Event:	**FY 2012 result presentation**
Date:	**28th February 2013**
Speakers:	**Mr. Claudio Albertini, CEO**

OPERATOR: Good afternoon, this is the Chorus Call Operator. Welcome to Full Year 2012 Financial Results Presentation of IGD. After management's presentation, you will ask your questions.

Now, I would like to turn the call over to Claudio Albertini, IGD's CEO. Please, sir.

CLAUDIO ALBERTINI: Good afternoon everybody. As you've probably seen in the press release that was issued half an hour ago, IGD's Board of Directors approved the Financial Statements full year 2012. And I will therefore, illustrate the financial.

Let's start from Page 3 in the handout where you can find the key financial highlights. First of all, revenues amounted to €123.3 million, up 1.7% compared to 2011. Revenues from the core business account for almost the majority of our overall revenues. EBITDA, again core business EBITDA is slightly down 2.7%, compared to the previous year, equal to €85.8 million. And I will tell you which are the major drivers. EBITDA margin of the core business is slightly below 70% or down 3 percentage points compared to the same period last year. Group net profit amounted to €11.3 million, down 63% approximately compared to 2011. And funds from operations amounted to approximately €36 million, down 15.7%, compared to the same period last year. Dividend per share that will be proposed to the AGM amounts to €0.07, which compares to €0.08 and with €0.75 in 2010. Market value is slightly down, €18 million less than in 2011. While for the financial occupancy, a piece of information which was generally included in other presentations, but which instead we want to include today, amounted to 97.5% in Italy and slightly less than 90% in Romania. That's the snapshot at the end of December 2011. So we will use this as the financial occupancy date, as the opening date for 2013. The average occupancy rate in 2012 was approximately 1 percentage point lower, given the adverse backdrop.

And the Italian economic context, as I said, was negative and you can see for trade and its main characteristics on Page 5 for Italy and on Page 6 for Romania. I will not dwell on details, you know better, than I can explain to you what happened in Italy. And as far as the retail sector is concerned, which is where we operate, retail sales were deeply affected. Non-food sales were down 2.8 percentage points, that's the round number and consumptions was down 4%. We will then see our modern hypermarkets performed vis-à-vis the more general decline in consumptions. They slightly performed better. As far as investments or CapEx is concerned, which you can see on the right upper box, in 2012 with the exception of the first quarter, which was positive, we saw almost the zeroing down of the investments in Q4, for approximately €1 billion. However, I'd like to stress that international retailers expressed and are still expressing some degrees of interest, looking for high street locations and prime locations.

If you look at Romania, the economic context was better than in Italy. GDP, first of all, was in the positive, posting a growth, which is between 0.2%, 0.8% compared to the 1.5% or 2% decline recorded in Italy. And non-food retail sales were up 1.6 percentage points. Now, clearly we are talking about Romania, which is a very smaller economy than Italy. Its GDP amounts to one-eighth or one-tenth of Italy, which is therefore, more sensitive to either positive or negative movements. What's interesting is that, some watch institutes or some sources point towards a growth in Romania for 2013 and 2014 as you know, it should join euro land**.** Here too, in this country major retailers have expressed or are still expressing some good interest. They are basically concentrated on Bucharest, but we too have been subjected to quite strong interest. There have been some factors such as the fact that H&M over the next three years will join our shopping centers. So this was I have to say about Italy and Romania.

If you now move to Page 8, you can find our consolidated income statement. As it is customary, we have divided it into core business, which as I said and I want to repeat, represents the bulk and the majority of our revenues. And then we have separate columns for the numbers of the PORTA A MARE project, which is more operated in real developing logical or direction. As far as revenues, we can say that core business are up to 1.7%, direct cost are up and a year later why they grew, they are mainly attributable or the bulk of them is attributable to the IMU tax. EBITDA amounted to €85.8 million from core business, and down 3 percentage point decline, a decline in EBITDA margin, which as you will see later, is attributable to increased direct costs and to the higher average vacancy posted throughout 2012 and a higher maintenance cost. In the second half we had a stronger impact of write downs. And we had negatives value assessments, minus €11 million; they went up to €30 million, €30.5 million in the second half of the year. They are the combination of €29.4 million in the fair value and the number for write down. Please note that we have a number, which is equal to 1.55 for the Italian portfolio in the negative, with minus 0.06 for the Romanian portfolio. There has been also an increase of slightly more than €4 million as a consequence of a combination of causes which I will go through, 9.7% that's the growth that was posted. And then we have a net profit which due to deferred tax assets applicable to write downs, give us a minus 62.9% performance or €11 million.

