

## PRESS RELEASE

### IGD SIIQ SPA: THE BOARD OF DIRECTORS APPROVES

- THE INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2012 and
- THE FINANCIAL CALENDAR 2013

### - INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2012

Revenue rises in the first nine months of 2012 despite the uncertain environment and the drop in consumption

- Revenue from core business <sup>1</sup>: €92.1 million (€89.8 million at 30 September 2011; +2.6%).
- Like-for-like revenue in Italy: €76.1 million (€75.5 million at 30 September 2011; +0.8%).
- Core business EBITDA: €64.6 million (€66.4 million at 30 September 2011)
- The Group's portion of net profit: €16.1 million (€39.6 million at 30 September 2011,) explained primarily by the change in the properties' fair value;
- Net financial debt: €1.090 billion (an improvement with respect to the € -1.095 billion posted at 30 June 2012)
- Gearing ratio: 1.37 (down with respect to the 1.39 recorded at 30 June 2012)

Bologna, 8 November 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"), listed on the STAR segment of the Italian Stock Exchange, examined and approved the **Interim Management Statement at 30 September 2012**.

*"Despite the current complex phase, characterized by a very difficult business and financial environment, revenue from core business in the first nine months of 2012 rose by 2.6%: significant confirmation as to the validity of our strategic choices which seek to fuel sufficient traffic (+1.6% at 30/09) while focusing on the needs of our tenants in order to maintain the occupancy rates in our centers high; strategies which are also included in the 2012-2015 Business Plan that we presented at the beginning of October."* **Claudio Albertini**, Chief Executive Officer of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** stated.

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<sup>1</sup> 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 September 2012

€/000	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
	30/09/2011	30/09/2012	%	30/09/2011	30/09/2012	%	30/09/2011	30/09/2012	%
Revenues from freehold properties	79,453	81,862	3.0%	79,453	81,862	3.0%	0	0	n.a.
Revenues from leasehold properties	6,380	6,363	-0.3%	6,380	6,363	-0.3%	0	0	n.a.
Revenues from services	3,984	3,925	-1.5%	3,984	3,925	-1.5%	0	0	n.a.
Revenues from trading	1,726	0	-100.0%	0	0	n.a.	1,726	0	-100.0%
<b>Operating revenues</b>	<b>91,543</b>	<b>92,150</b>	<b>0.7%</b>	<b>89,817</b>	<b>92,150</b>	<b>2.6%</b>	<b>1,726</b>	<b>0</b>	<b>-100.0%</b>
Direct costs	(14,407)	(18,347)	27.4%	(14,308)	(18,082)	26.4%	(99)	(265)	168.1%
Personnel expenses	(2,631)	(2,621)	-0.4%	(2,631)	(2,621)	-0.4%	0	0	n.a.
Increases, cost of sales and other costs	(878)	251	n.a.	0	0	n.a.	(878)	251	n.a.
<b>Gross Margin</b>	<b>73,627</b>	<b>71,433</b>	<b>-3.0%</b>	<b>72,878</b>	<b>71,447</b>	<b>-2.0%</b>	<b>749</b>	<b>(14)</b>	<b>n.a.</b>
G&A expenses	(2,943)	(2,982)	1.4%	(2,630)	(2,729)	3.8%	(313)	(253)	n.a.
Headquarters personnel costs	(3,865)	(4,146)	7.3%	(3,837)	(4,128)	7.6%	(28)	(18)	-37.6%
<b>EBITDA</b>	<b>66,819</b>	<b>64,305</b>	<b>-3.8%</b>	<b>66,411</b>	<b>64,590</b>	<b>-2.7%</b>	<b>408</b>	<b>(285)</b>	<b>n.a.</b>
<i>Ebitda Margin</i>				<b>73.9%</b>	<b>70.1%</b>		<i>n.a.</i>	<i>n.a.</i>	
Depreciation	(768)	(988)	28.6%						
Devaluation	(391)	(423)	8.3%						
Change in FV	12,076	(11,640)	-196.4%						
Other provisions	0	0	n.a.						
<b>EBIT</b>	<b>77,736</b>	<b>51,254</b>	<b>-34.1%</b>						
Financial income	515	469	-9.0%						
Financial charges	(32,304)	(36,290)	12.3%						
<b>Net Financial Income</b>	<b>(31,789)</b>	<b>(35,821)</b>	<b>12.7%</b>						
<b>Income from equity investments</b>	<b>(635)</b>	<b>(566)</b>	<b>n.a.</b>						
<b>PRE-TAX INCOME</b>	<b>45,312</b>	<b>14,867</b>	<b>-67.2%</b>						
Income tax for the period	(5,699)	1,057	-118.5%						
<i>Tax rate</i>	<b>12.6%</b>	<b>-7.1%</b>							
<b>NET PROFIT</b>	<b>39,613</b>	<b>15,924</b>	<b>-59.8%</b>						
(profit)/losses related to third parties	9	151	1500.7%						
<b>NET GROUP PROFIT</b>	<b>39,622</b>	<b>16,075</b>	<b>-59.4%</b>						

