

IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office in Ravenna (RA), Via Agro Pontino n. 13,

Headquarters in Bologna, Via Trattati Comunitari Europei 1957-2007 n.13,

Tax ID and VAT no. 00397420399

Ravenna Company Register no. 88573

Share capital approved: EUR 604,736,305.52

Share capital subscribed and paid-in: EUR 599,760,278.16



Interim Management Statement **at 31/03/2016**

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Corporate officers

Board of Directors	Office	Executive	Non executive	Independent	Chairman's Committee	Control and Risk Committee	Compensation and remuneration Committee	Related Party transactions Committee
Gilberto Coffari	Chairman	x			x			
Fernando Pellegrini	Vice Chairman		x		x			
Claudio Albertini	Chief Executive Officer	x			x			
Aristide Canosani	Director		x					
Luca Dondi Dall'Orologio	Director			x				
Elio Gasperoni	Director		x		x			
Leonardo Caporioni	Director		x					
Lentz Matthew David	Director			x				x
Elisabetta Gualandri	Director			x		x	x	
Milva Carletti	Director			x			x	
Rossella Saoncella	Director			x		x		x
Andrea Parenti	Director			x			x	x
Livia Salvini	Director			x		x		

Board of Statutory Auditors	Office	Standing	Alternate
Anna Maria Allievi	Chairman	X	
Roberto Chiusoli	Auditor	X	
Pasquina Corsi	Auditor	X	
Pierluigi Brandolini	Auditor		X
Isabella Landi	Auditor		X
Andrea Bonechi	Auditor		X

External auditors

PricewaterhouseCoopers S.p.A.

Financial reporting officer


Grazia Margherita Piolanti

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 31 March 2016

Revenues	
•Core business revenues	€ 33.8 mn (+8.7% vs 31/03/2015)
EBITDA	
•EBITDA (core business)	€ 23.6 mn (+12.5% vs 31/03/2015)
•EBITDA margin (core business)	69.9% (+2.4 points vs 31/03/2015)
•EBITDA margin from Freehold	79.2% (+1.7 points vs 31/03/2015)
•Group net profit	€ 12.7 mn (+37.4% vs 31/03/2015)
Funds From Operations (FFO) core business	€ 14.1 mn (+33.7% vs 31/03/2015)

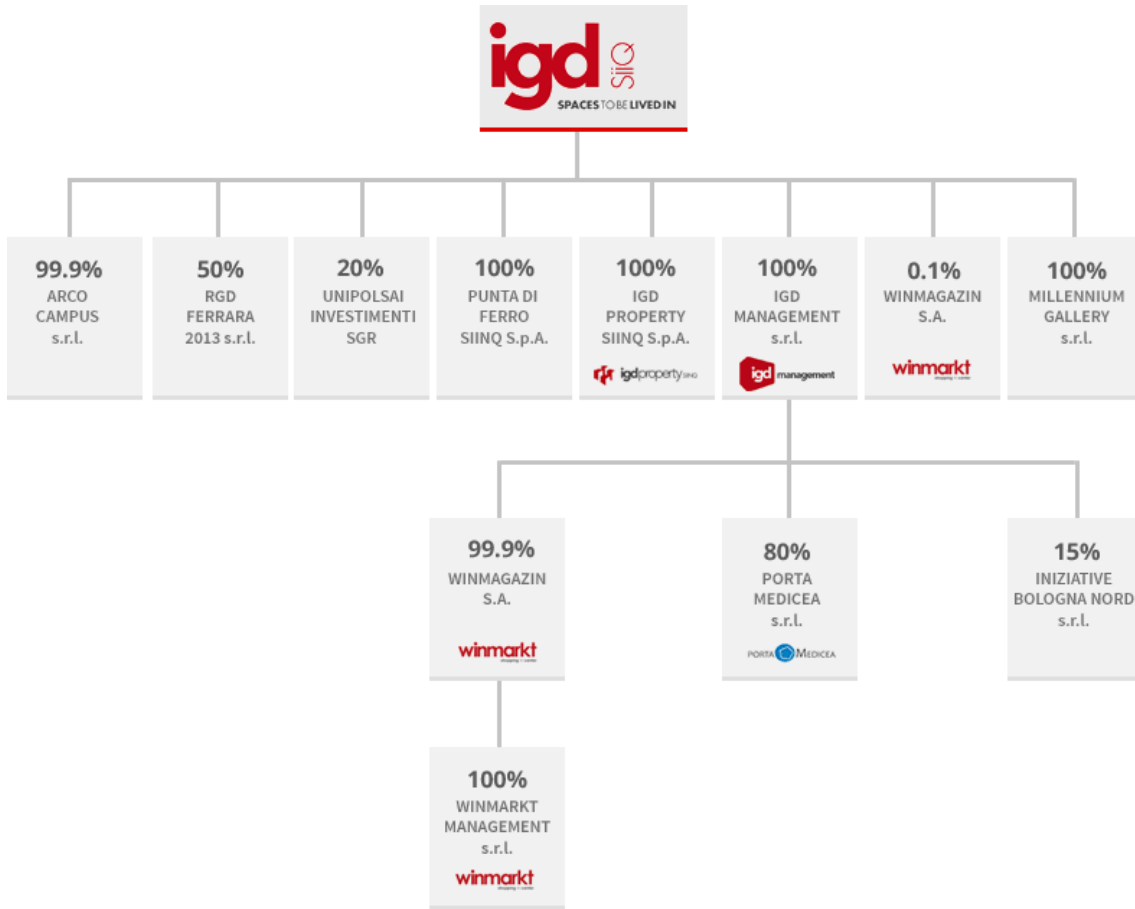
	31/12/2015	31/03/2016
AVERAGE COST OF DEBT* <small>*Net of charges on loans (both recurrent and not)</small>	3.67%	3.26%
INTEREST COVER RATIO	2.15X	2.52X
HEDGING ON LONG TERM DEBT + BOND	91.6%	93.7%

	FINANCIAL OCCUPANCY as at 31/03/2016
•ITALY	97.2% (96.9% at 31/12/2015)
•ROMANIA	94.2% (93.9% at 31/12/2015)
•Net debt	€ 984.2 mn (€984.8 mn at 31/12/2015)
•Loan to Value	47.3% (vs 47.3% at 31/12/2015)
•Gearing (D/E)	0.92 (vs 0.93 at 31/12/2015)

The Group

IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008. The Group operates primarily in Italy, but is also present in Romania where it owns the Winmarkt chain of department stores through the subsidiary WinMagazin SA. IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy. At 31 March 2016, the Parent Company IGD SIIQ SpA also controls:

- 100% of **IGD Management srl** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:
 - 99.9% of **WinMagazine SA**, the Romanian subsidiary, through which it controls 100% of **WinMarktManagement srl**, the company responsible for the team of Romanian managers;
 - 80% of **Porta Medicea srl**, responsible for the requalification and real estate development project of Livorno's waterfront;
 - 15% of **Iniziative Bologna Nord srl**, a real estate development company (being liquidated);
 - management of the leasehold properties (Centro Nova and Centro Piave);
 - service activities which include mandates for the management of freehold and leasehold properties.
- 100% of **IGD Property SIIQ SpA**, a real estate company formed on 13 December 2012;
- 100% of **Punta di Ferro SIIQ SpA**, a real estate investment company responsible for the "puntadiferro" mall in Forlì, acquired on 16 December 2015;
- 100% of **Millennium Gallery**, responsible for the Rovereto shopping mall and a business division in the shopping center in Crema;
- 99.9% di **Arco Campus srl**, company dedicated to the construction, leasing and management of properties used for sports, in addition to the development and dissemination of sports;
- 50% of **RGD Ferrara 2013**, dedicated to the management of a business unit in the Darsena City Shopping Center in Ferrara ;
- 20% of **UnipolSai Investimenti SGR S.p.A.**, which manages closed-end real estate investment funds reserved for qualified investors.



