**PRESS RELEASE**

# IGD SIIQ SPA: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2010

**Margins and net profit continue to grow in the first half of 2010:**

- **Total revenues: €59.53 million (a slight drop of 1.26% vs. the €60.29 million recorded at 30 June 2009)**
- **(EBITDA: €39.78 million (an increase of 7.53% vs. the €36.99 million reported at 30 June 2009)**
- **EBITDA MARGIN: 70.81% (up 5.8 percentage points with respect to the 65.04% recorded at 30 June 2009)**
- **EBIT: €32.27 million (an increase of 29.92% vs. the € 24.84 million reported at 30 June 2009)**
- **Net profit: €14.03 million (a rise of 96.86% vs. the €7.13 million recorded at 30 June 2009)**
- **Net debt: €1.023 billion (€1.027 billion at 31 December 2009)**
- **Market Value: €1,776.86 million (€1,724.86 million at 31 December 2009)**

Bologna, 26 August 2010. Today, in a meeting chaired by Gilberto Coffari, the Board of Directors **of IGD - Immobiliare Grande Distribuzione SIIQ S.p.A**. **("IGD" or the "Company")**, a company active in the retail real estate sector and listed on the Star segment of the Italian Stock Exchange examined and approved the **Half-Year Financial Report at 30 June 2010** which shows **consolidated net profit** of **€14.03 million (+96.86%** with respect to 30 June 2009).

**Principal Results at 30 June 2010**

The IGD Group generated **total revenues** at 31 March 2010 of **€59.53 million**, a slight drop of 1.26% with respect to the €60.29 million recorded in first half 2009 which benefitted from non-recurring items related to the opening of two new shopping centers. The growth trend of all recurring revenues (rental/lease income, and facility management) continued in the first six months of 2010. More in detail, total revenues from the rental business grew 1.39% with respect to the same period in 2009 due to the new openings and acquisitions made in 2009 (the Tiburtino Shopping Center, opened on 2 April 2009; the Katanè Shopping Center opened on 5 May 2009; the Le Maioliche Shopping Center acquired on 8 October 2009; the I Bricchi Shopping Mall, opened on 3 December 2009) which also offset the drop in revenues reported by the Romanian subsidiary Winmarkt and the lack of extraordinary income, of approximately €3 million, generated by the new openings in first half 2009.

The IGD Group's **EBITDA** at 30 June 2010 amounted to €**39.78 million**, an **increase of 7.53**% with respect to the €36.99 million reported at 30 June 2009.

In the first six months of 2010 direct costs, including direct personnel expense, totalled €11.44 million, a drop of 17.77% with respect to 30 June 2009, further confirmation of the strategy implemented by the Group to improve efficiency. These costs represent 20.37% of operating revenues. General expenses, including payroll costs at headquarters, at 30 June 2010 amounted to €5.09 million, a slight decline with respect to the same period in the prior year.

The **Ebitda margin**, (calculated as a percentage of operating revenues) amounted to 70,81%, **rose 5.8 percentage points** with respect to the 65.04% recorded in first half 2009.

The IGD Group's **EBIT** at 30 June 2010 amounted to €**32.27 million, an increase of 29.92%** compared to the €24.84 million reported at 30 June 2009. This result benefited from the positive performance of the EBITDA and confirms the quality and solidity of the Group's real estate portfolio.

The IGD Group's **pre-tax profit** in the first half of the year 2010 **rose €7.86 million** (+ 102.5%) with respect to the €7.67 million reported at 30 June 2009 to €**15.53 million .**

Tax, both current and deferred, totalled €1.52 million at 30 June 2010, reflecting a tax rate of 8.22%, net contingencies, thanks to the positive effects of the SIIQ regime.

**Consolidated net profit** at 30 June 2010 amounted to €**14.03 million, an increase of 96.86**% with respect to the €7.13 million reported at 30 June 2009 due to a drop in writedowns of the real estate portfolio and an increase in Ebitda.

**Funds from Operations** (**FFO**)[1], a significant indicator used to value the performance of real estate investment trusts, at 30 June 2010 amounted to €21.89 million, an increase of 18.90% with respect to the €18.41 million recorded at 30 June 2009.

The IGD Group's **net debt** at 30 June 2010 amounted to €**1.023 billion**, a slight drop with respect to the €1.027 billion reported at 31 December 2009.

