

PRESS RELEASE

IGD SIIQ SPA: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2013

Despite the continuous decline in consumption IGD closes first half 2013 with funds from operations (FFO) basically in line with first half 2012 and the gearing ratio unchanged with respect to the close of last year.

- Consolidated operating revenue: €60.5 million (€616 million in first half 2012)
- Core business EBITDA: €41.6 million (€43.1 million in first half 2012)
- The Group's portion of net profit: €4 million, the change with respect to first half 2012 (€8.3 million) is attributable primarily to the fair value adjustments of property
- Funds from Operations (FFO): €17.6 million, basically in line with the figure posted at 30 June 2012 (€18 million)
- Net financial debt: stable at €1.086 billion (compared to €1.089 billion at 31 December 2012); the gearing ratio reaches 1.38, unchanged with respect to 31 December 2012

Bologna, 7 August 2013. Today, in a meeting chaired by **Gilberto Coffari**, the Board of Directors of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** ("IGD" or the "Company"), a leading owner and manager of retail shopping centers in Italy and listed on the STAR segment of the Italian Stock Exchange, examined and approved the **Half-Year Financial Report at 30 June 2013**.

*"In what is still a difficult market environment characterized by a persistent situation of generalized crisis, our Group managed to maintain its economic-financial fundamentals intact, with core business cash flow generation in line with the prior year " **Claudio Albertini**, IGD – Immobiliare Grande Distribuzione SIIQ S.p.A.'s Chief Executive Officer stated. "We will continue to work closely with our tenants, in line with the idea of sustainability engendered in our business model. Given this phase of transition and in light of continuous external pressures, we will continue to focus on strengthening our financial structure and keeping financial expense under control, as is illustrated by the decrease in financial charges posted in the quarter which partially offset the drop in operating revenue".*

Operating income statement at 30 June 2013

	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT			
	€/000	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%
Revenues from freehold properties		54.731	53.831	(1,6)%	54.731	53.790	(1,7)%	0	41	n.a.
Revenues from leasehold properties		4.262	4.201	(1,4)%	4.262	4.201	(1,4)%	0	0	n.a.
Revenues from services		2.620	2.514	(4,0)%	2.620	2.514	(4,0)%	0	0	n.a.
Revenues from trading		0	0	n.a.	0	0	n.a.	0	0	n.a.
Operating revenues		61.613	60.546	(1,7)%	61.613	60.505	(1,8)%	0	41	n.a.
Direct costs		(12.077)	(12.441)	3,0%	(11.948)	(12.231)	2,4%	(129)	(209)	62,0%
Personnel expenses		(1.818)	(1.816)	(0,1)%	(1.818)	(1.816)	(0,1)%	0	0	n.a.
Increases, cost of sales and other costs		367	0	(100,0)%	0	0	n.a.	367	0	(100,0)%
Gross Margin		48.085	46.289	(3,7)%	47.847	46.457	(2,9)%	238	(168)	(170,6)%
G&A expenses		(2.039)	(2.072)	1,6%	(1.866)	(1.848)	(1,0)%	(173)	(225)	30,2%
Headquarters personnel costs		(2.859)	(2.999)	4,9%	(2.848)	(2.966)	4,1%	(11)	(33)	205,8%
EBITDA		43.187	41.218	(4,6)%	43.133	41.644	(3,5)%	54	(426)	n.a.
<i>Ebitda Margin</i>					70,0%	68,8%				
Depreciation		(651)	(660)	1,3%						
Devaluation/restores work in progress and inventories		(771)	(316)	(59,0)%						
Change in FV		(10.923)	(16.015)	46,6%						
Other provisions		0	(63)	n.a.						
EBIT		30.842	24.164	(21,7)%						
Financial income		227	262	15,3%						
Financial charges		(24.252)	(23.201)	(4,3)%						
Net financial income		(24.025)	(22.939)	(4,5)%						
Income from equity investments		(367)	(490)	33,3%						
PRE-TAX INCOME		6.450	735	(88,6)%						
Income tax for the period		1.735	3.017	73,9%						
NET PROFIT		8.185	3.752	(54,2)%						
(Profit)/losses related to third parties		107	304	185,1%						
NET GROUP PROFIT		8.292	4.056	(51,1)%						

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements. Bank fees, in particular, were reclassified under "Financial income/(charges)".