Significant events

Corporate events

On 3 March 2016 the Board of Directors approved the draft separate and consolidated financial statements for FY 2015 and resolved to submit a proposed dividend of €0.04 per outstanding share to the AGM for approval.

IGD's Board of Directors also approved the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, as well as the Board of Director's Compensation Report.

Furthermore, based on the proposal of the Nominations and Compensation Committee, the Board of Directors resolved to substitute John William Vojticek, who resigned in November 2015, by co-opting Luca Dondi dall'Orologio to act as an independent non-executive director of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code.

Investments

During the quarter the IGD Group continued with development of new properties (Porta a Mare), as well as extensions (ESP) and extraordinary maintenance. The main investments are described below:

“Porta a Mare” Project

Work on the Officine area (residential) continued in the quarter for a total of around €543 thousand.

Work on the retail portion amounted to approximately €1,104 thousand and is linked, primarily, to the Officine area which is expected to be completed by second half 2018.



Esp extension

Work on the foundation started in the quarter for a total of around €1,331 thousand. The extension is expected to be opened in first half 2017.



Other

In 2016 work on the mall in the ESP shopping center was completed (€244 thousand), as was work on the mall in the Tiburtino shopping center (€85 thousand), the mall in the Centrosarca shopping center (€60 thousand), along with €190 thousand in minor improvements at other shopping centers in Italy (including Clodi, Punta di Ferro, La Torre, Iper Malatesta and Mondovi).

Extraordinary maintenance continued, and is still underway, for a total of approximately €519 thousand.

The investments made at 31 March 2016 are shown below:

	Mar-16
	Euro/mln
Real Estate Investments	0.58
Assets under construction	2.91
Other fixed assets	0.04
Total investments in fixed assets	3.53
Inventories of work in progress Porta a Mare project	0.54
Total investments	4.08

Commercial agreements

Grosseto

Pre-letting of the mall that will be found inside the shopping center currently being built in Grosseto, for which a preliminary sales agreement was signed in the prior year, is coming to a close. The new shopping mall will cover a gross leasable area (GLA) of approximately 17,050 m², house 45 stores, 6 of which midsize.

The Center is expected to be opened in November 2016.

Loans

On 10 February 2016, the Company entered into Forward Starting Interest Rate Swap agreements with different banks at a rate of 0.119% for a total notional amount of €300 million in order to hedge interest rate risk related to the highly probable future issue of a €300 million bond loan.

On 22 March 2016 the Company used short-term credit lines granted at a rate of 0.3% to extinguish a mortgage loan granted by Banca Popolare di Verona relating to Piazza Mazzini which originally expired on

25 July 2026. The early termination of the loan made it possible to free Mazzini residential and the parking area from the mortgage lien.

INCOME STATEMENT REVIEW

The Group's consolidated net profit at 31 March 2016 amounted to €12,659 thousand, an increase of 37.4% against 31 March 2015.

The consolidated operating income statement is shown below:

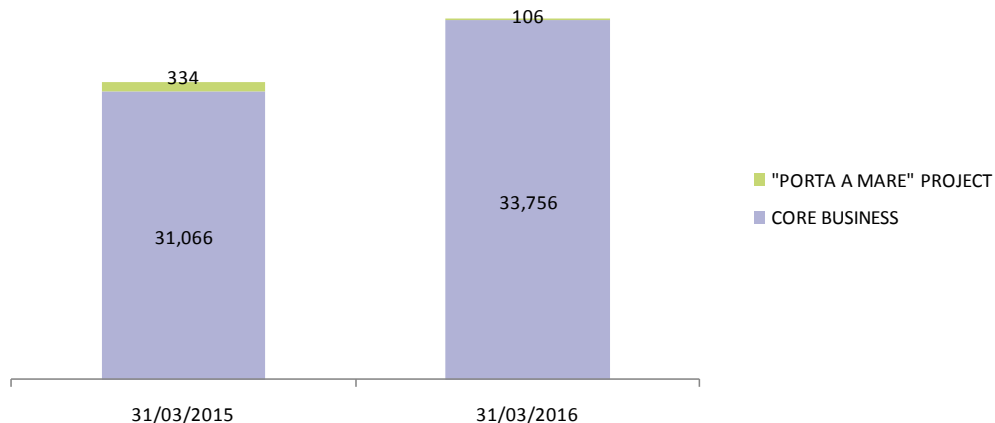
€/000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/03/2015	31/03/2016	Δ%	31/03/2015	31/03/2016	Δ%	31/03/2015	31/03/2016	Δ%
Revenues from freehold real estate and rental activities	26,856	29,507	9.9%	26,780	29,401	9.8%	76	106	38.6%
Revenues from leasehold real estate and rental activities	3,022	3,086	2.1%	3,022	3,086	2.1%	0	0	n.a.
Total revenues from real estate and rental activities	29,878	32,593	9.1%	29,802	32,487	9.0%	76	106	38.6%
Revenues from services	1,264	1,269	0.4%	1,264	1,269	0.4%	0	0	n.a.
Revenues from trading	258	0	n.a.	0	0	n.a.	258	0	n.a.
OPERATING REVENUES	31,400	33,862	7.8%	31,066	33,756	8.7%	334	106	(68.3)%
COST OF SALE AND OTHER COSTS	(241)	(6)	(97.7)%	0	0	n.a.	(241)	(6)	(97.7)%
Rents and payable leases	(2,517)	(2,524)	0.3%	(2,517)	(2,524)	0.3%	0	0	n.a.
Direct personnel	(937)	(951)	1.5%	(937)	(951)	1.5%	0	0	n.a.
Direct costs	(4,212)	(4,315)	2.4%	(4,114)	(4,225)	2.7%	(98)	(90)	(8.2)%
DIRECT COSTS	(7,666)	(7,790)	1.6%	(7,568)	(7,700)	1.7%	(98)	(90)	(8.2)%
GROSS MARGIN	23,493	26,066	10.9%	23,498	26,056	10.9%	(5)	10	n.a.
Headquarter personnel	(1,539)	(1,565)	1.6%	(1,521)	(1,548)	1.8%	(18)	(17)	(8.9)%
G&A expenses	(1,088)	(999)	(8.3)%	(996)	(914)	(8.3)%	(92)	(85)	(8.1)%
G&A EXPENSES	(2,627)	(2,564)	(2.4)%	(2,517)	(2,463)	(2.2)%	(110)	(101)	(8.2)%
EBITDA	20,866	23,502	12.6%	20,981	23,593	12.5%	(115)	(91)	(21.0)%
<i>Ebitda Margin</i>	<i>66.5%</i>	<i>69.4%</i>		<i>67.5%</i>	<i>69.9%</i>				
Other provisions	(31)	(49)	55.5%						
Impairment and fair value adjustments	(413)	(577)	39.8%						
Depreciations	(308)	(280)	(9.0)%						
DEPRECIATIONS AND IMPAIRMENT	(752)	(906)	20.5%						
EBIT	20,114	22,596	12.3%						
NET FINANCIAL RESULT	(10,321)	(9,363)	(9.3)%						
EXTRAORDINARY MANAGEMENT	(50)	(20)	(60.0)%						
PRE-TAX PROFIT	9,743	13,213	35.6%						
taxes	(576)	(587)	2.0%						
NET PROFIT FOR THE PERIOD	9,167	12,626	37.7%						
(Profit)/Loss for the period related to third parties	48	33	(30.0)%						
GROUP NET PROFIT	9,215	12,659	37.4%						

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information).

