

Results as at 30 September 2017  
Conference call 9 November 2017 h2.30 pm CET

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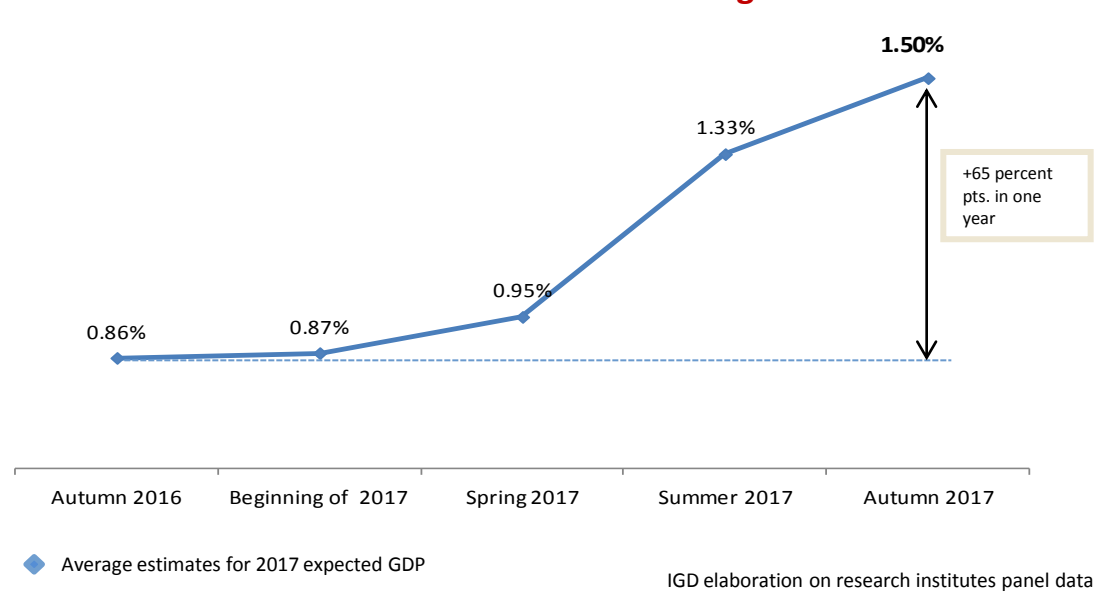
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# News from the macro context

## Estimates about 2017 Italian GDP continues to grow

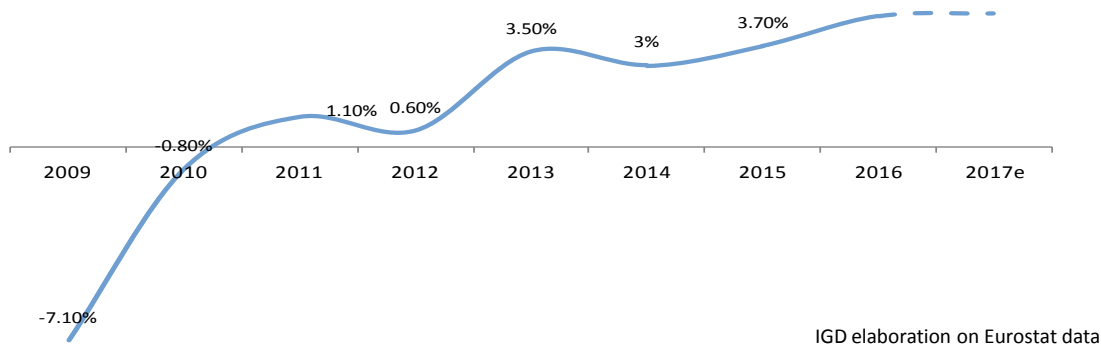


## Latest news from Italy

The recovery of the Italian economy is strengthening :

- ✓ **Standard & Poor's promotes Italy:** from BBB- to BBB thanks to the improved growth prospects.
- ✓ **Banks:** implemented the solution of MPS and Veneto banks crises; the stock of NPLs decreases (€122 bn in August vs €144 bn in May), and the flow of new NPLs has returned to pre-crisis level.
- ✓ **Private consumption** continues to grow: +0.2% in the second quarter and **expected at +1.3% at year end.**

## Romania GDP trend



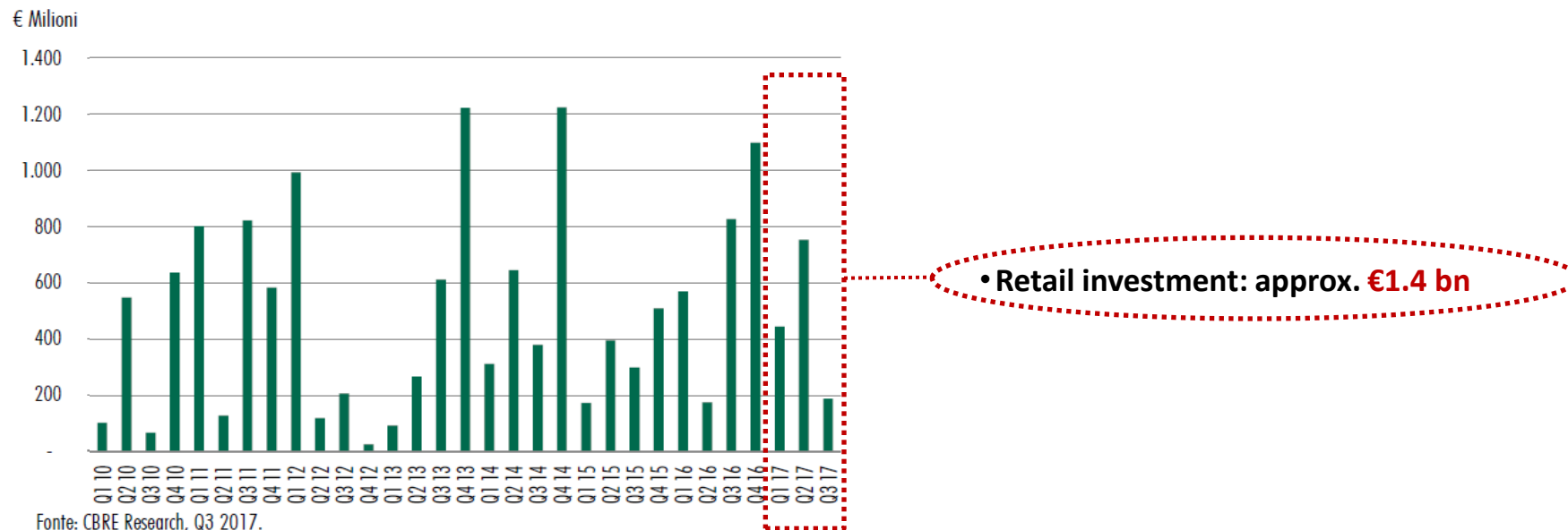
## Latest news from Romania

- ✓ **GDP** at year end is expected to grow by **4.9%**, mainly driven by domestic demand.
- ✓ **Consumption** in 2017 should increase by **7%** thanks to the fiscal measures put in place by the Government.