In the next page, you can see the difference between Italian location, city center projects and many others.

If you go to the next page, then I will briefly mention this, we have margins by rental activities, 85.7% is freehold or down 3 percentage point compared to 2011, and again that was driven by increased direct costs. And then we have margins from leasehold, let's say €22.6 is last year, that's down 4 percentage points and again that was driven down by higher provisioning.

Let's now get into detail in the various P&L items on Page 10. You can see the breakdown. On the upper left hand chart, you can see a breakdown of our revenues. As I said earlier, they are mainly accounted for by our core business, up 1.7%, whilst the other revenues performed differently, because we had €1.7 million from the Project PORTA A MARE, which was positive, which is no longer seen in 2012. We only had €7000 of rental income for office space whose construction was completed. A positive impact of the sales that delivered us Project PORTA A MARE because in September we will record the pre-contracts and we will therefore have over 30 executed contracts at year-end. On the right hand side, you can see the breakdown of our overall assets. You can see that Hypermarkets account for 28%, Malls 61% whilst revenues from Winmarkt are 9.1%. The main income or revenue growth drivers in 2012 are at the bottom of the slide 0.5% on a like-for-like basis, €2.4 million which is increased revenues as a consequence of purchases made in 2011, generating revenues for full-year in 2012, and then the contribution of Romania which was down approximately €620,000 as you can see the right hand box, because the insolvency or default so to speak of a major Romanian tenant, which led to rescheduling and to reorganization and reduction of rented areas leading ultimately to an overall growth, which amounted to 1.1% or €2.2 million.

Now, let's now come to the negative notes that are represented by direct costs on Page 11. As I've mentioned earlier, they were up approximately €4.2 million or up 18% and as you can see in the box on the right hand side, you can see the major negative i.e. first of all the IMU tax, which negatively affected our P&L for a total equivalent of €2.8 million, up 63.4% replacing ICI. So €2.8 million tax plus €700,000 for the Romanian tax give us an increase compared to the pre-existing ICI tax, whilst the Romanian property tax remained unchanged. We had a slight increase in provisioning; therefore we kept quite strong control on working capital. Our net receivables are pretty stable, whilst we recorded €1.3 million in increase in so-called other direct cost that are slightly up 8 percentage points mainly driven by the higher average vacancy, which we recorded over 2012 at year-end which you can see at the end of December, the number was lower, but during the year it was higher on average. So as a landlord we had to bear the cost of maintenance work for vacant space. General expenses increased lower than inflation rate, we had a strong focus on general expense containment, you can see basically a percentage that remained stable, 7.9% compared to the previous year.

On Page 12, you can see the split or the breakdown with a pie chart showing the drivers that affected the EBITDA margin moving from €88.5 million at the end of 2011 then you can see the major areas that change direct costs leading the total to €85.7 million with a decline in EBITDA margin, which moved from 72.7 to €69.6. And I'd like to stress in this specific regard that the new IMU tax amounted to 2.2 percentage points as a replacement of ICI. So overall, the €7.2 million of property tax affect our EBITDA margin for approximately 6 percentage points.

We are now on Page 13, and here on the upper right hand side box you can see the change in net profit moving from the 2011 profits slightly above €30 million, EBITDA margin was down €2.3 million and that was for the core business, €439,000 less that's the decline in EBITDA for the PORTA A MARE Project due to sale, which triggered 439 positive on EBITDA then we had change in depreciations we are talking about €17.3 million more in depreciation an increase of approximately €4 million in financial charges and then we have deferred taxes €5.3 million leading therefore to 11 point almost €3 million net profit.