Revenue

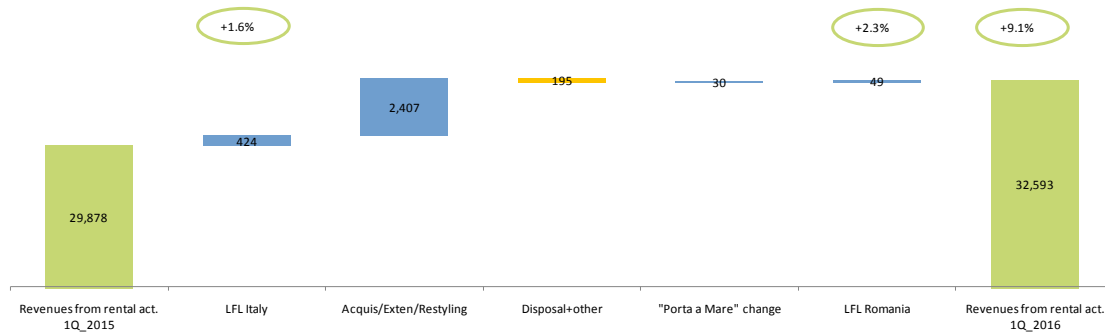
Consolidated operating revenue amounted to €33,862 thousand, an increase of 7.8% against the same period of the prior year. The core business revenue reached €33,756 thousand and there was no trading revenue in the quarter.

Total revenues



The breakdown of revenue is described below:

- ✓ **The revenue from the rental business** rose 9.1% against the same period 2015.



The increase, equal to €2,715 thousand is explained:

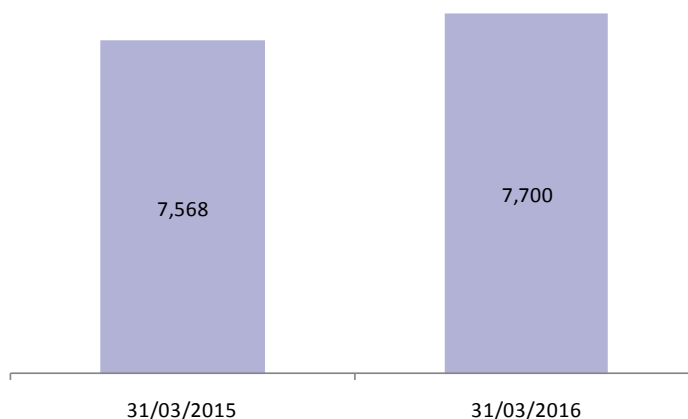
- for €424 thousand, by like-for-like revenue. Hypermarkets were largely stable, while malls were up (+2.1%) due primarily to the good performance of recently restyled assets. The upside on renewals and turnover was 1.94%;
 - for €2,407 thousand, by the expanded perimeter which comprises the Clodi Retail Park, opened in May 2015, and the Punta di Ferro mall, acquired in December 2015;
 - for -€195 thousand, by the disposal of City Center Rizzoli, as well as other changes;
 - for €30 thousand, by an increase in the rental income generated by the Porta a Mare project following the rental of office units;
 - for €49 thousand, by an increase in like-for-like revenue in Romania, linked to pre-letting and leases renegotiated in the period (average upside of 1.44%).
- ✓ **Revenue from services** increased (+0.4%) against first quarter 2015. Most of this revenue comes from the facility management business (95.4% of the total or €1,211 thousand), which was up against the prior period (+3.2%) due mainly to new management mandates.
 - ✓ **No trading revenue was generated by the Porta a Mare project** in the first quarter.

Direct costs

Direct costs, pertaining to the **core business** and including personnel expenses, amounted to €7,700 thousand, an increase of 1.7% with respect to the same period of the prior year.

This increase reflects higher condominium fees and property taxes (IMU) (incurred as a result of the expanded perimeter) offset, in part, by the decrease in provisions for doubtful accounts (as a result of fewer disputed claims) and other savings.

The costs pertaining to the core business represent 22.8% of revenue, a significant drop against the 24.4% posted in the prior quarter.

Core business direct costs

Review of margins by business unit

The divisional gross margin rose by 11% from the €23,493 thousand posted at 31 March 2015 to €26,066 thousand at 31 March 2016. The table below shows the trend in divisional gross margins by business unit:

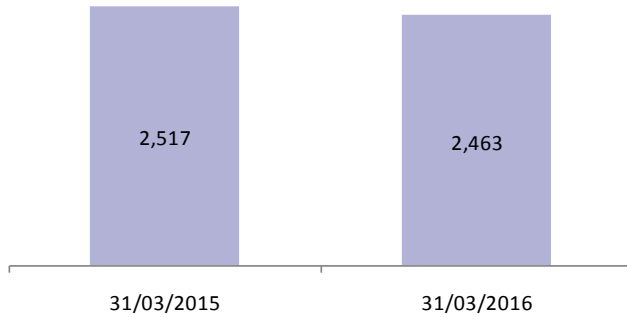
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE		
	31/03/2015	31/03/2016	%	31/03/2015	31/03/2016	%	31/03/2015	31/03/2016	%
Margin from freehold properties	22,999	25,517	10.9%	22,929	25,437	10.9%	70	80	12.9%
Margin from leasehold properties	466	518	11.2%	466	518	11.2%	0	0	n.a.
Margin from services	100	101	0.9%	103	101	(2.4)%	(3)	(0)	(89.1)%
Margin from trading	(72)	(70)	(3.6)%	0	0	n.a.	(72)	(70)	(3.6)%
Gross margin	23,493	26,066	10.9%	23,498	26,056	10.9%	(5)	9	n.a.

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €25,517 thousand, versus €22,999 thousand in the same period of the prior year. In percentage terms, this activity continues to feature a very significant margin of 86.5%, an increase compared to the 85.6% posted in the prior year due mainly to the decrease in direct costs as a percentage of revenue.
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €518 thousand. As a percentage of revenue this margin reached 16.8%, an increase against the same period of the prior year (15.4%) linked to the growth in revenue which outpaced the increase in costs.
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services amounted to €101 thousand and represents 7.9% of service revenue, basically in line with the prior year.
- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the “Porta a Mare” project in Livorno came to a negative €70 thousand, in line with the prior year.

