANGE OF DELTA IN LOSSES RELATED TO THIRD PARTIES AND WE LAND AT €4,454 MILLION AT END OF JUNE.

WE MOVE ONTO PAGE 15 OF THE PRESENTATION, AND THIS IS THE CORE BUSINESS PLAN FROM OPERATIONS. YOU SEE IT'S €17,174 MILLION DOWN 6 PERCENTAGE POINT THE FFO TREND VERSUS LAST YEAR. AND AS I SAID BEFORE, AT THE BEGINNING OF THE PRESENTATION STILL IMPROVING VERSUS Q1 WHERE WE HAD 11%. ON THE RIGHT HAND SIDE, YOU WILL SEE WHY THE EXPLANATION UNDERPINNING THE DELTAS BETWEEN THE TWO YEAR-HALF, MAINLY THE MAIN CAUSE IS WERE DECREASE IN EBITDA MINUS €1.8 MILLION AND THEN THE CHANGES IN FINANCIAL MANAGEMENT AND €600,000 WORTH OF IMPROVEMENT IN CURRENT TAXES.

LET'S HAVE A LOOK AT SOME POSITIVE NEWS ON THE COMMERCIAL SIDE. WE MOVE ONTO PAGE 17 OF THE PRESENTATION. THE FOOTFALL IN THE ITALIAN SHOPPING MALLS ARE STILL POSITIVE, THOUGH SLIGHTLY POSITIVE, AND THAT, OF COURSE, NOT AS GOOD AS IN THE FIRST MONTH OF THE YEAR WHERE WE HAD 3.4 PERCENTAGE, BUT STILL POSITIVE. WE ARE UP 0.1%, BUT WHAT WAS VERY IMPORTANT ON THE PERFORMANCE SIDE IS THE SALES OF OUR TENANTS IN OUR CONSOLIDATION SCOPE. THOSE SALES WERE UP 2.7% AND WE DO NOT HAVE YET THE CNCC DATA. BUT IT SHOULD BE A LOWER GROWTH THAN IN Q1, ALTHOUGH WE DON'T HAVE THE

ACCURATE FIGURE YET, STILL A COMFORTING FIGURE. HYPERMARKET SALES HYPER COOP (PH) SALES DECLINED IN ITALY THE COOP SYSTEM WENT DOWN 3.8%. HOWEVER, IT'S AN IMPROVING TREND COMPARED TO Q1 WHICH WAS DOWN 5.4%. HYPERMARKET AND SUPERMARKET SALES IGD OWNED HYPERMARKET AND SUPERMARKET SALES ARE DOWN 3.3%. SO THEY IMPROVED THEIR PERFORMANCE VERSUS THE COOP SYSTEM. THEY ARE UP 5 PERCENTAGE POINT AND THEN AS TO THE FOOTFALLS IN THE ROMANIAN WINMARKT SHOPPING MALLS THEY ARE DOWN. BUT AS I SAID BEFORE, IT'S DUE TO THE STRATEGIC VACANCY WE PUT IN PLACE THAT WAS QUITE HIGH TO MAKE ROOM FOR NEW BRANDS TO BE INTRODUCED IN THIS FIRST HALF. THERE WAS AN H&M OPENING IN H1, 10 MORE OPENINGS WE ARE WORKING ON. THESE OPENINGS WILL BE ON THE GROUND FLOOR AND THAT LED TO A DECLINE IN FOOTFALLS, OF COURSE.

LET'S MOVE ONTO PAGE 18 OF THE PRESENTATION, THERE IS A FURTHER BREAKDOWN OF THE PERFORMANCE THAT WAS RECORDED BY SHOPPING MALLS, BOTH IN TERMS OF FOOTFALLS AND SALES, AND WE FURTHER CONFIRM THAT WE HAD A GOOD PERFORMANCE IN THE CLOTHING, CULTURE, FREE TIME, GIFT AND HOUSEHOLD GOODS. THEY DID IT WELL WITH ELECTRONICS, WELL HOLD EVEN BETTER. AND IN ITALY, WE COULD HAVE HAD EVEN BETTER PERFORMANCE. AND THEN THE AVERAGE TICKET WAS UP 3.7%, UP €0.7 ACTUALLY 0.70 EURO CENTS, BUT STILL A GOOD CONTRIBUTION. AND WHEREAS THE NUMBER, THE TOTAL NUMBER OF RECEIPTS DECREASED. AND THEN CONSISTENT IMPROVEMENT IN RETAILS PARKS, REVERSING A NEGATIVE TREND IN 2013 IN ROMANIA AND IMPROVED VERSUS THE PREVIOUS QUARTER AND H1, 2013. AND THE OPENING UP OF H&M PLAYED A VERY IMPORTANT ROLE.