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 September 2012

At 30 September 2012, the IGD Group's **revenue from core business** amounted to **€92.1 million, an increase of 2.6%** with respect to the €89.8 million posted in the first nine months of 2011, due primarily to the positive impact of the new acquisitions made in 2011. More in detail, rental income at 30 September 2012 rose 2.8%, while revenue from services was basically unchanged with respect to 30 September 2011. With regard to total rental income, this figure at 30 September 2012 amounted to €88.2 million, an increase of 2.8% with respect to the first nine months of 2011 and of 0.8% like-for-like.

The IGD Group's core business **EBITDA** at 30 September 2012 amounted to **€64.6 million**, versus €66.4 million at 30 September 2011, explained primarily by the increase in direct costs pertaining to the core business (including personnel expenses) which in the first nine months of 2012 reached €20.7 million, a rise of 22.2% with respect to the same period of the prior year. This change is primarily attributable to the increase in costs relating to IMU, 26% of the total direct costs, as well as the increase in provisions for doubtful accounts and maintenance. These costs amounted to 22.5% of revenue. **General expenses** for the core business (including payroll costs at headquarters), reached €6.9 million (€6.5 million in the first nine months of 2011). General expenses as a percentage of core business revenue reached 7.4%, unchanged with respect to the prior year.

**EBITDA margin** for the core business **reached 70.1%** versus 73.9% at 30 September 2011, due primarily to the more than proportional increase in direct costs with respect to revenue.

The IGD Group's **EBIT** at 30 September 2012 amounted to €51.3 **million**, versus €77.7 million at 30 September 2011. The change is explained primarily by the impact of property writedowns and fair value adjustments.

The tax burden, current and deferred, at 30 September 2012 amounted to €1.1 million (versus € -5.7 million in the first nine months of 2011), reflecting primarily the impact of the writedowns linked to fair value adjustments.

The Group's portion of **net profit** at 30 September 2012 amounted to €**16.1 million**, versus €39.6 million in first nine months of 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.

**Funds From Operations (FFO)**, which measures the cash flow generated by a company's core business, fell from the €33 million recorded at 30 September 2011 to approximately €**27.1 million at 30 September 2012**.

At the end of the first nine months of 2012 the gearing ratio came in at 1.37 (an improvement with respect to the 1.39 recorded at 30 June 2012). The average cost of debt reached 4.2% at 30 September 2012, versus 4.3% at 30 June 2012.

The IGD Group's **net debt** at 30 September 2012 amounted to €**1.090 billion**, an improvement with respect to the €1.095 billion recorded at 31 December 2011.

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*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.*

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*The Interim Management Statement at 31 September 2012 will be made available to the general public at the company's registered office and at Borsa Italiana S.p.A., as well in the Investor Relations section of the company's website [www.gruppoigd.it](http://www.gruppoigd.it) within the time period required by law.*

**- FINANCIAL EVENT CALENDAR FOR FY 2013<sup>2</sup>:**

Date	Body	Subject
28 February	Board of Directors	Approval of the draft consolidated financial statements at 31 December 2012
18 April	Shareholders' Meeting	On first call and 19 April on second call, approval of the financial statements at 31 December 2012
9 May	Board of Directors	Approval of the interim management statement at 31 March 2013
7 August	Board of Directors	Approval of the half-year financial report at 30 June 2013
7 November	Board of Directors	Approval of the interim management statement at 30 September 2013

Conference calls, the details of which will be announced subsequently, will be held with the financial community in order to present the results for each reporting period.

