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 Europei1957-2007 n.13,

Tax ID, VAT no. 00397420399 and Ravenna Company Register no. 88573

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

Interim Management Statement

at 30/09/2016

Corporate officers

Board of Directors	Office	Executive	Non-executive	Independent	Chairman's Committee	Control and Risk Committee	Compensation and Nominations Committee	Related Party Transaction Committee
Gilberto Coffari	Chairman	x			x			
Fernando Pellegrini	Vice Chairman		x		x			
Claudio Albertini	CEO	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

Supervisory board

Fabio Carpanelli (Chairman), Alessandra De Martino, Riccardo Sabadini.

External auditors

PricewaterhouseCoopers S.p.A.

Financial reporting officer

Grazia Margherita Piolanti

1. THE IGD GROUP'S INTERIM MANAGEMENT STATEMENT

1.1. Financial and Economic Highlights at 30 September 2016

REVENUES	
•Core business revenues	**€101.4 mn** *(+7.8% vs 30/09/2015)*
EBITDA	
•EBITDA (core business)	**€70.5 mn** *(+10.7% vs 30/09/2015)*
•EBITDA margin (core business)	**69.5%** *(+1.8 p.ts vs 30/09/2015)*
•EBITDA margin from Freehold	**78.9%** *(+1.3 p.ts vs 30/09/2015*
•Group Net Profit	**€37.2 mn** *(€30.4 mn at 30/09/2015)*
Funds From Operations (FFO) gest. caratteristica	**€39.9 mn** *(+18.7% vs 30/09/2015)*

	30/06/2016	30/09/2016
NET DEBT	€1,009.5 mn	**€1,004.7 mn**
AVERAGE COST OF DEBT* *Net of accessory charges on loans (both recurrent and not)	3.23%	**3.3%**
INTEREST COVER RATIO	2.37X	**2.32X**
HEDGING ON LONG TERM DEBT + BOND	95.3%	**94.3%**

•Loan to Value	**48%** (vs 48.2% at 30/06/2016)
•Gearing (D/E)	**0.95** (vs 0.96 al 30/06/2016)

1.2. The IGD Group

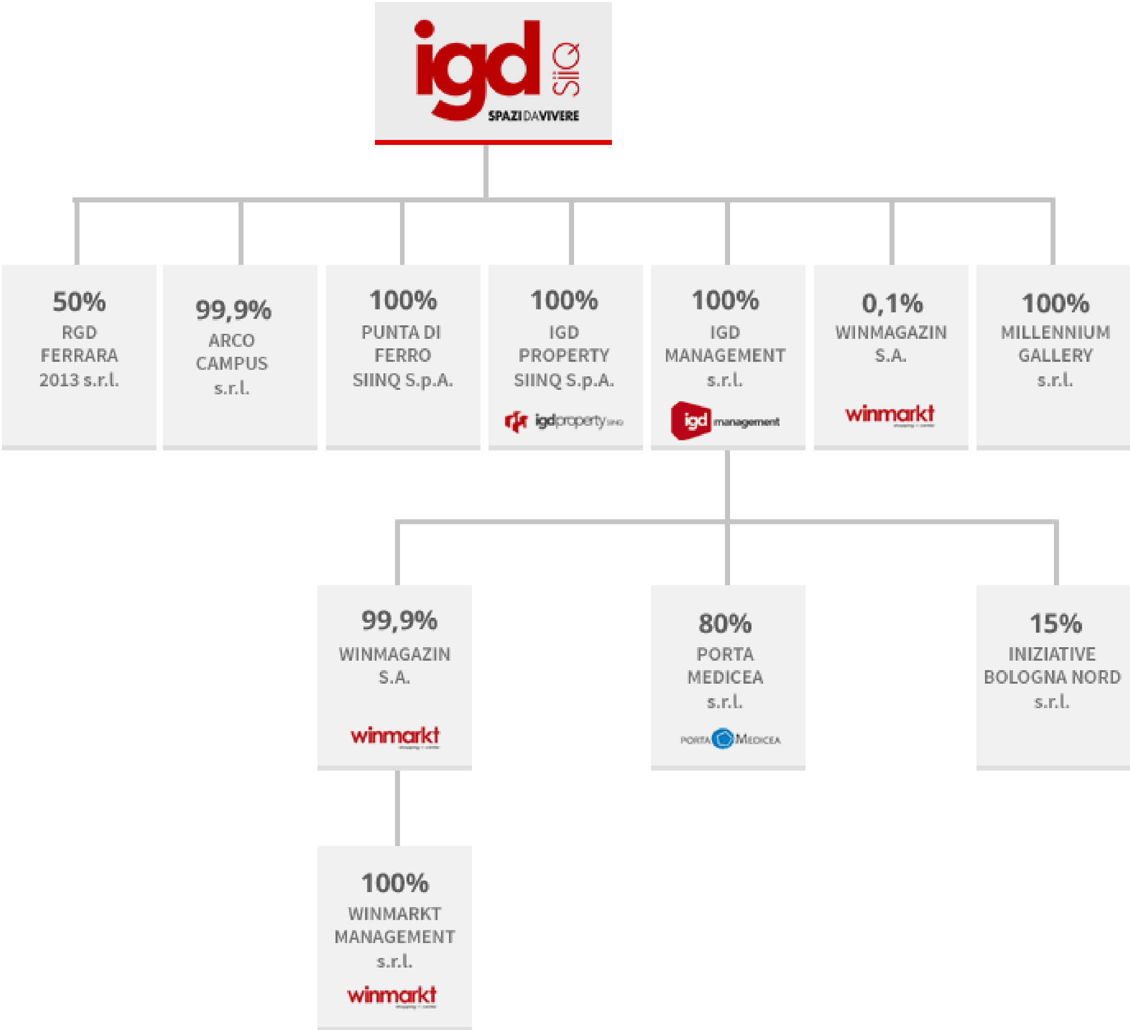
IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008. As of 1 January 2016 there are now three SIIQ's in Italy, but IGD is the only one focused on the retail segment.

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.

As shown below at 30 September 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 SIINQ SpA**, an unlisted real estate investment company which owns 3 shopping centers, one mall, a hypermarket and 2 stores;
- 100% of **Punta di Ferro SIINQ SpA**, a real estate investment company which owns the "puntadiferro" mall in Forlì, acquired on 16 December 2015;
- 100% of **Millennium Gallery** which is 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** which manages a business unit in the Darsena City Shopping Center in Ferrara.


igd SIIQ SPAZI DA VIVERE
50% RGD FERRARA 2013 s.r.l.
99,9% ARCO CAMPUS s.r.l.
100% PUNTA DI FERRO SIINQ S.p.A.
100% IGD PROPERTY SIINQ S.p.A.
igdproperty
100% IGD MANAGEMENT s.r.l.
igd management
0,1% WINMAGAZIN S.A.
winmarkt
100% MILLENNIUM GALLERY s.r.l.
99,9% WINMAGAZIN S.A.
winmarkt
80% PORTA MEDICEA s.r.l.
PORTA MEDICEA
15% INIZIATIVE BOLOGNA NORD s.r.l.
100% WINMARKT MANAGEMENT s.r.l.
winmarkt

1.3. Income statement review

The positive operating performance of the Italian shopping centers held in the first nine months of the year with sales of mall retailers rising 2.8%, despite a slowdown in the third quarter of the year and a slight decrease in footfalls (-0.9%). Footfalls in Romanian malls increased significantly (+3.3%), supported by the completion of various improvements and new marketing initiatives. The positive trend in pre-letting reported in the first half continued: in Italy 176 contracts (renewals and turnover) were signed with an average upside of +2.4%; in Romania 175 contracts were renewed with an average upside of +1.3%. The financial occupancy in Italy reached 97.4% (average malls and hyper) and was higher compared to the previous quarter (97.3%), as it was in Romania (95.7% versus 95.1% at 30/06/2015).