LET'S MOVE TO PAGE 19 NOW, LET'S HAVE A LOOK AT THE CHART, THE PERFORMANCE OF OUR SHOPPING MALLS SALES-WISE, FROM ATTENDANCE STARTING FROM H1, 2011. SO WE HAVE TWO-AND-HALF YEARS OF HISTORICAL DATASETS TO RELY ON. AND FOR THE FIRST TIME IN TWO AND A HALF YEARS, WE HAVE TWO QUARTERS IN A ROW WITH POSITIVE SIGNS. SO 1.4% UP, 1.4% IN Q1, 2014, AND UP BY 3.8% IN Q2, 2014 WHICH SHOULD LEAD US TO AN AVERAGE FOR THE HALF YEAR OF 2.7% IN Q2, 2011, EVERYTHING IS Q2, 2011, THE VALUES HAD ALWAYS BEEN NEGATIVE AND FOR THE FIRST TIME NOW IN A ROW YOU SEE MINUS 4.1% LAST QUARTER 2011, AND MINUS 6.4% Q4, 2011, MINUS 5.3% IN Q3, 2012. BUT STARTING FROM Q2, 2013, WE EXPERIENCED A SLIGHT GROWTH TO GET TO THE CURRENT VALUES THAT ARE VERY POSITIVE IN THE LAST TWO QUARTERS OF 2014.

LET'S NOW MOVE ONTO PAGE 20 IN THE PRESENTATION, JUST A FEW WORDS ON CONTRACTS, BOTH IN ITALY AND ROMANIA. HERE AGAIN, IT'S THE NUMBER OF CONTRACTS GOT INTO MATURITY, EXPIRY, BOTH IN ITALY AND ROMANIA FOR THE SHOPPING MALLS. IN THE SLIDE AND UNDERLYING THAT THERE WAS A DOWNSIDE ON THE CONTRACTS ARE IN THE REGION IN...IT'S 138 OF THEM, 44 FOR TURNOVER AND 4.6%, 4.7% WAS THE AVERAGE DOWNSIDE RENEWALS. BUT IF WE NET THIS PIECE OF INFORMATION AT THIS STAGE OF THE 2 MILLION SITE AREAS, YOU

END UP WITH A DECLINE OF 1.5%. ROMANIA H1, 153 CONTRACTS, DOWN 7% CONTRACTS SIGNED AND RENEWED.

IN THE NEXT FIVE SLIDES LET ME SAY, WE TRY TO PROVIDE YOU WITH AN OVERVIEW OF THE WORK WE HAVE BEEN PUTTING IN FROM A SALES VIEWPOINT, HOW WE MANAGE THE ASSETS AND HOW OVER THE FIRST QUARTER AND FIRST HALF OF THE YEAR. SO NOT ONLY DID WE WORK ON THE FINANCIAL SIDE, BUT ALSO ON THE ASSET MANAGEMENT SIDE, SO ON THE SALES PART OF THE ASSET MANAGEMENT. SO WE DID A LOT OF WORK THERE TOO. MONDOVICINO, A NEW MID AVERAGE SIZE AREA WAS CREATED. WE PUT TOGETHER SOME SHOPS TO CLEAR VACANCY AND SO, WE WANTED TO INCREASE ATTRACTIVENESS AND REDUCE BACK...WE ARE PUTTING OUR BEST PERFORMER, FOOTFALL-WISE, IT'S A SHOPPING MALL THAT HAS MORE THAN 7 MILLION VISITORS EVERY YEAR. AND THEN YOU SEE NEW MOBY DICK, DENTAL PRO AND NEW BRANDS WERE INCLUDED. AND WE HAD A REDUCTION IN VACANCY AND WE HAD AN INCREASE IN FOOTFALLS THAT WENT UP 18.5% IN THE FIRST HALF OF 2014. SO WE STARTED FROM A VERY HIGH POINT AND SO AN INCREASE OF FOOTFALLS IN EXCESS OF 7 MILLION. SO CENTROSARCA THERE WAS A RESTYLING, WE WANT TO BE READY TO REALLY ADDRESS AND SOMEHOW LEVERAGE THE BENEFITS FROM THE EXPO 2015 IN MILAN. AND THEN CENTRONOVA, ANOTHER BEST PERFORMER, WE ARE ONLY MANAGING IT. WE DON'T OWN IT; WE INCLUDED THREE NEW BRANDS, MANY BRANDS I MENTIONED BEFORE THAT WE STARTED IN 2014. WE OPENED UP A NEW H&M SHOP IN RAMNICU AND ON THE TOP FLOOR IN PLOIESTI.

