



Road show Presentation

1H2018 Results

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1. Introduction to IGD

A leading player in the Italian retail real estate sector

Quick facts and figures (1H 2018)

27 shopping malls
in Italy*

63.4% of value

25 hyper /
supermarkets
in Italy

26,6% of value



>€2.4bn portfolio value

14 shopping
malls in Romania

6.5% of value

Development
& others⁽²⁾

3.6% of value



5.5% EPRA NIY

5.6% net initial yield topped-up



EPRA NNAV: €1,241M

€11.25/share



80.6% EBITDA margin⁽³⁾

+280 bps since 2014



FFO/share: €0.35/share^(1H2018)

> 20% CAGR over 2014-2017 (FY)



97.1% financial occupancy⁽⁴⁾

Constantly > 96% since IPO (2005)



46.4% LTV

45-50% target BP 2016-2018

Baa3 rating by Moody's

#1 Italian
Retail SIQ
(REIT)

Note:

(1) Including 50% owned Darsena City shopping centre

(3) Margin from freehold properties

(2) Includes mainly the Porta a Mare project in Livorno

(4) Financial occupancy for Italian properties

Distinctive positioning in the Italian retail property sector

Business model focused on locally dominant shopping centres, proactive asset management and well defined strategic guidelines

1

Large portfolio of retail property assets with a strong customer base generating sound and visible revenues and growing cash flows

2

Significant competitive positioning in the Italian retail property market

3

Presence throughout Italy but mainly focused on strategic areas of North and Central Italy, featuring average GDP per capita above EU average

4

Medium sized and easily accessible shopping centers: in line with the geographical structure of Italy which is characterized by medium sized cities and provinces

5

The presence of a strong food anchor (COOP), intimately integrated in the Italian territory contributes to keep a high and steady level of footfalls

6

Strong track-record of direct management: proactive approach, careful merchandising mix, marketing activity adapted to each context and wide offer of customer related services

7

Low exposure to commercialization risks related to development activities



A company inspired by the best market standards

Solid management team, best-in-class corporate governance and attention to reporting transparency and sustainability

Solid management team



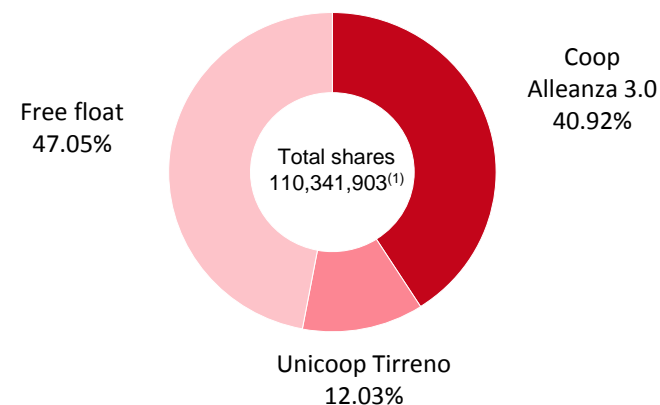
Consolidated management team in place since 2009
Mr. Albertini (CEO) is a member of the EPRA Advisory Board

Best in class governance and reporting



Company listed on the STAR segment of the Italian stock exchange
BoD including 7 independent members (since the listing, the majority of the directors have been independent) and 4 directors of the less represented gender
Presence of 4 ad-hoc committees to ensure full transparency

IGD shareholding structure ⁽¹⁾



Sustainability Report
(2014, 2015, 2016, 2017)



Annual Report
(2017)
(Silver Award in 2015 & 2016)

(1) Post share capital increase; on the basis of shareholding communication received by the company

The new Board of Directors

On 1 June 2018 the Shareholders Meeting appointed the new Board of Directors (in office until the FY2020 results approval)

- Chairman and Chief Executive Officer confirmed
- Number of directors further reduced (from 13 to 11)
- Independence - professional competence - international profile
- Expertise in the real estate, retail, legal and financial fields

<u>EXECUTIVE</u>	CHAIRMAN Elio Gasperoni	CEO Claudio Albertini		
<u>INDEPENDENT</u>	VICE CHAIRMAN Rossella Saoncella <i>Granarolo</i> <i>Former General Manager</i>	Eric Jean Veron <i>Vailog - General Manager</i>	Sergio Lugaresi <i>Consultant - ABI, EBA, IMF</i>	Timothy Santini <i>Eurocommercial</i> <i>Former Head of Italian activities</i>
	Luca Dondi Dall'Orologio <i>Nomisma - CEO</i>	Elisabetta Gualandri <i>Università di Modena - Professor</i>	Livia Salvini <i>Lawyer</i> <i>Università LUISS di Roma - Professor</i>	
<u>NON EXECUTIVE</u> <u>NON INDEPENDENT</u>	Gian Maria Menabò <i>Coop Alleanza</i> <i>Head of Asset Management and Development</i>		Alessia Savino <i>Unicoop Tirreno</i> <i>Head of Finance and Asset Management</i>	



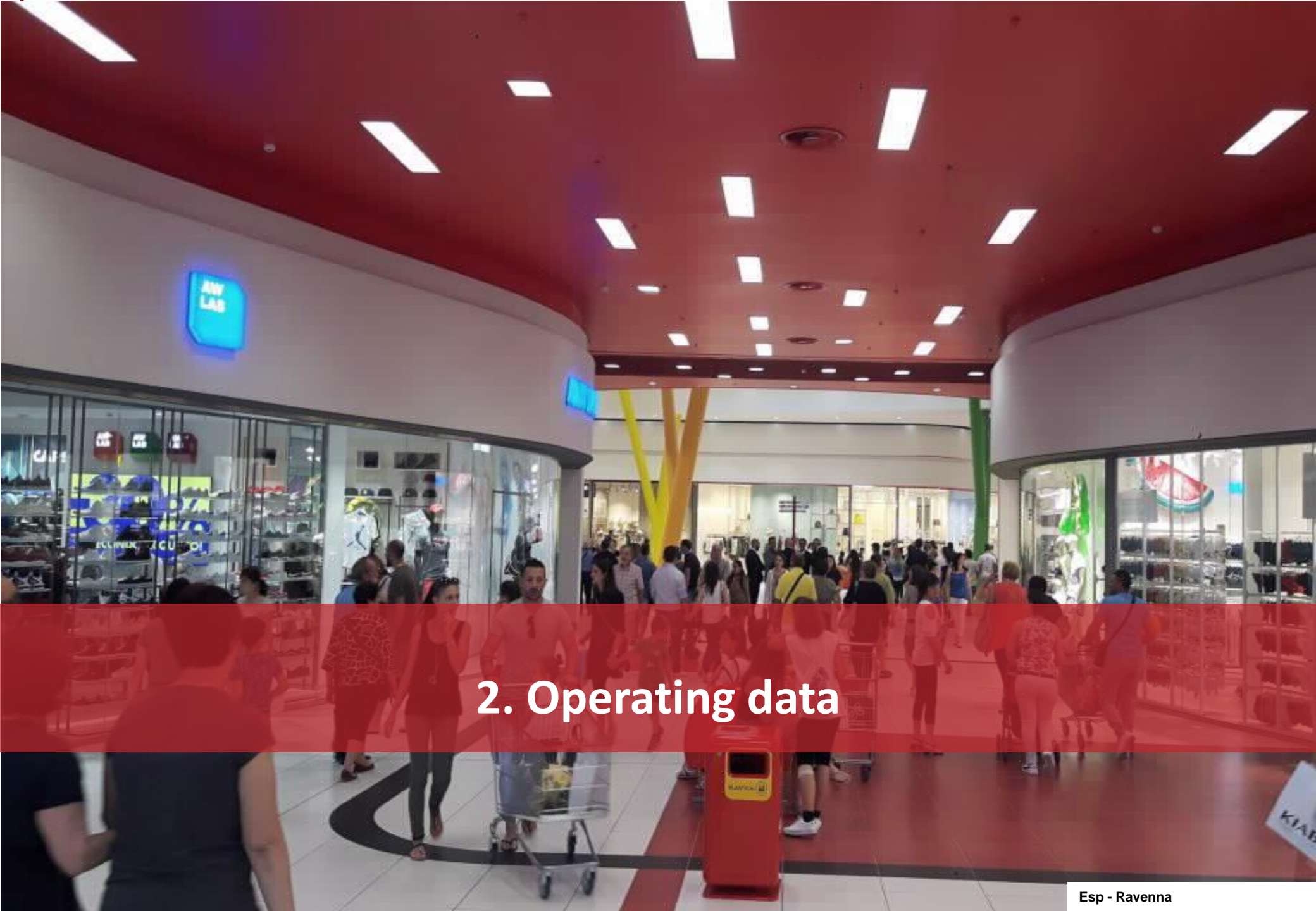
63.6% Independent (7)

36.4% Non Independent (4)



63.6% Male (7)

36.4% Female (4)



2. Operating data

A cluster of retail assets dominant in their catchment area



CENTRO SARCA
SESTO S. GIOVANNI (MI)



ESP
RAVENNA



LE MAIOLICHE
FAENZA (RA)



CENTRO BORGO
BOLOGNA



CENTRO LAME (2)
BOLOGNA



PUNTADIFERRO
FORLÌ



CENTRO LEONARDO (2)
IMOLA (BO)



CONÈ
CONEGLIANO (TV)



CENTRO PIAVE (1)
SAN DONA' DI PIAVE (VE)



CLODI
CHIOGGIA (VE)



CENTRO NOVA (1)
VILLANOVA DI CASTENASO (BO)



MONDOVICINO SHOPPING CENTER & RETAIL PARK
MONDOVI (CN)



MILLENNIUM GALLERY
ROVERETO (TN)



LA FAVORITA (2)
MANTOVA



GRAN RONDÒ
CREMA (CR)



LUNGO SAVIO
CESENA



CENTROLUNA (2)
LA SPEZIA



I BRICCHI
ISOLA D'ASTI (AT)



PIAZZA MAZZINI
LIVORNO



TIBERTINO
GUIDONIA (RM)



MAREMA'
GROSSETO



CENTRO PORTO GRANDE
PORTO D'ASCOLI (AP)



CITTÀ DELLE STELLE
ASCOLI PICENO



FONTI DEL CORALLO (1)
LIVORNO



CASILINO
ROMA



CENTRO D'ABRUZZO
PESCARA



LE PORTE DI NAPOLI
AFRAGOLA (NA)