Funds from operation or FFO that's on Page 14, that's very simple to look at. We moved from €42.6 million to €35.9 million in 2012. We have €2.5 million that's the decrease in EBITDA which was triggered in turn almost in a direct way by direct cost movements. And then we had a decline of €4.2 million due to increase in financial management, so 6 point something million depends on EBITDA and financial management. So we have basically on overall decline of 15.7%.

On the next page few commercial highlights; Footfalls in Italian shopping malls on a like-for-like basis were slightly in the positive up 0.6% and they were mainly driven by the longer days or the larger amounts of days during, which our hypermarkets and facility remained opened, which had positive impact on our portfolio. Overall, our portfolio had 265 days more in terms of opening hours in Italy and these clearly softened or mitigated the economic crisis impact maintaining footfalls almost stable. Sales despite stable footfalls went down 3.1% and that was unavoidable and this year for the first time we are always comparing the CNCC number, which is the Italian National Association for Shopping Centers, so we tapped their database, so we know that the benchmark is slightly above to over 3.1%, and then we have footfalls in

Romania, the dynamic was a positive one up 7%, this increase mainly is attributable to the introduction of a few food anchors in particular Carrefour Express that already have 8 outlets plus the introductions of other important anchors or tenants.

If you go to Page 16, you will find additional details about this with the total, on the upper left hand side, you can see over 100 million footfalls as the combination of Italy and Romania. On the right hand side pie graph you can see the breakdown of mall sales correlated to footfalls. So you can see that there is not a homogenous study correlation, but indeed there is a correlation. And as far as Italy and Romania are concerned, you will find greater details at the bottom of this very same slide. Please note that, sales in Italy signaled that apparel and electronics were most hardly hit, especially the latter really picked up thanks to the introduction of a few items or SKUs at some of our tenants outlets.

Again, that's benchmark with the domestic market, and let's do some benchmarking in the hypermarket business segment, which is quite important. The share of our portfolio both in terms of revenues as well and in terms of asset class. So, you can see the COOP System which is the #1 retailer in Italy, and you can see the breakdown between hypermarkets and supermarkets. As you can see clearly from this slide, and you can see that hypermarkets numbers have been circled. The COOP System was down 2.1% for hypermarkets on a like-for-like basis, COOP ADRIATICA which is our leading or our major shareholder posted quite the same decline, this decline was a little bit more severe for our #2 largest shareholder, UNICOOP TIRRENO and then IPERCOOP SICILIA is the legal entity, it was up 2.2%, but it was setup by some major hyper coops in northern Italy. So, that's on the upper trend because it's at the startup stage. if you look at the box at the bottom of the slide, you can see that UNICOOP and COOP ADRIATICA owned by Italy because our portfolio includes that 19 directly owned IPERCOOP, 13 rented to COOP ADRIATICA and the other split between IPERCOOP SICILIA and UNICOOP TIRRENO. Some of them were minus 0.8% and the negative compare to the 2.1% of COOP ADRIATICA and 2.8% of UNICOOP.

We move on to Page 18 now and you will see the breakdown for the top 10 tenants and you see that for Italy we are reconfirming our policy to risk sharing and risk spreading policy. So the top 10 accounts for less than 20%, 18.7%, this is a policy we are going to endorse for the future as well. And in the chart, in the pie chart bottom line you see the breakdown of brand per sale based on the turnover and the sales, you see the minor weight of local brands because this is the segment that was hit most by the crisis. So, we will see that, we had a 14% decrease from all players pertaining to this segments. It's all small places that are very badly hit by the crisis rather than the large retailers, so to say, at national level or international level.

Page 19, you see the breakdown for tenants in Romania, top 10 tenants, same breakdown as for Italy. And here we have higher risk concentration, but it is also clear that this is unavoidable because we are including and introducing the Carrefour Express brand in the Romanian consolidation scope. So, that's why the percentage increased, Carrefour market, Carrefour Express is our top brand, our top tenant in Romania and the account for that 6.5% revenue such as DOMO which account for 6.1% with nine contracts. Local brands here have a higher weight, 35%. It used to be much higher when we first entered Romania in 2008. And thanks to a confident and consistent action, sales action, that we have been performing, international brands tend to have a greater and greater role.

