

PRESS RELEASE

IGD SIIQ SPA: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2012

In first half 2012, revenue from core business rose despite the persistent drop in consumption and the difficult financial environment:

- Revenue from core business ¹: €61.5 million (€59.2 million in first half 2011, with an increase of 3.9%)
- Like-for-like revenue in Italy: €50.8 million (€50.2 million in first half 2011, with an increase of 1.2%)
- Core business EBITDA: €43.1 million (€43.6 million in first half 2011)
- The Group's portion of net profit: €8.3 million; down with respect to first half 2011 (€30.2 million) due primarily to the impact of property writedowns and fair value adjustments
- Net financial debt: unchanged at €1.095 billion (versus €1.094 billion at 31 December 2011)
- Gearing ratio : 1.39 (compared to €1.38 at 31 December 2011)

Bologna, 28 August 2012. 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 2012**.

"The growth in our Group's revenue from core business in the first half of 2012, posted despite what continues to be a very difficult environment, confirms the ability of our real estate assets to generate income and, overall, the validity of our business model, thanks also to the focus on the Shopping Center sector"
Claudio Albertini, Chief Executive Officer of IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. stated.
"Even in the current complex phase, characterized by a significant drop in consumption and substantial financial stress due to elevated spreads, we expect to see stable core business revenue and profitability in the second half of the year, in line with the trend reported in the first half".

¹ Please note that the Company, in order to highlight its core business, separated it from the "Porta a Mare" operation in Livorno.

Operating income statement at 30 June 2012

	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT			
	€/000	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%	30/06/2011	30/06/2012	%
Revenues from freehold properties		52,415	54,684	4.3%	52,415	54,684	4.3%	0	0	n.a.
Revenues from leasehold properties		4,238	4,269	0.7%	4,238	4,269	0.7%	0	0	n.a.
Revenues from services		2,588	2,596	0.3%	2,588	2,596	0.3%	0	0	n.a.
Revenues from trading		1,726	0	-100.0%	0	0	n.a.	1,726	0	-100.0%
Revenues		60,967	61,549	1.0%	59,241	61,549	3.9%	1,726	0	-100.0%
Direct costs		(9,374)	(12,012)	28.1%	(9,326)	(11,883)	27.4%	(48)	(129)	166.4%
Personnel expenses		(1,718)	(1,818)	5.8%	(1,718)	(1,818)	5.8%	0	0	n.a.
Increases, cost of sales and other costs		(1,034)	19	n.a.	0	0	n.a.	(1,034)	19	n.a.
Gross Margin		48,841	47,738	-2.3%	48,197	47,848	-0.7%	644	(110)	n.a.
G&A expenses		(2,036)	(2,039)	0.1%	(1,829)	(1,866)	2.0%	(207)	(173)	n.a.
Headquarters personnel costs		(2,750)	(2,859)	3.9%	(2,731)	(2,848)	4.3%	(19)	(11)	-44.5%
EBITDA		44,055	42,840	-2.8%	43,637	43,134	-1.2%	418	(294)	n.a.
<i>Ebitda Margin</i>					73.7%	70.1%		<i>n.a.</i>	<i>n.a.</i>	
Depreciation		(484)	(652)	34.7%						
Devaluation		(140)	(423)	202.2%						
Change in FV		12,776	(10,923)	-185.5%						
Other provisions		0	0	n.a.						
EBIT		56,207	30,842	-45.1%						
Financial income		397	227	-42.7%						
Financial charges		(20,667)	(24,252)	17.4%						
Net Financial Income		(20,270)	(24,025)	18.5%						
Income from equity investments		(633)	(367)	n.a.						
PRE-TAX INCOME		35,304	6,450	-81.7%						
Income tax for the period		(5,092)	1,735	-134.1%						
<i>Tax rate</i>		14.4%	-26.9%							
NET PROFIT		30,212	8,185	-72.9%						
(profit)/losses related to third		(19)	107	-647.9%						
NET GROUP PROFIT		30,193	8,292	-72.5%						

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

Principal consolidated results at 30 June 2012

In first half 2012 the IGD Group's **revenue from core business** amounted to **€61.5 million**, an increase of **3.9%** with respect to the €59.2 million posted in first half 2011, thanks to the positive impact of the new acquisitions made in 2011. More in detail, rental income at 30 June 2012 rose 4.1%, while revenue from services was basically unchanged with respect to 30 June 2011. Rental income in Italy amounted to €53.4 million at 30 June 2012, an increase of 5.1% with respect to first half 2012 and of 1.2% like-for-like.