**The Real Estate Portfolio**

Based on CB Richard Ellis's independent appraisal the **market value** at 30 June 2010 of the Igd Group's real estate portfolio, **including 50% of RGD** (the 50/50 joint venture with the Beni Stabili Group) **was €1,776.86 million,** compared to €1,724.86 million at 31 December 2009. Excluding the 50% of RGD, the market value at 30 June 2010 of the Igd Group's real estate portfolio amounts to €1,704.9 million, compared to €1,651.39 million at 31 December 2009. The increase in the value of the portfolio which is comprised primarily of retail properties located throughout Italy and Romania and of assets under construction which are part of real estate development initiatives underway in Italy, is largely attributable to the purchase of a shopping mall nearing completion in Palermo (€48.7 million), the purchase of two more divisions of the Millennium Center. Shopping Center. The portfolio was subject to total writedowns of €7.1 million as a balance of an increase of 0.55% in the "hypermarket/ supermarket" category (which represents 26.3% of the total portfolio), a slight drop of - 0.04% in the "shopping mall" category (which represents 49.7% of the portfolio), a writedown of -

[1] A measure used in the real estate market to define the cash flow from operations beginning with net profit, less tax, writedowns, change in fair value, amortization and depreciation.

36.9% in the "other" category (which represents 0.14% of the portfolio) in addition to a reduction of -2.03% for the Romanian portfolio ( which represents 10.3% of the portfolio) and – 2% for 50% of the properties held through RGD (which represents 4.05% of the portfolio).

The IGD Group's real estate portfolio includes assets held for trading of €82.43 million related to the development of the multifunctional project in Livorno, as well as land for future expansion and/or new retail initiatives which at 30 June 2010 were valued at €36.31 million.

"*The brilliant results achieved during first half 2010 once again confirm the validity of the development plan our Group presented to the financial community in November 2009 which calls for the opening of two new shopping malls, in large part already pre-let, in Palermo and in Conegliano Veneto by the end of the year*" , **Claudio Albertini, Chief Executive Officer of IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** stated.

*Grazia Margherita Piolanti, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of the of Legislative Decree n. 58/1998 (("Testo Unico della Finanza" or TUF) that the information reported in this press release corresponds to the underlying records, ledgers and accounting entries.*
*Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.*

*The Half-Year Financial Report at 30 June 2010 will be made available to the general public at the company's registered office and at Borsa Italiana S.p.A. and will also be made available in the Investor Relations section of the company's website* www.gruppoigd.it *in accordance with the law.*

**IGD Immobiliare Grande Distribuzione SIIQ SpA -** Igd Siiq is one of the leading players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, to date it is the only SIIQ (*Società di Investimento Immobiliare Quotata* or real estate investment trust) in Italy. IGD has a real estate portfolio valued at €1,776.86 million at 30 June 2009, comprised of, in Italy, 17 hypermarkets, 16 shopping malls, 4 plots of land for development, 1 property held for trading, an additional 6 real estate properties, 1 shopping mall nearing completion as well as three shopping centers through RGD, a 50/50 joint venture with Beni Stabili. Following the acquisition of the company Winmark Magazine SA in Spring 2008 15 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio.

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*The press release is available on the website www.gruppoigd.it, in the Investor Relations section, and on the website www.imagebuilding.it, in the Press Room section.*

**Please find attached the IGD Group's reclassified balance sheet, income statement and cash flow statement at 30 June 2010.**