PAGE 23, YOU SEE SOME OF OUR WORK IN PROGRESS SO TO SAY. WE START FROM THE CHIOGGIA RETAIL PARK. WE ARE ABOUT TO CLOSE TO FINISH THE WORK. WE ARE DUE TO FINISH IN H2, 2013. FOR PORTA A MARE INSTEAD WE HAVE A NOVELTY AS YOU CAN READ ON THE SLIDE, YOU DO NOT SEE IT, BUT ON THE 10 OF JULY, WE OPENED THE FIRST PART OF THE PIASTRA MAZZINI, THE FIRST SHOPS WERE OPENED INCLUDING COOP, UNIEURO AND 7 SHOPS. WE ARE MANAGING IT QUITE WELL AND WE AIM TO GET TO 90% OF THE SALES AREA BEING COVERED WITH THIS PART OF PIASTRA MAZZINI TO BE CHARACTERIZED AS FOOD COURT MAINLY.

BUT THE MAIN EVENT IN THE FIRST HALF OF 2014 WAS INDEED THE HIGHLIGHT OF THE HALF WAS THE EXTENSION OF THE CENTRO D'ABRUZZO AREA TO PLACE ON APRIL THE 10<sup>TH</sup> WITH MORE THAN 80,000 IN FOOTFALLS IN THE FIRST FEW DAYS AFTER THE OPENING AND THAT REALLY WAS A COMFORTING SIGN FOR US. AND ALWAYS CONCERNING CENTRO D'ABRUZZO SOMETHING INTERESTING THAT TAKE PLACE, WE STARTED THE FIRST EXPERIMENTATION OF OUR FIRST APP FOR THIS SHOPPING MALL. THE EXPERIMENT WENT REALLY WELL AND WE SHOULD EXTEND IT SOON...EXTEND IT TO ANOTHER MALL IN CONEGLIANO AND SHOULD THIS EXPERIMENTATION PROVIDE POSITIVE RESULTS, WE ARE GOING TO EXTEND THE APP TO OTHER SHOPPING CENTERS AS WELL THROUGHOUT THE COUNTRY, ITALY.

LET'S GO ON, MOVE ONTO THE PORTFOLIO. WE ARE ON PAGE 27 OF THE PRESENTATION. WE START BY SAYING THAT AS I SAID BEFORE, WE INTRODUCED A NEW APPRAISER, INDEPENDENT

APPRAISER, CUSHMAN & WAKEFIELD AND WE ROTATED ASSETS, 61% OF OUR ASSETS WERE ROTATED PORTFOLIO-WISE, AN EXCESS OF 50% WERE ROTATED AT VALUE. THIS IS THE BREAKDOWN ON THE LEFT HAND SIDE, 39% IS APPRAISED BY REAG, 40% IS BY CBRE AND 18% IS APPRAISED BY CUSHMAN & WAKEFIELD.

PAGE 28 IN THE PRESENTATION, THERE YOU FIND THE MARKET VALUE EVOLUTION IN OUR PORTFOLIO. THE TOTAL IGD PORTFOLIO IS €1,517 MILLION AGAINST €1,550 MILLION LAST YEAR. AND WE DISPOSED OFF THE LIVORNO SHOPPING CENTER THAT LED TO THIS DECLINE IN MARKET VALUE. AND THIS DECLINE IN MARKET VALUE WILL BE PICKED UP AND OFFSET BY PIASTRA MAZZINI THAT HAS NOT BEEN FACTORED IN AND IT WILL BE SOON INCLUDED IN OUR PORTFOLIO. AND IT WILL ACCOUNT FOR ABOUT €27.9 MILLION. AND THEN THE ROMANIAN PORTFOLIO, €173 MILLION, YOU SEE €1.7 BILLION, €1.690, THEN PORTA A MARE €158 MILLION AND PART OF THIS VALUE WILL BE TRANSFERRED, WELL €27.9 MILLION WILL BE TRANSFERRED AT IGD PORTFOLIO, RENT PRODUCING PORTFOLIO AGAINST €1.891 LAST YEAR.