Page 20 of the presentation, you see a detail of contracts, both in Italy and Romania. And let me underline that in Italy 2012, we renewed 135 contracts of which 71 was turned over, the average upside on renewal was up 1.18%, and the performance in the first half was higher. And we expected by year-end a positive trend, but still declining versus previous year because in the second half we had renewals in the less performing shopping malls whereas in the first half, we had renewals in the most performing malls. In Romania, we had 201 renewals and they were all contract that had been signed before the crisis. We had a 3% downside because as we introduced new international brands, we have a greater stability and greater lengths of contracts as well, so stability also. As far as value is concerned, on the right hand side you see the deadlines, the expiry dates for Romania and Italy. 2013 we have major expires, 142 contracts will expire in Italy and 318 in Romania. In Italy, I know you will be asking your question, upside were inline with what we had recorded at the end of the year, between 0.5 and 1. And we think it's a challenging goal and objective considering the economic backdrop we are working against. And same percentage upside we also factored into our Business Plan.

Page 21, we have a focus on Romania; it's a very dense slide we have here providing info on Romania. And as I said before, we want to further consolidate our sales portfolio as far as Winmarkt is concerned. As also shown in the box top right, we made an agreement that was disclosed through the press release. We made an agreement with H&M that will be opening in April, we will be opening the first Buzau point of sale and there were other agreements we have signed for an opening in 2014 in Galati and 2015 in Tulcea. In this chart, you see the activities we've been running between 2008 and until now, and you see the real estate portfolio, the sales offering, the contracts, lease contracts, rental contracts. You see bottom line, you see the situation of the contracts length in 2008 after the acquisition 94% of the contracts were very short, up to 3 years. And only 6% was from 3 to 5 years. This is the current breakdown of our Romanian portfolio, and you see that contracts below 3 years and that is the ones that are most volatile, are about one third. And 48% is from 3 to 5 years and really have a meaningful weight i.e. almost 20% of contracts that are over 5 years. And we are talking about the most important tenants and brands that we have just mentioned. And we also have pictures you see. Looking at the investments, we have been running, we are talking about sizable amounts, but we have been engaging in Romania to refurbish the facades as well. We are inline with the International brands. You see the new brands and the new Winmarkt logo.

If we talk about payoffs, we go to Page 22, payoff we had for a couple of years now, and that companies, the IGD logo and spaces to be lived in. And it's been presented through a number of initiatives, one at our shopping malls and they are accompanied by social, cultural events and sports events to those paying very much attention to the local features that involve young people.

And Page 23, sustainability report. Sustainability report is not approved by the Board; it's just close to the Board. This year we will have an event too for the sustainability report presentation because this will have an impact on the local communities indeed, and we will be doing so, as I said for the third sustainability report being presented. And the utmost attention paid by our fund investors who are very sensitive to the issues of sustainability and its support. So this year we are about to complete the sustainability report and here are the main variables we are working on. And let me just underline that we have been undertaking actions at environmental level, we are going to be certified, ISO 14001 certified for environmental issues.

And concerning our portfolio, we go to Page 25 in the presentation. This is a slide that we keep on presenting every time, every time we have a conference call, it's the Italian portfolio; we have a footprint in 11 Italian regions.

On Page 26, you have the Romanian portfolio, which is basically flat, the same as we had in the last presentation.

Page 27, again it's a very similar slide to what you saw during last year. It's the breakdown by type of Italy's portfolio market value and for asset class-by-asset class, 52.7% is mall and 28.2% is hypermarket, 9.3% is Romania. A chart, bottom left you see the portfolio breakdown by geographic area, by geography in Italy and you see that more than 50%, 51% is allocated or located in North and North East and North West of Italy 27.8 center and 21.3 in the south of Italy and Islands, with a strong concentration in Sicily, Palermo and Catania when we open between 2009 and 2010 we've opened two new shopping malls in Palermo and Catania. As I was saying before chart bottom right you see the breakdown between Italy and Romania, so Romania still has a weight of below 10% that is to say 9.3%.