General expenses

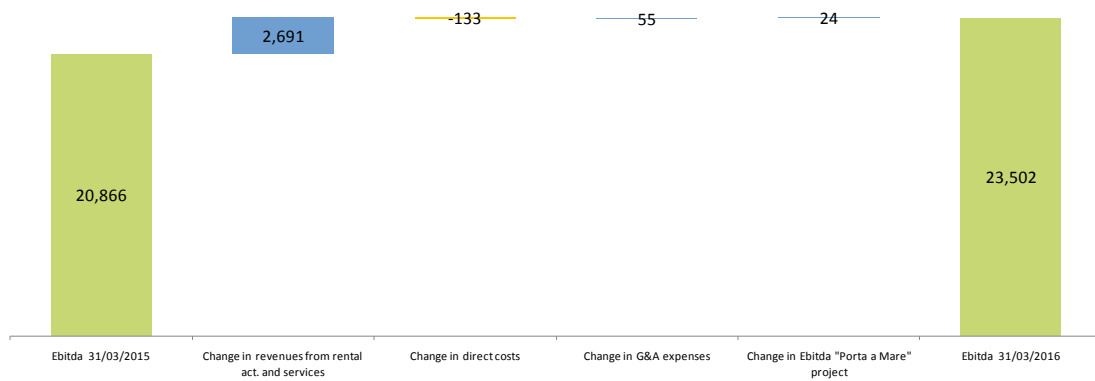
General expenses for the core business, including payroll costs at headquarters, amounted to €2,463 thousand, lower (-2.2%) than the €2,517 thousand recorded in first quarter 2015. These costs represent 7.3% of core business revenue, down with respect to the same period of the prior year (8.1%).

Core business G&A expenses



EBITDA

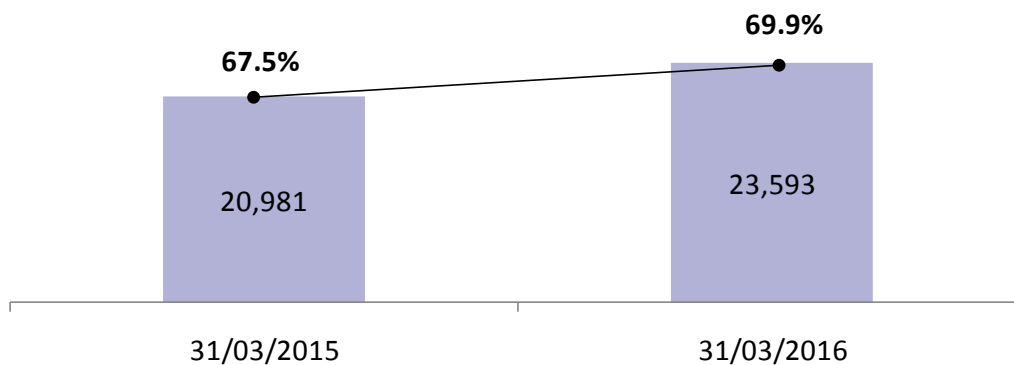
Core business EBITDA amounted to €23,593 thousand in first quarter 2016, an increase of 12.5% with respect to the same period of the prior year, while total EBITDA rose by 12.6% to €23,502 thousand. The changes in the components of total EBITDA during the first three months of 2016 are shown below.



As mentioned above, the EBITDA margin was impacted substantially by the increase in core business revenue (including as a result of acquisitions and the openings of new centers).

The core business **EBITDA MARGIN** came in at 69.9%, a decided increase with respect to the same period of the prior year.

Ebitda and Ebitda margin core business



EBIT

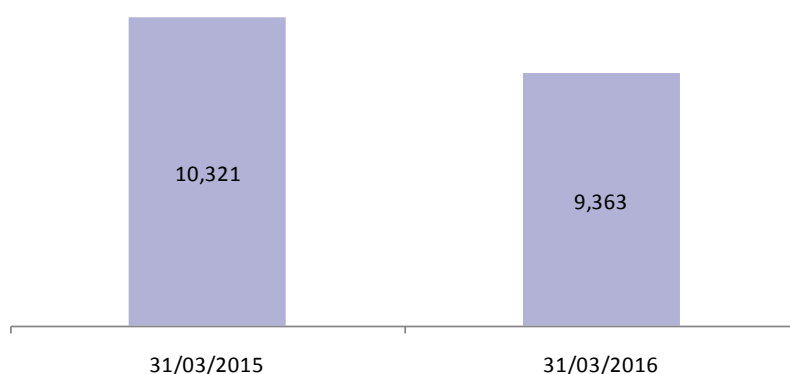
EBIT amounted to €22,596 thousand, an increase of 12.3% explained, almost entirely, by the above mentioned rise in EBITDA.

Net financial income (expenses)

Financial expenses fell from the €10,321 thousand posted at 31 March 2015 to €9,363 thousand at 31 March 2016. The decrease, of approximately €958 thousand, is explained primarily by the drop in non-current financial liabilities as a result of early repayment of a few mortgage loans (Centrobanca - Coné iper, Centrobanca and Banco Popolare di Verona - relating to the subsidiary Porta Medicea) offset by increased drawdowns of short-term credit lines at interest rates that were lower than the rates on the extinguished mortgage loans. The decrease in financial charges is also linked to the lower interest payable on IRS and a drop in financial expenses following completion of the bond swap in April 2015.

The average cost of debt, therefore, at 31 March 2016 net of ancillary charges (recurring and non-) came to 3.26%, versus 4.03% in the same period of the prior year.

Financial management



Tax

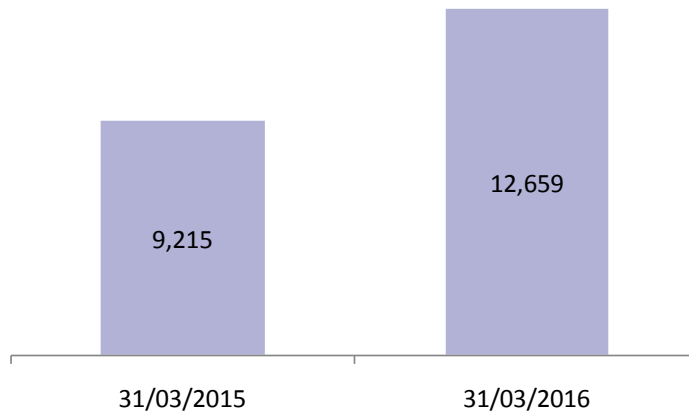
Imposte sul reddito	31/03/2016	31/03/2015	Variazione
Imposte Correnti	261	248	13
Imposte Anticipate e imposte Differite passive	326	328	(2)
Totale	587	576	11

The tax burden, current and deferred, reached €587 thousand at 31 March 2016, largely in line with the figure reported at 31 March 2015.