All of the documentation relating to the single events will be made available to the public at the company's registered office, *Borsa Italiana S.p.A.* and on the website [www.gruppoigd.it](http://www.gruppoigd.it).

The market will be advised of any changes made to the calendar in a timely manner.

**IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.**

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main 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, IGD was the first SIIQ (*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.

[www.gruppoigd.it](http://www.gruppoigd.it)

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<sup>2</sup> Pursuant to Art. 2.6.2. (1).c of the Regulations for markets organized and managed by *Borsa Italiana S.p.A.*

*The press release is available on the website [www.gruppoigd.it](http://www.gruppoigd.it), in the Investor Relations section, and on the website [www.imagebuilding.it](http://www.imagebuilding.it), in the Press Room section.*



**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 September 2012<sup>3</sup>.**

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<sup>3</sup> The Immobiliare Grande Distribuzione Group's Interim Management Statement and consolidated financial statements at 30 September 2012 are not subject to financial audit by external auditors.

## Consolidated income statement at 30 September 2012

Consolidated income statement (€/000)	30/09/2012 (A)	30/09/2011 (B)	Change (A-B)	3Q 2012 (C)	3Q 2011 (D)	Change (C-D)
Revenue	88,200	87,052	1,148	29,226	29,703	(477)
Other income	7,059	8,480	(1,421)	2,351	2,765	(414)
<b>Total revenue and operating income</b>	<b>95,259</b>	<b>95,532</b>	<b>(273)</b>	<b>31,577</b>	<b>32,468</b>	<b>(891)</b>
Revenue from property sales	0	1,726	(1,726)	0	0	0
Change in inventories for assets under construction	5,868	5,612	256	2,313	2,196	117
<b>Total revenue and change in inventory</b>	<b>101,127</b>	<b>102,870</b>	<b>(1,743)</b>	<b>33,890</b>	<b>34,664</b>	<b>(774)</b>
Costs of assets under construction	5,617	6,464	(847)	2,081	2,053	28
Purchase of materials and services	17,285	17,371	(86)	5,622	5,666	(44)
Cost of labour	5,882	5,671	211	1,855	1,772	83
Other operating costs	6,462	4,152	2,310	2,451	1,393	1,058
<b>Total operating costs</b>	<b>35,246</b>	<b>33,658</b>	<b>1,588</b>	<b>12,009</b>	<b>10,884</b>	<b>1,125</b>
(Amortization, depreciation and provisions)	(2,679)	(3,273)	594	(791)	(1,334)	543
(Impairment losses)/Reversals on work in progress and goodwill	(423)	(391)	(32)	0	(251)	251
Change in fair value - increases / (decreases)	(11,640)	12,076	(23,716)	(717)	(700)	(17)
<b>Total Amort., depr., provisions, impairment and change in fair value</b>	<b>(14,742)</b>	<b>8,412</b>	<b>(23,154)</b>	<b>(1,508)</b>	<b>(2,285)</b>	<b>777</b>
<b>EBIT</b>	<b>51,139</b>	<b>77,624</b>	<b>(26,485)</b>	<b>20,373</b>	<b>21,495</b>	<b>(1,122)</b>
<b>Income from equity investments</b>	<b>(566)</b>	<b>(635)</b>	<b>69</b>	<b>(199)</b>	<b>(2)</b>	<b>(197)</b>
Income from equity investments	(566)	(635)	69	(199)	(2)	(197)
Financial income	469	515	(46)	242	118	124
Financial charges	36,175	32,192	3,983	11,999	11,603	396
<b>Net financial income/(charges)</b>	<b>(35,706)</b>	<b>(31,677)</b>	<b>(4,029)</b>	<b>(11,757)</b>	<b>(11,485)</b>	<b>(272)</b>
<b>PRE-TAX PROFIT</b>	<b>14,867</b>	<b>45,312</b>	<b>(30,445)</b>	<b>8,417</b>	<b>10,008</b>	<b>(1,591)</b>
Income tax for the period	(1,057)	5,699	(6,756)	678	607	71
<b>NET PROFIT FOR THE PERIOD</b>	<b>15,924</b>	<b>39,613</b>	<b>(23,689)</b>	<b>7,739</b>	<b>9,401</b>	<b>(1,662)</b>
Minorities portion of net profit	151	9	142	44	28	16
<b>Parent Company's portion of net profit</b>	<b>16,075</b>	<b>39,622</b>	<b>(23,547)</b>	<b>7,783</b>	<b>9,429</b>	<b>(1,646)</b>