PAGE 29 IN THE PRESENTATION YOU FIND AGAIN SOME MORE DATA ABOUT OUR PORTFOLIO. GROSS INITIAL YIELD IS 6.65% FOR THE TWO MARKETS, SLIGHTLY GROWING, 6.59% FOR THE MALLS, SLIGHTLY GROWING, BUT HIGHER THAN THOSE OF THAT OF HYPERMARKETS. IN ROMANIA, THE ROMANIA IS BACK TO A VALUE WHICH IS 6.64%, SIMILAR TO THAT OF HYPERMARKET, UP 0.2%. FINANCIAL OCCUPANCY WE ARE 100% FOR HYPERMARKETS, 94.7%, GALLERY, SHOPPING MALLS, AND THEN IN ITALY ON AVERAGE 96.6% OR CLOSE TO 97% AT THE END OF MARCH THIS YEAR, THEY PICKED UP 2 PERCENTAGE POINT IN ROMANIA WHICH WAS 86.3%.

PAGE 30 IN THE PRESENTATION FOR THE ITALIAN PORTFOLIO, YOU SEE THE DELTA, THE SURVEY OF DELTA ON A LIKE-FOR-LIKE BASIS EQUAL TO MINUS 0.1%, THAT IS TO SAY BASICALLY FLAT, WITH AN ASSET CLASS WHILE THE HYPERMARKET ASSET CLASS WENT UP €3.1 MILLION, THAT IS TO SAY UP 0.6%, MALLS AND RETAIL PARKS ARE DOWN 0.5%, THE REMAINING PORTION IS ALMOST NEGLIGIBLE. THE ROMANIAN PORTFOLIO HELD ITS FAIR VALUE ON A LIKE-FOR-LIKE BASIS. AND €13.7 MILLION THAT YOU FIND AS WRITE-DOWN IN OUR P&L ARE MAINLY DUE TO CAPEX BOTH ROMANIA AND ITALY. AND WRITE-DOWN ON THE WORK IN PROGRESS WE HAVE IN LIVORNO DUE TO AN EXTENSION IN TIME FOR THE CONSTRUCTION OF THAT ASSET, AND ALSO FOR THE CHANGE OF THE ADMINISTRATION IN THE LIVORNO MUNICIPALITY AS YOU ALL KNOW.

PAGE 31, WE SEE AGAIN MARKET VALUE EVOLUTION, SUMMING UP WHAT...WHILE DEPICTING WHAT WE SAW ON PAGE 30. WE GO FROM MARKET VALUE INCOME RELATED PORTFOLIO 1.732 AS OF END OF DECEMBER DECREASES OR DECLINES €48 MILLION LIVORNO, AND THEN MINUS 48, MINUS 47, WE WENT UP €16.4 MILLION EFFECTS DUE TO THE ABRUZZO EXTENSION AND PORTE DI NAPOLI, THE AFRAGOLA MALL YOU SEE UP 27.9 GENERATED BY PIASTRA MAZZINI HAS TO BE FACTORED IN YET. AND SO, THAT WILL UPDATE THE VALUE VERSUS AND YEAR END., THEN MINUS €4.5 MILLION THE MV MALL ON A LIKE-FOR-LIKE BASIS UP €3.1 MILLION, THE



MARKET VALUE FOR THE HYPERMARKET SIDE OVER SOME LIKE-FOR-LIKE BASIS AND THEN MINUS 0.1 FOR OTHER ASSET CLASSES.

LET'S HAVE A LOOK AT OUR NNAV, AND WE ARE NOW ON PAGE 32, HERE YOU CAN SEE VERY DETAILED CALCULATIONS. IT REACHES €2.13 FROM €2.22 AT THE END OF LAST YEAR. THE MOVEMENT AS I SAID AT THE BEGINNING DEPENDED HEAVILY ON THE DRO. SO WE ISSUED SHARES 1.15, AND THEREFORE THE ISSUANCE OF THESE SHARES HAD A STRONG DILUTION EFFECT ON OUR NNAV WHICH COMPARED TO MARKET PRICE IS STILL VERY HIGHER. AT THE END OF JUNE, THE RATIO, THAT TO SAY THE MARKET PRICE NNAV EQUALED APPROXIMATE 61%.