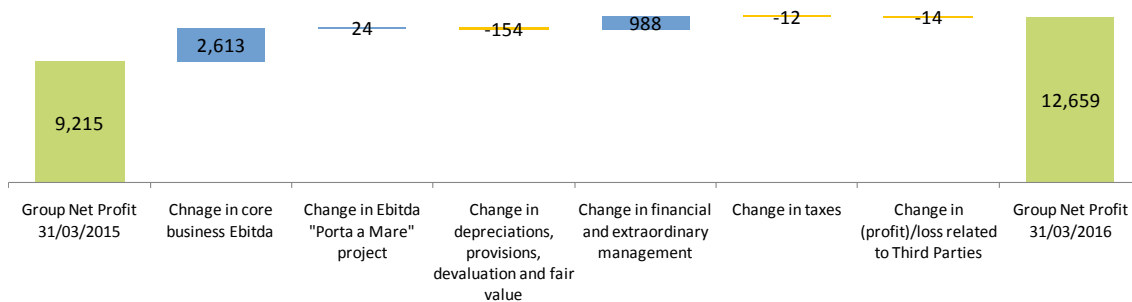
Group net profit

As a result of the above the Group's net profit came to €12,659 thousand, an increase of 37.4% against 31 March 2015.

Group net profit



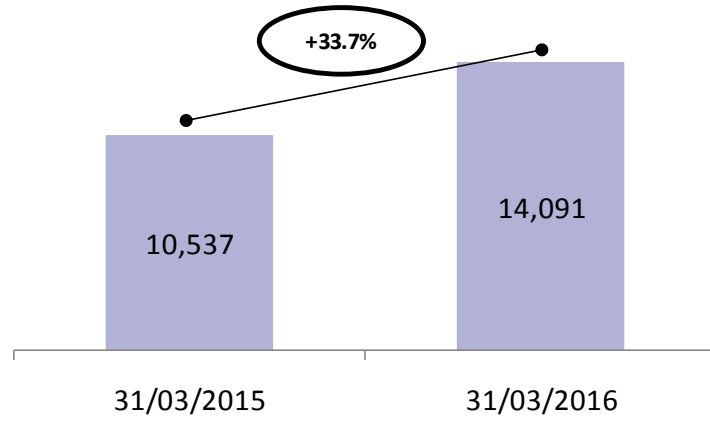
The change in net profit compared to the same period of the prior year is shown below.



Core business FFO

More significant than the comparison with net profit is the trend in FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business.

FFO is calculated by subtracting non-cash items (writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of extraordinary transactions and income generated by property sales from pre-tax profit, net of current tax, and, therefore, better represents the performance of the Group's core business. The figure posted at 31 March 2016 was €14,091 thousand, an increase of 33.7% with respect to the same period of the prior year explained primarily by the higher Ebitda and lower financial expenses.



STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 31 March 2016 can be summarized as follows:

	31/03/2016	31/12/2015	Δ	%
- Investment property	1,970,028	1,970,028	0	0.00%
- Assets under construction	53,292	50,533	2,759	5.46%
Intangible assets	12,730	12,736	(6)	(0.05%)
Other tangible assets	11,668	11,899	(231)	(1.94%)
- Sundry receivables and other non-current assets	89	90	(1)	(1.11%)
- Equity investments	6,370	6,366	4	0.06%
Net working capital	61,897	51,797	10,100	19.50%
Funds	(6,929)	(6,734)	(195)	2.90%
Debt and other non current liabilities	(26,452)	(26,460)	8	(0.03%)
Net deferred tax (assets)/liabilities	(17,919)	(18,247)	328	(1.80%)
Total use of funds	2,064,774	2,052,008	12,766	0.62%
<hr/>				
Total group net profit	1,032,799	1,022,053	10,746	1.05%
Non-controlling interests in capital and reserves	10,117	10,150	(33)	(0.33%)
Net (assets) and liabilities for derivative instruments	37,696	34,990	2,706	7.73%
Net debt	984,162	984,815	(653)	(0.07%)
Total sources of funding	2,064,774	2,052,008	12,766	0.62%

The principal changes in first quarter 2016, compared to 31 December 2015, related to **assets under construction** which increased by around €2,759 thousand explained by: (i) for approximately €1,331 thousand, the ESP extension project, and (ii) for approximately €1,104 thousand, the retail portion of the Officine area.

Net working capital was higher compared to 31 December 2015 explained primarily by: (i) for €6,330 thousand, by the decrease in current liabilities due mainly to the advances on invoices made in the prior year but relative to 2016; (ii) for €3,457 thousand, by the decrease in trade payables relating to payments made in the quarter for work done in the prior year, as well as other less material changes. The decrease was partially offset by a €1,256 thousand increase in tax liabilities relating mainly to property tax (IMU) recognized in the first quarter.

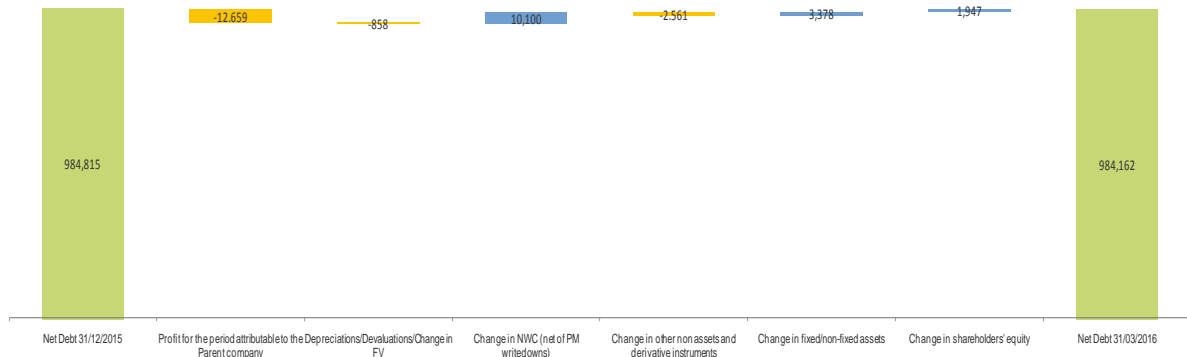
The Group's **net equity** at 31 March 2016 amounted to €1,032,799 thousand. The change of +€10,746 thousand is explained primarily by:

- adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to -€2,556 thousand for the parent company and around +€591 thousand for a subsidiary;
- for approximately +€52 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
- for €12,659 thousand, the profit for the period allocable to the Parent Company.

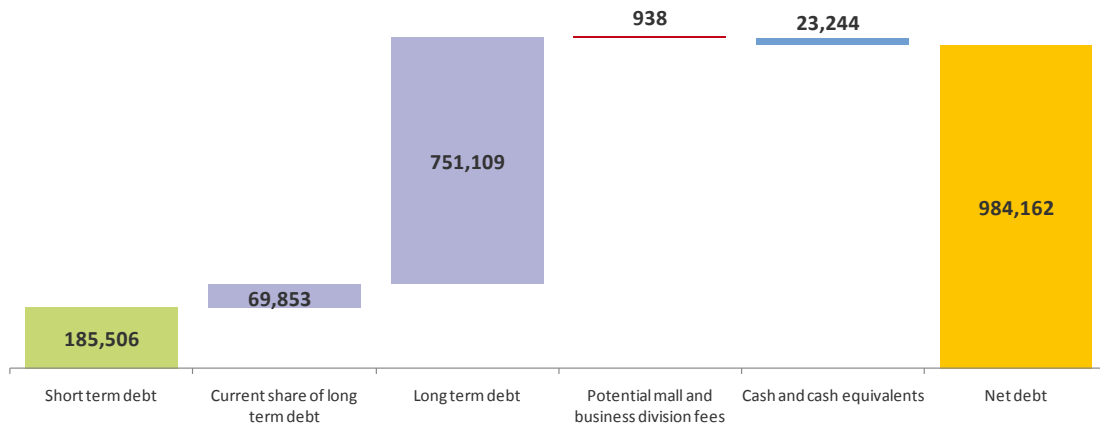
Non-controlling interests in capital and reserves fell as a result solely of the non-controlling interests' portion of the loss recorded in the period of €33 thousand.