The Group's portion of the consolidated net profit amounted to €37,155 thousand at 30 September 2016, an increase of around €6,723 thousand against 30 September 2015. **Funds from Operations** (**FFO**) rose by around €6,278 thousand from the €33,632 posted in the prior period to €39,910. These results were boosted, in particular, by the opening of the Clodì Retail Park (May 2015) and the acquisition of the Puntadifferro mall (December 2015). The consolidated operating income statement is shown below:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2015	30/09/2016	Δ%	30/09/2015	30/09/2016	Δ%	30/09/2015	30/09/2016	Δ%
Reveneus from freehold real estate and rental activities	81,038	88,272	8.9%	81,038	88,272	8.9%	0	0	n.a.
Revenues from leasehold real estate and rental activities	9,228	9,233	0.1%	9,228	9,233	0.1%	0	0	n.a.
Total revenues from real estate and rental activities	**90,266**	**97,505**	**8.0%**	**90,266**	**97,505**	**8.0%**	**0**	**0**	**n.a.**
Revenues from services	3,811	3,897	2.3%	3,811	3,897	2.3%	0	0	n.a.
Revenues from trading	1,570	590	(62.4)%	0	0	n.a.	1,570	590	(62.4)%
OPERATING REVENUES	**95,647**	**101,992**	**6.6%**	**94,077**	**101,402**	**7.8%**	**1,570**	**590**	**(62.4)%**
COST OF SALE AND OTHER COSTS	**(1,467)**	**(586)**	**(60.0)%**	**0**	**0**	**n.a.**	**(1,468)**	**(586)**	**(60.1)%**
Rents and payable leases	(7,552)	(7,603)	0.7%	(7,551)	(7,603)	0.7%	0	0	n.a.
Personnel expenses	(2,780)	(2,858)	2.8%	(2,780)	(2,858)	2.8%	0	0	n.a.
Direct costs	(12,860)	(13,020)	1.2%	(12,608)	(12,815)	1.6%	(252)	(205)	(18.7)%
DIRECT COSTS	**(23,192)**	**(23,481)**	**1.2%**	**(22,939)**	**(23,276)**	**1.5%**	**(252)**	**(205)**	**(18.7)%**
GROSS MARGIN	**70,988**	**77,925**	**9.8%**	**71,137**	**78,126**	**9.8%**	**(150)**	**(201)**	**34.4%**
Headquarters personnel	(4,562)	(4,754)	4.2%	(4,506)	(4,702)	4.3%	(56)	(52)	(6.9)%
G&A expenses	(3,250)	(3,172)	(2.4)%	(2,967)	(2,924)	(1.5)%	(283)	(248)	(12.4)%
G&A EXPENSES	**(7,812)**	**(7,926)**	**1.5%**	**(7,473)**	**(7,626)**	**2.0%**	**(339)**	**(300)**	**(11.5)%**
EBITDA	**63,176**	**69,999**	**10.8%**	**63,664**	**70,500**	**10.7%**	**(489)**	**(501)**	**2.6%**
Ebitda Margin	*66.1%*	*68.6%*		*67.7%*	*69.5%*				
Other provisions	(162)	(146)	(10.2)%						
Impairments and Fair Value adjustments	(1,717)	(844)	(50.8)%						
Depreciations	(943)	(844)	(10.5)%						
DEPRECIATIONS AND IMPAIRMENTS	**(2,822)**	**(1,834)**	**(35.0)%**						
EBIT	**60,354**	**68,165**	**12.9%**						
FINANCIAL MANAGEMENT	**(29,981)**	**(30,312)**	**1.1%**						
EXTRAORDINARY MANAGEMENT	**(137)**	**(255)**	**86.4%**						
PRE-TAX PROFIT	**30,236**	**37,598**	**24.3%**						
Taxes	(19)	(804)	n.a.						
PROFIT FOR THE PERIOD	**30,217**	**36,794**	**21.8%**						
*(Profit)/Loss for the period related to Third Parties	215	361	68.2%						
GROUP NET PROFIT	**30,432**	**37,155**	**22.1%**						

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). Payroll costs include ancillary expenses.

As of second quarter 2016 costs and revenue relative to Palazzo Orlando, part of the Mazzini area of the Porta a Mare project in Livorno, have been reclassified under core business costs and revenue; consequently the figures relative to the prior year were also reclassified.

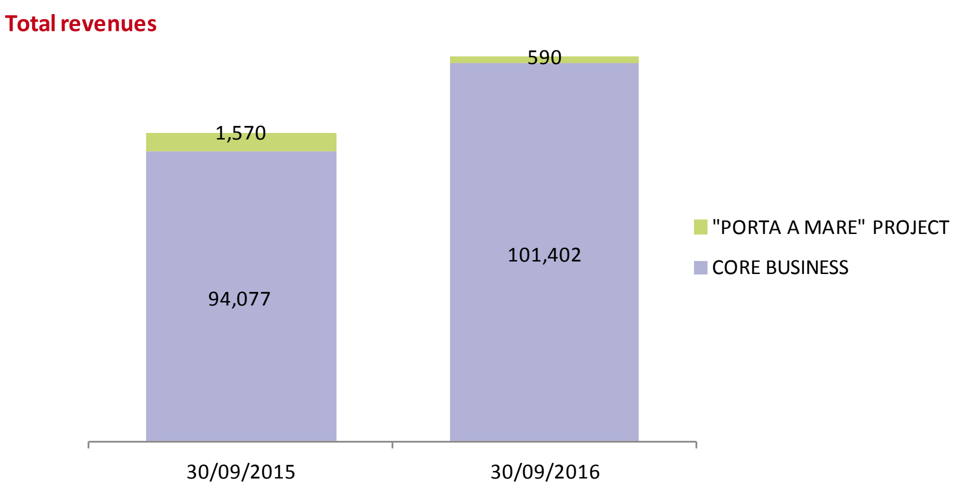
The income statement below shows the figures posted in the third quarter alone:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE		
€/000	30/09/2015	30/09/2016	Δ%	30/09/2015	30/09/2016	Δ%	30/09/2015	30/09/2016	Δ%
Reveneus from freehold real estate and rental activities	27,209	29,433	8.2%	27,208	29,433	8.2%	0	0	n.a.
Revenues from leasehold real estate and rental activities	3,150	3,087	-2.0%	3,150	3,087	-2.0%	0	0	n.a.
Total revenues from real estate and rental activities	**30,359**	**32,520**	**7.1%**	**30,358**	**32,520**	**7.1%**	**0**	**0**	**n.a.**
Revenues from services	1,260	1,339	6.2%	1,260	1,340	6.3%	0	0	n.a.
Revenues from trading	684	0	n.a.	0	0	n.a.	684	0	n.a.
OPERATING REVENUES	32,303	33,859	4.8%	31,619	33,860	7.1%	684	0	n.a.
COST OF SALE AND OTHER COSTS	(663)	(10)	-98.5%	0	0	n.a.	(664)	(10)	-98.6%
Rents and payable leases	(2,518)	(2,542)	1.0%	(2,517)	(2,542)	1.0%	0	0	n.a.
Personnel expenses	(858)	(918)	7.0%	(858)	(918)	7.0%	0	0	n.a.
Direct costs	(4,077)	(4,452)	9.2%	(4,002)	(4,361)	9.0%	(75)	(91)	22.7%
DIRECT COSTS	(7,453)	(7,913)	6.2%	(7,377)	(7,821)	6.0%	(75)	(91)	22.7%
GROSS MARGIN	**24,187**	**25,938**	**7.2%**	**24,239**	**26,039**	**7.4%**	**(54)**	**(101)**	**85.6%**
Headquarters personnel	(1,420)	(1,457)	2.6%	(1,404)	(1,441)	2.7%	(18)	(16)	-9.9%
G&A expenses	(843)	(910)	8.0%	(753)	(838)	11.4%	(90)	(72)	-20.5%
G&A EXPENSES	(2,263)	(2,367)	4.6%	(2,157)	(2,280)	5.7%	(108)	(88)	-18.8%
EBITDA	**21,924**	**23,570**	**7.5%**	**22,083**	**23,759**	**7.6%**	**(162)**	**(189)**	**16.2%**
Ebitda Margin	*67.9%*	*69.6%*		*69.8%*	*70.2%*				
Other provisions	(81)	(49)	-39.9%						
Impairments and Fair Value adjustments	(1,314)	(1,202)	-8.5%						
Depreciations	(323)	(286)	-11.5%						
DEPRECIATIONS AND IMPAIRMENTS	(1,718)	(1,537)	-10.5%						
EBIT	**20,206**	**22,033**	**9.0%**						
FINANCIAL MANAGEMENT	(9,682)	(10,667)	10.2%						
EXTRAORDINARY MANAGEMENT	95	(76)	n.a.						
PRE-TAX PROFIT	**10,619**	**11,290**	**6.3%**						
Taxes	(625)	(666)	6.6%						
PROFIT FOR THE PERIOD	**9,994**	**10,624**	**6.3%**						
*(Profit)/Loss for the period related to Third Parties	29	23	-21.1%						
GROUP NET PROFIT	**10,023**	**10,647**	**6.2%**						

Revenue

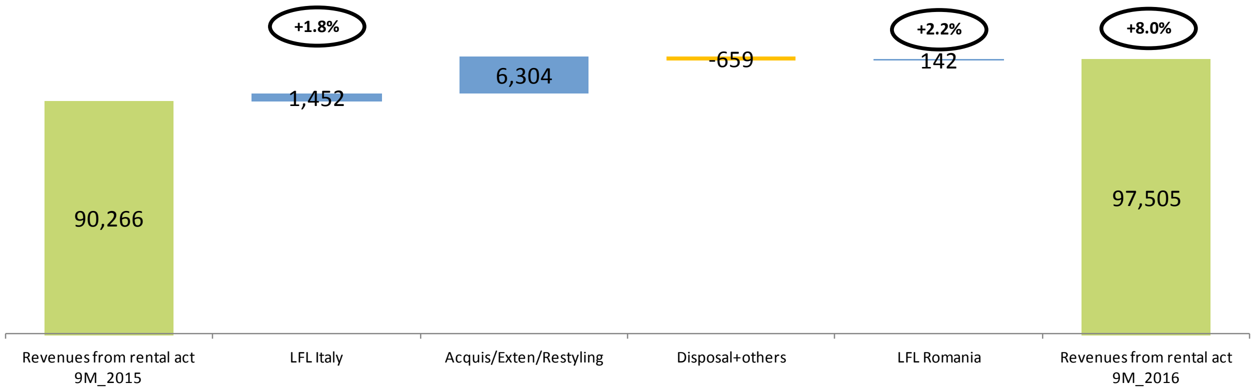
Consolidated operating revenue amounted to €101,992 thousand, an increase of 6.6% against the same period of the prior year.

The core business revenue reached €101,402 thousand, an increase of 7.8%; as for the Porta a Mare project, trading revenue came to €590 thousand.



The breakdown of revenue is described below:

- ✓ The revenue from the rental business rose 8% to €97,505 thousand.