LA TORRE
PALERMO



KATANÉ
CATANIA



OFFICINE STORICHE
LIVORNO

Italian Portfolio: hypermarkets and shopping malls

**FULL OWNERSHIP OF
16 SHOPPING
CENTRES
(MALL +
HYPERMARKET)**

11 SHOPPING MALLS

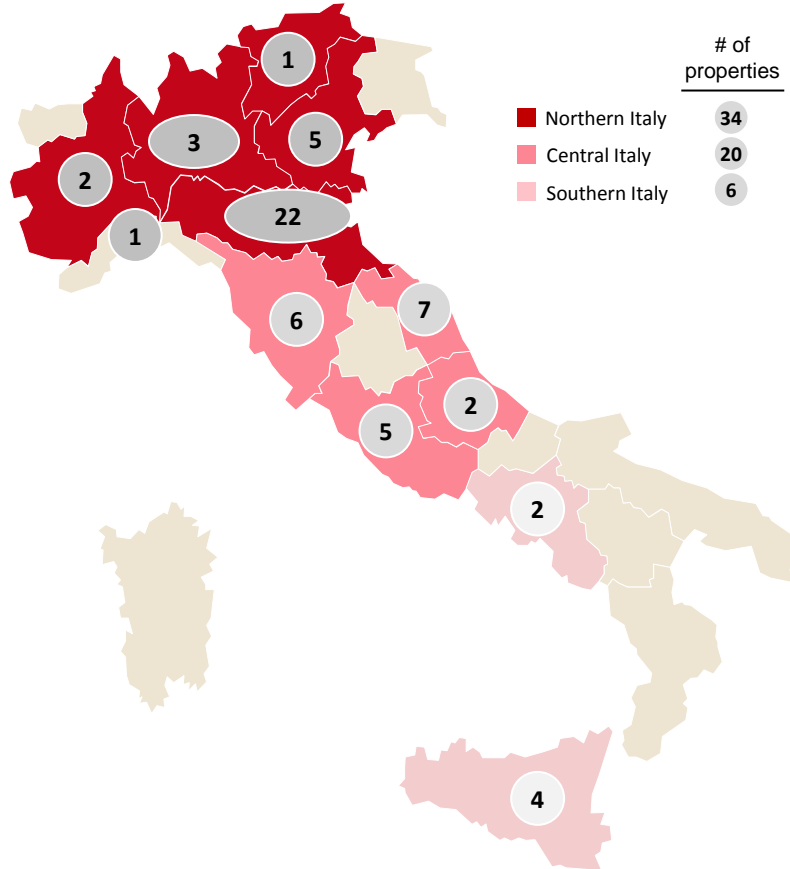
9 HYPERMARKETS

27 SHOPPING MALLS	25 HYPERMARKETS	TENANTS HYPERMARKETS	OF
CENTRO D'ABRUZZO -Pescara	CENTRO D'ABRUZZO -Pescara	Coop Alleanza 3.0	
CLODI' - Chioggia	CLODI' - Chioggia	Coop Alleanza 3.0	
PORTO GRANDE - Porto d'Ascoli (AP)	PORTO GRANDE - Porto d'Ascoli (AP)	Coop Alleanza 3.0	
ESP - Ravenna	ESP - Ravenna	Coop Alleanza 3.0	
CENTRO BORGO -Bologna	CENTRO BORGO -Bologna	Coop Alleanza 3.0	
CONE' RETAIL PARK - Conegliano (TV)	CONE' RETAIL PARK - Conegliano (TV)	Coop Alleanza 3.0	
LE MAIOLICHE - Faenza	LE MAIOLICHE - Faenza	Coop Alleanza 3.0	
LUNGO SAVIO -Cesena	LUNGO SAVIO -Cesena	Coop Alleanza 3.0	
CITTA' DELLE STELLE - Ascoli Piceno	CITTA' DELLE STELLE - Ascoli Piceno	Coop Alleanza 3.0	
KATANANE' - Catania	KATANANE' - Catania	Coop Sicilia	
CENTRO LAME - Bologna	CENTRO LAME - Bologna	Coop Alleanza 3.0	
CENTRO LEONARDO - Imola (BO)	CENTRO LEONARDO - Imola (BO)	Coop Alleanza 3.0	
TORRE INGASTONE - Palermo	TORRE INGASTONE - Palermo	Coop Sicilia	
CASILINO -Roma	CASILINO -Roma	Distribuzione Umbria srl	Lazio
LE PORTE DI NAPOLI -Afragola (NA)	LE PORTE DI NAPOLI -Afragola (NA)	Distribuzione Centro (ipercoop)	Sud Srl
TIBURTINO -Guidonia (RM)	TIBURTINO -Guidonia (RM)	Distribuzione Centro (ipercoop)	Sud Srl
MILLENNIUM GALLERY - Rovereto (TN)	Hypermkts not owned by IGD		
PUNTADIFERRO - Forlì (FC)			
CENTROLUNA - Sarzana (SP)			
LA FAVORITA - Mantova			
MAREMA' - Grosseto			
CENTRO SARCA - Sesto S. Giovanni (MI)			
MONDOVICINO RETAIL PARK -Mondovì (CN)			
Gran Rondò (Crema)			
Piazza Mazzini (Livorno)			
I BRICCHI - Isola d'Asti (AT)			
DARSENA CITY - Ferrara (50% owned by Beni Stabili)			
Malls not owned by IGD	Supermkt Civita Castellana (Viterbo)	Distribuzione Umbria srl	Lazio
	Supermkt Cecina (Livorno)	Unicoop Tirreno	
	Hypermkt Le Fonti del Corallo - Livorno	Unicoop Tirreno	
	Hypermkt Schio-Schio (Vicenza)	Coop Alleanza 3.0	
	Hypermkt LUGO - Lugo (RA)	Coop Alleanza 3.0	
	Hypermkt IL MAESTRALE - Senigallia (AN)	Coop Alleanza 3.0	
	Hypermkt MIRALFIORE - Pesaro	Coop Alleanza 3.0	
	Supermkt AQUILEJA - Ravenna	Coop Alleanza 3.0	
	Hypermkt I MALATESTA - Rimini	Coop Alleanza 3.0	

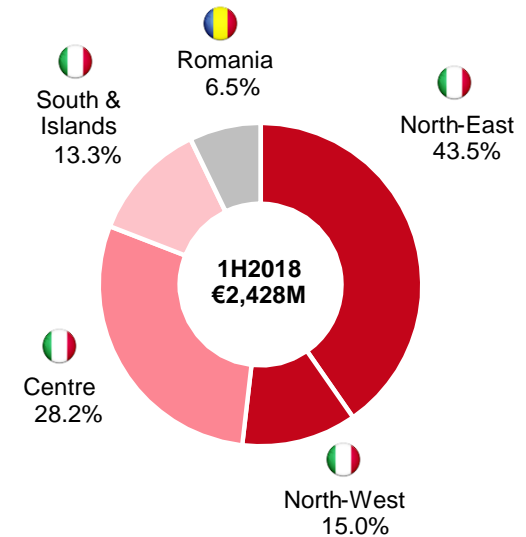
Property portfolio focused on wealthier Italian regions

The bulk of IGD's portfolio is focused on selected regions featured by a solid economic environment

 **60 properties in 12 regions (93.5% of market value)**
Property portfolio as 30/06/2018 – includes development and others



 **> 80% of value of Italian portfolio concentrated in Northern & Central Italy**



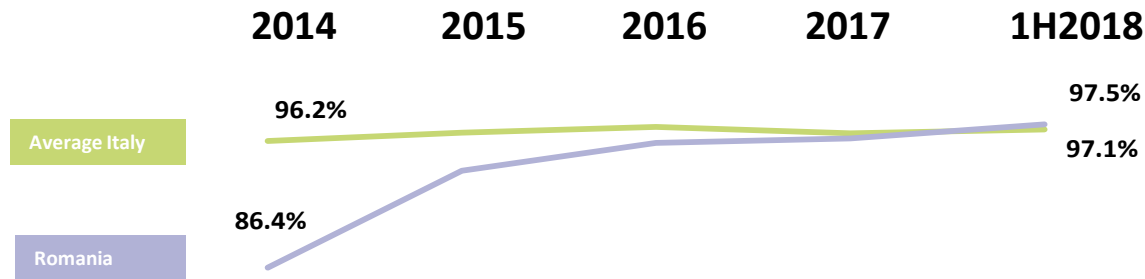
 **Portfolio allocation strategy confirmed by recent track-record of development and acquisitions**

- ECP portfolio acquisition (2018): located in Emilia Romagna (2), Lombardy (1) and Liguria (1)
- ESP Ravenna restyling and extension (2017): located in Emilia Romagna
- Maremà (2016): located in Tuscany
- Punta di Ferro (2015): located in Emilia Romagna

A performing and effective portfolio

(data at 30/06/2018)

Resilience in occupancy



Occupancy rate always high thanks to the restyling/extension/remodeling activities

Flexibility and adaptability

m²

Average mall dimension:
approx 15,000 m²



Average no. of shops:
55



No. of full ownership shopping center*:
16

Portfolio that can easily be remodeled/reconverted (ie. Le Porte di Napoli, Città delle Stelle)

A consistent evolution of our portfolio...