# Real Estate evolution in Italy 9M2017

- Total real estate investments €7.1€ bn (+33% vs 3Q 2016).
- Foreign capital continues to represent the largest share: in 3Q foreign investment accounted for the 54% of the total.

## Retail investments evolution in Italy

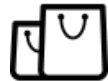




# Operating data

# Positive results from our Portfolio

## Tenant sales malls



**Italy +1.8%**

**+3.7% including Esp extension**

The positive trend recorded in the previous quarter is continuing

**Tenant sales  
3Q2017  
+4.3%  
(excluding ESP)**

## Footfalls



**Italy +0.1%**

Also thanks to calendar effect (one Saturday more and one Thursday less compared to 2016)



**Romania -2.2%**

Due to higher competition and fit-out works

# Operating performance: Italy



**134 signed contracts**  
of which 48 turnover and 86 renewals



**+5.7 % upside**



**3.9 % rotation rate**  
new tenants



**96.8% occupancy**  
slight decrease vs 97.2% 1H2017



Puntadiferro (FO)



# Operating performance: Romania



**317 signed contracts**  
of which 130 turnover and 187 renewals



**+2.3% upside** on renewals



**22.4% rotation rate**

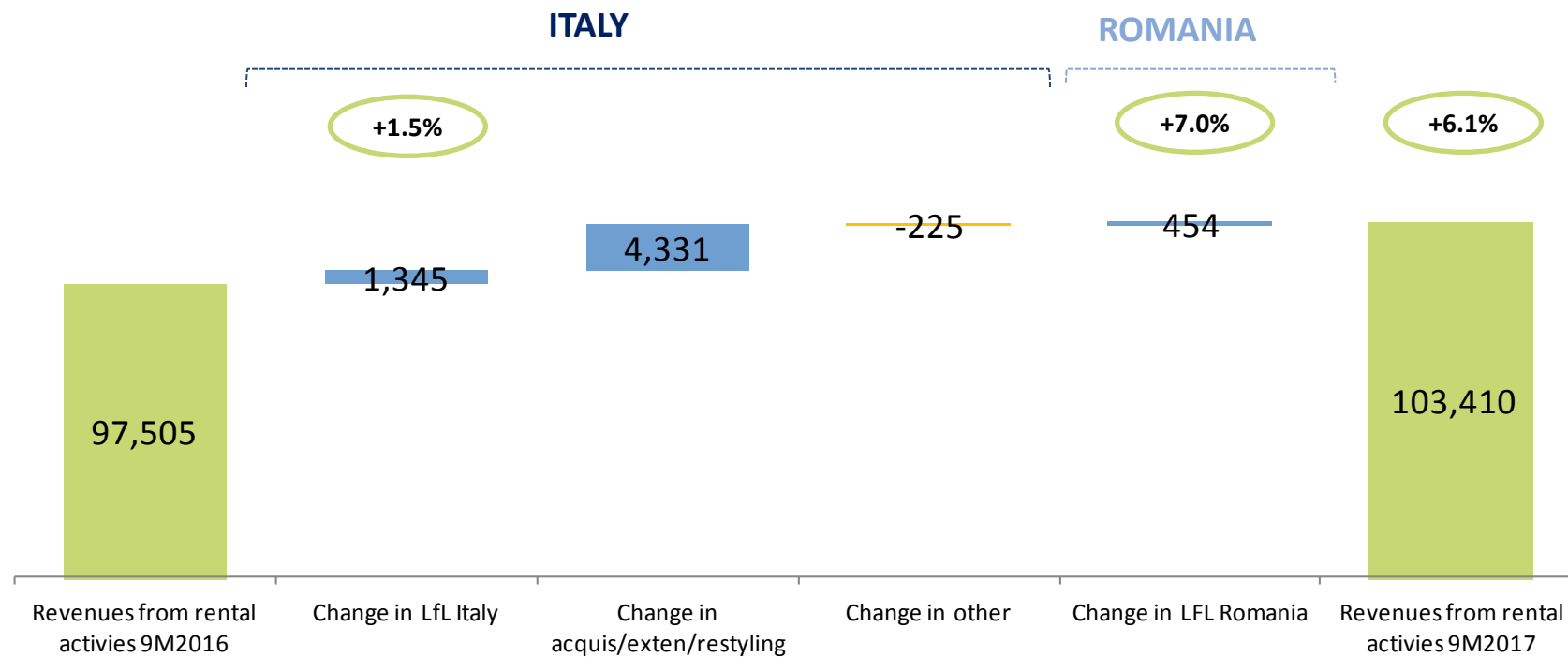


**96.9% occupancy**  
Stable vs 96.9% 1H2017



Piatra Neamt

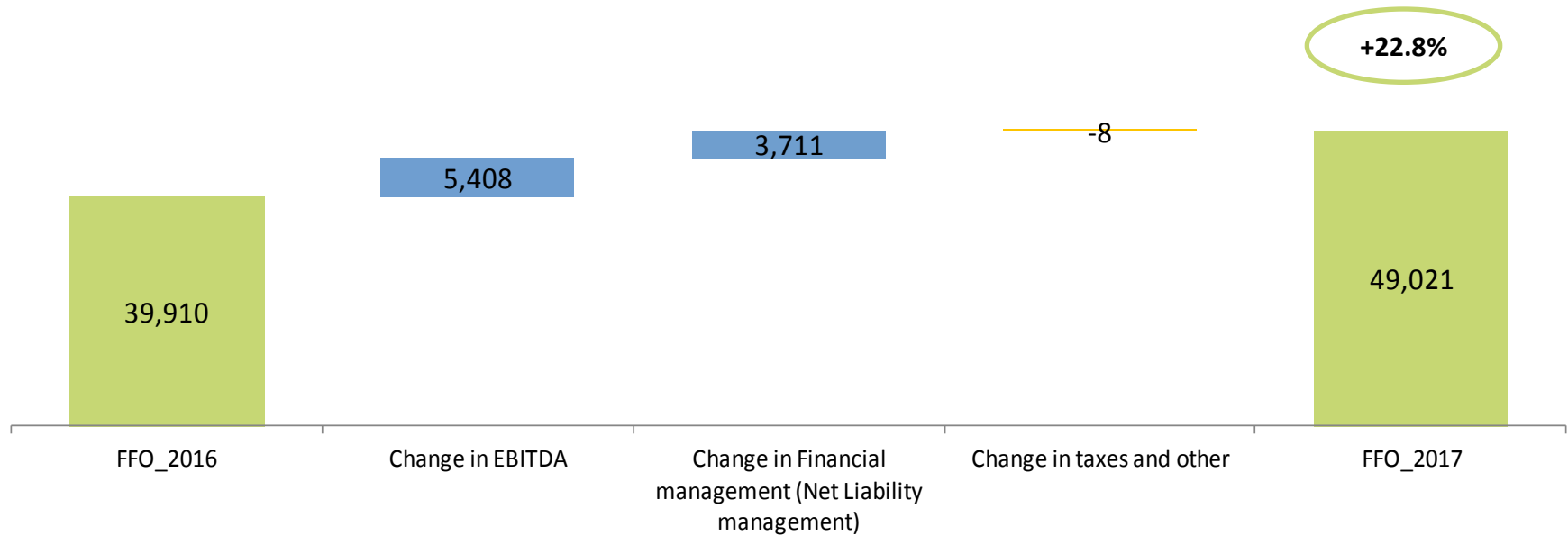
# Results: rental revenues +6.1%



↗ **Like for like Italy +1.5%:** malls (+2.1%) and hypermarkets are stable; contribution of about 1/3 of the inflation of the period (+50 bps)