The difference of €7,239 thousand is explained:

- for €1,452 thousand (+1.8%), by like-for-like revenue in Italy. Malls were up (+2.6%, above all the recently restyled assets and extensions) and hypermarkets were in line with the prior year. 176 new contracts were signed (109 renewals and 67 turnover) in the period with an average upside of +2.4%;
- for around €6,304 thousand, by the expanded perimeter which comprises the Clodì Retail Park, opened in May 2015, and the Punta di Ferro mall, acquired in December 2015;
- for around €142 thousand, by higher revenue like-for-like in Romania (+2.2%), linked to pre-letting and leases renegotiated in the period (175 contracts were renewed with an average upside of 1.3%);
- by a decrease in revenue (-€659 thousand) linked to the sale of the City Center property on via Rizzoli at the end of May 2015 and other minor changes.

✓ **Revenue from services** was basically stable (+2.3%): the drop in pilotage revenue (of approximately €68,000), linked primarily to the presence in 2015 of the activities related to the opening of Clodì in Chioggia, was offset by the increase in revenue for Facility Management (which came to €3,664 thousand, an increase of +3.2% explained also by new mandates).

✓ The Porta a Mare project generated **revenue from trading** of €590 thousand as a result of the sale of 2 residential units and 2 garages.

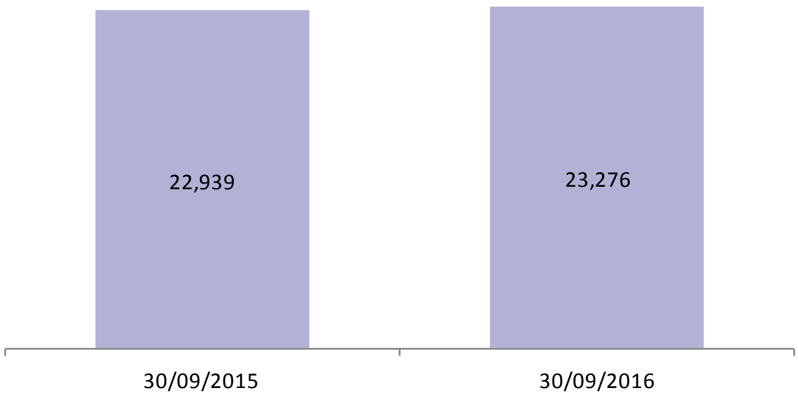
Cost of goods sold and other expenses

"Cost of goods sold and other expenses", which amounted to €586 thousand, refers to the cost of the units sold of €558 thousand and ancillary sales costs of €28 thousand.

Direct costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €23,276 thousand, an increase of 1.5% with respect to the same period of the prior year. Rents payable were largely unchanged (€7,603 thousand, +0.7%), while direct personnel costs rose slightly (€2,858 thousand, +2.8%), as did IMU (because of the expanded perimeter of assets) and condominium fees as a result of both leases with caps and fewer vacancies. Costs were contained for services, namely relative to pilotage, maintenance (including due to insurance refunds received for repairs done) and advertising (explained by the costs linked to the opening of Clodì Retail Park in 2015). The costs pertaining to the core business represent 23% of revenue, down considerably against the 24.4% recorded in the prior year.

Core business direct costs



The direct costs for the Porta a Mare project, which amounted to €205 thousand, consist primarily in the IMU property tax (€149 thousand) and condominium fees.

Review of margins by business unit

The divisional gross margin rose by 9.8% from the €70,987 thousand posted at 30 September 2015 to €77,925 thousand at 30 September 2016. The table below shows the trend in divisional gross margins by business unit:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2015	30/09/2016	%	30/09/2015	30/09/2016	%	30/09/2015	30/09/2016	%
Margin from freehold properties	69,338	76,309	10.1%	69,338	76,309	10.1%	0	0	n.a.
Margin from leasehold properties	1,481	1,518	2.5%	1,481	1,518	2.5%	0	0	n.a.
Margin from services	318	299	(6.0)%	318	299	(5.8)%	0	(0)	n.a.
Margin from trading	(150)	(201)	34.1%	0	0	n.a.	(150)	(201)	34.1%
Gross margin	**70,987**	**77,925**	**9.8%**	**71,137**	**78,126**	**9.8%**	**(150)**	**(201)**	**34.4%**

The table below shows the divisional gross margins recorded in the last three months:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2015	30/09/2016	%	30/09/2015	30/09/2016	%	30/09/2015	30/09/2016	%
Margin from freehold properties	23,464	25,285	7.8%	23,464	25,285	7.8%	0	0	n.a.
Margin from leasehold properties	523	488	-6.5%	522	488	-6.4%	0	0	n.a.
Margin from services	254	265	4.3%	254	265	4.4%	0	(0)	n.a.
Margin from trading	(55)	(101)	84.9%	0	0	n.a.	(55)	(101)	84.9%
Gross margin	**24,187**	**25,938**	**7.2%**	**24,239**	**26,039**	**7.4%**	**(54)**	**(101)**	**85.6%**

SBU 1 - Property leasing - margin from freehold properties: this margin amounted to €76,156 thousand, versus €69,338 thousand in the same period of the prior year (+9.8%). In percentage terms, this activity continues to feature a significant margin of 86.5% which is also higher than the prior period (increase in revenue and largely stable costs).

SBU 1 - Property leasing – margin on leasehold properties: this margin reached €1,518 thousand. As a percentage of revenue the margin rose from the 16% posted in 2015 to 16.4%. This increase is linked primarily to higher revenue and largely stable costs.

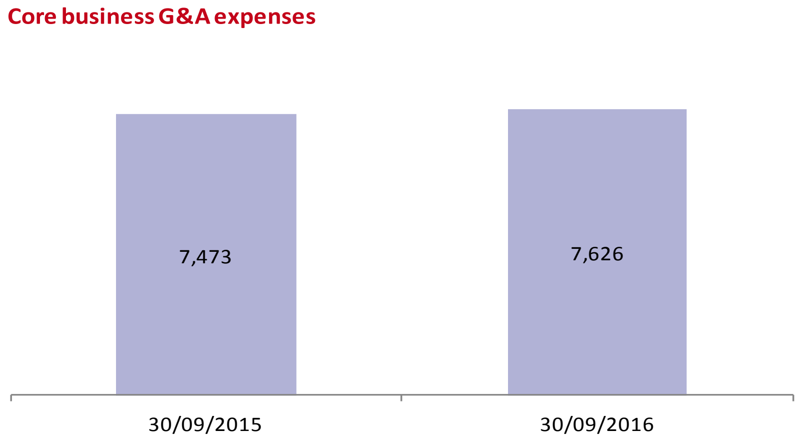
SBU 2 - Services - margin from service businesses: the margin from services amounted to €453 thousand. As a percentage of revenue the margin rose from the 8.4% posted in the prior year to 11.6%. The increase in this margin is explained primarily the increase in service revenue as a result of new mandates, as well as the positive margin of pilotage activities.

SBU 3 – Development and trading – margin from trading: the margin from the "Porta a Mare" project in Livorno reached €4 thousand, while direct costs (mainly IMU on the portions yet to be developed) resulted in a net negative result of €201 thousand.

General expenses

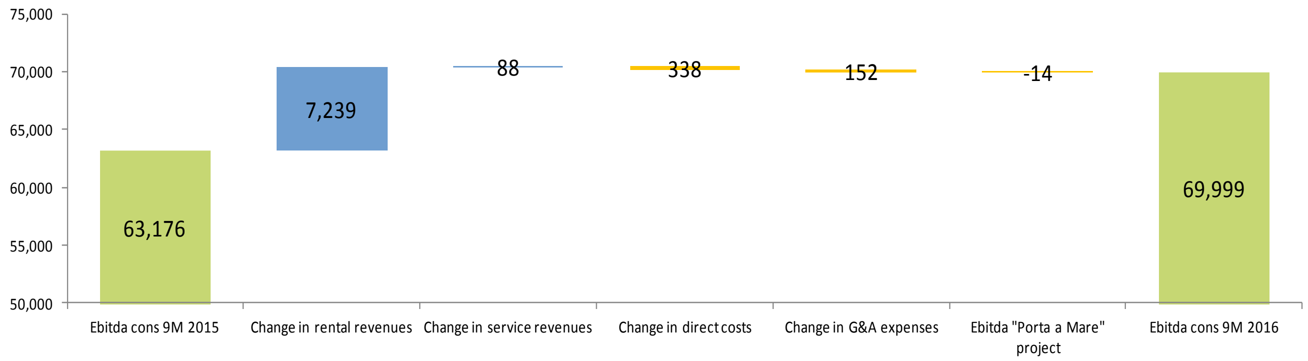
General expenses for the core business, including payroll costs at headquarters came to €7,626 thousand, up slightly (+2%, €153 thousand) against the €7,473 thousand posted in the prior year. Higher payroll costs (one-off costs linked to the renewal of labor contracts and the contractual adjustments that took effect in the period), were offset by the drop of other operating costs. These costs represent 7.5% of core business revenue, down against the 7.9% recorded in the prior year.

General expenses for the Porta a Mare project amounted to €300 thousand (including payroll costs), a decrease of 11.5% with respect to the prior year.