In first half 2012 the IGD Group's core business **EBITDA** came in at **€43.1 million**, a drop of **1.2%** with respect to the €43.6 million recorded at 30 June 2011 due to an increase in direct costs pertaining to the core business (including personnel expenses), which rose by 24.1% with respect to the prior year to €13.7 million. This change is attributable primarily to the estimated increase in charges linked to IMU (+54%) and provisions for doubtful accounts. These costs amounted to 22.3% of revenue. **General expenses** for the core business (including payroll costs at headquarters), reached €4.7 million versus €4.6 million in first half 2011. General expenses as a percentage of core business revenue reached 7.7%, unchanged with respect to the prior year.

EBITDA margin for the core business **reached 70.1%** versus 73.7% at 30 June 2011, due primarily to the more than proportional increase in direct costs with respect to revenue.

The IGD Group's **EBIT** at 30 June 2012 amounted to **€30.8 million**, versus €56.2 million at 30 June 2011. The change is explained primarily by the impact of property writedowns and fair value adjustments.

The tax burden, current and deferred, at 30 June 2012 amounted to a positive €1.7 million versus a negative €5 million in the same period of the prior year.

The Group's portion of **net profit** at 30 June 2012 amounted to **€8.3 million**, versus €30.2 million in first half 2011; as explained above, this change is due to the impact of property writedowns and fair value adjustments on EBIT, as well as the increase in financial charges.

The **Funds from Operations** (FFO), an indicator used widely in the real estate market to define the cash flow generated by a company's core business², reached approximately **€18 million at 30 June 2012**, compared to €22.3 million at 30 June 2011.

At the end of first half 2012 the gearing ratio came in at 1.39 (1.38 at 31 December 2011). The average cost of debt reached 4.3% at 30 June 2012, versus 4.1% at 31 December 2011.

The IGD Group's **net debt** at 30 June 2012 amounted to **€1.095 billion**, largely unchanged with respect to the €1.094 billion recorded at 31 December 2011.

The Real Estate Portfolio at 30 June 2012

As previously disclosed to the market on 1 August 2012, based on the appraisals of the independent experts CB Richard Ellis and Reag, the **market value** of the IGD Group's real estate portfolio at 30 June 2012 reached **€1,913.66 million**, largely unchanged with respect to the €1,924.6 million recorded at 31 December 2011.



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

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



The Half-Year Financial Report at 30 June 2012 will be made available to the general public at the company's registered office and will also be made available in the Investor Relations section of the company's website www.gruppoigd.it within the time period required by law.

² It is calculated based on pre-tax profit, net of non-monetary items (deferred tax, writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of income from equity investments and revenue from property sales. The figure recorded at 31 December 2011, however, included extraordinary items and gains relating to disposals, while in 2012, in order to highlight the core business revenue streams, these items were excluded. The figure for first half 2011 was, consequently, adjusted.

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

Immobiliare Grande Distribuzione SIQ S.p.A. is the main player in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIQ (*Società di Investimento Immobiliare Quotata* or real estate investment trust) in Italy. IGD has a real estate portfolio valued at €1,913.66 million at 30 June 2012, comprised of, in Italy, 19 hypermarkets and supermarkets, 19 shopping malls and retail parks, 1 city center, 4 plots of land for development, 1 property held for trading and an additional 7 real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 15 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle: these qualities summarize IGD's strong points.

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Please find attached the IGD Group's consolidated income statement, statement of financial position, statement of cash flows and net financial position, as well as the operating income statement, at 30 June 2012.