↗ **Like for like Romania +7%**

# Fund from Operations (FFO) €49.0 mn



**Further acceleration compared to 1H 2017 (+17.8%)**

***Target stated for the full year: +20%***

## Other news of the period...

- ✓ Confirmed our commitment in implementing the best practices to our reports and transparent communication



2016 Sustainability Report



2016 Annual Report

- ✓ Started the program of liquidity support with Kepler (contract signed on 4 September)

- ✓ Potential catalyst: **“becoming PIR eligible”**

The Stability Law could extend the “long-term savings plan” (PIR) to the Italian real estate companies

**NORMATIVE PATH**



**30 October 2017 –  
amendment officially  
entered in the  
Stability Law**



**Approval by  
December 2017**

**PIR MARKET VERY RELEVANT**



- €6bn collected in 9 months
- €10bn target FY2017



# Financial results

# Financial Highlights

 **48.0%**

**Loan to Value**

1H2017: 48.5%

 **0.96**

**Gearing ratio**

1H2017: 0.98

 **2.85%**

**Cost of debt**

1H2017: 2.91%

 **2.89x**

**Interest Cover Ratio**

1H2017: 2.83x

 **5.0 years**

**Average residual maturity of  
long term debt**

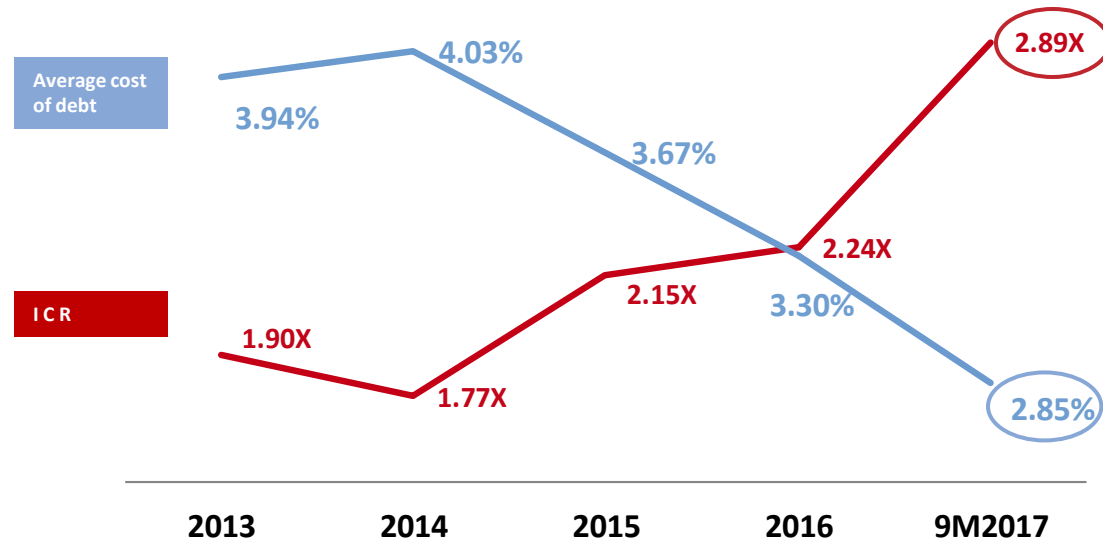
1H2017: 5.2 years

 **94.6%**

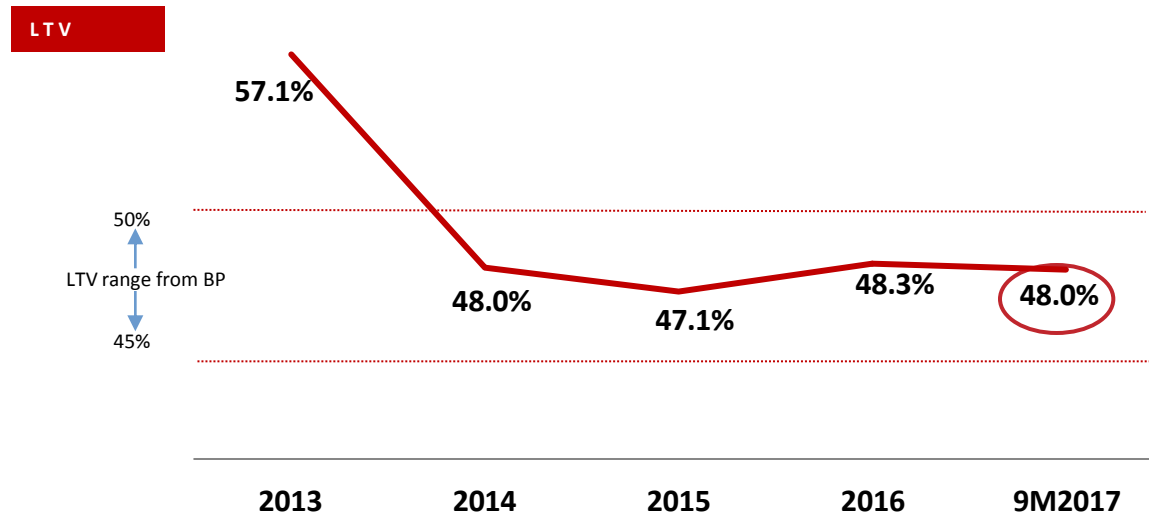
**Hedging on long term debt  
+ bond**

1H2017: +94.5%

# Financial indicators



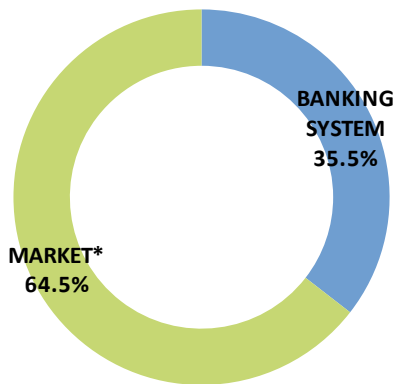
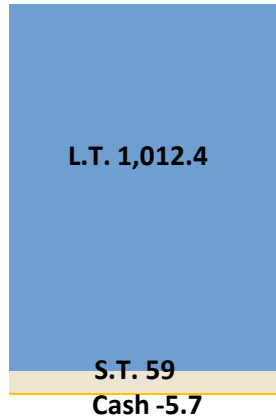
- Constant decrease in average cost of debt
- Increase in interest coverage