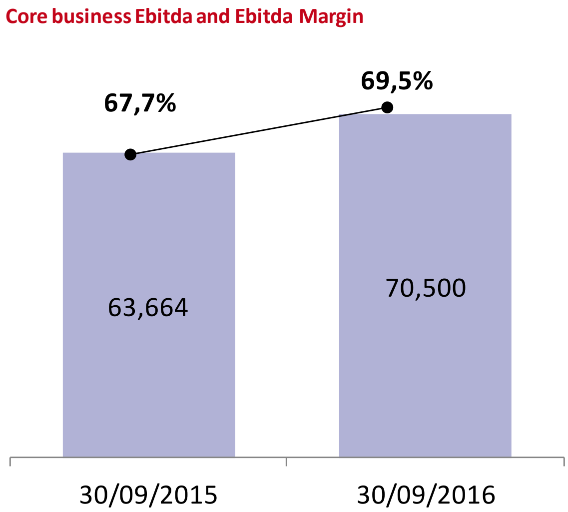
EBITDA

Core business **EBITDA** amounted to €70,500 thousand in the first nine months of 2016, an increase of 10.7% with respect to the same period of the prior year, while total EBITDA rose by 10.8% to €69,999 thousand**.** The changes in the components of total EBITDA during the period are shown below.



As mentioned above, the EBITDA margin was impacted substantially by the increase in core business revenue (including as a result of the larger perimeter of assets) offset by the less than proportional increase in direct costs and general expenses.

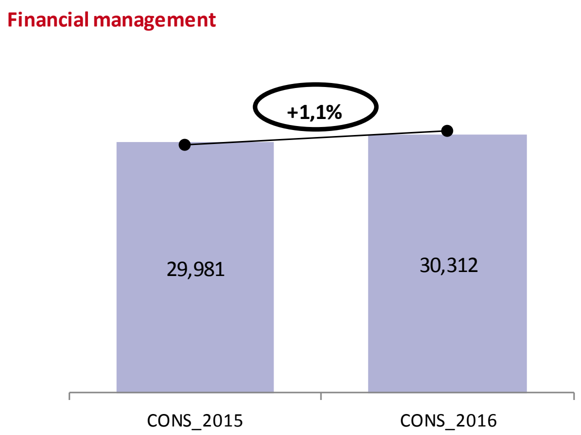
The core business **EBITDA MARGIN** came in at 69.5%, an increase of around 2 p.p. with respect to the same period of the prior year.



EBIT

EBIT amounted to €68,165 thousand, an increase of 12.9% against the same period 2015. In addition to the above mentioned rise in EBITDA, the result reflects the favorable change in amortization, depreciation and write-downs (+€971 thousand), thanks also to write-downs and fair value adjustments which amounted to -€844 thousand versus -€1,717 thousand in the prior year.

Net financial income (expenses)



Financial expenses rose slightly from the €29,981 thousand posted at 30 September 2015 to €30,312 thousand at 30 September 2016. The increase, of approximately €331 thousand, is explained primarily by the financial costs linked to the €300 million bond issued on 31 May 2016, the costs incurred to obtain a rating and the increased use of short-term credit lines, though the rates are lower than the ones applied to the extinguished mortgages. This increase was partially offset by the early repayment of a few mortgage loans (partial repayment of a mortgage granted by BNP of €29.6 million, Centrobanca - Coné iper, Centrobanca and Banco Popolare di Verona - relating to the subsidiary Porta Medicea). Following extinction of the above mentioned loans, unamortized transaction costs were recognized in the income statement.

Financial expenses also reflect the lower interest payable on IRS and a drop in financial expenses following completion of the bond swap in April 2015.

Financial income at 30 June 2016 shows an increase linked primarily to time deposits (interest rate of 0.60%) and the cash and cash equivalents recorded at 30 September 2016.

At 30 September 2016, the average cost of debt (without considering recurring and non-recurring transaction costs) was 3.30%, down from the 3.79% recorded in the same period of the previous year, while the weighted average effective cost of debt went from the 4.12% posted at 30 September 2015 to 3.72%.

Non-recurring transactions

The result at 30 September 2016, -€255 thousand, is attributable to: *(i)* the sale of the interest in UnipolSai Investimenti Sgr following exercise of the call option granted to UnipolSai Investimenti Sgr; *(ii)* the results posted by equity investments accounted for using the equity method; *(iii)* the purchase price adjustment linked to the sale of the RGD joint venture and the second earn-out paid, and *(iii)* the write-down of the loan granted to Iniziative Bologna Nord s.r.l., now in liquidation.

Taxes

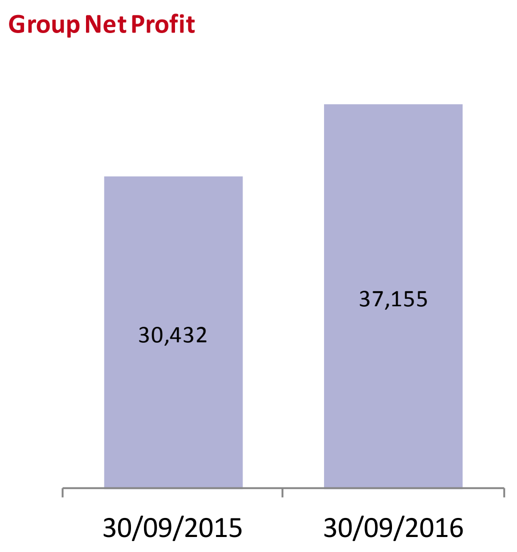
Income taxes	30/09/2016	30/09/2015	*Change*
Current taxes	782	773	9
Deferred tax assets and liabilities	22	(754)	776
Total	**804**	**19**	**785**

The tax burden, current and deferred, reached €804 thousand at 30 September 2016, an increase of €785 thousand against 30 September 2015.

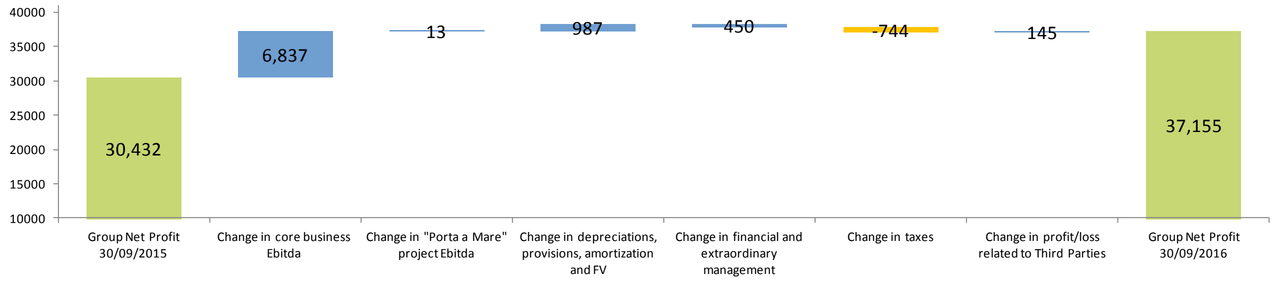
The change is attributable primarily to the adjustment made to deferred tax assets and liabilities in order to align the fair value with the assessed tax value of a few real estate investments as a result of changes in fair value.

Group net profit

As a result of the above the Group's net profit came to €37,155 thousand, an increase of 22.1% against the €30,432 thousand recorded in the prior year.



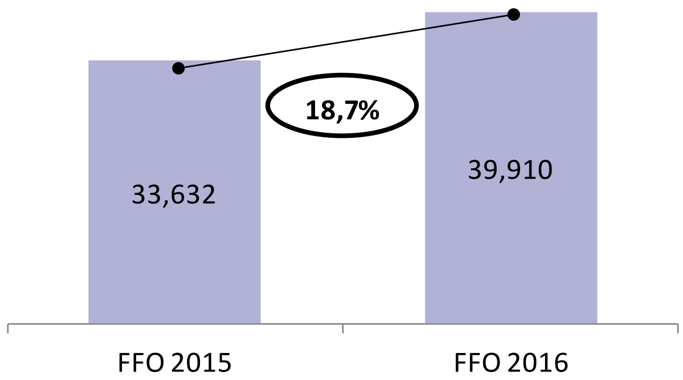
The change in net profit compared to the same period of the prior year is shown below.



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.

The figure posted at 30 September 2016 shows a substantial increase of €6,278 thousand or 18.7% with respect to the same period of the prior year explained by the higher Ebitda which was partially offset by higher financial expenses.