Net liabilities for derivatives were higher than in the prior year. The fair value measurement of hedging instruments at 31/03/2016 resulted in a €2,706 thousand increase in liabilities compared to the prior year.

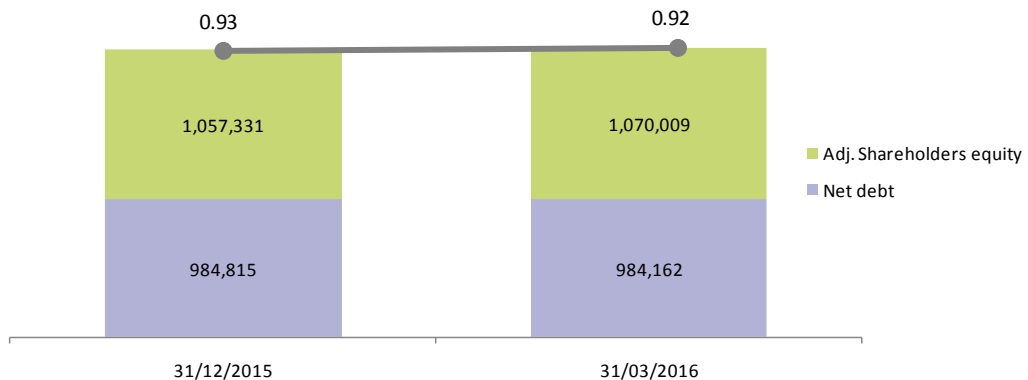
The **net financial position** at 31/03/2016 improved slightly with respect to the prior year by around €653 thousand. The changes are shown below



The item “Short term portions of long term debt” shown in the net financial position includes the short term portion of mortgages, leasing company loans and bond debt.



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The ratio came to 0.92 at 31 March 2016, largely in line with the 0.93 recorded at 31 December 2015.



SUBSEQUENT EVENTS AND OUTLOOK

On 7 April 2016 IGD's Board of Directors approved the 2015 edition of the Corporate Sustainability Report.

During the Annual General Meeting held on 14 April 2016 IGD's shareholders approved the 2015 Annual Report, as presented during the Board of Directors' meeting of 3 March 2016, and resolved to pay a dividend of €0.04 per share. The dividend will be payable as from 25 May 2016 (record date 24 May 2016) with shares going ex-div on 23 May 2016 (detachment of coupon n. 16).

The total dividend paid of €0.040 per share (for a total of €32,521,825.24) comprises:

- for €0.034875 per share: income and retained earnings generated by exempt operations, subject to the rules for income generated by these operations found in Law n. 296/2006;
- for €0.005125 per share: capital reserves.

Shareholders also approved the first section of the Remuneration Report, already approved by the Board of Directors on 3 March 2016, pursuant to Art. 123-ter of Legislative Decree. 58/98, and renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasions for up to the maximum allowed under the law.

Shareholders also confirmed the appointment of Luca Dondi Dall'Orologio as an independent non-executive director who will remain in office through the end of the current Board of Directors' term.

Outlook

In light of the positive results achieved in the first quarter, the Company expects to continue along its growth path and to post higher revenue driven by the like-for-like perimeter, the full year contributions of the acquisitions and openings made in 2015, as well as the opening of the shopping center in Grosseto which is expected to take place in November 2016. Steps will also continue to be made to further reduce the cost of debt.

Segment Reporting

The income statement and statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties.

INCOME STATEMENT	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
Total revenues and operating income	32,487	29,802	1,269	1,264	106	334	0	0	33,862	31,400
Change in inventories of work in progress	0	0	0	0	543	(29)	0	0	543	(29)
Direct costs (a) (excluding provisions for doubtful accounts)	6,214	6,132	1,168	1,158	639	312	0	0	8,021	7,602
G&A expenses (b)	0	0	0	0	0	0	2,564	2,714	2,564	2,714
Total operating costs (a)+(b)	6,214	6,132	1,168	1,158	639	312	2,564	2,714	10,585	10,316
(Depreciations and provisions)	(554)	(521)	(25)	(26)	(1)	(1)	(67)	(66)	(647)	(614)
Change in fair value - increases/(decreases)	(577)	(413)	0	0	0	0	0	0	(577)	(413)
Total depreciations, provisions, impairment and fair value changes	(1,131)	(934)	(25)	(26)	(1)	(1)	(67)	(66)	(1,224)	(1,027)
EBIT	25,142	22,736	76	80	9	(8)	(2,631)	(2,780)	22,596	20,028
Result from equity investments and assets' disposal	0	0	0	0	0	0	5	0	5	0
Financial income:	0	0	0	0	0	0	17	9	17	9
Financial charges:	0	0	0	0	0	0	9,405	10,294	9,405	10,294
Net financial income	0	0	0	0	0	0	(9,388)	(10,285)	(9,388)	(10,285)
PRE-TAX INCOME	25,142	22,736	76	80	9	(8)	(12,014)	(13,065)	13,213	9,743
Income taxes for the period	0	0	0	0	0	0	587	576	587	576
NET PROFIT FOR THE PERIOD	25,142	22,736	76	80	9	(8)	(12,601)	(13,641)	12,626	9,167
Non-controlling interests in net profit	0	0	0	0	33	48	0	0	33	48
IGD SIQ SPA share of net profit	25,142	22,736	76	80	42	40	(12,601)	(13,641)	12,659	9,215

STATEMENT OF FINANCIAL POSITION	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
- Real Estate investments	1,970,028	1,970,028	0	0	0	0	0	0	1,970,028	1,970,028
- Assets under construction	53,292	50,533	0	0	0	0	0	0	53,292	50,533
Intangible assets	11,655	11,655	1,007	1,007	6	7	62	67	12,730	12,736
Other tangible assets	2,898	3,043	209	234	4	4	8,557	8,618	11,668	11,899
- Sundry receivables and other non-current assets	0	0	0	0	0	0	89	90	89	90
- Equity investments	1,706	1,706	0	0	0	0	4,664	4,660	6,370	6,366
NWC	(5,273)	(15,016)	1,295	975	65,875	65,838	0	0	61,897	51,797
Funds	(5,710)	(5,625)	(1,202)	(1,099)	(17)	(10)	0	0	(6,929)	(6,734)
Sundry payables and other non-current liabilities	(20,226)	(20,234)	0	0	(6,226)	(6,226)	0	0	(26,452)	(26,460)
Net deferred tax assets	(20,483)	(20,810)	0	0	2,564	2,563	0	0	(17,919)	(18,247)
Total use of funds	1,987,887	1,975,280	1,309	1,117	62,206	62,176	13,372	13,435	2,064,774	2,052,008
Total group net equity	1,001,315	992,968	(195)	(92)	31,679	29,177	0	0	1,032,799	1,022,053
Non-controlling interests in capital and reserve	0	0	0	0	10,117	10,150	0	0	10,117	10,150
net (assets) and liabilities for derivative instruments	37,696	34,990	0	0	0	0	0	0	37,696	34,990
Net debt	948,876	947,322	1,504	1,209	20,410	22,849	13,372	13,435	984,162	984,815
Total sources	1,987,887	1,975,280	1,309	1,117	62,206	62,176	13,372	13,435	2,064,774	2,052,008