- Strict financial discipline respected

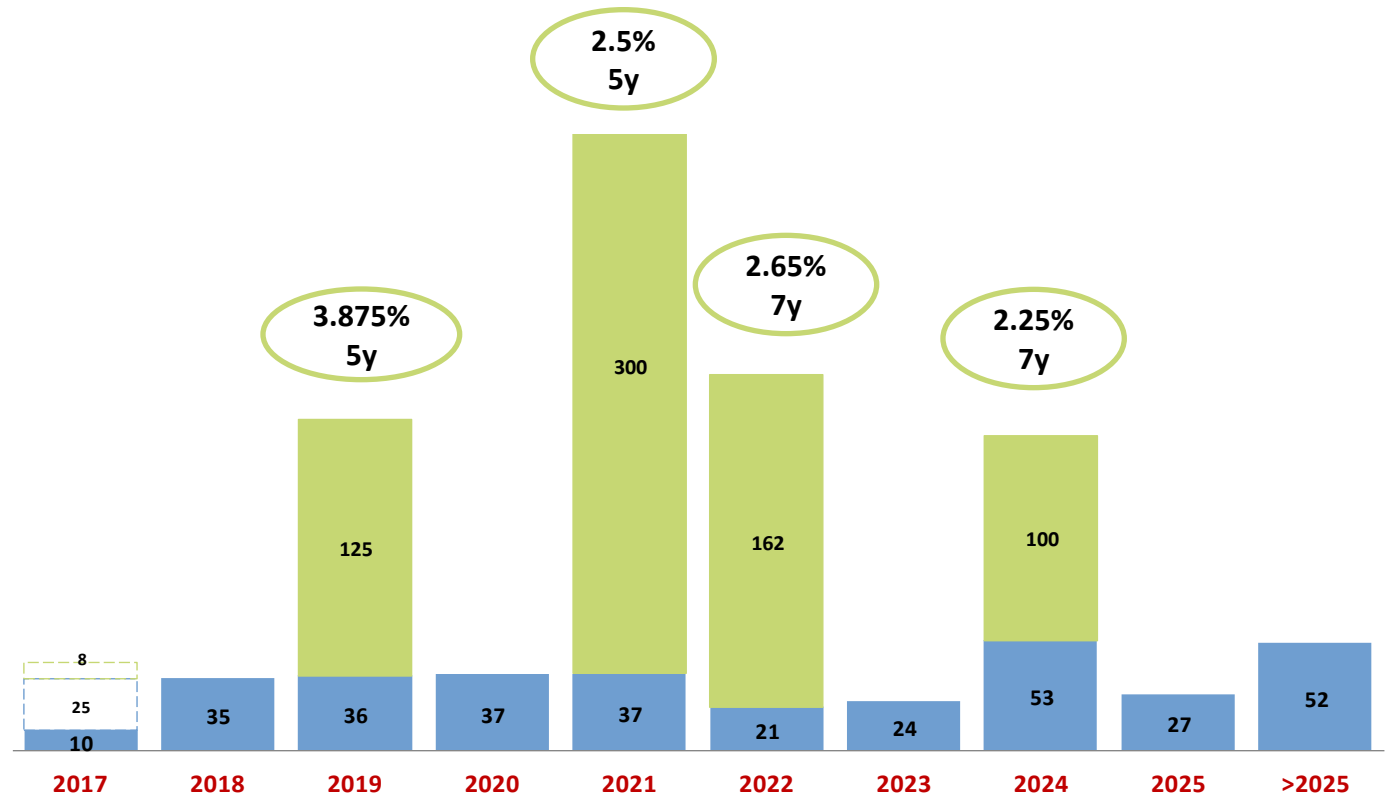
# Debt structure

Net Debt 9M2017  
€1,065.7 mn



\* Including USPP

- Bank financing reduced...and “committed”



■ Bonds ■ Bonds already re-paid ■ Bank debt already re-paid ■ Bank debt

- Extended debt maturity profile





# Attachments

# Consolidated Income Statement

€/'000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%
Revenues from freehold real estate and rental act.	88,272	93,911	6.4%	88,272	93,911	6.4%	0	0	n.a.
Revenues from leasehold real estate and rental act.	9,233	9,499	2.9%	9,233	9,499	2.9%	0	0	n.a.
<b>Total revenues from real estate and rental act.</b>	<b>97,505</b>	<b>103,410</b>	<b>6.1%</b>	<b>97,505</b>	<b>103,410</b>	<b>6.1%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>
Revenues from services	3,897	4,652	19.4%	3,897	4,652	19.4%	0	0	n.a.
Revenues from trading	590	4,857	n.a.	0	0	n.a.	590	4,857	n.a.
<b>OPERATING REVENUES</b>	<b>101,992</b>	<b>112,919</b>	<b>10.7%</b>	<b>101,402</b>	<b>108,062</b>	<b>6.6%</b>	<b>590</b>	<b>4,857</b>	<b>n.a.</b>
<b>COST OF SALE AND OTHER COST</b>	<b>(586)</b>	<b>(4,972)</b>	<b>n.a.</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>(586)</b>	<b>(4,972)</b>	<b>n.a.</b>
Rents and payable leases	(7,603)	(7,660)	0.7%	(7,603)	(7,660)	0.7%	0	0	n.a.
Personnel expenses	(2,858)	(3,194)	11.7%	(2,858)	(3,194)	11.7%	0	0	n.a.
Direct costs	(13,020)	(13,665)	5.0%	(12,815)	(13,470)	5.1%	(205)	(195)	(4.8)%
<b>DIRECT COSTS</b>	<b>(23,481)</b>	<b>(24,519)</b>	<b>4.4%</b>	<b>(23,276)</b>	<b>(24,324)</b>	<b>4.5%</b>	<b>(205)</b>	<b>(195)</b>	<b>(4.8)%</b>
<b>GROSS MARGIN</b>	<b>77,925</b>	<b>83,428</b>	<b>7.1%</b>	<b>78,126</b>	<b>83,738</b>	<b>7.2%</b>	<b>(201)</b>	<b>(310)</b>	<b>54.3%</b>
Headquarter personnel	(4,754)	(4,924)	3.6%	(4,702)	(4,870)	3.6%	(52)	(54)	2.6%
G&A expenses	(3,172)	(3,149)	(0.7)%	(2,924)	(2,959)	1.2%	(248)	(190)	(23.2)%
<b>G&amp;A EXPENSES</b>	<b>(7,926)</b>	<b>(8,073)</b>	<b>1.9%</b>	<b>(7,626)</b>	<b>(7,829)</b>	<b>2.7%</b>	<b>(300)</b>	<b>(244)</b>	<b>(18.7)%</b>
<b>EBITDA</b>	<b>69,999</b>	<b>75,355</b>	<b>7.7%</b>	<b>70,500</b>	<b>75,909</b>	<b>7.7%</b>	<b>(501)</b>	<b>(554)</b>	<b>10.6%</b>
<i>Ebitda Margin</i>	<i>68.6%</i>	<i>66.7%</i>		<i>69.5%</i>	<i>70.2%</i>				
Other provisions	(146)	(157)	8.0%						
Impairment and Fair Value adjustments	(844)	18,533	n.a.						
Depreciations	(844)	(767)	(9.1)%						
<b>DEPRECIATIONS AND IMPAIRMENTS</b>	<b>(1,834)</b>	<b>17,609</b>	<b>n.a.</b>						
<b>EBIT</b>	<b>68,165</b>	<b>92,965</b>	<b>36.4%</b>						
<b>FINANCIAL MANAGEMENT</b>	<b>(30,312)</b>	<b>(26,039)</b>	<b>(14.1)%</b>						
<b>EXTRAORDINARY MANAGEMENT</b>	<b>(255)</b>	<b>(93)</b>	<b>(63.6)%</b>						
<b>RISULTATO ANTE IMPOSTE</b>	<b>37,598</b>	<b>66,833</b>	<b>77.8%</b>						
PRE-TAX PROFIT	(782)	(966)	23.5%						
Taxes	(22)	(1,190)	n.a.						
<b>PROFIT FOR THE PERIOD</b>	<b>36,794</b>	<b>64,677</b>	<b>75.8%</b>						
(Profit/Loss) for the period related to third parties	361	0	n.a.						
<b>GROUP NET PROFIT</b>	<b>37,155</b>	<b>64,677</b>	<b>74.1%</b>						