€ 2,228.2mn



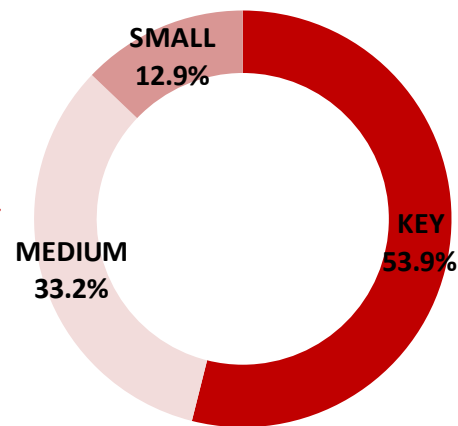
Portfolio FY2017

+9.0%

€ 2,428.8mn



Portfolio 1H2018



Full ownership of
16 Shopping Center
in Italy
(63.4% of Italy core market value)

Katanè



Porte di Napoli



Tiburtino



ESP



puntadiferro



Conè



C. Sarca



C. Leonardo

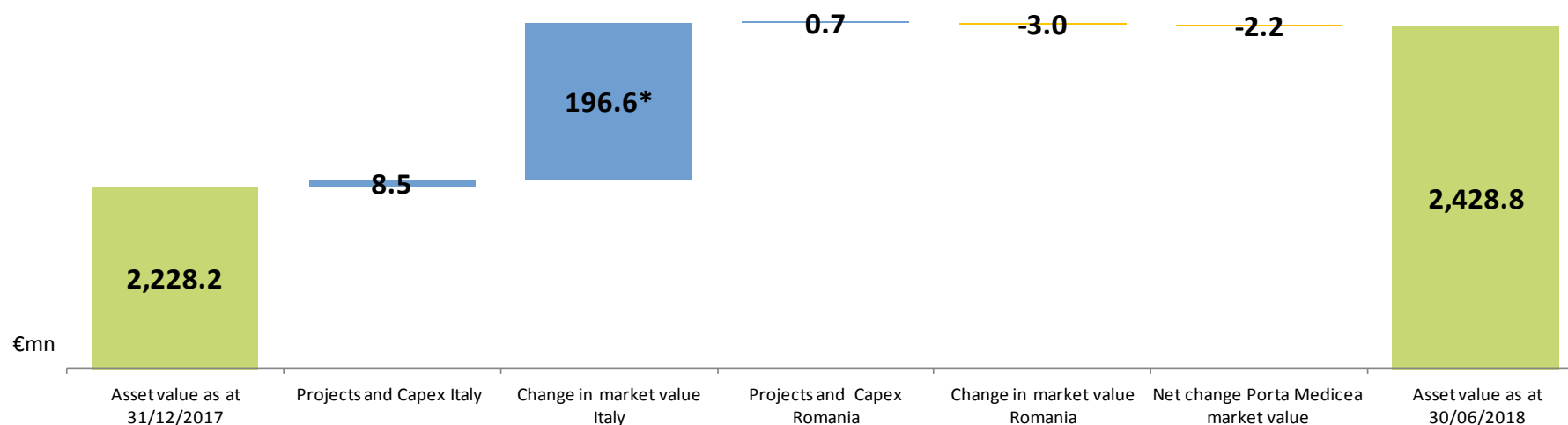


NEW

...with a growing value

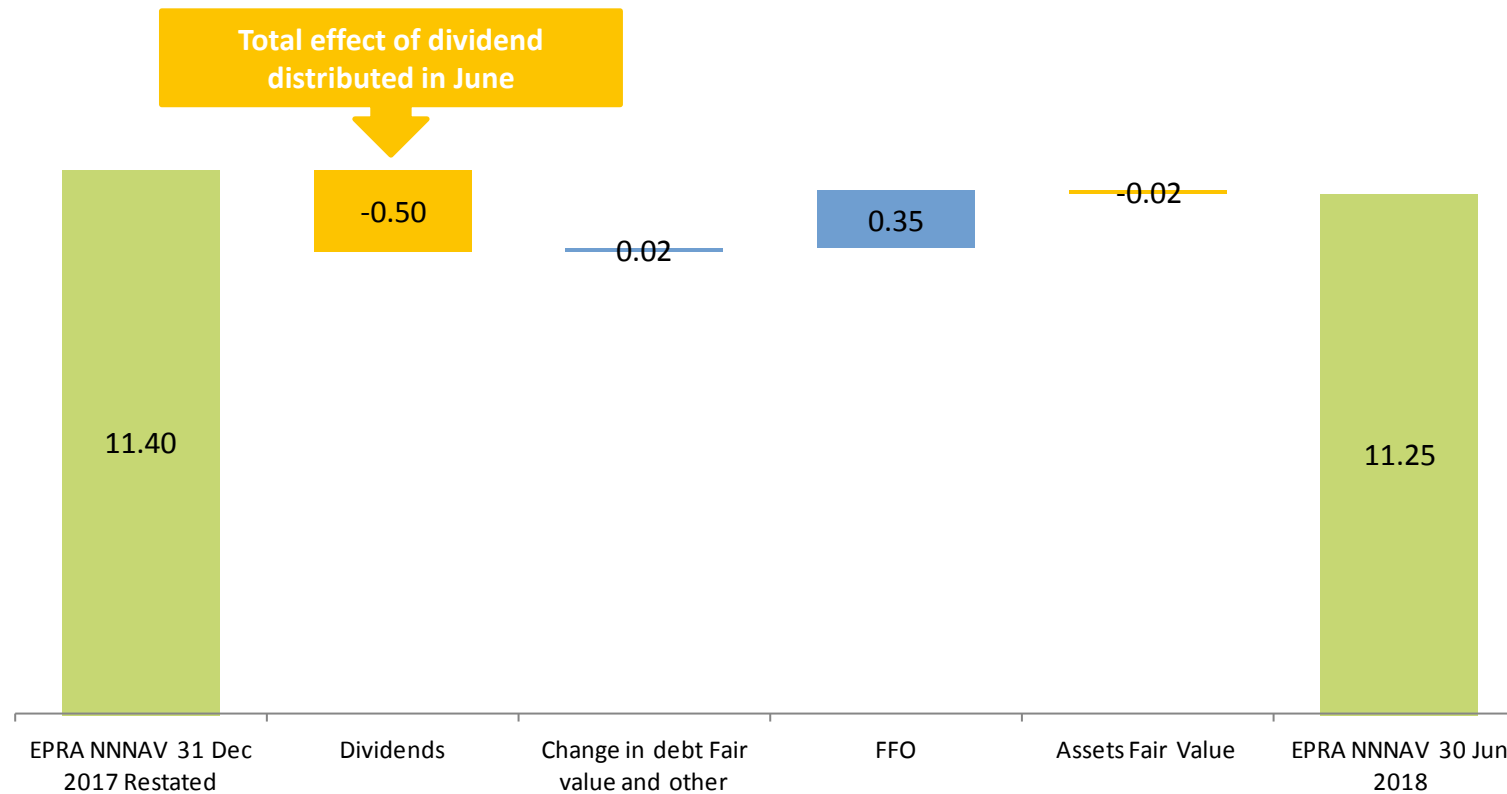


	FV2017	1H2018	Δ %	Δ% Like for Like	Gross Initial Yield	Net Initial Yield	Net Initial Yield topped up	Financial occupancy	
Malls Italy	1,331.60	1,539.07	+ 15.58%	-0.26%	+ 6.3%	5.5%	5.6%	95.9%	} Tot. Italy 97.1%
Hypermarkets Italy	647.20	645.14	-0.32%	-0.32%	+ 6.2%			100.0%	
Romania	159.53	157.22	-1.45%	-1.45%	+ 6.6%	5.5%	5.9%	97.5%	
Porta a Mare + developments + other	89.90	87.39							
Total IGD portfolio	2,228.23	2,428.82	+ 9.0%						



* Substantially due to the increase related to the portfolio acquisition for a total investment equal to €195.5 mn

€ per share	31/12/2017* Restated	30/06/2018	Δ
NAV	11.87	11.65	(-1.9%)
NNNAV	11.40	11.25	(-1.3%)



*Values at 31 December 2017 have been adjusted in order to include the capital increase effects (cash in and new number of shares)

Contracts in Italy and Romania

(data at 30/06/2018)

Italy

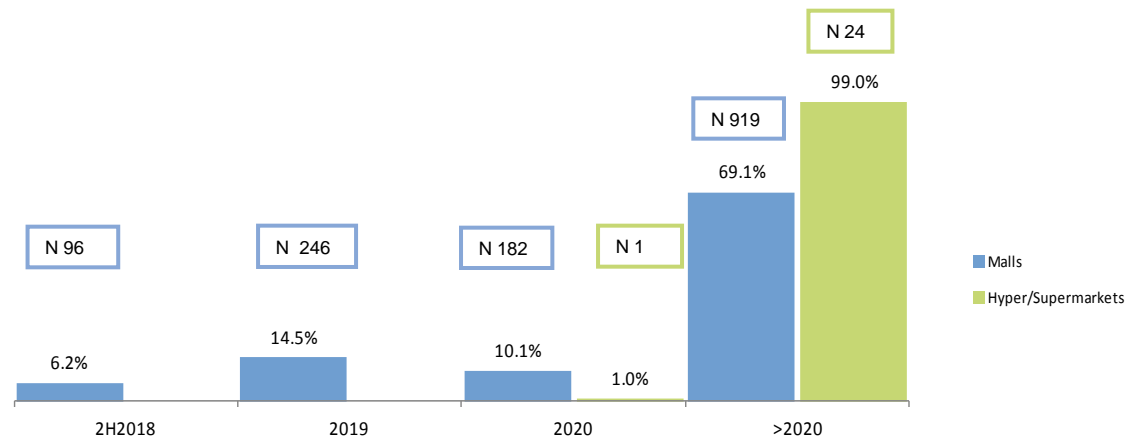
No. of contracts : 1,443

Average residual maturity

Hypermarkets 7.3 years

Malls 4.5 years

Expiry date of mall and hypermarket contracts (% value)



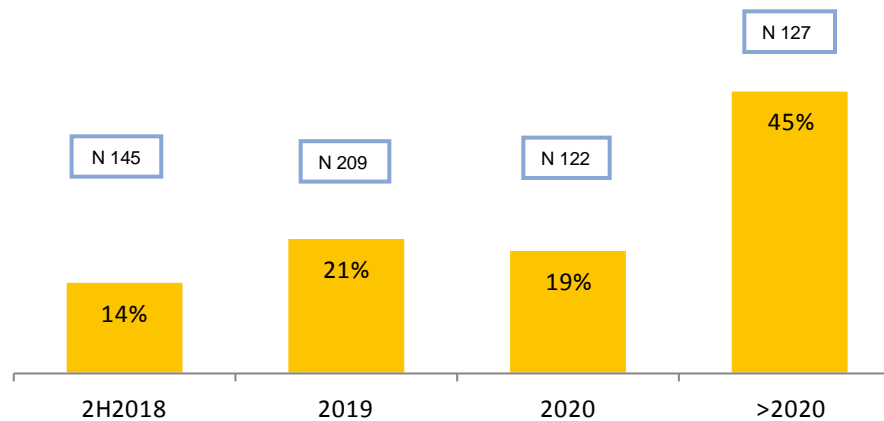
Romania

No. of contracts: 603

Average residual maturity

4.8 years

Expiry date of mall contracts (% value)