REVENUES FROM FREEHOLD PROPERTIES	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	NORTHERN ITALY		CENTER-SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	14,714	12,373	11,923	11,918	2,119	2,090	28,756	26,381
ONE-OFF REVENUES	3			20			3	20
TEMPORARY RENTAL LOCATION	387	263	278	212			665	475
OTHER RENTAL INCOME	8	-35	55	14	20	1	83	-20
TOTAL	15,112	12,601	12,256	12,164	2,139	2,091	29,507	26,856

IGD GROUP

Consolidated financial statements at 31 March 2016

Consolidated income statement

Consolidated income statement (amounts in thousands of Euro)	31/03/2016 (A)	31/03/2015 (B)	Change (A-B)
Revenues	32,593	29,862	2,731
Other income	1,269	1,280	(11)
Revenues from property sales	0	258	(258)
Total revenues and other operating income	33,862	31,400	2,462
Change in work in progress inventory	543	(29)	572
Total revenues and change in inventories	34,405	31,371	3,034
Cost of work in progress	543	203	340
Cost of services	5,319	5,456	(137)
Cost of labor	2,239	2,222	17
Other operating costs	2,484	2,435	49
Total operating cost	10,585	10,316	269
(Depreciation, amortization and provisions)	(647)	(614)	(33)
Change in fair value - Increases/ (decreases)	(577)	(413)	(164)
Total depreciation, amortization, provisions, impairment and change in fair value	(1,224)	(1,027)	(197)
EBIT	22,596	20,028	2,568
Gains/losses from equity investment and disposals	5	0	5
Financial income	17	9	8
Financial charges	9,405	10,294	(889)
Net financial income/(Charges)	(9,388)	(10,285)	897
PRE-TAX PROFIT	13,213	9,743	3,470
Income tax for the period	587	576	11
NET PROFIT FOR THE PERIOD	12,626	9,167	3,459
Minorities portion of net profit	33	48	(15)
Parent's company portion of net profit	12,659	9,215	3,444

Consolidated comprehensive income statement

Consolidated statement of comprehensive income (amounts in thousands of euro)	31/03/2016	31/03/2015
NET PROFIT FOR THE PERIOD	12,626	9,167
Other comprehensive income that will not reclassified to profit/(loss):		
Total other comprehensive income that will not be reclassified to profit/(loss), net of tax effects	0	0
Other comprehensive income that will be reclassified to profit/(loss):		
Effects of hedge derivatives on net equity	(2,586)	443
Tax effects of hedge derivatives on net equity	621	(122)
Other effects on income statement components	52	89
Total other comprehensive income that will be reclassified to profit/(loss), net of tax effects	(1,913)	410
Total comprehensive profit/(loss) for the period	10,713	9,577
Non-controlling interests in net profit	33	48
IGD SIIQ SPA share of net profit	10,746	9,625

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of Euros)	31/03/2016 (A)	31/12/2015 (B)	Change (A-B)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets with finite useful lives	67	74	(7)
Goodwill	12,663	12,662	1
	12,730	12,736	(6)
Property, plant, and equipment			
Investment property	1,970,028	1,970,028	0
Buildings	8,557	8,618	(61)
Plant and machinery	308	309	(1)
Equipment and other assets	1,598	1,699	(101)
Leasehold improvements	1,205	1,273	(68)
Assets under construction	53,292	50,533	2,759
	2,034,988	2,032,460	2,528
Other non-current assets			
Deferred tax assets	5,750	5,387	363
Sundry receivables and other non-current assets	89	90	(1)
Equity investments	6,370	6,366	4
Non-current financial assets	468	493	(25)
Derivatives - assets	6	12	(6)
	12,683	12,348	335
TOTAL NON-CURRENT ASSETS (A)	2,060,401	2,057,544	2,857
CURRENT ASSETS:			
Work in progress inventory and advances	67,612	67,068	544
Trade and other receivables	14,654	14,074	580
Other current assets	3,577	3,132	445
Financial receivables and other current financial assets	9,184	9,174	10
Cash and cash equivalents	14,060	23,603	(9,543)
TOTAL CURRENT ASSETS (B)	109,087	117,051	(7,964)
TOTAL ASSETS (A + B + C)	2,169,488	2,174,595	(5,107)
NET EQUITY:			
Share capital	599,760	599,760	0
Share premium reserve	39,971	39,971	0
Other reserves	322,002	323,915	(1,913)
Group profit	71,066	58,407	12,659
Total Group net equity	1,032,799	1,022,053	10,746
Portion pertaining to minorities	10,117	10,150	(33)
TOTAL NET EQUITY (D)	1,042,916	1,032,203	10,713
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	37,702	35,002	2,700
Non-current financial liabilities	751,765	764,930	(13,165)
Provision for employee severance indemnities	2,134	2,046	88
Deferred tax liabilities	23,669	23,634	35
Provisions for risks and future charges	4,795	4,688	107
Sundry payables and other non-current liabilities	26,452	26,460	(8)
TOTAL NON-CURRENT LIABILITIES (E)	846,517	856,760	(10,243)
CURRENT LIABILITIES:			
Current financial liabilities	256,109	253,155	2,954
Trade and other payables	11,347	14,804	(3,457)
Current tax liabilities	5,492	4,236	1,256
Other current liabilities	7,107	13,437	(6,330)
TOTAL CURRENT LIABILITIES (F)	280,055	285,632	(5,577)
TOTAL LIABILITIES (G = E + F)	1,126,572	1,142,392	(15,820)
TOTAL NET EQUITY AND LIABILITIES (D + G)	2,169,488	2,174,595	(5,107)

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests	Total net equity
Balance at 01/01/2015	549,760	147,730	231,818	20,921	950,229	10,589	960,818
Profit for the period				9,215	9,215	(48)	9,167
Valuation cash flow hedge derivatives			321		321		321
Other comprehensive income (losses)			89		89		89
Total comprehensive income (losses)	0	0	410	9,215	9,625	(48)	9,577
Balance at 31 March 2015	549,760	147,730	232,228	30,136	959,854	10,541	970,395

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests	Total net equity
Balance at 01/01/2016	599,760	39,971	323,915	58,407	1,022,053	10,150	1,032,203
Profit for the period				12,659	12,659	(33)	12,626
Valuation cash flow hedge derivatives			(1,965)		(1,965)		(1,965)
Other comprehensive income (losses)			52		52		52
Total comprehensive income (losses)	0	0	(1,913)	12,659	10,746	(33)	10,713
Balance at 31/03/2016	599,760	39,971	322,002	71,066	1,032,799	10,117	1,042,916