1.4. Statement of financial position and financial review

The IGD Group's statement of financial position at 30 September 2016 can be summarized as follows:

SOURCES-FUNDS	30/09/2016	30/06/2016	Δ	%	31/12/2015	Δ	%
Fixed assets	1,973,998	1,973,998	0	0.00%	1,970,028	3,970	0.20%
Non-current assets held for sale	0	4,466	(4,466)		0	0	#DIV/0!
Assets under construction and advances	65,970	59,179	6,791	11.48%	50,533	15,437	30.55%
Intangible assets	12,727	12,732	(5)	(0.04%)	12,736	(9)	(0.07%)
Other tangible assets	11,229	11,407	(178)	(1.56%)	11,899	(670)	(5.63%)
Sundry receivables and other non-current assets	85	88	(3)	(3.41%)	90	(5)	(5.56%)
Equity investments	1,738	1,790	(52)	(2.91%)	6,366	(4,628)	(72.70%)
NWC	59,114	54,250	4,864	8.97%	51,797	7,317	14.13%
Funds	(6,882)	(6,536)	(346)	5.29%	(6,734)	(148)	2.20%
Sundry payables and other non-current liabilities	(24,890)	(24,910)	20	(0.08%)	(26,460)	1,570	(5.93%)
Net deferred tax (assets)/liabilities	(18,506)	(17,740)	(766)	4.32%	(18,247)	(259)	1.42%
Total use of funds	**2,074,583**	**2,068,724**	**5,859**	**0.28%**	**2,052,008**	**22,575**	**1.10%**
Shareholders' equity	1,025,963	1,014,010	11,953	1.18%	1,022,053	3,910	0.38%
Non-controlling interest in capital and reserves	9,789	9,812	(23)	(0.23%)	10,150	(361)	(3.56%)
Net (assets) and liabilities for derivative instruments	34,104	35,417	(1,313)	(3.71%)	34,990	(886)	(2.53%)
Net debt	1,004,727	1,009,485	(4,758)	(0.47%)	984,815	19,912	2.02%
Total sources	**2,074,583**	**2,068,724**	**5,859**	**0.28%**	**2,052,008**	**22,575**	**1.10%**

The principal changes in the third quarter, compared to 30 June 2016, related to:

- ✓ **Investment property**, which increased due primarily to work done and completed for a total of approximately €1,207 thousand attributable: *(i)* for around €406 thousand, fit outs at Città delle Stelle shopping center in Ascoli; *(ii)* for around €156 thousand, work done at the Portogrande Shopping Center; (iii) for around €132 thousand, work done at the Tiburtino Shopping Center; (iv) for around €115 thousand, the work done at the Le Maioliche Shopping Center and other minor improvements (the most important of which include the work done at Le Porte in Naples, Centro Borgo and La Torre) which amounted to around €398 thousand. These changes, which total €1,202 thousand, had a negative impact on fair value of €1,202 thousand.
- ✓ **Non-current assets held for sale** which reflects the 20% interest sold by IGD in UnipolSai SGR S.p.A. following the exercise of the call option held by UnipolSai Investimenti Sgr.
- ✓ **Work in progress and down payments,** an increase of €6,791 thousand, as a result of:
  - ✓ the addition of approximately €7,161 thousand for investments still in course, including: *(i)* the work done on the roof of the Tiburtino mall for around €222 thousand; *(ii)* continuation of work on Officine Storiche, for a total of approximately €1,356 thousand; *(iii)* the work done on the ESP extension in Ravenna for €4,193 thousand; *(iv)* earthquake protection work at Darsena for around €214 thousand *(v)* the work done on the exterior of the Centro Sarca mall for around €191 thousand; *(vi)* the work done on remote controls and the installation of bollards for around €287 thousand and other minor improvements for €698 thousand, primarily in Romania;
  - ✓ down payments made in the third quarter which totaled approximately €146 thousand;

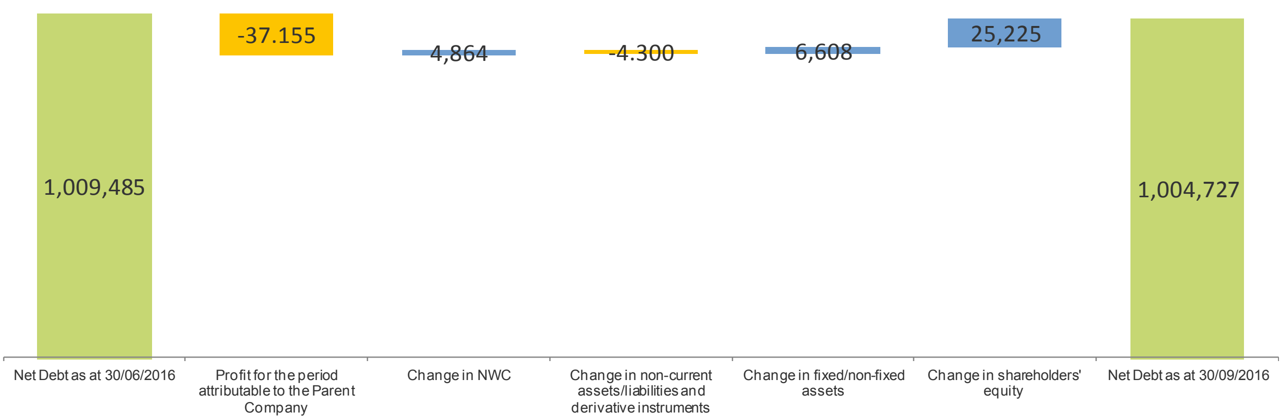
  The decreases are explained by a drop in down payments of around €516 thousand due to the progress made on projects underway in the third quarter.
- ✓ **Other plant, property and equipment** and **intangible assets** changed in the period due primarily to amortization and depreciation recognized in the period.
- ✓ **Equity investments,** which dropped by around €52 thousand as a result primarily of the **valuation at equity of the** of the equity investments.
- ✓ **Net working capital**, which showed an increase of €4,864 thousand against 30 June 2016 explained primarily by: *(i)* the work in progress inventory which increased €845 thousand as work continued at Officine Storiche; *(ii)* for

€3,814 thousand, by the decrease in trade payables; *(iii)* for around €1,288 thousand, the decrease in tax liabilities due primarily to the recognition of the withholding on the dividends paid by the Parent Company.
This increase was partially offset by: *(i)* the decrease in trade receivables which amounted to €208 thousand; *(ii)* the decrease in other current assets of around €836 thousand largely attributable to a decline in VAT credits.

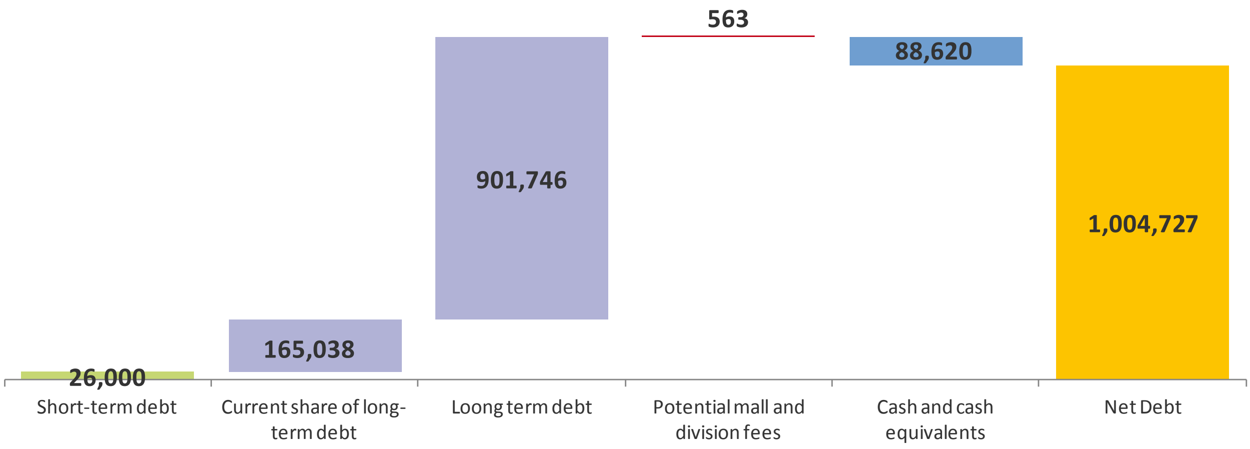
- ✓ **Provisions** increased by €346 thousand due primarily to the provisions made for the variable compensation payable to employees in 2017.
- ✓ **Net deferred tax assets and liabilities**, went from €17,740 thousand to €18,506 thousand due primarily to tax misalignments relating to *(i)* adjustments to the fair value of investment properties and projects which are not included in the SIIQ perimeter *(ii)* taxed provisions *(iii)* hedges (IRS).

- ✓ The Group's **net equity** amounted to €1,025,963 thousand at 30 September 2016. The increase of €11,953 thousand is explained primarily by:

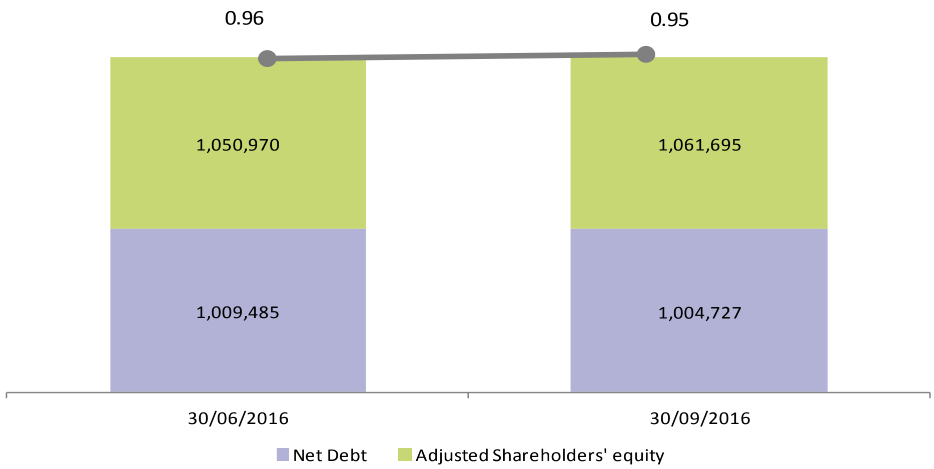
  - ➢ for €32,522 thousand, the distribution of the dividend for 2015;
  - ➢ for approximately +102 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - ➢ adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€546 thousand for the parent company and around +€658 thousand for a subsidiary;
  - ➢ for €10,647 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 €23 thousand.
- ✓ **Net liabilities for derivatives** were slightly lower against the prior quarter as a result of the fair value measurement of hedging instruments.
- ✓ **Net financial position** at 30/06/2016 was down against the prior quarter by around €4,758 thousand. The changes are shown below:



The breakdown of the net financial position is shown below:



The gearing ratio reflects the debt to equity (including non-controlling interests) ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The ratio came to 0.95 at 30 September 2016, a slight improvement compared to the 0.96 recorded at 30 June 2016.