Principal consolidated results at 30 June 2013

In first half 2013 the IGD Group's **consolidated operating revenue** amounted to approximately **€60.5 million**, a slight drop with respect to the €61.6 million posted in first half 2012 in Italy (-1.2% like-for-like). More in detail, malls were hardest hit (-3.7%) by the situation of generalized crisis which resulted in increased vacancies; in a few instances, such as Tiburtino, the vacancies are explained by the openings expected to take place in the second half of the year. In Romania, revenue continued to decline (-5.4%) due primarily to the full impact of the renewal downside recorded in second half 2012 and the planned vacancies necessary to complete the work underway (approximately 1,500 m² di of which relative to the H&M opened in Buzau in May), designed to attract new international brands in the medium term.

Revenue from services amounted to €2.5 million, down (-4%) with respect to the same period of the prior year due mainly for the expiration of two management mandates.

In first half 2013 the IGD Group's core business **EBITDA** amounted to **€41.6 million**, a drop of **3.5%** with respect to the **€43.1** million recorded at 30 June 2012. This decline is explained by the decrease in revenue and the 2.0% increase in direct costs (including further increase of the IMU) pertaining to the core business (€14 million at 30 June 2013) which represent approximately 27% of total direct costs (versus approximately 24% in first half 2012). Condominium fees for which IGD is responsible also rose in the period (+9,3%) as a result of the increased vacancies.

The core business **EBITDA margin** came in at **68.8%**, a slight drop with respect to the 70.0% recorded at 30 June 2012 due to the combined effect of the decrease in revenue and the increase in direct costs.

The IGD Group's **EBIT** at 30 June 2013 amounted to **€24.2 million**, compared to €30.8 million in the same period of the prior year due to the negative fair value adjustments of property, as well as the drop in Ebitda.

Net financial expense dropped in the first half (-4.5%) as financial charges fell from the €24.2 million posted at 30 June 2012 to €23.2 million at the end of June 2013.

The Group's portion of **net profit** at 30 June 2013 amounted to **€4 million**, versus €8.3 million in first half 2012, due primarily to the impact of fair value impairment.

Funds from Operations (FFO) came in at **€17.6 million** at 30 June 2013, versus €18 million in the first half of the prior year, testimony to the ability to generate solid cash flow.

The IGD Group's net debt at 30 June 2013 amounted to **€1.086 billion**, largely unchanged with respect to the €1.089 billion recorded at 30 June 2012.

At the end of first half 2013 the gearing ratio, net debt to equity, was unchanged with respect to the 1.38 posted at 31 December 2012.

The Real Estate Portfolio at 30 June 2013

Based on CB Richard Ellis's and Reag Advisory's independent appraisals, the **market value** at 30 June 2013 of the IGD Group's real estate portfolio— comprised of 51 properties in Italy and 16 in Romania - reached **€1,895.9 million**, basically in line (- 0.56%) with the €1,906.56 million recorded at 31 December 2012.

The market value of the IGD Group's portfolio in Italy at 30 June 2013 on a like-for-like basis was €1,559.2 million, (-1.11%). The figure was impacted by the increase in IMU, the rise in average capitalization rates, and the downward revision of inflation over the next few years.

The average financial occupancy in Italy came to 96.9% (97.5% at 31/12/2012) while average yields reached 6.64% for hypermarkets and 6.59% for shopping malls.

The market value of the Romanian portfolio at 30 June 2013 was €176,9 million (-0.56%). The financial occupancy amounted to 88.3% and the average yield to 7.14%



Grazia Margherita Piolanti, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of Legislative Decree n. 58/1998 ("Testo Unico della Finanza" or TUF) that the information reported in this press release corresponds to the underlying records, ledgers and accounting entries.

Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.



The Half-Year Financial Report at 30 June 2013 will be made available to the general public at the company's registered office and as well as on the company's website, www.gruppoigd.it, in the Investor Relations section within the time period required by law.

IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €1,895.9 million at 30 June 2013, comprised of, in Italy, 19 hypermarkets and supermarkets, 19 shopping malls and retail parks, 1 city center, 4 plots of land for development, 1 property held for trading and an additional 7 real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 15 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle: these qualities summarize IGD's strong points.