LET'S NOW MOVE TO PAGE 34 AND 35, WHERE YOU CAN SEE THE FINANCIAL HIGHLIGHTS. AS YOU KNOW, THE FIRST HALF OF 2014, AS I SAID EARLIER, COMMENTING ON THE INTRODUCTORY SLIDES, SO THE FIRST HALF OF THE YEAR WAS CHARACTERIZED BY VARIOUS EVENTS, WHICH HAD AN IMPACT ON OUR MAJOR FINANCIAL HIGHLIGHTS. FIRST OF ALL, LET'S HAVE A LOOK AT OUR GEAR RATIO WHICH IS PRETTY STABLE COMPARED TO THE END OF MARCH. WE PAID DIVIDENDS OVER THE COURSE OF 1H, 2014 THAT HAD AN IMPACT ALTHOUGH PART OF THAT WAS OFFSET BY THE DRO.

PLEASE ALSO REMEMBER THAT WE ALSO HAD APPROXIMATELY €21 MILLION OR EVEN €22 MILLION IN CAPEX IN THE PERIOD UNDER REVIEW. AND CLEARLY THAT TOO HAD AN IMPACT ON OUR FINANCIALS. LOAN-TO-VALUE PRETTY STABLE 55.9%, COST OF DEBT SLIGHTLY UP REACHING 4.26%. WHILST THE INTEREST COVER RATIO IMPROVED TO 1.75. THE LENGTH OF OUR DEBT IS 7 YEARS INCLUDING THE BONDS. BONDS ARE ACCOUNTING FOR OVER 40% OF OUR DEBT STOCK AS YOU WILL SEE LATER. SO THE AVERAGE LENGTH IS INCLUSIVE OF BONDS. WHILST THE MID LONG-TERM SHARE OF DEBT ALSO THANKS TO THE €150 MILLION DEAL WITH MORGAN STANLEY WHICH IS FIXED RATE LED THIS SHARE OF OUR DEBT FROM 81.1% TO 91%.

HEDGING LONG-TERM IS UP AS YOU CAN SEE ON PAGE 35, APPROXIMATELY 5 PERCENTAGE POINTS, 84% THAT'S WHERE WE STAND AS WE SPEAK NOW, WHILST THE BANKING CONFIDENCE IS PRETTY STABLE. ON THE CONTRARY, THERE HAS BEEN QUITE AN INCREASE IN THE BANKING CONFIDENCE AVAILABLE BECAUSE BY DRAWING ON OUR BONDS WE CLOSER TO SPEAK OR REDUCE THE DRAWDOWN OF OUR CREDIT LINES, THEREFORE REVERSING OUR LEVERAGE AND NEGOTIATION POSITIONS WE ARE STILL ENTERTAINING VERY GOOD RELATIONSHIPS WITH BANKS, BUT WE HAVE A COST OF DEBT OF BELOW 200 BPS THAT'S FOR AN AGREEMENT WHICH WE HAVE SIGNED A FEW DAYS AGO. MARKET VALUE OF MORTGAGE FREE ASSETS IS APPROXIMATELY €360 MILLION.

ON PAGE 36, YOU CAN SEE THE MAKEUP OF OUR DEBT STOCK. AS YOU CAN SEE THE HIGHLIGHT IS THE LONG-TERM DEBT 91% OF OUR TOTAL DEBT STOCK. BUT IF WE CONSIDER THE €72.2 MILLION IS THE CURRENT SHARE OF LONG-TERM DEBT IS JUST €53 MILLION, AND THAT ALREADY

GIVES YOU A FEEL FOR THE CHANGE IN MAKEUP. AS I SAID EARLIER, IF WE LOOK AT THE MAKEUP OF THE BREAKDOWN, AT THE BOTTOM, WE'LL SHOW YOU THAT OVER 40% OF OUR DEBT STOCK IS REPRESENTED BY THE MARKET, WHILST THE BANKING SYSTEM HAS GONE DOWN TO 58.4%. THESE PERCENTAGES WILL INCREASE TO THE BENEFIT OF THE MARKET WHICH WILL PLAY AN INCREASINGLY IMPORTANT SHARE, AND WE DO HOPE WE WILL CLOSE OUR CAPITAL INCREASE WITH APPROXIMATELY €100 MILLION OF FRESH MEANS OR FRESH FUNDS THAT WILL GREATLY IMPROVE OUR CASH POSITION.