Consolidated income statement at 30 June 2012

Consolidated income statement (€/000)	30/06/2012 (A)	30/06/2011 (B)	Changes (A-B)
Revenue:	58,974	57,349	1,625
- from third parties	41,025	41,597	(572)
- from related parties	17,949	15,752	2,197
Other income:	4,708	5,715	(1,007)
- other income	3,933	5,082	(1,149)
- from related parties	775	633	142
Total revenue and operating income	63,682	63,064	618
Revenue from property sales	0	1,726	(1,726)
Change in work in progress inventory	3,555	3,416	139
Total revenue and change in inventory	67,237	68,206	(969)
Cost of work in progress	3,536	4,411	(875)
Cost of services:	11,663	11,705	(42)
- third parties	9,987	10,018	(31)
- related parties	1,676	1,687	(11)
Cost of labour	4,027	3,899	128
Other operating costs	4,011	2,759	1,252
Total operating costs	23,237	22,774	463
(depreciation, amortization and provisions)	(1,888)	(1,939)	51
(Impairment losses)/Reversals on work in progress and goodwill	(423)	(140)	(283)
Change in FV - increases/(decreases)	(10,923)	12,776	(23,699)
Total depreciation, amortization, provisions, impairment and change in FV	(13,234)	10,697	(23,931)
EBIT	30,766	56,129	(25,363)
Income/(loss) from equity investments	(367)	(633)	266
Income/(loss) from equity investments	(367)	(633)	266
Financial income:	227	397	(170)
- third parties	219	380	(161)
- related parties	8	17	(9)
Financial charges:	24,176	20,589	3,587
- third parties	22,938	20,247	2,691
- related parties	1,238	342	896
Net financial income (charges)	(23,949)	(20,192)	(3,757)
PRE-TAX PROFIT	6,450	35,304	(28,854)
Income taxes	(1,735)	5,092	(6,827)
NET PROFIT FOR THE PERIOD	8,185	30,212	(22,027)
Minority interests in net (profit)/loss	107	(19)	126
Parent Company's portion of net profit	8,292	30,193	(21,901)
- basic earnings per share	0.028	0.101	
- diluted earnings per share	0.038	0.096	

Consolidated statement of financial position at 30 June 2012

Consolidated statement of financial position (€/000)	30/06/2012 (A)	31/12/2011 (B)	Change (A-B)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets with finite useful lives	83	78	5
Goodwill	11,427	11,427	0
	11,510	11,505	5
Property, plant, and equipment			
Investment property	1,769,025	1,779,445	(10,420)
Buildings	9,471	9,592	(121)
Plant and machinery	1,461	1,388	73
Equipment and other assets	2,329	2,467	(138)
Leasehold improvements	1,410	1,460	(50)
Assets under construction	72,493	69,834	2,659
	1,856,189	1,864,186	(7,997)
Other non-current assets			
Deferred tax assets	24,057	19,888	4,169
Sundry receivables and other non-current assets	1,020	1,965	(945)
Equity investments	312	212	100
Non-current financial assets	24	41	(17)
Derivatives - assets	176	202	(26)
	25,589	22,308	3,281
TOTAL NON-CURRENT ASSETS (A)	1,893,288	1,897,999	(4,711)
CURRENT ASSETS:			
Work in progress inventory and advances	74,383	71,152	3,231
Inventory	6	7	(1)
Trade and other receivables	13,556	13,101	455
Related party trade and other receivables	652	983	(331)
Other current assets	3,993	11,393	(7,400)
Related party financial receivables and other current financial assets	1,494	1,426	68
Financial receivables and other current financial assets	2,903	278	2,625
Cash and cash equivalents	10,854	14,433	(3,579)
TOTAL CURRENT ASSETS (B)	107,841	112,773	(4,932)
TOTAL ASSETS (A + B)	2,001,129	2,010,772	(9,643)
NET EQUITY:			
Share capital	311,569	298,273	13,296
Share premium reserve	147,730	147,730	0
Other reserves	246,491	252,347	(5,856)
Group profit	38,657	56,891	(18,234)
Total Group net equity	744,447	755,241	(10,794)
Portion pertaining to minorities	11,705	11,812	(107)
TOTAL NET EQUITY (C)	756,152	767,053	(10,901)
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	45,743	34,773	10,970
Non-current financial liabilities	828,857	860,659	(31,802)
Related party non-current financial liabilities	15,000	15,000	0
Provision for employee severance indemnities	897	796	101
Deferred tax liabilities	47,376	48,366	(990)
Provisions for risks and future charges	939	1,386	(447)
Sundry payables and other non-current liabilities	7,444	7,325	119
Related party sundry payables and other non-current liabilities	12,806	12,771	35
TOTAL NON-CURRENT LIABILITIES (D)	959,062	981,076	(22,014)
CURRENT LIABILITIES:			
Current financial liabilities	216,677	184,447	32,230
Related party current financial liabilities	50,054	50,469	(415)
Trade and other payables	8,495	11,215	(2,720)
Related party trade and other payables	1,577	2,643	(1,066)
Current tax liabilities	3,522	7,869	(4,347)
Other current liabilities	5,572	5,982	(410)
Related party other current liabilities	18	18	0
TOTAL CURRENT LIABILITIES (E)	285,915	262,643	23,272
TOTAL LIABILITIES (F=D + E)	1,244,977	1,243,719	1,258
TOTAL NET EQUITY AND LIABILITIES (C + F)	2,001,129	2,010,772	(9,643)