1.5. Significant events at 30 September 2016

Corporate events

On 5 January 2016, in accordance with and pursuant to Articles 129 and 131, paragraph 4.b, of the Regulations adopted by Consob in resolution n. 11971 of 14 May 1999, the shareholders' agreement stipulated on 9 March 2015 by Coop Alleanza 3.0 and Unicoop Tirreno Company Cooperativa which established a voting block comprised of shares of Immobiliare Grande Distribuzione SIIQ S.p.A. (registered offices in Ravenna, Via Agro Pontino 13, Tax ID and Ravenna Company Register no. 00397420399) ("IGD"), pursuant to Art. 122 paragraphs 1 and 5 A) and B), of Legislative Decree n. 58/1998 (the "Agreement") expired on 31 December 2015.

The Agreement pertained to 430,498,768 ordinary IGD shares (the syndicated shares) of which 385,741,707 shares were bound by a voting block.

Notice of dissolution of the Agreement was also communicated to Consob and on 4 January 2016 was filed with the Ravenna Business Register's office.

On 3 March 2016 the Board of Directors approved the draft separate and consolidated financial statements for FY 2014 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.

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 was 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, namely through the AGM called to approve the financial statements for the year ending 31 December 2017.

On 10 May the Board of Directors approved the new Business Plan 2016-2018.

Investments

During the first nine months of the year 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 Storiche area (residential) continued in the period for a total of around €2,621 thousand.
Work on the retail portion amounted to approximately €4,308 thousand and was done, primarily, on the Officine area which is expected to be completed by second half 2018.

ESP extension

Around €8,326 thousand was invested in the first nine months of the year on the structural and construction work. The extension is expected to be opened in first half 2017.

Other

In 2016 work was completed on: the restyling, fit outs, as well as the remodeling of the multiplex cinema roof, at Centro Sarca for approximately €431 thousand; the mall in the ESP shopping center for around €286 thousand; fit outs at the Città delle Stelle Shopping Center in Ascoli, for around €657 thousand; extraordinary maintenance at a few Romanian centers for €243 thousand; the roof at the retail park in Mondovì for around €273 thousand, along with €1,291 thousand in other minor improvements (the most important at Guidonia, Centro Borgo, Porto Grande and Le Maioliche), in addition to the purchase of a plot of land and continuation of the urbanization work at the Retail Park in Chioggia for €976 thousand.
Extraordinary maintenance continued, and is still underway, for a total of approximately €2,436 thousand (including the work done at a few Romanian centers for around €786 thousand, the roof at the Tiburtino mall for around €420 thousand, the work done on the areas outside of Centro Sarca for around €191 thousand, the work on the Katane mall roof for

around €196 thousand, and the work done on remote controls and the installation of bollards for around €287 thousand, as well as the earthquake protection work at Darsena for around €437 thousand).

The investments made at 30 September 2016 are shown below:

	30 September 2016 Eur/Mn
Real Estate Investments	4.16
Assets under construction	15,07
Intangible fixed assets	0,01
Other tangible fixed assets	0,17
Total investments in fixed assets	**19,41**
Inventories of Porta a Mare project work in progress	2,62
Total investments	**22,03**

Commercial agreements

Grosseto

Pre-letting continued of the mall that will be found inside the shopping center currently being built in Grossetto, for which a preliminary sales agreement was signed in the prior year, with occupancy close to 100%. The new shopping mall will cover a gross leasable area (GLA) of approximately 17,110 m^2, house 44 stores, 7 of which midsize.
The Center opened on 27 October 2016.

Solar energy

On 13 May IGD, along with *Consorzi dei Proprietari*, signed an agreement with Elettra Investimenti S.p.A. based on which three PV systems will be installed for a total capacity of 1.4 MWp at three different shopping centers: Katanè in Catania, La Torre in Palermo and Le Maioliche in Faenza. The three systems will be installed in 2016 following the direct investment of Alea Energia S.p.A., a Gruppo Elettra Investimenti company, a subsidiary of which (EPC Alea Quotidia S.p.A.) will install the rooftop solar energy facilities which will then be leased to the shopping centers for 15 years

Sustainability

The Board of Directors approved the 2015 Corporate Sustainability Report on 7 April 2016.

In June CentroSarca received Breeam environmental certification and became one of the first existing shopping centers in Italy to receive it.

On 6 September IGD obtained a Legality Rating of three stars from the Italian Competition Authority ("*AGCM*"), the maximum score awarded for this type of rating.

Disposals

On 9 September, following exercise of UnipolSai Assicurazioni S.p.A.'s call option, IGD sold its 20% interest in UnipolSai SGR S.p.A. for €4,465,737.40.

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. This transaction was closed on 31 May 2016 and resulted in a decrease in the Cash Flow Hedge reserve of €1,659 thousand.

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.

On 17 May 2016 the rating agency Moody's assigned a provisional first-time long-term issuer rating of "(P) Baa3" with a stable outlook to the Company which was converted into definitive on 15 June after completion of the bond issue.

On 25 May IGD completed the placement with qualified investors of the €300 million unsecured and non-convertible bond approved by the Board of Directors on 17 May 2016.
The newly issued bond has the following characteristics:
- nominal value of €100,000 each and multiples of €1,000 up to a maximum amount of €199,000;
- duration of 5 years and expiring on 31 May 2021;
- gross coupon of 2.50%;
- issue price of 99.93.

The notes settled on 31 May 2016 and will be listed on the Irish Stock Exchange.
The purpose of the issue is to partially refinance existing debt, as well as finance general corporate transactions, including the financing of possible investments to be made in the future by the Company.

On 26 May 2016 the company exercised the right to partial withdrawal relative to the loan granted by BNP Paribas, for a total cash-out of € 29.6 million.

On 1 June 2016 the Company was granted two new 3-year Committed Revolving Credit Facilities for a total of €60 million.

On 27 June 2016 the Company exercised the term out option on the loan granted by BNL Rimini, extending the maturity for an additional 60 months or through 6 July 2021.

1.6. Subsequent events

The new Maremà Shopping Center in Grosseto was opened on 27 October 2016.
IGD invested around €47 million, including ancillary charges, in the mall found inside the Maremà Shopping Center; the closing and the payment are expected to take place by year-end.

1.7. Outlook

In light of the positive operating and financial results posted at 30 September 2016, as well as having reached the first key targets of the business plan, the Company expects to continue along its growth path and for assets to generate higher revenue, with the cost of debt down against FY 2015. The FY guidance for growth in core business FFO is also confirmed (+15%/16%).

2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016

2.1 Consolidated income statement

CONSOLIDATED INCOME STATEMENT (amounts in thousands of Euro)	30/09/2016 (A)	30/09/2015 (B)	Change (A-B)	3° Q 2016 (C)	3° Q 2015 (D)	Change (C-D)
Revenues	97,505	90,266	7,239	32,520	30,359	2,161
Other income	3,897	3,811	86	1,339	1,260	79
Revenues from trading property sales	590	1,570	(980)	0	684	(684)
Total revenues and operating income	**101,992**	**95,647**	**6,345**	**33,859**	**32,303**	**1,556**
Change in work in progress and inventories	2,063	(728)	2,791	845	(308)	1,153
Total revenues and change in inventories	**104,055**	**94,919**	**9,136**	**34,704**	**31,995**	**2,709**
Costs of work in progress	2,621	707	1,914	850	338	512
Service costs	16,377	16,444	(67)	5,349	5,124	225
Personnel costs	6,786	6,457	329	2,129	1,910	219
Other operating costs	7,370	7,089	281	2,597	2,226	371
Total operating costs	**33,154**	**30,697**	**2,457**	**10,925**	**9,598**	**1,327**
(Depreciation, amortization and provisions)	(1,892)	(2,151)	259	(544)	(790)	246
(Impairments)/Reversals on work in progress and inventories	(2,201)	(1,327)	(874)	0	0	0
Fair Value changes - increases/(decreases)	1,357	(390)	1,747	(1,202)	(1,314)	112
Total depreciations, amortizations, provisions, impairment and fair value changes	**(2,736)**	**(3,868)**	**1,132**	**(1,746)**	**(2,104)**	**358**
EBIT	**68,165**	**60,354**	**7,811**	**22,033**	**20,293**	**1,740**
Results from equity investments and asset disposal	**(180)**	**(37)**	**(143)**	**(51)**	**124**	**(175)**
Financial income	171	32	139	107	10	97
Financial charges	30,558	30,113	445	10,799	9,809	990
Net financial income	**(30,387)**	**(30,081)**	**(306)**	**(10,692)**	**(9,799)**	**(893)**
PRE-TAX PROFIT	**37,598**	**30,236**	**7,362**	**11,290**	**10,618**	**672**
Income taxes of the period	804	19	785	666	625	41
NET PROFIT	**36,794**	**30,217**	**6,577**	**10,624**	**9,993**	**631**
Non-controlling interests in net profit	361	215	146	23	29	(6)
IGD SIIQ S.p.A. share of net profit	**37,155**	**30,432**	**6,723**	**10,647**	**10,022**	**625**