## Total revenues from rental activities:

**€103.4 mn**

*From Shopping Malls: €72.3 mn di cui:*

*Italian malls: €65.4 mn*

*Winmarkt malls: € 6.9 mn*

*From hypermarkets: €30.1 mn*

*From Porta a Mare: €1 mn*

# Margins from activities

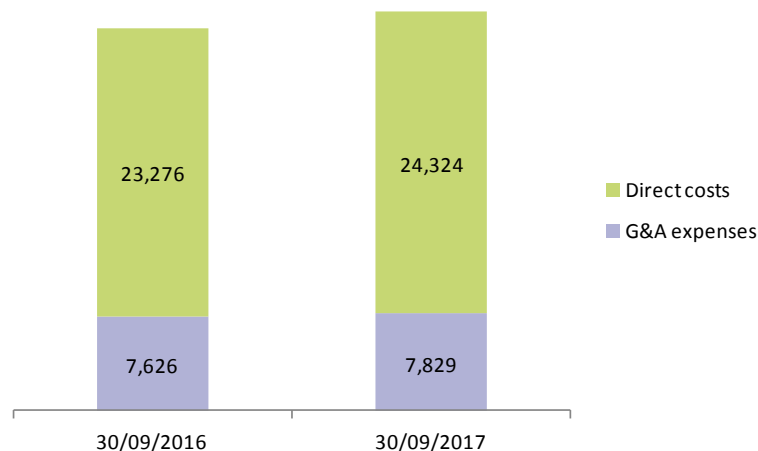
€/000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%
Margin from freehold properties	76,156	81,661	7.2%	76,156	81,661	7.2%	0	0	n.a.
Margin from leasehold properties	1,518	1,716	13.0%	1,518	1,716	13.0%	0	0	n.a.
Margin from services	453	361	(20.3)%	453	361	(20.4)%	(0)	0	n.a.
Margin from trading	(201)	(310)	54.5%	0	0	n.a.	(201)	(310)	54.3%
<b>Gross margin</b>	<b>77,925</b>	<b>83,428</b>	<b>7.1%</b>	<b>78,126</b>	<b>83,738</b>	<b>7.2%</b>	<b>(201)</b>	<b>(310)</b>	<b>54.3%</b>

**Margin from freehold properties:**  
**87.1%, increased compared to last year (87%) thanks to revenue increases and substantial stability of the related costs**

**Margin from leasehold properties:**  
**18.1% increased, compared to the same period of the previous year (16.4%), mainly thanks to higher revenues and decrease of the related costs.**