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Please find attached the IGD Group's consolidated income statement, statement of financial position, statement of cash flows and net financial position, as well as the operating income statement, at 30 June 2013.

Consolidated income statement at 30 June 2013

Consolidated income statement (in thousands of Euro)	30/06/2013 (A)	30/06/2012 (B)	Change (A-B)
Revenue:	58,032	58,993	-961
- from third parties	39,571	41,044	-1,473
- from related parties	18,461	17,949	512
Other revenue:	2,514	2,620	-106
- other income	1,765	1,874	-109
- from related parties	749	746	3
Total revenue and operating income	60,546	61,613	-1,067
Change in work in progress inventory	3,501	3,903	-402
Total revenue and change in inventory	64,047	65,516	-1,469
Cost of work in progress	3,501	3,536	-35
Material and service costs	9,459	9,596	-137
- third parties	7,833	7,920	-87
- related parties	1,626	1,676	-50
Cost of labour	4,237	4,027	210
Other operating costs	4,538	4,009	529
Total operating costs	21,735	21,168	567
(Depreciation, amortization and provisions)	-1,906	-1,888	-18
(Impairment losses)/Reversals on work in progress and goodwill	-316	-771	455
Change in fair value - increases / (decreases)	-16,015	-10,923	-5,092
Total depreciation, amortization, provisions, impairment and change in fair value	-18,237	-13,582	-4,655
EBIT	24,075	30,766	-6,691
Income/(loss) from equity investments	-490	-367	-123
Income/(loss) from equity investments	-490	-367	-123
Financial income:	262	227	35
- third parties	262	219	43
- related parties	0	8	-8
Financial charges:	23,112	24,176	-1,064
- third parties	22,436	22,938	-502
- related parties	676	1,238	-562
Net financial income (charges)	-22,850	-23,949	1,099
PRE-TAX PROFIT	735	6,450	-5,715
Income taxes	-3,017	-1,735	-1,282
NET PROFIT FOR THE PERIOD	3,752	8,185	-4,433
Minority interests in net (profit)/loss	304	107	197
Parent Company's portion of net profit	4,056	8,292	-4,236
- basic earnings per share	0.013	0.028	
- diluted earnings per share	0.024	0.038	

Consolidated statement of financial position at 30 June 2013

Consolidated statement of financial position (in thousands of Euro)	30/06/2013 (A)	31/12/2012 (B)	Change (A-B)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets with finite useful lives	102	98	4
Goodwill	11,427	11,427	0
	11,529	11,525	4
Property, plant, and equipment			
Investment property	1,736,115	1,754,550	(18,435)
Buildings	9,228	9,349	(121)
Plant and machinery	1,353	1,271	82
Equipment and other assets	1,947	2,179	(232)
Leasehold improvements	1,399	1,317	82
Assets under construction	82,937	76,376	6,561
	1,832,979	1,845,042	(12,063)
Other non-current assets			
Deferred tax assets	27,514	29,280	(1,766)
Sundry receivables and other non-current assets	2,899	3,828	(929)
Equity investments	306	304	2
Non-current financial assets	793	25	768
Derivatives - assets	125	150	(25)
	31,637	33,587	(1,950)
TOTAL NON-CURRENT ASSETS (A)	1,876,145	1,890,154	(14,009)
CURRENT ASSETS:			
Work in progress inventory and advances	80,122	78,039	2,083
Trade and other receivables	14,437	14,441	(4)
Related party trade and other receivables	831	531	300
Other current assets	4,279	3,144	1,135
Related party financial receivables and other current financial assets	260	734	(474)
Financial receivables and other current financial assets	93	41	52
Cash and cash equivalents	9,289	7,545	1,744
TOTAL CURRENT ASSETS (B)	109,311	104,475	4,836
TOTAL ASSETS (A + B)	1,985,456	1,994,629	(9,173)
NET EQUITY:			
Share capital	325,052	311,569	13,483
Share premium reserve	147,730	147,730	0
Other reserves	241,744	240,938	806
Group profit	32,211	41,653	(9,442)
Total Group net equity	746,737	741,890	4,847
Portion pertaining to minorities	11,372	11,676	(304)
TOTAL NET EQUITY (C)	758,109	753,566	4,543
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	40,289	54,125	(13,836)
Non-current financial liabilities	751,225	559,359	191,866
Related party non-current financial liabilities	15,000	15,000	0
Provision for employee severance indemnities	1,322	1,191	131
Deferred tax liabilities	43,797	45,422	(1,625)
Provisions for risks and future charges	1,373	1,667	(294)
Sundry payables and other non-current liabilities	7,577	7,398	179
Related party sundry payables and other non-current liabilities	12,878	12,842	36
TOTAL NON-CURRENT LIABILITIES (D)	873,461	697,004	176,457
CURRENT LIABILITIES:			
Current financial liabilities	326,918	501,834	(174,916)
Related party current financial liabilities	3,480	21,783	(18,303)
Trade and other payables	9,537	8,287	1,250
Related party trade and other payables	3,617	4,359	(742)
Current tax liabilities	2,839	836	2,003
Other current liabilities	7,481	6,946	535
Related party other current liabilities	14	14	0
TOTAL CURRENT LIABILITIES (E)	353,886	544,059	(190,173)
TOTAL LIABILITIES (F=D + E)	1,227,347	1,241,063	(13,716)
TOTAL NET EQUITY AND LIABILITIES (C + F)	1,985,456	1,994,629	(9,173)