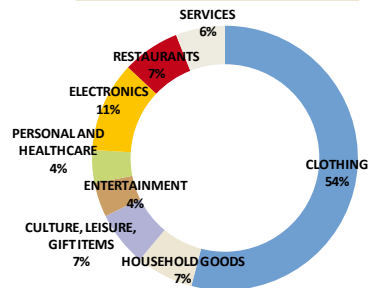


Key tenants 1H2018

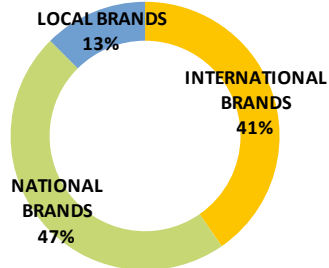
Top 10 Tenants Malls Italy			
TOP 10 Tenant	Product category	Turnover impact	Contracts
PIAZZA ITALIA	clothing	3.1%	14
OVS	clothing	2.7%	11
H.M	clothing	2.4%	11
FIORELLA RUBINO mötivi oltre	clothing	2.3%	32
SCARPE & CALZE	shoes	2.2%	9
unieuro	electronics	1.8%	7
CALZEDONIA	clothing	1.6%	27
CAMST LA RISTORAZIONE ITALIANA	restaurants	1.3%	15
Stroili	jewellery	1.3%	19
GameStop POWER TO THE PLAYERS	electronic games	1.3%	25
Total		20.0%	170

Top 10 Tenants Malls Romania			
TOP 10 Tenant	Product category	Turnover impact	Contracts
Carrefour market	food	10.0%	11
H.M	clothing	7.7%	6
PEPCO	clothing	4.0%	11
dm	grocery	2.6%	5
B.B BOUTIQUE	jewellery	2.3%	7
ALTEX	electronics	2.3%	3
SENSI	pharmacy	2.0%	4
OCPL OFFICINA DI CROCELE	offices	1.7%	1
FLANCO	electronics	1.2%	1
BANCA BT TRANSILVANIA*	bank	1.2%	2
Total		35.0%	51

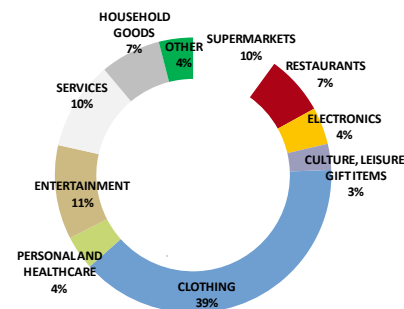
MALLS MERCHANDISING MIX



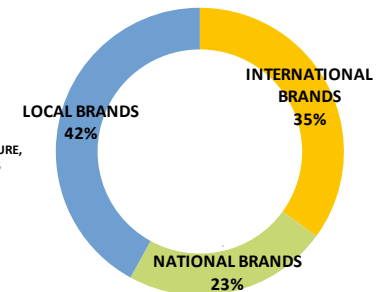
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALLS TENANT MIX



* On malls total turnover



3. 1H2018 Results

Highlights 1H2018

↗ **€74.1 mn**
Rental Income
+8.4%

↗ **€60.7 mn**
Net Rental Income
+9.9%

↗ **€55.6 mn**
Core business Ebitda
+11.3%
Margin 72.1% +230bps
Margin from Freehold 80.6% (+110 bps)

↗ **€34.8 mn**
Group Net Profit
-28.9%

↗ **€38.9€mn**
Funds From Operations (FFO)
+22%

igd SPAZI DAVIVERE
SIG

2017 of growth and strong start of 2018

	FY2016	FY2017		1H 2017	1H 2018	
Revenues						
• Rental Income	€131.1MM	€138.9MM	+5.6%	€68.4MM	€74.1MM	+8.4%
• Net Rental Income	€105.2MM	€111.9MM	+6.4%	€55.2MM	€60.7MM	+9.9%
EBITDA						
• EBITDA (Core Business)	€94.9MM	€101.2MM	+6.7%	€50.0MM	€55.6MM	+11.3%
• EBITDA Margin (Core Business)	69.3%	69.7%	+40pts	69.8%	72.1%	+230pts
• EBITDA Margin from Freehold	78.7%	79.2%	+50pts	79.5%	80.6%	+110pts
• Group Net Profit	€68.3 MM	€86.5MM	+26.5%	€48.9MM	€34.8MM	-28.9%
Core Business Funds from Operation (FFO)	€53.9 MM	€65.6MM	+21.7%	€31.9MM	€38.9MM	+22%
Core Business FFO <i>per share</i> ⁽¹⁾	€0.66	€0.81				
• Epra NNAV per share	€12.90	€13.67		€13.1 ⁽²⁾	€11.25	

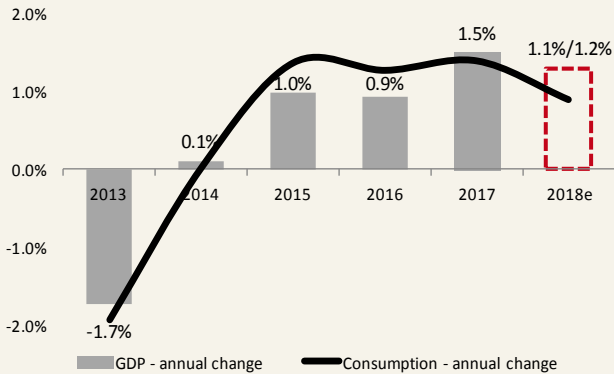
(1) Calculated on the year-end no. of share

(2) Post raggruppamento azionario

Macroeconomic context updates 1H2018



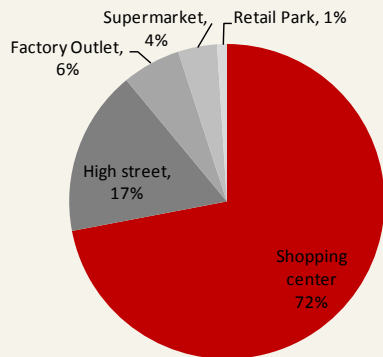
Economy still growing but at a slower pace



Unemployment and consumer confidence are better than the 4 years average



Retail real estate

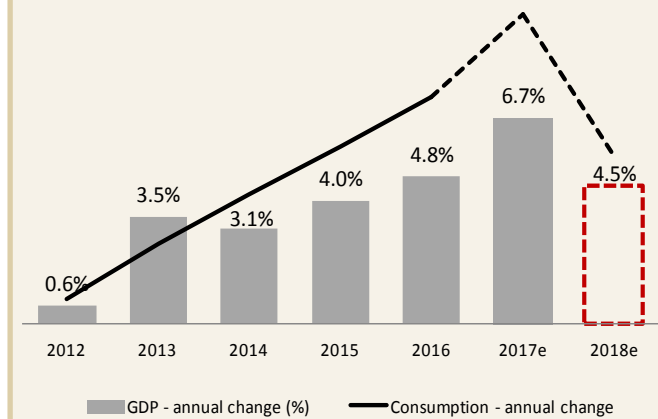


Investments 1H2018:
> €1 bn

- Investments show a slight decrease (-13% vs 1H2017) but they were mainly focused on shopping centers
- Closing of some deals have been delayed
- High demand from retailers that plan to expand or enter for the first time in Italian market



Slight decrease compared to 2017 but growth remains strong



Retail real estate

- Main trends: rents are increasing and yields are decreasing
- New retailers entered in the Romanian market

Italy 1H operating performance



97.1% occupancy
increasing vs FY17 (96.8%)



+3.8 % tenant sales
incl. extensions



+ 1.4% average upside
101 signed contracts
of which 34 turnover and 67 renewals



2.4% Rotation rate
% new tenants on total contracts



Le Porte di Napoli

Romania 1H operating performance



97.5% occupancy

Increasing vs FY17 (96.4%)



+1.1% average upside on renewals

231 signed contracts

of which 111 turnover and 120 renewals



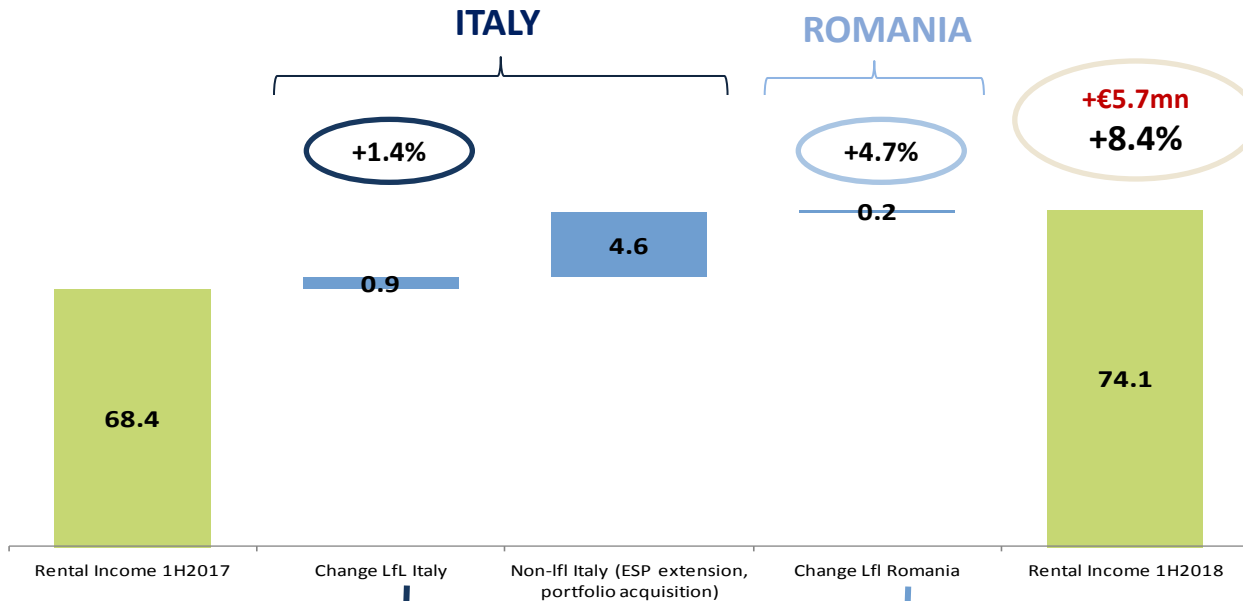
18.4% Rotation rate

% new tenants on total contracts

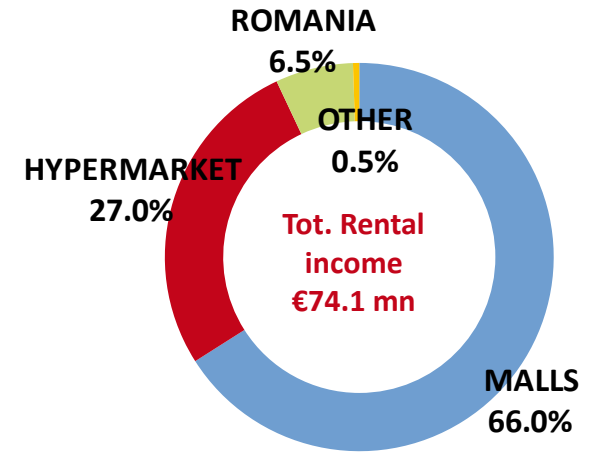


Alexandria

Income and net rental income 1H2018 (€mn)