## Consolidated income statement

| (€/000) | 30/06/2010 (A) | 30/06/2009 (B) | Change (A-B) |
|---|---|---|---|
| *Revenues:* | **53,699** | **52,911** | **788** |
| *- from third parties* | 38,375 | 38,853 | (478) |
| *- from related parties* | 15,324 | 14,058 | 1,266 |
| *Other income:* | **5,831** | **7,378** | **(1,547)** |
| *- other income* | 5,528 | 7,189 | (1,661) |
| *- other income from related parties* | 303 | 189 | 114 |
| | | | |
| *Total revenues and operating income* | **59,530** | **60,289** | **(759)** |
| | | | |
| *Change in inventories for assets under construction* | 1,971 | 2,255 | (284) |
| *Cost of assets under construction* | (1,830) | (3,023) | 1,193 |
| *Income pertaining to assets under construction* | **141** | **(768)** | **909** |
| | | | |
| *Purchase of materials and services:* | 12,350 | 14,483 | (2,133) |
| *- purchase of materials and services* | 10,814 | 13,129 | (2,315) |
| *- purchase of materials and services fr. related parties* | 1,536 | 1,354 | 182 |
| *Cost of labor* | 3,826 | 3,954 | (128) |
| *Other operating costs* | 3,718 | 4,093 | (375) |
| *Total operating costs* | **19,894** | **22,530** | **(2,636)** |
| | | | |
| *EBITDA* | **39,777** | **36,991** | **2,786** |
| | | | |
| *(Amortization and depreciation)* | (431) | (368) | (63) |
| *Impairments (losses)/ reversals* | (2,907) | (3,792) | 885 |
| *Change in fair value - increases / (decreases)* | (4,167) | (7,991) | 3,824 |
| *Total amortization, depreciation, writedowns and change in fair value* | **(7,505)** | **(12,151)** | **4,646** |
| | | | |
| *EBIT* | **32,272** | **24,840** | **7,432** |
| | | | |
| *Financial income* | **2,350** | **2,060** | **290** |
| *- from third parties* | 2,339 | 2,039 | 300 |
| *- from related parties* | 11 | 21 | (10) |
| *Financial charges* | **19,091** | **19,233** | **(142)** |
| *- from third parties* | 18,684 | 18,656 | 28 |
| *- from related parties* | 407 | 577 | (170) |
| | | | |
| *Net financial income/(charges)* | **(16,741)** | **(17,173)** | **432** |
| | | | |
| *PRE-TAX PROFIT* | **15,531** | **7,667** | **7,864** |
| *Income tax for the period* | 1,522 | 540 | 982 |
| *NET PROFIT FOR THE PERIOD* | **14,009** | **7,127** | **6,882** |
| | | | |
| *Minorities' portion of the loss for the period* | 22 | 0 | 22 |
| *Parent company's portion of net profit for the period* | **14,031** | **7,127** | **6,904** |
| *- base earnings per share for the year* | 0.047 | 0.024 | |
| *- diluted earnings per share for the year* | 0.053 | 0.038 | |

## Consolidated balance sheet

| (€/000) | 30/06/2010 (A) | 31/12/2009 (B) | Change (A-B) |
|---|---|---|---|
| NON-CURRENT ASSETS: | | | |
| Intangible assets | | | |
| - Intangible assets with a finite useful life | 89 | 120 | ( 31) |
| - Goodwill | 12,469 | 12,016 | 453 |
| | 12,558 | 12,136 | 422 |
| Property, plant, and equipment | | | |
| - Investment property | 1,586,455 | 1,586,815 | ( 360) |
| - Buildings | 7,765 | 7,860 | ( 95) |
| - Plant and machinery | 1,054 | 1,012 | 42 |
| - Equipment and other assets | 1,494 | 1,532 | ( 38) |
| - Leasehold improvements | 1,569 | 1,667 | ( 98) |
| - Assets under construction | 140,072 | 132,399 | 7,673 |
| | 1,738,409 | 1,731,285 | 7,124 |
| Other non-current assets | | | |
| - Deferred tax assets | 17,725 | 12,160 | 5,565 |
| - Sundry receivables and other | 3,875 | 4,761 | ( 886) |
| - Non-current financial assets | 19 | 19 | 0 |
| | 21,619 | 16,940 | 4,679 |
| TOTAL NON-CURRENT ASSETS (A) | 1,772,586 | 1,760,361 | 12,225 |
| CURRENT ASSETS: | | | |
| Inventory for work in progress | 57,078 | 55,108 | 1,970 |
| Inventory | 7 | 7 | 0 |
| Trade and other receivables | 13,238 | 12,033 | 1,205 |
| Trade and other receivables with related parties | 412 | 284 | 128 |
| Other current assets | 39,212 | 56,561 | ( 17,349) |
| Financial receivables and other current financial assets with related parties | 2,093 | 688 | 1,405 |
| Financial receivables and other current financial assets | 24,250 | - | 24,250 |
| Cash and cash equivalents | 14,614 | 35,856 | ( 21,242) |
| TOTAL CURRENT ASSETS (B) | 150,904 | 160,537 | ( 9,633) |
| TOTAL ASSETS (A + B) | 1,923,490 | 1,920,898 | 2,592 |
| EQUITY: | | | |
| parent company's share | 737,094 | 747,533 | ( 10,439) |
| minority interests | 11,897 | - | 11,897 |
| TOTAL EQUITY (C) | 748,991 | 747,533 | 1,458 |
| NON-CURRENT LIABILITIES: | | | |
| Non-current financial liabilities | 854,511 | 851,679 | 2,832 |
| Non-current financial liabilities with related parties | 15,000 | 15,000 | 0 |
| Provision for employee severance indemnities | 574 | 552 | 22 |
| Deferred tax liabilities | 51,886 | 48,028 | 3,858 |
| Provisions for risks and charges | 972 | 972 | 0 |
| Sundry payables and other non-current liabilities | 13,572 | 20,231 | ( 6,659) |
| Sundry payables and other non-current liabilities with related parties | 12,073 | 11,709 | 364 |
| TOTAL NON-CURRENT LIABILITIES (D) | 948,588 | 948,171 | 417 |
| CURRENT LIABILITIES: | | | |
| Current financial liabilities | 168,952 | 171,960 | ( 3,008) |
| Current financial liabilities with related parties | 25,531 | 25,741 | ( 210) |
| Trade and other payables | 10,991 | 12,277 | ( 1,286) |
| Trade and other payables with related parties | 1,483 | 2,396 | ( 913) |
| Current tax liabilities | 9,911 | 7,508 | 2,403 |
| Other current liabilities | 6,759 | 5,142 | 1,617 |
| Other current liabilities with related parties | 2,284 | 170 | 2,114 |
| TOTAL CURRENT LIABILITIES (E) | 225,911 | 225,194 | 717 |
| TOTAL LIABILITIES (F=D + E) | 1,174,499 | 1,173,365 | 1,134 |
| TOTAL EQUITY AND LIABILITIES (C + F) | 1,923,490 | 1,920,898 | 2,592 |