Consolidated statement of cash flows at 30 June 2013

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2013	30/06/2012
<i>(In thousands of Euro)</i>		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	735	6,450
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
	4,431	3,425
Depreciation, amortization and provisions	1,906	1,888
(Impairment)/reversal of assets under construction and inventories	316	771
Change in fair value of investment property	16,015	10,923
Equity investments	3	8
CASH FLOW FROM OPERATING ACTIVITIES	23,406	23,465
Income tax	(655)	(742)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	22,751	22,723
Change in inventories	(3,274)	(3,578)
Net change in current assets and liabilities w. third parties	340	(1,825)
Net change in current assets and liabilities w. related parties	(1,043)	(735)
Net change in non-current assets and liabilities w. third parties	895	714
Net change in non-current assets and liabilities w. related parties	36	35
CASH FLOW FROM OPERATING ACTIVITIES	19,705	17,335
Investments in non-current assets	(7,638)	(6,000)
Divestments of non-current assets	0	240
Equity investments in subsidiaries	(5)	(108)
CASH FLOW FROM INVESTING ACTIVITIES (b)	(7,643)	(5,868)
Change in non-current financial assets	(768)	16
Change in financial receivables and other current financial assets w. third parties	(52)	(2,625)
Change in financial receivables and other current financial assets w. related parties	474	(68)
Dividend reinvestment option	13,101	12,714
Payment of dividends	(22,333)	(23,862)
Change in current debt w. third parties	(175,799)	31,902
Change in current debt w. related parties	(18,303)	(415)
Change in non-current financial debt w. third parties	193,376	(32,657)
CASH FLOW FROM FINANCING ACTIVITIES (c)	(10,304)	(14,995)
Difference in translation of liquidity	(14)	(51)
NET INCREASE (DECREASE) IN CASH BALANCE	1,744	(3,579)
CASH BALANCE AT BEGINNING OF THE PERIOD	7,545	14,433
CASH BALANCE AT END OF THE PERIOD	9,289	10,854

Consolidated net financial position at 30 June 2013

NET FINANCIAL POSITION		
	30/06/2013	31/12/2012
Cash and cash equivalents	(9,289)	(7,545)
Financial receivables and other current financial assets w. related parties	(260)	(734)
Financial receivables and other current financial assets	(93)	(41)
LIQUIDITY	(9,642)	(8,320)
Current financial liabilities w. related parties	3,480	21,783
Current financial liabilities	177,629	160,038
Mortgage loans - current portion	42,236	116,836
Leasing – current portion	279	275
Convertible bond loan - current portion	106,774	224,685
CURRENT DEBT	330,398	523,617
CURRENT NET DEBT	320,756	515,297
Non-current financial assets	(793)	(25)
Non-current financial liabilities due to other sources of finance	4,366	8,081
Leasing – non-current portion	5,303	5,444
Non-current financial liabilities	599,932	545,834
Non-current financial liabilities w. related parties	15,000	15,000
Convertible bond loan	141,624	0
NON-CURRENT DEBT	765,432	574,334
NET FINANCIAL POSITION	1,086,188	1,089,631