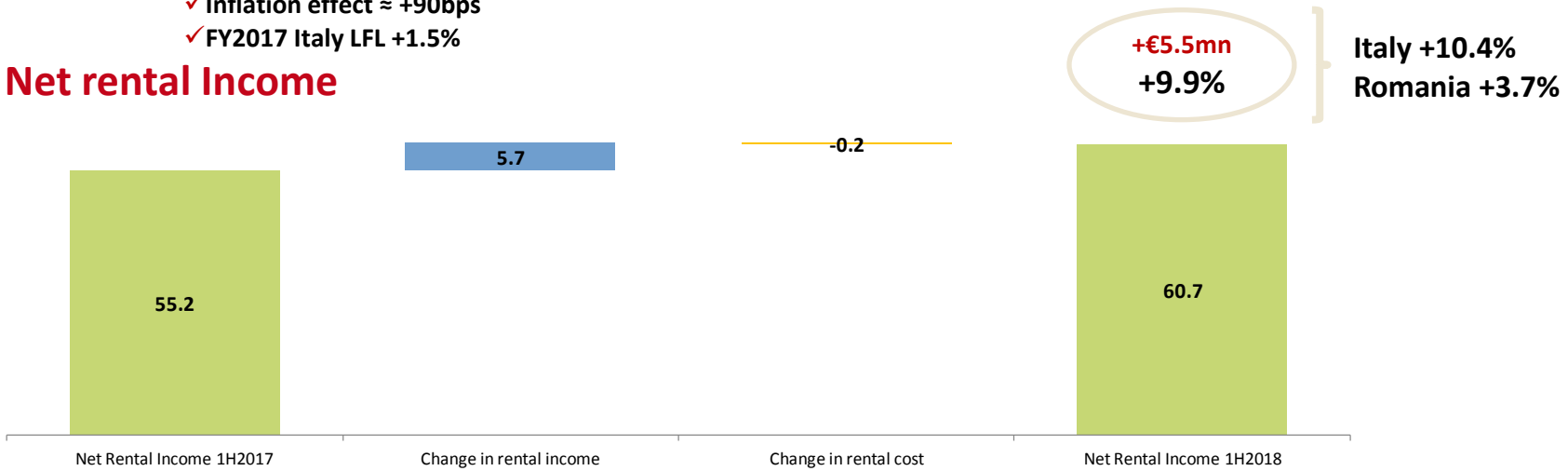
Rental income breakdown



- ✓ Malls are growing (+1.7%)
- ✓ Hypermarkets are growing (+1.0%)
- ✓ Inflation effect ≈ +90bps
- ✓ FY2017 Italy LFL +1.5%

✓ FY2017 Romania LFL +5.4%

Net rental Income



Commercial activity: 2 fields of action

1. Trend and innovation

Greater attention to trends and understanding consumers habits.

↓

Insertion of high performing **brands** that led to good results in terms of total tenant sales.



↓

Lockers have been placed in 2 Shopping Centers thanks to a partnership with Poste Italiane for a pilot project.



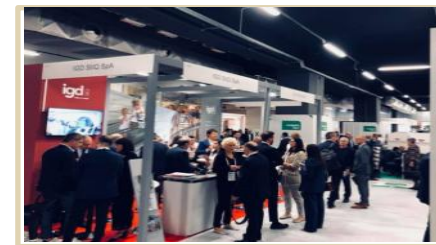
2. Tenant engagement

Mopic Italy



133 meetings of which:

- 20 new tenants
- 25 specific on food court, entertainment and services



Integrated marketing approach

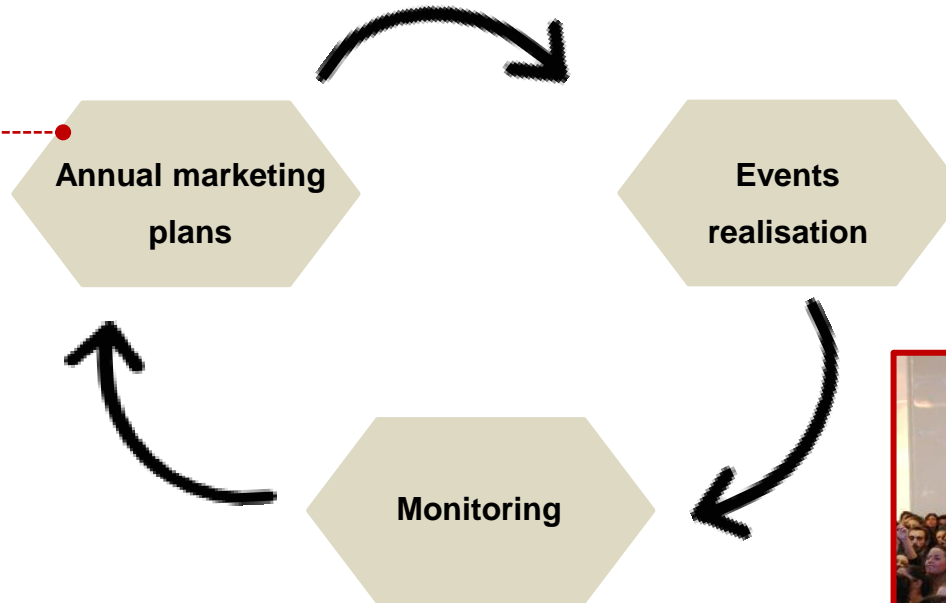
In the first half of 2018 the marketing planning cycle is completed

CONTENUTI 

COMPONENTI DEL PIANO DI MARKETING

- Finalità del Piano di Marketing
- 1) Analisi del Contesto Competitivo
- 2) Analisi della Domanda
- 3) Gli Obiettivi
- 4) Definizione delle iniziative per il Piano Marketing
- 5) Programma delle attività
- Governo e Controllo

2



- Half yearly, on the Plan's targets
- Periodically, through customer and event satisfaction surveys

CENTRO COMMERCIALE X											
Obiettivi Smart	Indicatori	Risultati		Eventi per raggiungere obiettivi SMART	Come viene valutato l'evento?					Eventi da realizzare nel secondo semestre	
		2018	2017		calcolo Δ	Comunicazione online	Comunicazione tradizionale	Organizzazione	Attrattività		Qualità
1 Sviluppo presenze nel Centro Commerciale +2% rispetto al 2017	NF ingressi gen-giu 2018 vs gen-giu 2017	982482	1043470	-6%	Pesque con D'avena	●	●	●	●	●	
					Top Cake	●	●	●	●	●	●
					sfilata/miss Italia	●	●	●	●	●	●
					Amedeo Preziosi	●	●	●	●	●	●

● valutazione positiva
● valutazione media
● valutazione negativa

18 April 2018: acquisition of 4 malls and 1 retail park from Eurocommercial Properties...

ACQUISITION'S RATIONALE

- Dominant malls in their catchment area
- Excellent operating performances
- Attractive Initial yield
- Reconstitution of full site ownership (on 2 assets)
- Value creation potential



Mall
CENTRO LEONARDO - Imola



Mall
CENTRO LUNA - Sarzana



Mall + Retail Park
LA FAVORITA - Mantova



Mall
CENTRO LAME - Bologna

GLA (acquired)	Approx. 37,500 sqm	Gross passing rent	€13.3M
N. of units	190	Net operating income (NOI)	€12.5M
Footfalls (31/12/2016)	14.4M	Total price	€187M
Occupancy rate	99%	Gross / Net yield	6.8%/6.4%

Gross passing rent, Net operating income, gross/net yield are calculated on the basis of stabilised and annualised lease contracts/stranded costs (at the time of acquisition).
Total price of the portfolio (at the time of acquisition) does not include transfer taxes and ancillary costs approx. equal to €8.5mn

Main points about the transaction with Eurocommercial Properties

An accretive transaction on a strategic portfolio to foster IGD's growth and value creation story



Transaction with a prime listed counterpart and valuation in line with market value



IGD's enhanced position as the Italian leading shopping centres owner and manager (around €2.5 bn after acquisition)



NOI, Ebitda and FFO accretive on IGD's financial profile



Increased market capitalization and stock liquidity



Strengthened financial profile improving LTV and ICR and supporting IGD's investment grade rating



Update on the pipeline



OFFICINE STORICHE: *heart of the retail initiative*

03/04/2018 Approved variation by the City Council. Work in progress

Sqm allocated to retail: > 15,000 sqm; 43 flats seafront

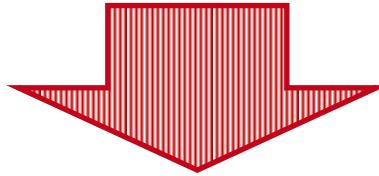
PIAZZA MAZZINI

Sale of the residential area almost completed 69 flats sold/pre-sold out of 73 total; total sold/pre-sold: **90.7%**

15 preliminary agreement already signed at the end of 2017 of which 9 deeds signed in 1H2018.

Other news: spaces remodeling...