If we pass on to the next slide, Page 28 you see breakdown of portfolio appraisals. As of this year our portfolio has been broken down as appraisals are concerned, appraisals are performed by CBRE and REAG both at June 30, well end at June and end of the year, and they have a similar importance in weight in Italy, and some of them have been running a appraisal for Romania CBRE has been running appraisal for Romania as well which accounts for 9.3% of our portfolio.

Let's go to Page 29; you see the market evolution. This is part of the information I had once when commenting our P&L. The fair value change on a like-for-like basis, in the overall Italian portfolio was 1.55% with a different way, with a different dynamic between malls and retail parks, a special start to the stepped rental, due to the stepped rents we have in hypermarkets. Newly built hypermarkets, which are in the startup phase and with which we've agreed rents, that will be up and running in three to four years will have a full impact in three to four years. And then we've also witnessed a decrease in sales in 2013, a 2.5% reduction was booked in the malls segment, and we also looked at the accounts approved by [indiscernible] this is in line with the write-downs that were reported in Italy by the different peer entities, you know them very well. As far as Romania is concerned, on a like-for-like basis you see we have a flat portfolio, which so far it's retaining it's position, well with a slight decline in shopping malls 0.06%, while office buildings are flat. These data are even more detailed on Page 30, you have a breakdown of the portfolio characteristics that I have just explained to you, and Page 30 and 31 these are the main details.

Page 31, we have detailed data on an asset class basis for financial occupancy. For hypermarkets you see that 96.9% for shopping malls. We are not talking about average occupancy rates 97.5% was the average so to say we started with generate first 2013 Romania was slightly below 90%, definitely on the upward trend versus the results we had end of 2011, which was between 80%, 81%, so 83%, I am being corrected says the speaker. So with a very nice increase of about 6 percentage points, so you look at the yields for Italy between malls and hypermarkets, it's 6.6%, whilst for Romania it is 6.7% so 6.5% and 6.7%.

Page 32, you find the NAV calculations, the NAV calculation, NAV per share, and 2.53 end of 2011, now it's 2.31 instead and this is basically similar to what we had in end of June last year. The NAV increase versus end of June 2012, is due to the decrease in shareholders equity through the dividend that was distributed paid out in May last year and the negative delta in the cash flow hedge reserve, and dilution effect that we recorded about 4.5% dilution effect due to the increase of a number of shares, due to the so-called DRO dividend redemption option, that was performed last year successfully and that we are going to repeat this year and I am going to talk about this later on.

Page 34 onwards, you'll find some slides that give you details concerning our financial highlights, start from Page 34, gearing ratio is flat 1.38, loan to value also flat 56.9%, and you see cost of debt, cost of debt we are providing two different data, so we have €47 million that you found in the P&L, so €47 million on our net financial position 2012, which is 4.3% up 0.2% versus the previous year, and for the reasons that you are all aware of tensions in the financial markets. And we have detailed description of what I am saying. And adjusted cost of debt that is to say stripping off the above 4 million of figurative charges relevant to the bond, that according to IAS regulations, we book in the P&L without those figurative charges, which is not cash, its €43 million non-cash is €4 million. The adjusted cost of debt, goes down to 3.9%, same effect we have on interest cover ratio. If you compare it to the 1.8 of the total, you find in the report EBITDA is on top of financial charges, so net of figurative charges on the bond you have an adjusted interest cover ratio that leads the indicator down to 2, which is the point of equilibrium if you wish.

And now Page 35, there is a detailed breakdown of our quality structure, the quality structure of our debt in excess of 10 years, 10.2 is the long-term debt life, medium to long-term debt rate it's on the declining trend because at the end of the year, we displaced the convertible bond, which is due to expire on December 28, 2013 so we displaced them to short-term debt because according to IAS regulations, so within the year it has to be classified and stated as short-term debt, so we want to refinance that debt with another long-term facility that back to the medium to long-term debt, it would go to 77% but it's the same figure we recorded last year. Long-term debt including the bond is 76% and hedged for interest rate and long-term hedging or long-term debt is 68.1%, we have another €270 million banking confidence of which available 93 market value of mortgage free assets, which is equal to €550 million.