# Operating costs and financial management

## CORE BUSINESS G&A EXPENSES AND DIRECT COSTS (€ 000)

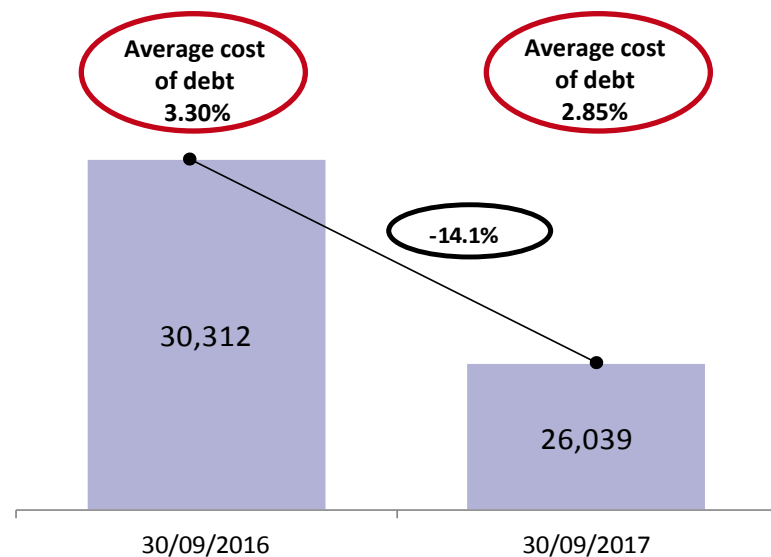


Lower impact of operating costs on revenues

Core business Ebitda margin is growing (70.2%) : +70 bps

Ebitda margin from Freehold: 79.7%

## FINANCIAL MANAGEMENT (€ 000)

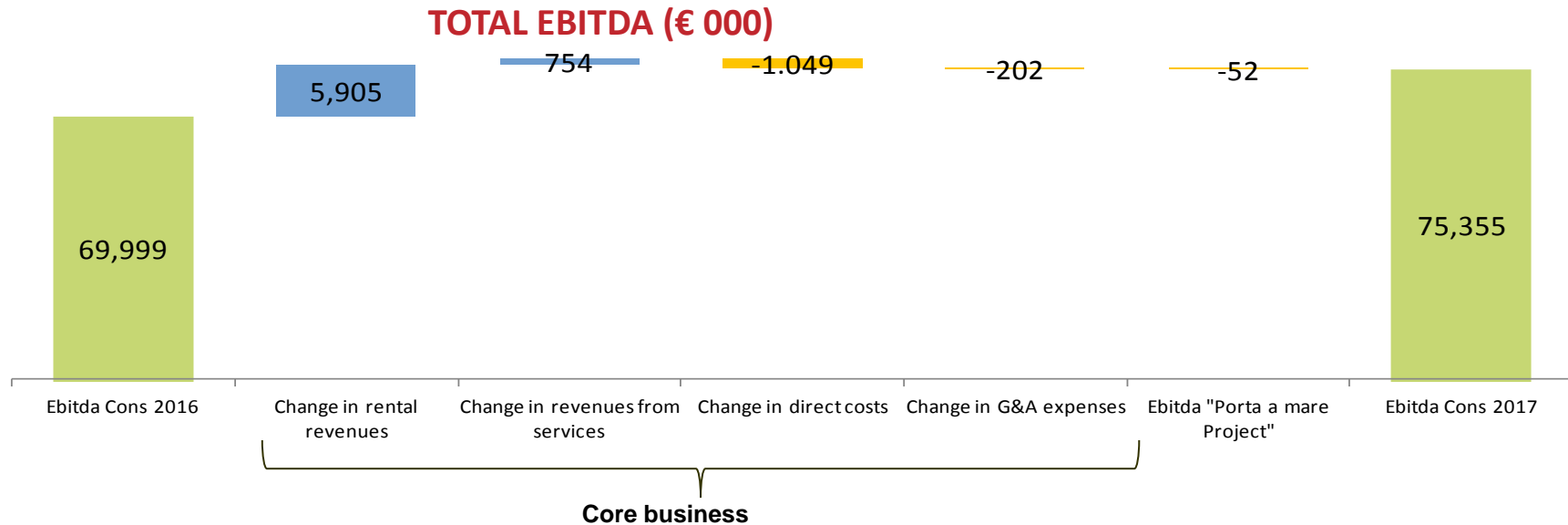


The cost of debt decrease continues

Good results from the Liability Management activity thanks to a decrease in IRS notional.

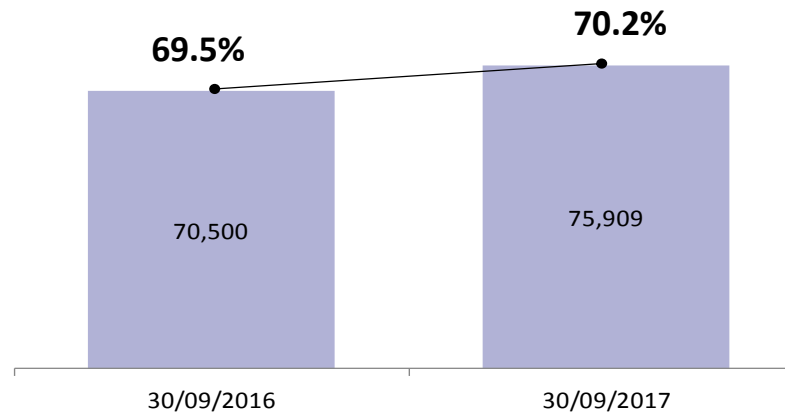
# Total consolidated Ebitda: €75.4 mn

## Ebitda (core business): €75.9 mn (+7.7%)



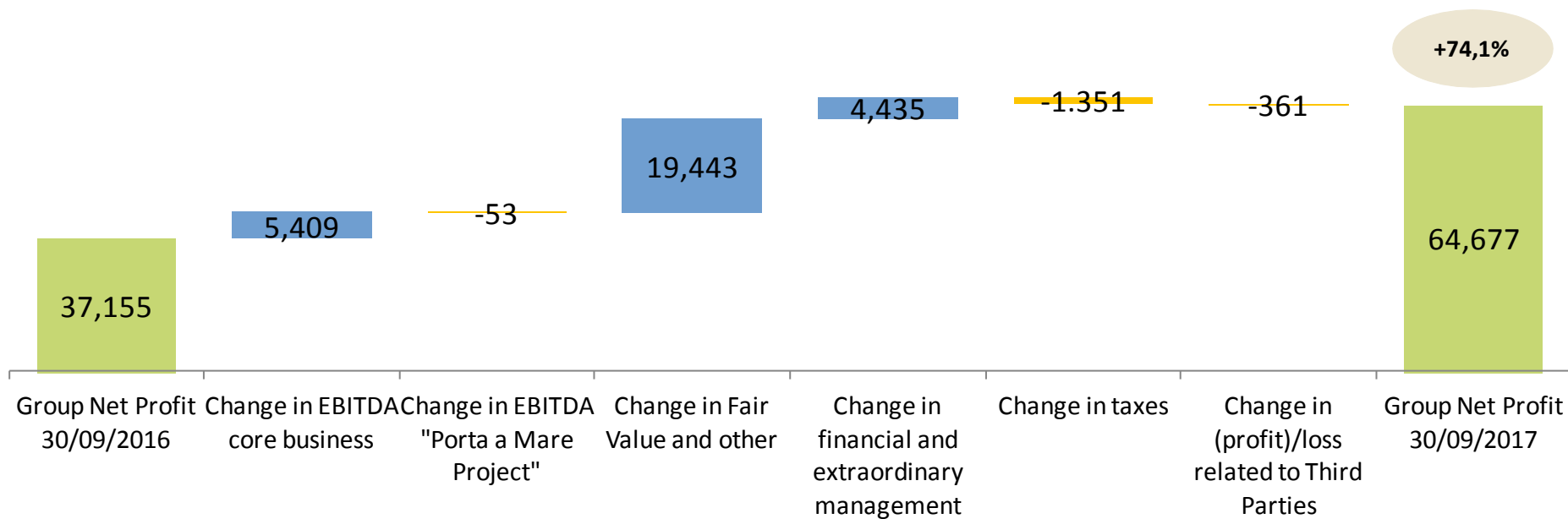
### CORE BUSINESS EBITDA and EBITDA MARGIN (€ 000)