2.2 Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (amounts in thousands of Euro)	30/09/2016 (A)	30/09/2015 (B)	Changes (A-B)	3° Q 2016 (C)	3° Q 2015 (D)	Changes (C-D)
NET PROFIT OF THE PERIOD	**36,794**	**30,217**	**6,577**	**10,624**	**9,993**	**631**
Other comprehensive income that will not be reclassified to profit or loss						
Transaction costs for capital increase	0	(108)	108	0	0	0
Total other comprehensive income that will not be recalssified to profit or loss, net of tax effects	**0**	**(108)**	**108**	**0**	**0**	**0**
Other comprehensive income that will be reclassified to profit or loss						
Effects of hedge derivatives on net equity	(582)	7,324	(7,906)	1,560	(357)	1,917
Tax effects of hedge derivative on net equity	(233)	(2,014)	1,781	(355)	98	(453)
Other effects on income statement components	92	82	10	101	79	22
Total other comprehensive income that will be reclassified to profit or loss, net of tax effects	**(723)**	**5,392**	**(6,115)**	**1,306**	**(180)**	**1,486**
Total comprehensive profit / (loss) of the period	**36,071**	**35,501**	**570**	**11,930**	**9,813**	**2,117**
Non-controlling interests in net profit	361	215	146	23	29	(6)
IGD SIIQ S.p.A. share of net profit	**36,432**	**35,716**	**716**	**11,953**	**9,842**	**2,111**

2.3 Consolidated statement of financial position

Consolidated statement of financial position (amounts in thousands of Euro)	30/09/2016 (A)	30/06/2016 (B)	31/12/2015 (C)	Changes (A-B)	Changes (A-C)
NON-CURRENT ASSETS:					
Intangible assets					
Intangible assets w ith finite useful lives	65	70	74	(5)	(9)
Goodw ill	12,662	12,662	12,662	0	0
	12,727	**12,732**	**12,736**	**(5)**	**(9)**
Tangible assets					
Real estate investments	1,973,998	1,973,998	1,970,028	0	3,970
Building	8,436	8,497	8,618	(61)	(182)
Plant and machinery	350	299	309	51	41
Equipments and other assets	1,371	1,475	1,699	(104)	(328)
Improvements on leasehold assets	1,072	1,136	1,273	(64)	(201)
Assets under construction and advances	65,970	59,179	50,533	6,791	15,437
	2,051,197	**2,044,584**	**2,032,460**	**6,613**	**18,737**
Other non-current assets					
Deferred tax assets	4,529	5,272	5,387	(743)	(858)
Sundry receivables and other non-current assets	85	88	90	(3)	(5)
Equity investments	1,738	1,790	6,366	(52)	(4,628)
Non-current financial assets	418	443	493	(25)	(75)
Derivative assets	-	3	12	(3)	(12)
	6,770	**7,596**	**12,348**	**(826)**	**(5,578)**
TOTAL NON-CURRENT ASSETS (A)	**2,070,694**	**2,064,912**	**2,057,544**	**5,782**	**13,150**
CURRENT ASSETS:					
Work in progress inventories and dow n payments	67,120	66,275	67,068	845	52
Trade and other receivables	13,052	13,260	14,074	(208)	(1,022)
Other current assets	4,021	4,857	3,132	(836)	889
Financial receivables and other current financial assets	151	151	9,174	0	(9,023)
Cash and cash equivalents	88,469	84,273	23,603	4,196	64,866
TOTAL CURRENT ASSETS (B)	**172,813**	**168,816**	**117,051**	**3,997**	**55,762**
Non-current assets held for sale ©	**-**	**4,466**	**-**	**(4,466)**	**0**
TOTAL ASSETS (A+B+C)	**2,243,507**	**2,238,194**	**2,174,595**	**5,313**	**68,912**
NET EQUITY:					
Share capital	599,760	599,760	599,760	0	0
Share premium reserve	29,971	29,971	39,971	0	(10,000)
Other reserves	345,682	344,376	323,915	1,306	21,767
Group profit	50,550	39,903	58,407	10,647	(7,857)
Total Group's net equity	**1,025,963**	**1,014,010**	**1,022,053**	**11,953**	**3,910**
Non-controlling interests	9,789	9,812	10,150	(23)	(361)
TOTAL NET EQUITY (D)	**1,035,752**	**1,023,822**	**1,032,203**	**11,930**	**3,549**
NON-CURRENT LIABILITIES:					
Derivative liabilities	34,104	35,420	35,002	(1,316)	(898)
Non-current financial liabilities	902,164	1,012,404	764,930	(110,240)	137,234
Provisions for employees severance indemnitites	2,231	2,188	2,046	43	185
Deferred tax liabilties	23,035	23,012	23,634	23	(599)
General provisios	4,651	4,348	4,688	303	(37)
Sundry payables and other non-current liabilities	24,890	24,910	26,460	(20)	(1,570)
TOTAL NON-CURRENT LIABILITIES: (E)	**991,075**	**1,102,282**	**856,760**	**(111,207)**	**134,315**
CURRENT LIABILITIES:					
Current financial liabilities	191,601	81,948	253,155	109,653	(61,554)
Trade and other payables	12,973	16,787	14,804	(3,814)	(1,831)
Tax liabilities	4,402	5,690	4,236	(1,288)	166
Other current liabilities	7,704	7,665	13,437	39	(5,733)
TOTAL CURRENT LIABILITIES	**216,680**	**112,090**	**285,632**	**104,590**	**(68,952)**
TOTAL LIABILITIES (G= E+F)	**1,207,755**	**1,214,372**	**1,142,392**	**(6,617)**	**65,363**
TOTAL NET EQUITY AND LIABILITIES (D+G)	**2,243,507**	**2,238,194**	**2,174,595**	**5,313**	**68,912**

2.4 Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group's net equity	Non-controlling interests	Total net equity
Balance as at 01/01/2015	**549,760**	**147,730**	**231,818**	**20,921**	**950,229**	**10,589**	**960,818**
Profit of the period				30,432	30,432	(215)	30,217
Cash flow hedge derivatives evaluation			5,310		5,310		5,310
Other comprehensive income (losses)			(26)		(26)		(26)
Total comprehensive income (losses)	**0**	**0**	**5,284**	**30,432**	**35,716**	**(215)**	**35,501**
Allocation of 2014 profit							
Dividends paid			(9,780)	(18,583)	(28,363)		(28,363)
To legal reserve		(97,581)	97,581		0		0
To other reserve		(10,178)	(253)	10,431	0		0
Balance as at 30/09/2015	**549,760**	**39,971**	**324,650**	**43,200**	**957,581**	**10,374**	**967,955**

	Share capital	Share premium reserve	Other reserves	Group profit	Group's net equity	Non-controlling interests	Total net equity
Balance as at 01/01/2016	**599,760**	**39,971**	**323,915**	**58,407**	**1,022,053**	**10,150**	**1,032,203**
Profit of the period				37,155	37,155	(361)	36,794
Cash flow hedge derivatives evaluation			(815)		(815)		(815)
Other comprehensive income (losses)			92		92		92
Total comprehensive income (losses)	**0**	**0**	**(723)**	**37,155**	**36,432**	**(361)**	**36,071**
Allocation of 2015 profit							
Dividends paid			(6,828)	(25,694)	(32,522)		(32,522)
To legal reserve		(10,000)	10,000		0		0
To other reserve		0	19,318	(19,318)	0		0
Balance as at 30/09/2016	**599,760**	**29,971**	**345,682**	**50,550**	**1,025,963**	**9,789**	**1,035,752**

2.5 Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW	30/09/2016	30/09/2015
(in thousands of Euro)		
CASH FLOW FROM OPERATING ACTIVITIES OF THE YEAR		
Pre-tax profit	**37,598**	**30,236**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Non-cash items	3,482	135
(Depreciations, amortizations and provisions)	1,892	2,152
(Impairment)/Reversals on work in progress and inventory	2,201	1,327
Fair value changes - increases/(decreases)	(1,357)	390
Income/losses from property sales - Equity investments management	180	90
CASH FLOW FROM OPERATING ACTIVITIES	**43,996**	**34,330**
Income taxes	(694)	(772)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAXES	**43,302**	**33,558**
Change in inventories	(2,063)	799
Net change in current assets and liabilities	(8,190)	631
Net change in non-current assets and liabilities	(1,654)	491
CASH FLOW FROM OPERATING ACTIVITIES	**31,395**	**35,479**
(Investments) in fixed assets	(18,487)	(22,549)
Disposals of fixed assets	152	28,577
Disposals of equity investments	4,466	0
(investments) in equity investments	(13)	(4,384)
CASH FLOW FROM INVESTING ACTIVITIES	**(13,882)**	**1,644**
Change in non-current financial assets	0	6
Change in financial receivables and other current financial assets	9,023	0
Share capital increase	0	(108)
Cash Flow Hedge reserve	(1,659)	0
Dividends distribution	(32,522)	(28,363)
Change in current debt	(164,433)	47,665
Change in non-current debt	236,932	(58,225)
CASH FLOW FROM FINANCING ACTIVITIES	**47,341**	**(39,025)**
Exchange gain (losses) on cash and cash equivalents	12	8
NET INCREASE (DECREASE) IN CASH BALANCE	**64,866**	**(1,894)**
CASH BALANCE AT THE BEGINNING OF THE YEAR	**23,603**	**15,242**
CASH BALANCE AT THE END OF THE YEAR	**88,469**	**13,348**

2.6 Net financial position

The table below presents the net financial position at 30 September 2016, 30 June 2016 and 31 December 2015. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

Uncommitted credit facilities with banks amount to €276 million, of which €248.29 million was unutilized at the close of the period. Committed revolving credit facilities with banks, unutilized at 30 September, amount to €60 million.