## Consolidated cash flow statement

| *Cash flow statement* | *30/06/2010* | *30/06/2009* |
|---|---|---|
| (€/000) | | |
| | | |
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| **Net profit for the period** | **14,009** | **7,127** |
| ***Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:*** | | |
| (Capital gains) capital losses and other non-monetary items | 791 | 1,637 |
| Depreciation and amortization | 431 | 368 |
| Writedown of works in progress /impairment | 2,907 | 3,792 |
| Net change in (deferred tax assets)/provision for deferred tax liabilities | 122 | (698) |
| Change in fair value of investment property | 4,167 | 7,991 |
| Change in inventory | (1,970) | (2,282) |
| Net change in current assets and liabilities | 18,642 | (39,821) |
| Net change in current assets and liabilities with related parties | 1,078 | 3,334 |
| Net change in non-current assets and liabilities | (5,753) | (10,017) |
| Net change in non-current assets and liabilities with related parties | 364 | 49 |
| **CASH FLOW FROM OPERATING ACTIVITIES (a)** | **34,788** | **(28,521)** |
| Investments in fixed assets | (15,063) | (118,488) |
| (Equity investments)/divestments in subsidiaries | 13,120 | 0 |
| **CASH FLOW FROM INVESTING ACTIVITIES (b)** | **(1,943)** | **(118,488)** |
| Change in non current financial assets | 0 | 0 |
| Change in financial receivables and other current financial assets | (24,250) | 3 |
| Change in financial receivables and other current financial assets with related parties | (2,278) | (234) |
| Change in translation reserve | (66) | (1,041) |
| Change in minorities | 0 | (61) |
| Payment of dividends | (14,914) | (10,440) |
| Change in current debt | (122) | 9,070 |
| Change in current debt with related parties | (210) | (24,446) |
| Change in non-current debt | (12,248) | 124,573 |
| Change in non-current debt with related parties | 0 | 0 |
| **CASH FLOW FROM FINANCING ACTIVITIES (c)** | **(54,087)** | **97,423** |
| **NET INCREASE (DECREASE) IN CASH BALANCE** | **(21,242)** | **(49,586)** |
| **CASH BALANCE AT BEGINNING OF YEAR** | **35,856** | **65,886** |
| **CASH ACQUIRED THROUGH THE PURCHASE OF CONSOLIDATED EQUITY INVESTMENTS** | **0** | **0** |
| **CASH BALANCE AT END OF YEAR** | **14,614** | **16,300** |