Following the success of **Le Porte di Napoli** and **Città delle Stelle** the strategy of **hypermarket remodeling** to favor a **mall extension** continues



Remodeling and Restyling at Le Fonti del Corallo shopping center



Facade



Mall



Mall

Hypermarket reduction and **creation of new units** inside the shopping malls (new GLA approx. 5,400 sqm) in which services can be inserted

At the same time Unicoop Tirreno will sign an addition to the rental contract with expiration date 2037

Project of internal and **external restyling** of the shopping mall (co-financed by BNP Paribas, the current owner of the mall)

End of work: by the end of 2019

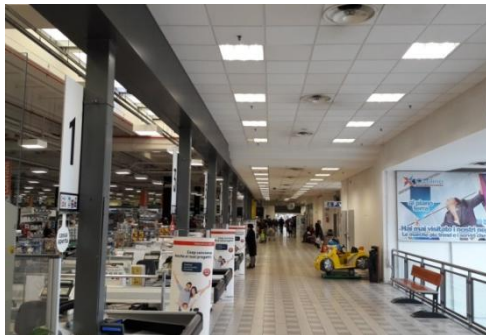
...and restyling



External facades - pre and post



Ground floor - pre and post



First floor – pre and post

CASILINO Internal and external restyling

Architectural restyling of the external facades and internal areas coordinated with **(voluntary) intervention for seismic improvement** at the ground floor and first floor.

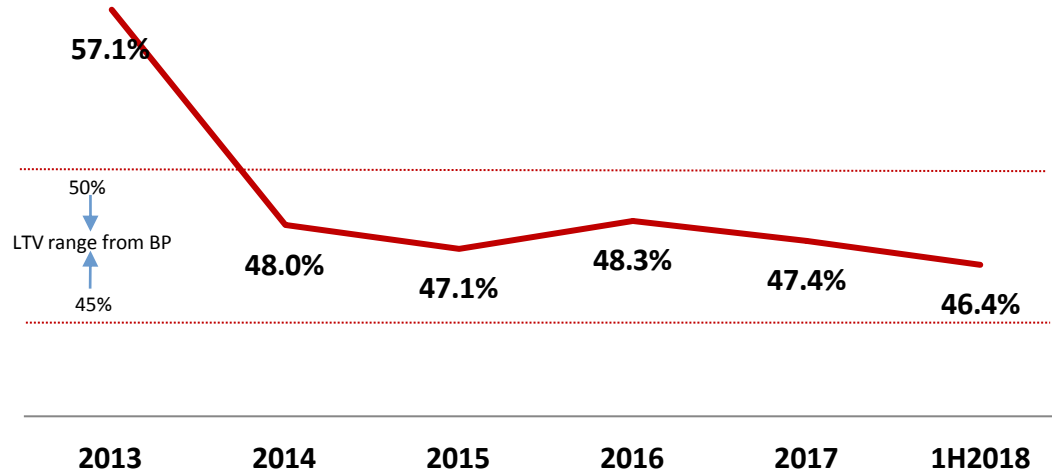
1° phase: Ground floor, facades and external restyling together with intervention of seismic improvement **by the end of 2018**

2° fase: first floor restyling **by the end of 1H2019**

End of work phases 1 and 2: by the end of 1H2019

Financial structure

Loan to Value

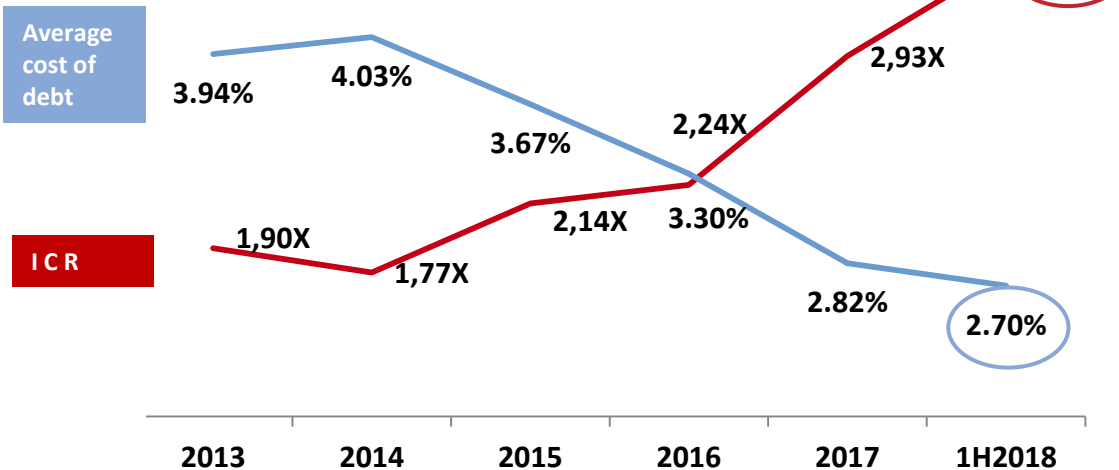


Thanks to the results of the liability management activities carried out in 2017 and the end or decrease of some Irs notional, **Financial management decreased by €1.5mn.**

Moreover, financial ratios improved (also thanks to the capital increase):

- **Loan to Value**
- **Average cost of debt**
- **Interest Cover Ratio**

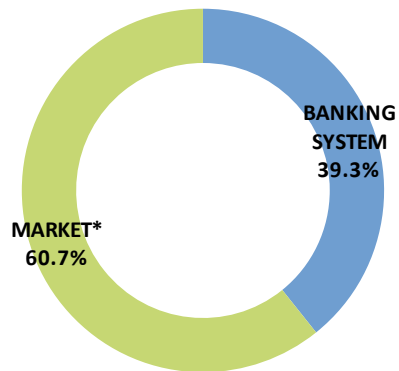
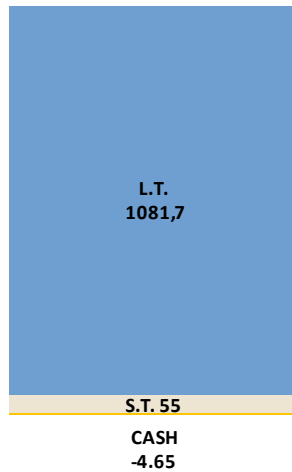
ICR e cost of debt