DEBT MATURITY AS SHOWN ON PAGE 37; AS YOU CAN SEE, IF WE LOOK AT WHAT IS DUE IN 2014, WE WILL SEE THAT WE ONLY ARE LEFT WITH ONLY €20 MILLION OR SO DUE FOR MATURITY IN THE SECOND HALF OF THE CURRENT YEAR. I THINK THAT REALLY ENDS OUR PRESENTATION. YOU WILL FIND A FEW APPENDIX SLIDES THAT WILL GIVE YOU SOME P&L DETAILS, MARGIN DETAILS OR INFO ON OUR MARGIN FOR ACTIVITIES.

PAGE 41, YOU CAN SEE THE TOP 10 LIST OF TENANTS IN ITALY, FOLLOWED BY THE EQUIVALENT SLIDE FOR ROMANIA ON PAGE 42, PAGE 43 ITALIAN AND ROMANIAN PORTFOLIO AND THEIR MAKEUP FOLLOWED BY THE SAME MESSAGE IN PAGE 44 WILL BREAKDOWN BY TOP OF ASSETS AND GEOGRAPHIES.

PAGE 45, YOU HAVE FEW INFO ABOUT OUR NET DEBT EVOLUTION. AND LAST BUT NOT LEAST, OUR RECLASSIFIED BALANCE SHEET ON PAGE 46. LET ME END BY SAYING A FEW WORDS ON THE RESULTS AND THE OUTCOME OF THE AGM THAT FOLLOWED, OUR BOARD OF DIRECTORS MEETINGS THAT APPROVED OUR MEDIA RESULTS THIS MORNING. AS YOU PROBABLY READ IN THE PRESS RELEASE, THAT CAME OUT RIGHT AFTER THE END OF THE AGMS. THE VERY SAME AGM APPROVED AN AUTHORIZED CAPITAL INCREASE.

AND I'D REALLY LIKE TO ADD SOME COLOR, WHICH IS NOT INCLUDED IN THE PRESS RELEASE. ATTENDANCE WAS VERY GOOD OVER 75% OF SHAREHOLDERS, WERE IN ATTENDANCE SO TO SAY OVER 75% OF OUR STOCK CAPITAL WAS REPRESENTED. SO WE HAD 57% OUR SHAREHOLDERS...MAJORITY SHAREHOLDERS, BUT THEN WE ALSO HAD REPRESENTATIVES OF OVER 160 NON-DOMINANT SHAREHOLDERS MOST OF THEM WERE FINANCIAL FIRM, FINANCIAL INSTITUTIONS OR INSTITUTIONAL'S, 96.4% WAS FOR THE MOTION, AND WE ONLY HAVE 0.7% ABSTAINED AND THE REST WAS AGAINST IT.

SO WE THINK THAT THIS SHOULD BE A GOOD...WE HOPE THAT THIS IS A GOOD PROXY FOR THE POSITIVE RESULT OF THE CAPITAL INCREASE THAT WILL GO TO THE MARKET AS SOON AS ALL CLEARANCES ARE GIVEN TO US BY THE ITALIAN SEC I.E. CONFIRMED BY THE END OF SEPTEMBER HOPEFULLY. SO THE SAME SUBJECT TO STOCK MARKET CONDITION.

SO THAT'S THE END OF THE PRESENTATION. WE ARE NOW GLAD TO TAKE YOUR QUESTIONS.

## Q&A

OPERATOR: THIS IS THE CHORUS CALL OPERATOR. WE WILL NOW START THE Q&A SESSION. THE FIRST QUESTION COMES FROM THE LINE OF FEDERICO PEZZETTI WITH INTERMONTE. PLEASE SIR.

FEDERICO PEZZETTI: GOOD AFTERNOON, EVERYBODY. HI CLAUDIO, GOOD AFTERNOON, I HAVE A QUESTION OR RATHER A REQUEST FOR CLARIFICATION. YOU SAID YOU SPOKE ABOUT €10 MILLION SPEAKING OF THE IMPACT OF THE ACQUISITION/CAPITAL INCREASE ON YOUR FFO.