**EBITDA MARGIN from FREEHOLD MANAGEMENT is equal to 79.7% showing an increase vs previous year**



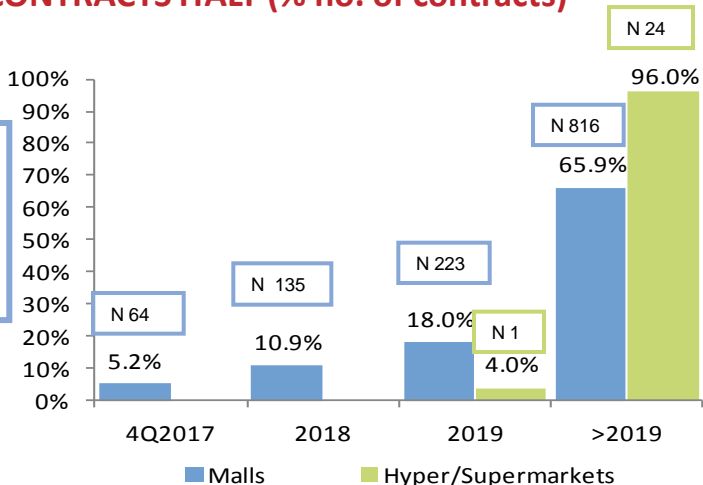
# Group Net Profit: €64.7 mn

## NET PROFIT EVOLUTION (€ 000)



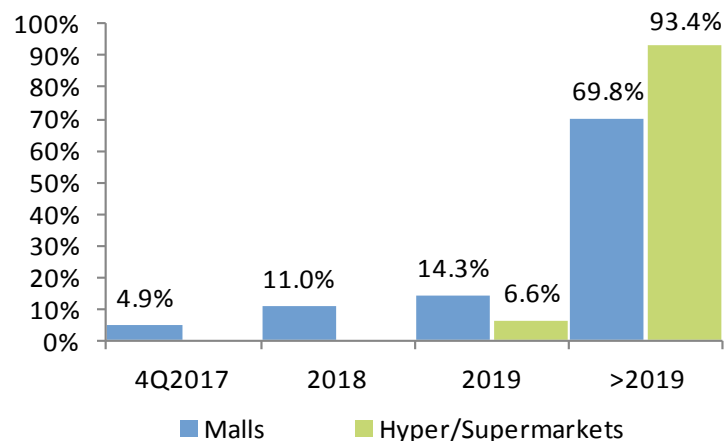
# Contracts in Italy and Romania

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



**Average residual maturity**  
Hyper 7.3 years  
Mall 4.6 years

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



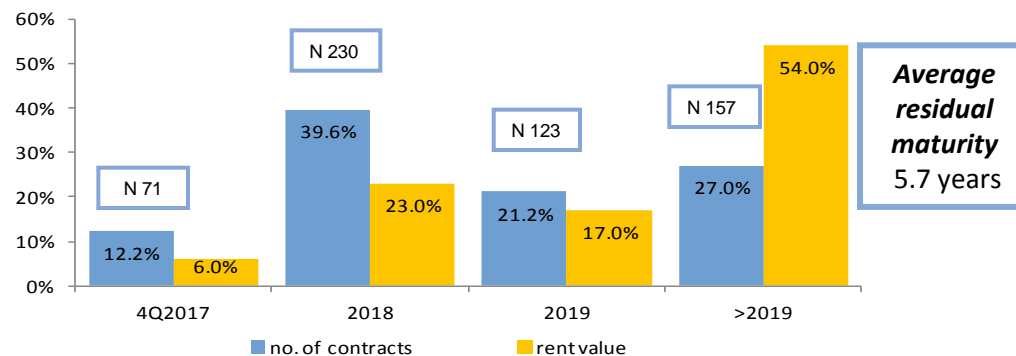
**ITALY (total mall contracts 1,238)**

In the first 9 months of 2017 **134 contracts** have been signed of which **48 turnover and 86 renewals**.  
Upside on renewals: + 5.7%

**ROMANIA (total contracts 581)**

In the first 9 months **187 contracts were renewed** (upside +2.3%) and **130 new contracts** were signed. (Renewals and new contracts represent 16.4% and 11.4% of Winmarkt total revenues)

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

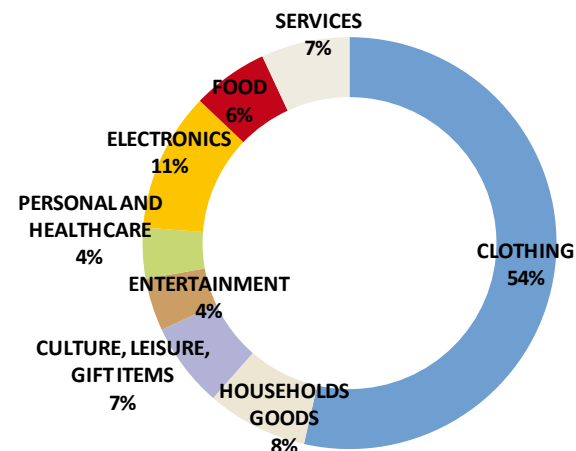


**Average residual maturity**  
5.7 years

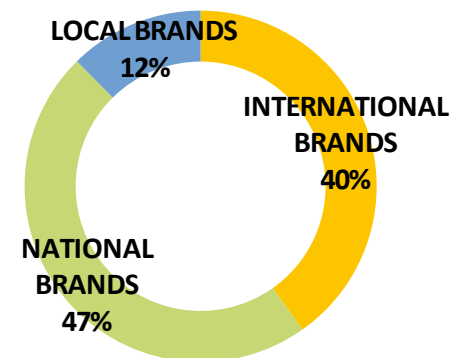
# Tenants Italy

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.2%	11
H&M	clothing	3.2%	12
Gruppo Miroglio mötivi FIORELLA RUBINO oltre	clothing	2.5%	27
OVS	clothing	2.4%	8
unieuro	electronics	2.2%	7
SCARPE & SCARPE	shoes	2.0%	7
CALZEDONIA	clothing	1.7%	25
ALCOTT	clothing	1.5%	11
DECATHLON	sports clothing	1.5%	4
KASANOVA® l'amante della casa	households goods	1.3%	16
<b>Total</b>		<b>21.4%</b>	<b>128</b>

## MALL MERCHANDISING MIX




## MALL TENANT MIX

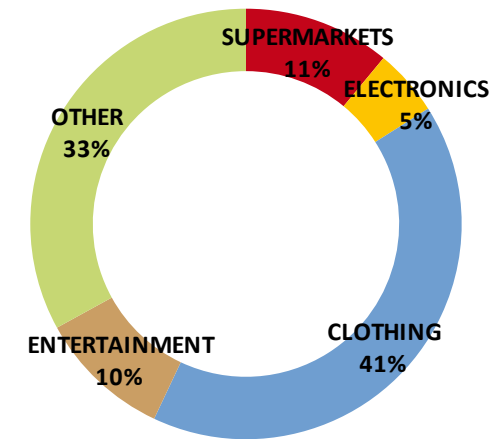




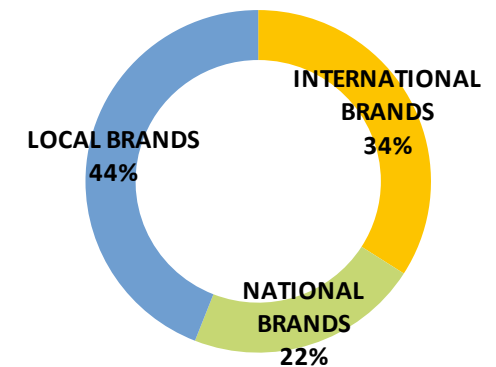
# Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
	food	9.0%	9
	clothing	8.0%	6
	clothing	4.1%	11
	grocery	2.6%	5
	electronics	2.4%	4
	jewellery	2.3%	6
	pharmacy	1.9%	4
Oficiul de Cadastru 	offices	1.7%	1
	electronics	1.4%	1
	food	1.3%	2
<b>Total</b>		<b>34.8%</b>	<b>49</b>