Debt maturity 1H2018

Debt break down

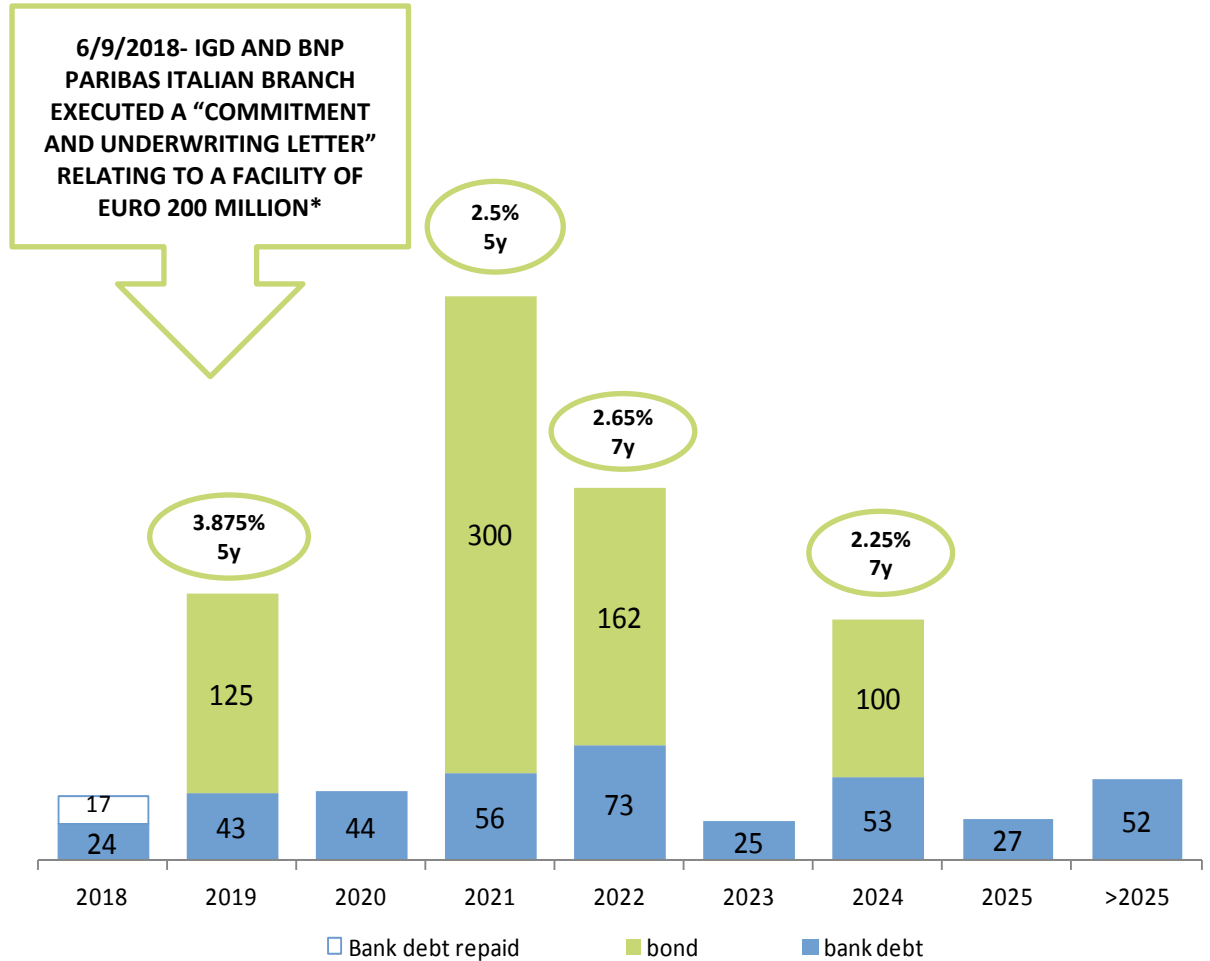
Net Debt at
30/06/2018
€1,132.1 mn



*USPP Included

Debt maturity

Average residual maturity of long term debt: 4 years

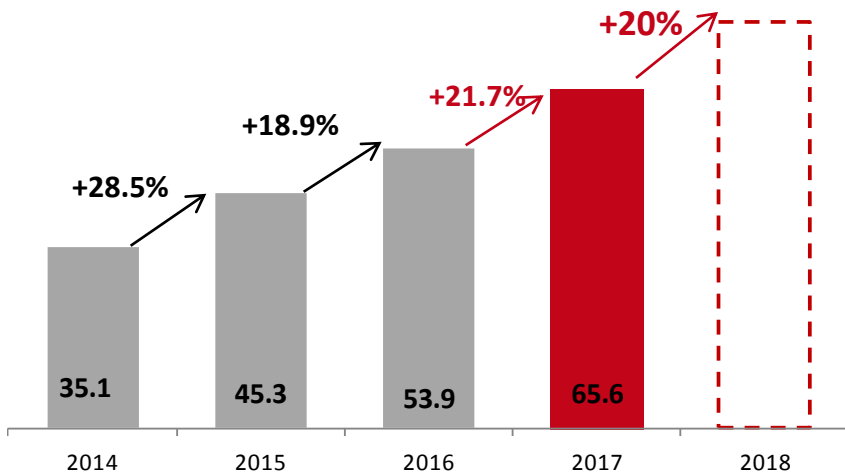


* 3 years maturity and extension option in favor of IGD up to 5 years

The Funds From Operations (FFO) continues to grow

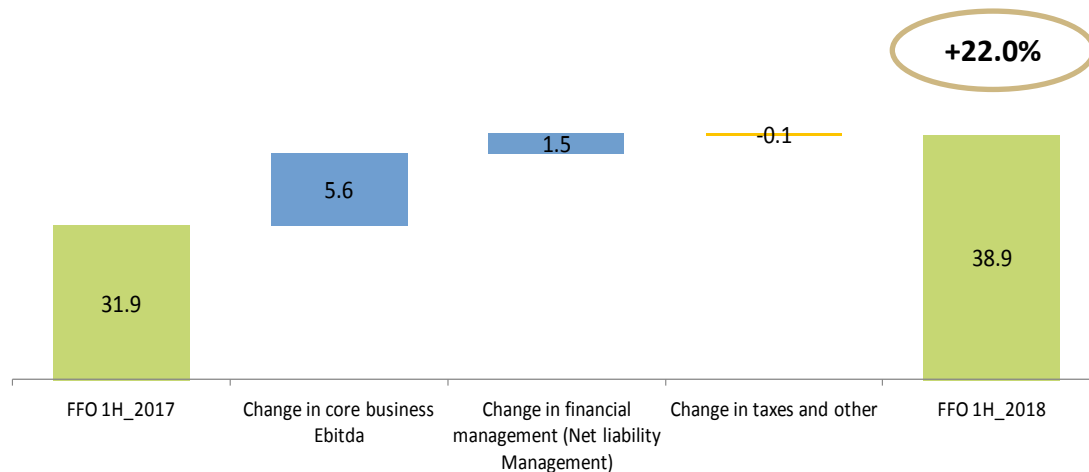
Yearly FFO Evolution

€mln



1H 2018 FFO Bridge

€mln



Target stated in February FFO FY2018:

+18/20% vs 2017

OUTLOOK REVIEWED FFO FY2018:

at least +20% vs 2017



4. Sustainability

Sustainability: news of the first half 2018

ISO 14001

3 more centers certified.
17 the total number of IGD centers certified



ISO37001

Winmarkt is the first Romanian company to obtain the anti corruption certification



EPRA SUSTAINABILITY COMMITTEE

First IGD participation (23 May, Bruxelles)



BREEAM-IN USE

2 Key assets certified: Katanè and Tiburtino.
Work are in progress to certify 2 more centers within 1Q 2019



CNCC DESIGN AWARD

Obtained for the extension of ESP Shopping Center thanks to the architectural quality, technical merits and sustainability focus of the project



WASTE2VALUE

First results of the circular economy experimental project in a shopping center: a prototype of fertilizer using coffee waste and orange peel has been realized.

IGD Sustainability

Starting from 2011, IGD decided to take a structured path towards **Social Responsibility**, considering:

- **Internal reason:** the belief that adopting sustainability criteria in the real estate sector is a way to pursue a lasting growth over time;
- **External reason:** the will to meet the expectations of the stakeholders interested in sustainability

IGD SUSTAINABILITY STEPS



From new materiality matrix to «*Becoming great*»

The 13 material issues were aggregated in the acronym (Becoming) G.R.E.A.T., as a testimony to IGD commitment to constantly grow in “Green, Responsible, Ethical, Attractive, Together” perspective to its stakeholder

Becoming
g.r.e.a.t.

GREEN

- 1.1 Climate change
- 1.2 Accesibility
and mobility

RESPONSIBLE

- 2.1 Good employment
- 2.2 Gender equality
- 2.3 Health and wellbeing

ETHICAL

- 3.1 Governance,
ethics and
corruption

ATTRACTIVE

- 4.1 Trend analysis
- 4.2 Enhancement
of the portfolio
- 4.3 Retail offer
- 4.4 Spaces to be lived in
- 4.5 Innovation

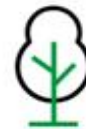
TOGETHER

- 5.1 Stakeholder
engagement
- 5.2 Local community

SDGs for IGD



green



becoming
g.r.e.a.t.

igd
SIG
SPAZI DA VIVERE

green

The Shopping Centres can have an **impact** on the environment due to:

1. the large amount of energy they consume
2. the road traffic they can create

IGD is committed to operate in such a way as to reduce these impacts, both during the construction/restyling phase of the Centres and in the management of the structures themselves.

IGD has defined several actions and commitments aimed at **sustainable mobility**.

5

Shopping Centres equipped with photovoltaic systems



15

Shopping Centres equipped with LED lighting systems

100%

Electricity from renewable sources in all Shopping Centres

-14%

Energy consumption (kwh/mq) 2013-2017

17

Shopping Centres with ISO14001 certification, corresponding to 74% of the company portfolio

3

Shopping Centres with Breeam/Breeam In Use certification

5

EV charging stations installed



Started a circular economy project

Becoming
great

igd
SIC

r esponsible



Up Day Welfare

igd

Username

Password

MAI DIMENTICATO LA PASSWORD ?

ENTRA

becoming
g.r.e.a.t.

igd SIG
SPAZI DA VIVERE

r esponsible



Welfare

IGD undertakes to behave in a responsible manner towards people.

- With its employees it is committed to fostering “good employment”, where continuous skills development and the promotion of these are two of its main undertakings;*
- Particular attention is placed on the **health and wellbeing** both of its employees and of all those that visit its Shopping Centres on a daily basis.*

95,5%

Permanent contracts
(Italy and Romania_2017)

96,6%

Employees trained during the year *(Italy and Romania_2017)*

99%

Employees that have benefitted from the Corporate Welfare System *(2017)*

9

Shopping Centres in which voluntary anti-seismic work has been planned *(2017)*

becoming
g.r.e.a.t.

igd
SIC

ethical



Becoming
g.r.e.a.t.

igd SIG
SPAZI DA VIVERE

ethical



- *IGD adopted a governance system aligned with the best practices of listed companies.*
- *The Company undertakes to **operate ethically** and to ensure that all the necessary safeguard measures are in place, in order to guarantee compliance with the law both with regard to its own conduct and by positively influencing the context in which it operates.*

36%

Of least represented gender in the Board of Directors

7 on 11

Independent Directors

3

Stars obtained in the Legality Rating



UNI EN ISO 37001 anti-bribery management systems certification obtained in Romania. Winmarkt is the first Romanian certified company

293

Sustainability Protocol signed in Romania (2013-2017)

Becoming
great

igd
SIC

a ttractive



Becoming
g.r.e.a.t.

igd
SIO
SPAZI DAVIVERE

attractive

IGD's commitment to ensure its Shopping Centres are, and remain, attractive, involves:

- A continuous **enhancement of the areas**, both from an architectonic point of view and from that of the merchandising offer;
- Ensure that the IGD structures are out and out **"Spaces to be lived in"**, for the visitors' leisure time, by offering shopping opportunities as well as being places in which to meet up with others;
- Constantly working on the **innovation** of its spaces and the services offered.

40%

New brands out of total turnover

Over
3 million

Total € spent annually by shopping center's consortiums, on average, on the organisation of events

100%

Malls in which interactive digital totems have been installed

€2.75

The SROI value: social wellbeing that has been created in the local area for every 1€ invested in events organised in Shopping Centre (2017)

7070

Visits have been carried out for the prevention of skin cancer or thyroid check-ups, in cooperation with ANT (2012-2017)

100%

Shopping Centres that organised 2 edition of "Happy Hand in tour" to promote get-togethers between able-bodied individuals and those with disabilities, on sports and artistic common grounds



Becoming
great

igd SIG

together



Becoming
g.r.e.a.t.

igd
SIO
SPAZI DA VIVERE

together



*IGD enters into contact with a variety of **stakeholders**, both at institutional level and at a more local one.*

- It has established a continuous dialogue with these in order to understand their needs and expectations as well as to determine their level of satisfaction;*
- At local level, the Shopping Centre becomes a producer of economic development and a place in which to get together.*

1 in 3

The local events on the total of those organised in IGD Centres

16.562

Number of employees in IGD Shopping Centres

236

Associations which IGD Centres entered into contact with (2017)

€1 million

Sponsorships to local associations (2012-2017)

Becoming
great

igd
SIG



6. Appendix

IGD top management



ELIO GASPERONI (1953)

Chairman

- ☑ Chairman of IGD's Board since April 2017
- ☑ Vice Chairman of Coop Alleanza
- ☑ Board member of IGD since 2015
- ☑ He has held numerous roles in the Public Administrations and Local institutions



CLAUDIO ALBERTINI (1958)

Chief Executive Officer

- ☑ Appointed in May 2009
- ☑ Board member at IGD since 2006
- ☑ More than 20 years of experience with the Unipol Group, where he ultimately acts as General Manager of Unipol Merchant
- ☑ Certified financial auditor registered in Bologna



DANIELE CABULI (1958)

Chief Operating Officer

- ☑ More than 20 years of experience in the retail distribution
- ☑ Joined IGD in 2008 as Network Management Director and COO since 2009
- ☑ Worked for Coop Adriatica since 1986 with several roles: Head of Projects in the Marketing Division (1989), Head of different geographical areas and Hypermarket Manager (until 2003), Director of Marketing and Commercial Development (from 2003)



ROBERTO ZOIA (1961)