Page 36, more details about our financial structure; let me underline that the current level of debt is €341,796 and includes €230 million worth of the bond coming to maturity at year-end. And in the chart below you find the debt maturity profile, as you can see, we always present you with it, and you see that in 2013, more than €50 million of debt coming to maturity. In addition to the debt coming to maturity we have the convertible dead line. And we are working with primary financial institutions, both Italian and international, for a refinancing let's say bond, and it will be according to the guidelines that we have already highlighted in our Business Plan. We will be issuing a senior bond on one hand, and we will be doing a mortgage loan using a mortgage loan, which is the same amount as the bond coming to maturity and a refinancing of part of our debt of the debts that come to maturity.

Page 37, you see a snapshot of the net debt and the drivers that led us to €1.09 billion of net debt at the year end. And you see all the components, all the contributors that led both in the negative and the positive domain.

And Page 38, you have a restated balance sheet snapshot and as usual, our well, total loans is almost 100%. You see our real estate portfolio and our net financial position €1.09 billion and €753 million in net shareholders equity. So the gearing ratio is stable at €1.38, flat, and €1.38.

Page 39,.we are approaching the end of our presentation. So the Board of Directors will ask the shareholders AGM that will be summoned on April the 18th, 2013 to approve the distribution of a dividend equal to €0.07 per share. And the dividend payout in 2012 was €0.08. So the dividend yield versus the year-end stock price was 8.5% while, if you compare to yesterday's stock price, it's more or less similar, 8.54%, today we are around those values, that will be dividend yield wise. it's €22.3 million, the dividend amount. FFO is €36 million, when compared to that, it's two thirds of the FFO. So apparently, it seems to be high, but you have to factor in this dividend as you see in the bullet of the bottom box have to be seen in the dividend reinvestment option rationale.

And it will be, as I said, mirror this year as well. IGD was the first Company to come up with this way of paying out dividends. In other countries it's called script dividend, but we cannot name it script dividend, because we don't pay it out in shares, but we will pay it out cash. And 20% taxes apply to it, and then only subsequently can the shareholder on a voluntary basis decide to reinvest such dividend. So it will not exceed 80% as the capital increase to be possibly reinvested willingly by the shareholder. We expect 50% of shareholders to respond positively. Last year, the positive response was at 70% of the shares that were offered. And we have taken quite a conservative assumption, 50%, so dividends net of the dividend reinvestment option will go down to approximately €11 million, equal to the net profit, about one third of our FFO, so quite sustainable in our opinion. So I think that we can reward our shareholders with €0.07 and at the same time, we allow them to invest, an option which turned out be quite rewarding since shares were issued at €0.54 and the dividend, give the dividend yield which of over 10%, with the dilution which was quite limited 4%, for those who simply do not participate in it. So this is our proposal.

On Page 41 you can find the various steps of the DRO. Let me just add that as you will read in the press release, the Board set this morning also the floor price for this capital increase which is 0.61, last year the number was 0.62. So we are starting more or less from the same price. Last year IGD closed at 0.84 on March 28, we are slightly below that. Now, obviously the scenario is not a positive one, but despite this we have good reasons to be optimistic. So thank you very much.

Now, I am here with the other members of the management team to take your questions.

Q&A

OPERATOR: This is the Chorus Call operator. We will now start with the Q&A session. The first question comes from the line of Simonetta Chiriotti with Mediobanca. Please.

SIMONETTA CHIRIOTTI: Good afternoon everybody. The first question is about the sales of the PORTA A MARE project which you mentioned; you said that the contract will be closed and finalized at year end. Could you give us the equivalent amount you expect to raise from these contracts? Then I have a second question and it's a question about your dividend and the overall 2013 outlook? What about your dividend, since in the past you used to give guidance on this as well?

CLAUDIO ALBERTINI: As far as you first question is concerned, sales, we have 19 preliminary contracts with the deposit that is being paid and we expect additional sales to be made over the year between August to September and December, we will deliver the flats. We have 74, 75 units and there would be therefore, the payment of the balance by the tenants. The closer we get to the completion date of works and the better the visibility of real property, so approximately €15 million expected to be raised by the PORTA A MARE projects and that will contribute also to our EBITDA.