Consolidated statement of cash flows at 30 June 2012

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2012	30/06/2011
(€/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	6,450	35,304
(Capital gains) capital losses and other non-monetary items	3,425	2,048
Depreciation, amortization and provisions	1,888	1,939
(Impairment)/reversal of assets under construction and goodwill	423	140
(writedowns of inventories for construction in progress)	348	0
Change in fair value of investment property	10,923	(12,776)
Writedowns of equity investments	8	45
CASH FLOW FROM OPERATING ACTIVITIES	23,465	27,070
Income tax	(742)	(334)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	22,723	26,736
Change in inventories	(3,578)	(3,102)
Net change in current assets and liabilities	(1,825)	17,213
Net change in current assets and liabilities w. related parties	(735)	(1,834)
Net change in non-current assets and liabilities	714	(5,389)
Net change in non-current assets and liabilities w. related parties	35	21
CASH FLOW FROM OPERATING ACTIVITIES (a)	17,335	33,645
Investments in fixed assets	(6,000)	(72,279)
Divestments of fixed assets	240	182
Equity investments in subsidiaries	(108)	0
CASH FLOW FROM INVESTING ACTIVITIES (b)	(5,868)	(72,097)
Change in non-current financial assets	16	0
Change in financial receivables and other current financial assets	(2,625)	(21,469)
Change in financial receivables and other current financial assets w. related parties	(68)	431
Dividend reinvestment option	12,714	0
Payment of dividends	(23,862)	(22,370)
Change in current debt	31,902	40,504
Change in current debt w. related parties	(415)	21,198
Change in non-current debt	(32,657)	(6,738)
CASH FLOW FROM FINANCING ACTIVITIES (c)	(14,995)	11,556
Difference in translation of liquidity	(51)	18
NET INCREASE (DECREASE) IN CASH BALANCE	(3,579)	(26,878)
CASH BALANCE AT BEGINNING OF THE PERIOD	14,433	32,264
CASH BALANCE AT END OF THE PERIOD	10,854	5,386

Consolidated net financial position at 30 June 2012

NET FINANCIAL POSITION		
	30/06/2012	31/12/2011
Cash and cash equivalents	(10,854)	(14,433)
Financial receivables and other current financial assets w . related parties	(1,494)	(1,426)
Financial receivables and other current financial assets	(2,903)	(278)
LIQUIDITY	(15,251)	(16,137)
Current financial liabilities w . related parties	50,054	50,469
Current financial liabilities	150,974	146,841
Mortgage loans - current portion	65,389	35,398
Leasing – current portion	270	2,142
Convertible bond loan - current portion	44	66
CURRENT DEBT	266,731	234,916
CURRENT NET DEBT	251,480	218,778
Non-current financial assets	(24)	(41)
Non-current financial liabilities due to other sources of finance	8,173	25,170
Leasing – non-current portion	5,582	5,719
Non-current financial liabilities	593,112	610,304
Non-current financial liabilities w . related parties	15,000	15,000
Convertible bond loan	221,990	219,466
NON-CURRENT DEBT	843,833	875,618
NET FINANCIAL POSITION	1,095,313	1,094,397