CLAUDIO ALBERTINI: I CONFIRM THE NUMBERS.

FEDERICO PEZZETTI: HERE IS MY QUESTION. COULD YOU GIVE US AN IDEA OR A FEEL FOR HOW MUCH WE SHOULD SEE ON THE DIVIDEND IN ABSOLUTE NUMBERS NOT JUST IN 2015 PAYMENT, 2016, BUT ALSO POTENTIALLY WHAT'S THE IMPACT ON THE 2014 DIVIDEND THAT WILL BE PAID IN 2015 CONSIDERING THAT THE TRANSACTION WILL GO THROUGH BY THE END OF THE CURRENT YEAR? THANK YOU.

CLAUDIO ALBERTINI: WELL, IT REALLY DEPENDS ON WHEN THE CAPITAL INCREASE WILL TAKE PLACE. IF WE LOOK AT OUR TIMETABLE, THAT SHOULD GIVE US A LEEWAY OF APPROXIMATELY TWO MONTHS TIME. SO WE SHOULD HAVE SOME INCREMENTAL EBITDA OF THE ACQUIRED PORTFOLIO THAT SHOULD BE 1 PLUS. AND THEN WE SHOULD ALSO HAVE APPROXIMATELY €100 MILLION, SO IN TERMS OF FINANCIAL COST SAVINGS. SO YOU CAN ADD THE NUMBERS YOURSELF, WE ARE TALKING ABOUT THE SLIGHTLY LESS THAN €2 MILLION AS A QUANTIFIED POSITIVE IMPACT ON OUR IMPACT AND THAT WILL BE FULLY FED INTO THE FFO. SO WE WILL SEE €17 MILLION WHICH IS THE FFO AT THE END OF THE FIRST HALF OF THE CURRENT YEAR. LET ME REGRESS BY SAYING THIS, WE ARE USING THE FFO AS A REFERENCE POINT BECAUSE OUR PAYOUT RATIO AND DIVIDEND POLICY HAS ALWAYS BEEN CORRELATED TO THAT.

AS I SAID REPEATEDLY EARLIER, WE DON'T THINK THAT WE WILL PROPOSE A DRO NEXT YEAR AS WELL. SO THIS SIMPLY MEANS THAT WE WANT TO STAY WITH A HIGH DIVIDEND POLICY, AN ATTRACTIVE ONE FOR OUR SHAREHOLDERS. AS WE SAID REPEATEDLY, AS CORRELATED TO OUR FFO THIS YEAR, WE SHOULD SEE €35 MILLION TO €36 MILLION OR SO. SO THAT'S QUITE A SIZABLE CHUNK, LET'S SAY OF OUR FFO THAT WE WILL BE DEVOTED.

A LOT WILL DEPEND ALSO ON THE STOCK PRICE AND OUR MANY SHARES WILL BE ISSUED. WE WANT TO STICK TO THIS POLICY ALSO GOING FORWARD IN THE FOLLOWING YEARS. AND GIVEN THE NEW RATIOS BOTH BALANCE SHEETS AS WELL AS DEBT AND LEVERAGE RATIOS WITH DEBT EQUITY BELOW 1 AND THE LOAN TO VALUE BELOW 50, BETWEEN 47 AND 48, IN ANY CASE BELOW 50. WELL, ALL THESE SHOULD ALLOW US TO AFFORD DIVIDEND POLICY TO BE IN LINE WITH LAST, THE PREVIOUS YEAR'S ALTHOUGH WITHOUT OUR DRO. SO IT WILL BE LINKED TO AN FFO THAT SHOULD GO UP APPROXIMATELY €10 MILLIONS, SO IF EBITDA IS UP €10 MILLION THERE

SHOULD NOT BE ANY MAJOR IMPACT FROM THE COST SIDE. I CANNOT GIVE YOU AN ACCURATE NUMBER. I CANNOT COMMIT TO ANY ACCURATE NUMBER, BUT IF YOU JUST DO SOME NUMBER CRUNCHING, THAT'S PRETTY CLEAR.

FEDERICO PEZZETTI: CLAUDIO, I SIMPLY WANTED TO HEAR FROM YOU WHETHER YOU FEEL LIKE BEING IN A POSITION TO ANTICIPATE THIS PART OF THE ADVANTAGE OR BENEFITS THAT WILL ROLL OUT IN THE FOLLOWING YEARS OR WHERE WE SHOULD STICK OUR NUMBER CRUNCHING TO THE FFO NUMBERS.