As for our 2013 dividend, when we presented the Business Plan, we said that throughout the Business Plan we wanted to maintain attractive dividends, and we want to stick to this commitment. As you can see this year as well, we think that €0.07 is compliant with the dividends reinvestment option, but to reinforce my message, my earlier message is that our FFO does not include the €4 million in charges. So that's the real FFO above €40 million. The dividend policy for 2013 is to maintain this dividend levels, well today write downs such as the ones you have just seen with the net profit, which will further drive down our net equity, is a policy that could be reviewed if in the longer term I think that in 2013 our portfolio will be more resilient compared to the previous year value wise, in terms of the IMU tax impact. The impact of the IMU was one-off for two years, 2011 and 2012. So, this impact should not be recurrent this year, so there will probably be a change in fair value driven by other thing such as an increased cap rate or decreasing rents. So, if we assume mall contain write-down, so we can maintain the same dividend policy in 2013, but if we were just to have €15 million write-downs with a loss than it will be obviously more difficult for us to restate such dividend policy. Although, we might see an unchanged FFO because our write-downs are one thing and FFO is another thing. But again, net profit will lower our net equity.

OPERATOR: Next question comes from the line of Alessandro La Scalia with Banca Aletti.

ALESSANDRO LA SCALIA: Good afternoon, everybody. First of all, I have a question about your guidance about the real estate portfolio. Can you give us the like-for-like value, net of the IMU impact that's to say, how much you had to write-down your portfolio simply because of an increase of cap rate? Then I have a second question. You have just shown a sort of half empty bottle, in terms of dividend policy, but if you were to look at the half of the bottle, which is full, if we assume write-down 3, 2013, you would be obligated to pay way higher dividend on a like-for-like basis in terms of FFO we would be talking about €0.085 that's statutory. So could you confirm this view obviously, if in 2013 there are no write-downs?

CLAUDIO ALBERTINI: Now, if there is a negative share value movement equal to zero, we might have higher dividends if not €0.08 or maybe even €0.085. I think that are various underlying variables. So, I can confirm this only in the broadest of terms. As far as the share value net of the impact of IMU, I would like to give the floor to Roberto Zoia, who was more directly involved in this type of activity.

ROBERTO ZOIA: Good afternoon, to all of you. As far as, the differentiation is concerned half is impacted upon by the IMU tax, considering that in 2011 already we've already discounted the IMU say the IMU effect, because it had been factored in with 7.6% from year one, which was going to be 2012. As you saw in the presentation, the increase we witnessed in rents in hypermarkets was fully offset the property tax, the IMU in part because hypermarkets as you saw, were on the growing trend, though slightly. As for shopping malls, where there was no rental increase, the difference is more or less half of the €25 million between the property tax effect, interest rates effects and revenue evaluation over a 10-year time window.

OPERATOR: Let me remind you that if you wish to ask a question, you may press "*" followed by "1" on your phone. For further questions, please press "*" followed by "1" on your phone keypad.

Next question is from the Italian conference line is a follow up by Simonetta Chiriotti with Mediobanca.

SIMONETTA CHIRIOTTI: It's concerning dividends. It's a bit of a complex calculation I must say. Compared to the net profit, how much did you pay out this year?

CLAUDIO ALBERTINI: This year, the SIC would be €0.051 cents. And there were a number of allocations of reserves that were displaced from one year to the next, but I think it would have been €0.051, so we took €0.019 to get to the total from exact reserves. So we were not forced to distribute to get to the €0.07 otherwise we would have been bound or forced to distribute €0.041.

SIMONETTA CHIRIOTTI: And how much was it in 2011 instead.

CLAUDIO ALBERTINI: Well, I can get back to you with the precise figure, just a second. Just a second because I am not a computer, I am not a machine. You will forgive me. We are about to get the answer and we will get back to you otherwise. It was also a net rental income available for distribution. So it would be €0.08, all of it.

OPERATOR: Let me remind you that in order to ask a question, you may press "*" followed by "1" on your phone keypad. For further questions, please press "*" followed by "1" on your phone keypad.

Mr. Albertini, for the time being there are no other questions in the queue.

CLAUDIO ALBERTINI: Very well, thank you all and we'll talk to you soon when we present the Q1 results. Thank you very much.