Director of Asset Management and Development

- ☑ Director of Asset Management and Development since 2006
- ☑ Joined GS Carrefour Italia Group in 1999 as Head of Hypermarket and Shopping Center Development
- ☑ In 2005 becomes Head of Asset Management and Development for Carrefour Italia
- ☑ Previously, Business Manager at Coopsette with responsibility in projects involving mainly shopping centres (since 1986)



GRAZIA MARGHERITA PIOLANTI (1953)

Director of Administration, Legal & Corporate Affairs

- ☑ Part of IGD since its creation, played a key role in SIQ adoption
- ☑ Appointed Head of Legal Affairs, Tax and Subsidiaries of the new Coop Adriatica Group in 1995
- ☑ Appointed Administrative Director of Coop Romagna Marche in 1989, previously worked as Head of Accounting in a cooperative of constructors
- ☑ Registered Chartered Accountant and Official Financial Auditor



ANDREA BONVICINI (1963)

Director of Finance Division

- ☑ Head of the IGD Group's Finance Division since September 2009
- ☑ In July 2012 he was appointed Director of Finance and Treasury Department
- ☑ More than 20 years of professional experience in the world of credit, first in Cooperbanca and, subsequent to 1997, in the Bank of Bologna



RAFFAELE NARDI (1976)

Director of Planning, Control and Investor Relations

- ☑ Head of the division to which 3 different departments report: planning, control and investor relations.
- ☑ Joined IGD in October 2010
- ☑ Formerly head of the Advisory Service of UGF Merchant, bank of the Unipol Financial Group, where he matured more than ten years of professional experience
- ☑ Holds a degree in Business Economics



CARLO BARBAN (1978)

Chief Executive Officer of Winmarkt Group

- ☑ Appointed CEO in April 2014
- ☑ Worked in Winmarkt as Operating & Reporting Manager since January 2009 with responsibilities also for administration, planning and control and finance
- ☑ Previously working as qualified accountant and for international consultancy companies
- ☑ Graduated in Economics and Commerce


Consolidated Income Statement 1H2018

GROUP CONSOLIDATED	(a) CONS_2017	(b) CONS_2018	Δ (b)/(a)
Revenues from freehold rental activities	62.1	67.8	9.2%
Revenues from leasehold rental activities	6.3	6.3	0.0%
Total income from rental activities	68.4	74.1	8.4%
Rents and payable leases	-5.1	-5.1	0.5%
Direct costs from rental activities	-8.0	-8.3	2.9%
Net rental income	55.2	60.7	9.9%
Revenues from service	3.2	3.1	-3.3%
Direct costs from services	-3.0	-2.6	-14.1%
Net services income	0.2	0.5	n.a.
Personnel expense	-3.4	-3.4	-0.4%
G&A expenses	-2.1	-2.2	6.6%
CORE BUSINESS EBITDA (Operating income)	50.0	55.6	11.3%
<i>Core business Ebitda Margin</i>	<i>69.8%</i>	<i>72.1%</i>	
Revenues from trading	4.0	2.7	-32.8%
Cost of sale and trading costs	-4.3	-3.2	-26.2%
Operating result from trading	-0.3	-0.5	64.8%
EBITDA	49.7	55.2	11.0%
<i>Ebitda Margin</i>	<i>65.7%</i>	<i>69.0%</i>	
Impairment and Fair Value adjustments	18.9	-2.6	n.a.
Depreciation and provisions	-0.6	-0.5	-21.9%
EBIT	68.0	52.1	-23.4%
FINANCIAL MANAGEMENT	-17.5	-16.0	-8.6%
EXTRAORDINARY MANAGEMENT	-0.1	0.0	-67.7%
PRE-TAX PROFIT/LOSS	50.4	36.0	-28.5%
Taxes	-1.4	-1.2	-14.5%
PROFIT FOR THE PERIOD	48.9	34.8	-28.9%
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET PROFIT	48.9	34.8	-28.9%

Funds from Operations (FFO) €38.9 mn (+22%)

Funds from Operations	1H_2017	1H_2018	Δ vs cons 2017	Δ%
Core business EBITDA	49,982	55,637	5,655	11.3%
Adj Financial management	-17,548	-16,046	1,502	-8.6%
Adj extraordinary management	0	0	0	n.a.
Adj current taxes for the period	-563	-700	-137	24.3%
FFO	31,871	38,891	7,020	22.0%

Funds from Operations	FY 2016	FY2017	Δ vs FY2016	Δ %
Core business EBITDA	94,855	101,187	6,332	6.7%
Adj. Financial Management	-39,817	-34,350	5,466	-13.7%
Gestione Partecipazione/Straordinaria Adj	-125	0	125	n.a.
Adj. Current taxes for the period	-1,004	-1,204	-200	19.9%
FFO	53,910	65,633	11,723	21.7%

 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	NNNAV Calculation		31-Dec-17		31/12/2017 Restated (a)		30/06/2018 (b)		Δ% (a vs b)
	€'000	€ p.s.	€'000	€ p.s.	€'000	€ p.s.			
Total shares*		81,304,563		110,341,903		110,341,903			
1) Group shareholders' equity	1,115,753	13.72	1,263,014	11.45	1,240,190	11.24	-1.8%		
<i>Excludes</i>									
Fair Value of financial instruments	20,397		20,397		18,054		-11.5%		
Deferred taxes	26,517		26,517		27,446		3.5%		
Goodwill as a result of deferred taxes									
2) EPRA NAV	1,162,667	14.30	1,309,928	11.87	1,285,690	11.65	-1.9%		
<i>Includes</i>									
Fair Value of financial instruments	(20,397)		(20,397)		(18,054)		-11.5%		
Fair Value of debt	(4,713)		(4,713)		1,443		-130.6%		
Deferred taxes	(26,517)		(26,517)		(27,446)		3.5%		
3) EPRA NNAV	1,111,040	13.67	1,258,301	11.40	1,241,633	11.25	-1.3%		

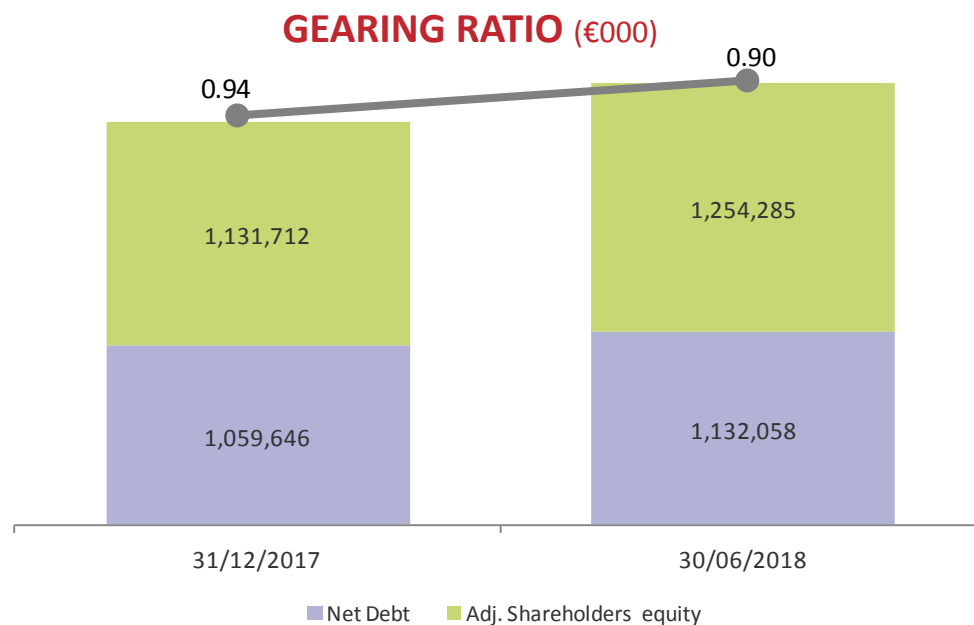
More financial highlights

	FY2017	30/06/2018
SHARE OF MEDIUM/LONG TERM DEBT	91.1%	80.1% *
HEDGING ON LONG TERM DEBT + BOND	94.8%	87.1% *
UNCOMMITTED CREDIT LINES GRANTED	€276 mn	€286 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€225.6 mn	€231 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,475.4 mn	€1,470.8 mn

* Temporary decrease awaiting the Bond refinancing operation (€125mn maturity 01/2019)

Reclassified Balance Sheet 1H2018

Sources - Use of funds	31/12/2017	30/06/2018	Δ	Δ%
Fixed assets	2,157,176	2,358,369	201,193	9.3%
Assets under construction	40,466	39,137	-1,329	-3.3%
Other non-current assets	23,245	23,044	-201	-0.9%
Other non-current liabilities	-29,082	-27,375	1,707	-5.9%
NWC	28,768	22,949	-5,819	-20.2%
Net deferred tax (assets)/liabilities	-24,777	-25,822	-1,045	4.2%
TOTAL USE OF FUNDS	2,195,796	2,390,302	194,506	8.9%
Net debt	1,059,646	1,132,058	72,412	6.8%
Shareholders' equity	1,115,753	1,240,190	124,437	11.2%
Net (assets)/liabilities for derivative instruments	20,397	18,054	-2,343	-11.5%
TOTAL SOURCES	2,195,796	2,390,302	194,506	8.9%



Main lease terms

Italian Shopping Malls

Main lease terms

Average maturity:

- ☑ Lease agreement (space only): 6 years (+ 6 years)
- ☑ Rental agreement (space + licence): 5 years

Rental income:

- ☑ Minimum guaranteed rent plus a percentage based on the occupier's sales

Rents indexation:

- ☑ Lease agreement of the going concern: 75% of CPI
- ☑ Rental agreement: 100% of CPI

Lease of temporary spaces:

- ☑ IGD can benefit from a very diversified tenants base, with limited credit risk, thanks to a careful screening of potential new tenants

Italian Hypermarkets

Main lease terms

Average maturity:

- ☑ 6 to 18 years (with tacit renewal every 6 years)

Rents indexation:

- ☑ 75% of CPI

Maintenance:

- ☑ Tenant in charge of ordinary and extraordinary maintenance works. Landlord in charge of external maintenance of the properties (façade, etc.)

Romanian Shopping Malls

Main lease terms

Average maturity:

- ☑ 2 years for local tenants
- ☑ 5 years for national tenants
- ☑ 10 years for international tenants

Rental income:

- ☑ Rents are paid in EURO

Rents indexation:

- ☑ All contracts are EUROLINKED

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