CLAUDIO ALBERTINI: WELL, I WOULD DO MY NUMBER CRUNCHING ON THE FFO FOR THE CURRENT YEAR USING PERCENTAGE VALUES WITH THE PERCENTAGE NUMBER THAT MIGHT BE REWARDING FOR SHAREHOLDERS GIVEN THAT WE ASK THEM SOME SORT OF SACRIFICE OR SOME EFFORTS. SO THE LEVEL OF DIVIDEND PAYMENT MIGHT BE HIGHER, BUT WE CANNOT ANTICIPATE WHAT THE FFO WILL BE AS WE GO ON OVER THE YEARS. BUT WE WILL BE SEEING A LEVEL HIGHER THAN IN THE PREVIOUS YEARS. THANK YOU.

OPERATOR: FOR FURTHER QUESTIONS, PLEASE PRESS "\*" FOLLOWED BY "1" ON YOUR PHONE KEYPAD. WE REMIND YOU PRESS "\*" FOLLOWED BY "1" ON YOUR PHONE KEYPAD IF YOU WANT TO ASK ANY QUESTIONS. NEXT QUESTION COMES FROM THE LINE OF THE ENGLISH CALL, MICHEL VARALDO WITH FUSION YOU HAVE THE FLOOR.

MICHEL VARALDO: HELLO, GOOD AFTERNOON. GOOD AFTERNOON, CLAUDIO. I HAVE ONE QUESTION REGARDING THE BIG MERGER WE WILL HAVE BETWEEN CORIO AND KLEPIERRE THIS WILL GIVE A VERY STRONG LEADER IN ITALY. SO WHAT IS YOUR FEELING ABOUT THAT? DO YOU THINK YOU WILL CHANGE SLIGHTLY YOUR STRATEGY WITH THIS NEW LEADER? SO COULD YOU HAVE SOME COMMENT PLEASE?

CLAUDIO ALBERTINI: FOR SURE IT'S GOING TO BE A DEAL THAT REALLY SETS THE BAR, THE COMPETITION BAR MUCH HIGHER INDEED. AND WE WILL HAVE TO BE MORE EFFICIENT INDEED. THE AGGREGATED ITALIAN PORTFOLIO OF CORIO AND KLEPIERRE SHOULD BE ABOUT €2 BILLION, BETWEEN €2.5 BILLION TO €3 BILLION, SO THEY INDEED HAVE A MAJOR PORTFOLIO THEY RELY ON. WE ARE TALKING ABOUT VERY LOW MARKET SHARES THERE. SO THERE WON'T BE A DIRECT COMPETITIVE EFFECT THAT'S GOING TO BE VERY HIGH, VERY MEANINGFUL, BUT IT'S A TRANSACTION THAT WILL GIVE US FOOD FOR THOUGHT, BECAUSE WHEN TWO PLAYERS OF THAT MAGNITUDE DECIDE TO JOIN FORCES, THEY COME UP WITH A COLOSSAL WITH €20 BILLION WORTH OF ASSETS. SO THAT WILL HAVE A MAJOR IMPACT IN OUR HOLDING COST SYNERGIES. WE ARE TALKING ABOUT €60 MILLION WORTH OF SYNERGIES. SO INDEED, IT'S A MAJOR DEAL AND WE INDEED ENGAGE IN A MINOR DEAL, CANNOT BE COMPARED IN ANYWAY TO THAT. BUT STILL, I DON'T THINK THERE GOING TO BE A THREAT TO US ANYWAY. I DON'T SEE A THREAT GOING FORWARD. AND I DON'T SEE ANY CHANGE IN STRATEGY FOR US BEING DRIVEN BY THAT. OF COURSE, WE ARE GOING TO BE VERY CURIOUS, VERY FOCUSED, BUT WE DON'T FEEL IT IS A THREAT.

MICHEL VARALDO: OKAY. THANK YOU VERY MUCH.

OPERATOR: MR. ALBERTINI, THERE ARE NO MORE QUESTIONS.

CLAUDIO ALBERTINI: THANK YOU VERY MUCH. GOOD AFTERNOON AND TALK TO YOU DURING OUR NEXT CONFERENCE CALL.