Consolidated cash flow statement

CONSOLIDATED STATEMENT OF CASH FLOWS	31/03/2016	31/03/2015
<i>(In thousands of Euros)</i>		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	13,213	9,743
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-monetary items	(1645)	1,356
Depreciation, amortization and provisions	647	614
Change in fair value of investment property	577	413
Gains/losses from equity investments and disposals	(5)	0
CASH FLOW FROM OPERATIONS	12,787	12,126
Income tax	(262)	(248)
CASH FLOW FROM OPERATIONS NET OF TAX	12,525	11,878
Change in inventories	(544)	37
Net change in current assets and liabilities	(9,877)	3,252
Net change in non-current assets and liabilities	134	352
CASH FLOW FROM OPERATING ACTIVITIES (a)	2,238	15,519
Investments in non-current assets	(3,514)	(7,512)
Divestments of non-current assets	154	0
Equity investments in subsidiaries	0	(4,399)
CASH FLOW FROM INVESTING ACTIVITIES (b)	(3,360)	(11,911)
Change in non-current financial assets	25	50
Change in financial receivables and other current financial assets	(10)	0
Change in current debt	5,457	1,184
Change in non-current debt	(13,902)	(7,619)
CASH FLOW FROM FINANCING ACTIVITIES (c)	(8,430)	(6,385)
Difference in translation of liquidity (d)	9	9
NET INCREASE (DECREASE) IN CASH BALANCE (a)+(b)+(c)+(d)	(9,543)	(2,768)
CASH BALANCE AT BEGINNING OF THE PERIOD	23,603	15,242
CASH BALANCE AT END OF THE PERIOD	14,060	12,474

Net financial position

The net financial position at 31 March 2016 and at 31 December 2015 is shown below. The net financial position, and the comparison figures, do not reflect the measurement of hedging instruments.

Credit lines with banks amounted to €301.5 million, €114.01 million of which was unutilized at 31/03/2016.

See the section “Statement of Financial Position and Financial Review” for comments.

NET FINANCIAL POSITION		
	31/03/2016	31/12/2015
Cash and cash equivalents	(14,060)	(23,603)
Financial receivables and other current financial assets	(9,184)	(9,174)
LIQUIDITY	(23,244)	(32,777)
Current financial liabilities	186,256	179,954
Mortgage loans - current portion	64,079	64,947
Leasing – current portion	305	303
Convertible bond loan - current portion	5,469	7,951
CURRENT DEBT	256,109	253,155
CURRENT NET DEBT	232,865	220,378
Non-current financial assets	(468)	(493)
Non-current financial liabilities due to other sources of finance	188	375
Leasing – non-current portion	4,486	4,564
Non-current financial liabilities	464,249	477,642
Convertible bond loan	282,842	282,349
NON-CURRENT DEBT	751,297	764,437
NET FINANCIAL POSITION	984,162	984,815

Preparation criteria and scope of consolidation

Introduction

The interim management statement and consolidated accounts of the Immobiliare Grande Distribuzione Group at 31 March 2016 (unaudited) were drafted in compliance with Art. 154-*ter* of Legislative Decree 58/1998 and with the accounting and measurement standards established by IFRS, which were adopted by the European Commission according to Article 6 of EC Regulation 1606/2002 of the European Parliament and the Council of 19 July 2002 concerning the application of international accounting standards. The interim management statement at 31 March 2016 was approved and authorized for publication by the Board of Directors on 10 May 2016.

Preparation criteria

The consolidated financial statements have been drawn up on the basis of the financial statements at 31 March 2016, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.

The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2015, to which the reader should refer.

The valuation and reporting of book values are based on the IAS/IFRS and their interpretations currently in effect; they are therefore subject to modification in order to reflect any changes that may occur between this writing and 31 December 2016 as a result of the European Commission's future endorsement of new standards, new interpretations, or guidelines issued by the International Financial Reporting Interpretation Committee (IFRIC).

The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

The use of estimates broadly reflects the practice followed in the year-end financial statements.

Deferred tax assets and liabilities have been calculated in addition to current taxes.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 31 March 2016, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. With respect to 31 December 2015, the scope of consolidation has not changed

Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Associates are valued at cost as their value is immaterial. The resulting amount does not differ from that obtained with the equity method.

Name	Registered office	Country	Share capital	Currency	Percent consolidated	Held by	Percent of share capital held	Operations
Parent Company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	599,760,278.16	Euro				Facility management
Subsidiaries consolidated on a line-by-line basis								
IGD Management s.r.l.	Ravenna via Villa Glori 4	Italy	75,071,221.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery s.r.l.	Ravenna via Villa Glori 4	Italy	100,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Porta Medicea s.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Euro	80%	IGD Management s.r.l.	80.00%	Construction and marketing
IGD Property SIIQ S.p.A.	Ravenna via Villa Glori 4	Italy	50,000,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Punta di Ferro SIIQ S.p.A.	Ravenna via Villa Glori 4	Italy	87,202,912.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Facility management
Winmarkt management s.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Agency services and facility management
Subsidiaries valued at cost								
Consorzio I Bricchi	Isola d'Asti loc. Molini via prato boschiero	Italy	6,000.00	Euro		IGD SIIQ S.p.A.	72.25%	Shopping center promotion and management of common areas
Consorzio Proprietari C.C.Leonardo	Imola (Bologna) Via Amendola 129	Italy	100,000.00	Euro		IGD SIIQ S.p.A.	52.00%	Shopping center promotion and management of common areas
Consorzio Proprietari Fonti del Corallo	Livorno Via Gino Graziani 6	Italy	10,000.00	Euro		IGD SIIQ S.p.A.	68.00%	Shopping center promotion and management of common areas
Consorzio Proprietari puntadiferro	Forli Piazzale della Cooperazione 4	Italy	10,000.00	Euro		Punta di Ferro SIIQ S.p.A.	62.34%	Shopping center promotion and management of common areas
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	Euro		IGD SIIQ S.p.A.	99.98%	Management of real estate and sports facilities/equipment; construction, trading and rental of properties used for commercial sports
Associates valued at net equity								
RGD Ferrara 2013 s.r.l.	Roma, via Piemonte 38	Italy	100,000.00	Euro		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center
UnipolSai Investimenti SGR S.p.A.	Torino, Via Carlo Marengo n. 25	Italy	3,913,588.00	Euro		IGD SIIQ S.p.A.	20%	Savings management Company
Associates valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento) via del Garda n.175	Italy	10,000.00	Euro		Millennium Gallery s.r.l.	35.40%	Shopping center promotion and management of common areas
Others valued at cost								
Iniziative Bologna Nord	Casalecchio di Reno (Bologna) via Isonzo n. 67	Italy	60,000.00	Euro		IGD Management s.r.l.	15.00%	Real estate development
Fondazione Virtus Pallacanestro Bologna	Bologna via dell'Arcoveggio n.49/2	Italy	1,200,000.00	Euro		IGD SIIQ S.p.A.	n.a.	Sports team promotion

For comments on the statement of financial position and the income statement, see the reviews provided above.

**Certification of the interim management statement pursuant to Art.154-bis (2) of
Legislative Decree 58/98**

I, Grazia Margherita Piolanti, in my capacity as financial reporting officer of IGD SIIQ SpA, hereby declare in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Management Statement at 31 March 2016 correspond to the company's records, ledgers and accounting entries.

Bologna, 10 May 2016

Grazia Margherita Piolanti
Financial Reporting Officer