See the section "Statement of financial position and financial review" for comments.

NET DEBT			
	30/09/2016	30/06/2016	31/12/2015
Cash and cash equivalents	(88,469)	(84,273)	(23,603)
Financial receivables and other current financial assets	(151)	(151)	(9,174)
LIQUIDITY	**(88,620)**	**(84,424)**	**(32,777)**
Current financial liabilities	26,563	25,552	179,954
Mortgage loans - current portion	148,676	44,326	64,947
Leasing liabilities - current portion	310	308	303
Bond loan - current portion	16,052	11,762	7,951
CURRENT FINANCIAL DEBT	**191,601**	**81,948**	**253,155**
NET CURRENT FINANCIAL DEBT	**102,981**	**(2,476)**	**220,378**
Non-current financial assets	(418)	(443)	(493)
Non-current financial liabilities due to other source of finance	0	0	375
Leasing liabilities - non-current portion	4,330	4,409	4,564
Non-current financial liabilities	324,318	435,103	477,642
Bond loan	573,516	572,892	282,349
NET NON-CURRENT FINANCIAL DEBTS	**901,746**	**1,011,961**	**764,437**
NET DEBT	**1,004,727**	**1,009,485**	**984,815**

2.7 Preparation criteria and scope of consolidation

1. General information

The interim condensed consolidated financial statements of Immobiliare Grande Distribuzione at 30 September 2016 were approved and authorized for publication by the Board of Directors on 8 November 2016.
IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0. Soc. Coop and is under the management and coordination of that company.
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2. Summary of accouting standards

2.1. Preparation criteria

Declaration of conformity with international accounting standards

The interim management statement (unaudited) was prepared in accordance with Art. 154-*ter* of Legislative Decree 58/1998, as per the IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and approved by the European Union, and with the instructions issued in implementation of Art. 9 of Legislative Decree 38/2005... The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC).
The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2015 and the condensed consolidated half-year financial statements at 30 June 2016, 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).
In accordance with CONSOB instructions, income statement figures are provided for the quarter under review and are compared with figures for the same periods last year. The figures in the statement of financial position, which refer to the end date of the quarter, are compared with the end date of the previous quarter. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2015), while balance sheet items are compared with the previous quarter (30 June 2016).
The use of estimates broadly reflects the practice followed in the year-end financial statements.
The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

2.2. Consolidation

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 30 September 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 30/06/2016, the scope of consolidation has changed tor effect of the sale of the interest in UnipolSai Investimenti SGR S.p.A... 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 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. Some affiliates 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	Group % consolidated	Held by	% 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 consolidate 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 company
IGD Property SIINQ 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 SIINQ 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%	100.00%	Facility management
						IGD SIIQ S.p.A. 0.1%		
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 net equity								
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 sport facilities/equipment, construction, trading and rental of properties used for sport marketing activities.
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 the 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 the 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 the common areas
Consorzio Proprietari puntadiferro	Forlì Piazzale della Cooperazione 4	Italy	10,000.00	Euro		Punta di Ferro SIINQ S.p.A.	62.34%	Shopping center promotion and management of the common areas
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
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 the common areas
Others valued at cost								
Iniziative Bologna Nord s.r.l. in liquidazione	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.	Sport activities promotion

3. Segment reporting

The income statement and the 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.

INCOME STATEMENT	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**97,504**	**90,267**	**3,897**	**3,810**	**590**	**1,570**	**0**	**0**	**101,992**	**95,647**
Change in inventories of work in progress	**0**		**0**		**2,063**	**(728)**	**0**	**0**	**2,063**	**(728)**
Direct costs (a) (excluding provisions for doubtful accounts)	18,928	18,400	3,445	3,492	2,854	993	0	0	25,227	22,885
G&A expenses (b)							7,927	7,812	7,927	7,812
Total operating costs (a) + (b)	**18,928**	**18,400**	**3,445**	**3,492**	**2,854**	**993**	**7,927**	**7,812**	**33,154**	**30,697**
(Depreciations, amortizations and provisions)	(1,673)	(1,859)	(17)	(78)	(4)	(4)	(198)	(210)	(1,892)	(2,151)
(Impairment)/Reversals on work in progress and inventories	(190)	(591)	0	0	(2,011)	(736)	0	0	(2,201)	(1,327)
Changes in Fair Value - increases / (decreases)	1,357	(390)	0	0	0	0	0	0	1,357	(390)
Total depreciations, amortizations, provision, impairment and fair value changes	**(506)**	**(2,839)**	**(17)**	**(78)**	**(2,015)**	**(740)**	**(198)**	**(210)**	**(2,736)**	**(3,868)**
EBIT	**78,070**	**69,028**	**435**	**240**	**(2,215)**	**(891)**	**(8,125)**	**(8,022)**	**68,165**	**60,354**
Result from equity investment and asset disposals							**(180)**	**(37)**	**(180)**	**(37)**
Financial income:							**171**	**32**	**171**	**32**
-third parties							167	28	167	28
-related parties							4	4	4	4
Financial charges							**30,558**	**30,113**	**30,558**	**30,113**
-third parties							30,525	30,062	30,525	30,062
-related parties							33	51	33	51
Net financial income							**(30,387)**	**(30,081)**	**(30,387)**	**(30,081)**
PRE-TAX PROFIT	**78,070**	**69,028**	**435**	**240**	**(2,215)**	**(891)**	**(38,692)**	**(38,140)**	**37,598**	**30,236**
Income taxes							804	19	804	19
NET PROFIT	**78,070**	**69,028**	**435**	**240**	**(2,215)**	**(891)**	**(39,496)**	**(38,159)**	**36,794**	**30,217**
Non-controlling interest in net profit									361	215
IGD SIIQ S.p.A. share of net profit	**78,070**	**69,028**	**435**	**240**	**(2,215)**	**(891)**	**(39,496)**	**(38,159)**	**37,155**	**30,432**

STATEMENT OF FINANCIAL POSITION	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Real estate investments	*1,973,998*	*1,973,998*	*0*	*0*	*0*	*0*	*0*	*0*	*1,973,998*	*1,973,998*
- Non-current assets held for sale	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*4,466*	*0*	*4,466*
- Assets under construction	*65,970*	*59,179*	*0*	*0*	*0*	*0*	*0*	*0*	*65,970*	*59,179*
Intangible assets	*11,656*	*11,655*	*1,007*	*1,007*	*4*	*5*	*60*	*65*	*12,727*	*12,732*
Other tangible assets	*2,632*	*2,723*	*158*	*183*	*3*	*3*	*8,436*	*8,498*	*11,229*	*11,407*
- Sundry receivables and other non-current assets	*0*	*0*	*0*	*0*	*0*	*0*	*85*	*88*	*85*	*88*
- Equity investments	*1,655*	*1,706*	*0*	*0*	*0*	*0*	*83*	*84*	*1,738*	*1,790*
NWC	*(6,680)*	*(9,517)*	*1,217*	*820*	*64,577*	*62,947*	*0*	*0*	*59,114*	*54,250*
Funds	*(5,744)*	*(5,519)*	*(1,118)*	*(1,001)*	*(19)*	*(16)*	*0*	*0*	*(6,882)*	*(6,536)*
Sundry payables and other non-current liabilities	*(18,711)*	*(18,686)*	*0*	*0*	*(6,179)*	*(6,224)*	*0*	*0*	*(24,890)*	*(24,910)*
Net deferred tax (assets)/liabilities	*(21,639)*	*(20,869)*	*0*	*0*	*3,132*	*3,129*	*0*	*0*	*(18,507)*	*(17,740)*
Total use of funds	**2,003,138**	**1,994,670**	**1,264**	**1,009**	**61,518**	**59,844**	**8,664**	**13,201**	**2,074,583**	**2,068,724**
Total Group net equity	*994,911*	*985,186*	*(111)*	*6*	*31,164*	*28,819*	*(0)*	*(0)*	*1,025,963*	*1,014,010*
Non-controlling interests in capital and reserves	*0*	*0*	*0*	*0*	*9,789*	*9,812*	*0*	*0*	*9,789*	*9,812*
Net (assets) and liabilities for derivative instruments	*34,104*	*35,417*	*0*	*0*	*0*	*0*	*0*	*0*	*34,104*	*35,417*
Net Debt	*974,123*	*974,068*	*1,375*	*1,003*	*20,565*	*21,213*	*8,664*	*13,201*	*1,004,727*	*1,009,485*
Total sources	**2,003,138**	**1,994,670**	**1,264**	**1,009**	**61,518**	**59,844**	**8,664**	**13,201**	**2,074,583**	**2,068,724**

REVENUES FROM FREEHOLD PROPERTIES	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	NORTHERN ITALY		CENTER/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	43,683	37,698	36,150	35,614	6,449	6,310	86,282	79,622
UNA TANTUM REVENUES	12	24	10	23	0	0	22	47
TEMPORARY LOCATION RENTAL	1,090	796	756	660	0	0	1,845	1,456
OTHER RENTAL INCOME	45	-60	49	-50	28	23	122	-87
TOTAL	**44,830**	**38,458**	**36,965**	**36,247**	**6,477**	**6,333**	**88,272**	**81,038**

2.8 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 30 September 2016 correspond to the company's records, ledgers and accounting entries.

Bologna, 8 November 2016

Grazia Margherita Piolanti
Financial Reporting Officer