## MERCHANDISING MIX



## TENANT MIX

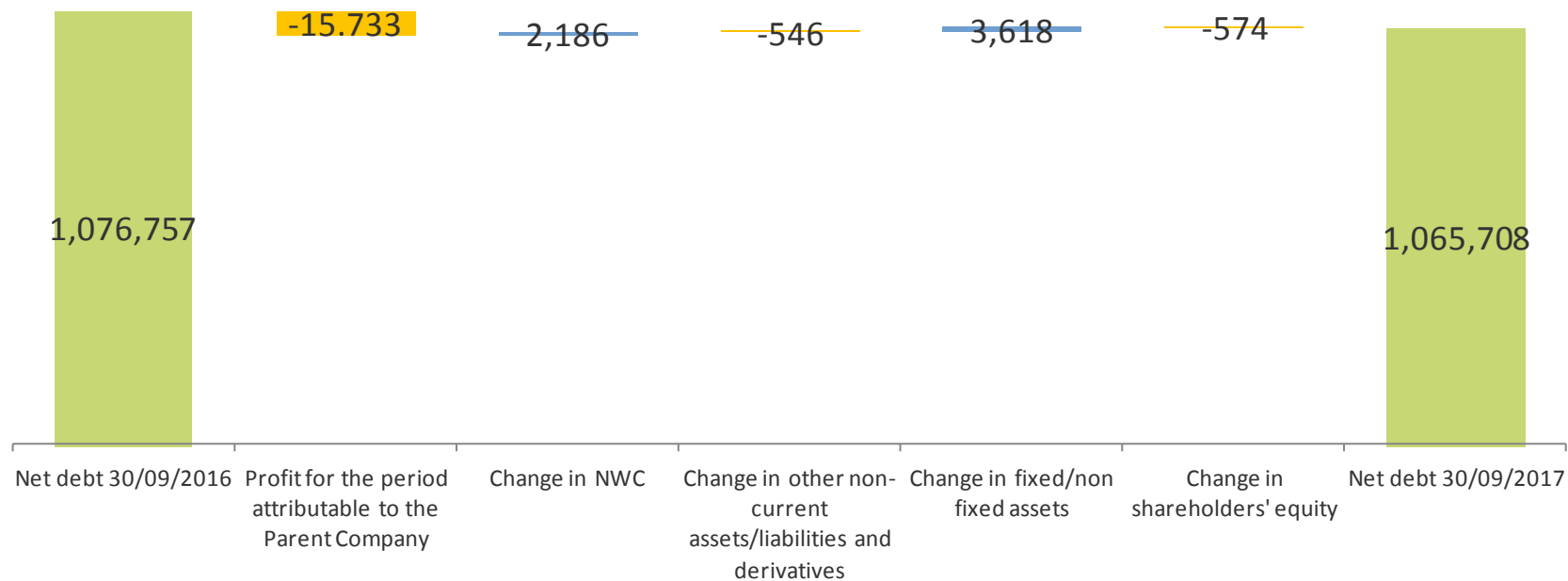


# More financial highlights

	30/06/2017	30/09/2017
SHARE OF M/L TERM DEBT	90.7%	90.9%
UNCOMMITTED CREDIT LINES GRANTED	291 € mn	291€ mn
UNCOMMITTED CREDIT LINES AVAILABLE	225 € mn	230€ mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	60 €mn	60€ mn
UNENCUMBERED ASSETS	1,435.5 € mn	1,461.2€ mn

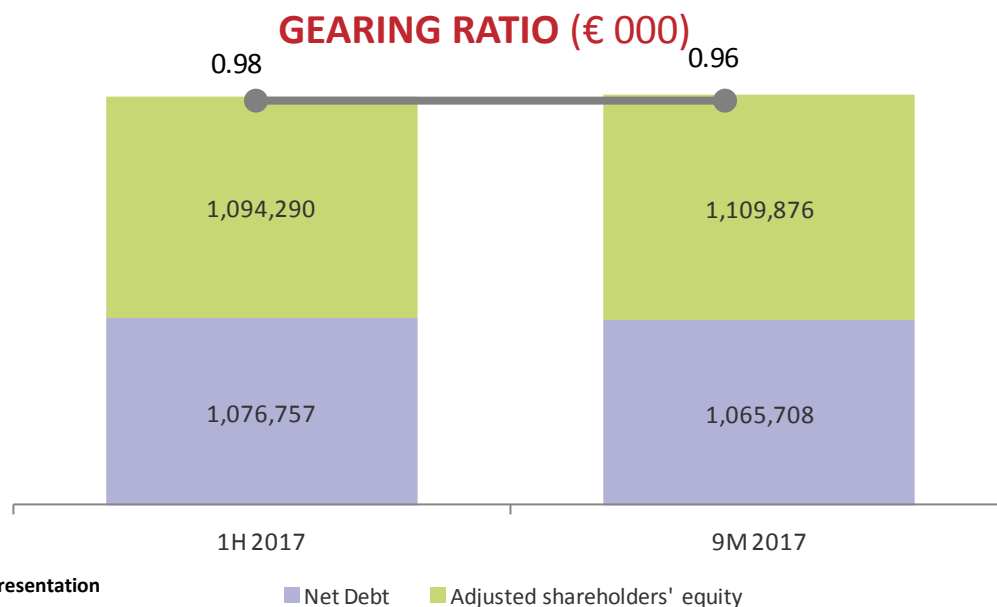
# Net debt

## NET DEBT EVOLUTION (€ 000)



# Re-classified balance sheet

Sources-Uses of funds	30/06/2017	30/09/2017	Δ	Δ%
Fixed assets	2,127,766	2,127,766	0	0.0%
Assets under construction	40,458	44,350	3,892	9.6%
Other non-current assets	25,035	24,731	-304	-1.2%
Other non-current liabilities	-30,473	-30,863	-390	1.3%
NWC	36,986	39,172	2,186	5.9%
Not deferred tax (assets)/liabilites	-23,985	-24,632	-647	2.7%
<b>TOTAL USE OF FUNDS</b>	<b>2,175,787</b>	<b>2,180,524</b>	<b>4,737</b>	<b>0.2%</b>
Net Debt	1,076,757	1,065,708	-11,049	-1.0%
Shareholders' equity	1,076,359	1,092,666	16,307	1.5%
Net (assets)/liabilites for derivative instruments	22,671	22,150	-521	-2.3%
<b>TOTAL SOURCES</b>	<b>2,175,787</b>	<b>2,180,524</b>	<b>4,737</b>	<b>0.2%</b>



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