## Consolidated statement of financial position at 30 September 2012

Consolidated statement of financial position (€/000)	30/09/2012 (A)	30/06/2012 (B)	31/12/2011 (C)	Change (A-B)	Change (A-C)
<b>NON-CURRENT ASSETS:</b>					
<b>Intangible assets</b>					
Intangible assets with finite useful lives	98	83	78	15	20
Goodwill	11,427	11,427	11,427	0	0
	<b>11,525</b>	<b>11,510</b>	<b>11,505</b>	<b>15</b>	<b>20</b>
<b>Property, plant and equipment</b>					
Investment property	1,769,025	1,769,025	1,779,445	0	(10,420)
Buildings	9,410	9,471	9,592	(61)	(182)
Plant and machinery	1,371	1,461	1,388	(90)	(17)
Equipment and other assets	2,200	2,329	2,467	(129)	(267)
Leasehold improvements	1,362	1,410	1,460	(48)	(98)
Assets under construction	75,015	72,493	69,834	2,522	5,181
	<b>1,858,383</b>	<b>1,856,189</b>	<b>1,864,186</b>	<b>2,194</b>	<b>(5,803)</b>
<b>Other non-current assets</b>					
Deferred tax assets	25,608	24,057	19,888	1,551	5,720
Sundry receivables and other non-current assets	544	1,020	1,965	(476)	(1,421)
Equity investments	312	312	212	0	100
Non-current financial assets	23	24	41	(1)	(18)
Derivatives - assets	163	176	202	(13)	(39)
	<b>26,650</b>	<b>25,589</b>	<b>22,308</b>	<b>1,061</b>	<b>4,342</b>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>1,896,558</b>	<b>1,893,288</b>	<b>1,897,999</b>	<b>3,270</b>	<b>(1,441)</b>
<b>CURRENT ASSETS:</b>					
Work in progress inventory and advances	76,501	74,383	71,152	2,118	5,349
Inventory	0	6	7	(6)	(7)
Trade and other receivables	14,558	14,208	14,084	350	474
Other current assets	3,652	3,993	11,393	(341)	(7,741)
Financial receivables and other current financial assets	3,533	4,397	1,704	(864)	1,829
Cash and cash equivalents	14,336	10,854	14,433	3,482	(97)
<b>TOTAL CURRENT ASSETS (B)</b>	<b>112,580</b>	<b>107,841</b>	<b>112,773</b>	<b>4,739</b>	<b>(193)</b>
<b>TOTAL ASSETS (A + B)</b>	<b>2,009,138</b>	<b>2,001,129</b>	<b>2,010,772</b>	<b>8,009</b>	<b>(1,634)</b>
<b>NET EQUITY:</b>					
Share capital	311,569	311,569	298,273	0	13,296
Share premium reserve	147,730	147,730	147,730	0	0
Other reserves	242,204	246,491	252,347	(4,287)	(10,143)
Group profit	46,440	38,657	56,891	7,783	(10,451)
<b>Total Group net equity</b>	<b>747,943</b>	<b>744,447</b>	<b>755,241</b>	<b>3,496</b>	<b>(7,298)</b>
Portion pertaining to minorities	11,661	11,705	11,812	(44)	(151)
<b>TOTAL NET EQUITY (C)</b>	<b>759,604</b>	<b>756,152</b>	<b>767,053</b>	<b>3,452</b>	<b>(7,449)</b>
<b>NON-CURRENT LIABILITIES:</b>					
Derivatives - liabilities	51,825	45,743	34,773	6,082	17,052
Non-current financial liabilities	777,051	843,857	875,659	(66,806)	(98,608)
Provision for employee severance indemnities	940	897	796	43	144
Deferred tax liabilities	47,807	47,376	48,366	431	(559)
Provisions for risks and future charges	1,114	939	1,386	175	(272)
Sundry payables and other non-current liabilities	20,214	20,250	20,096	(36)	118
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>898,951</b>	<b>959,062</b>	<b>981,076</b>	<b>(60,111)</b>	<b>(82,125)</b>
<b>CURRENT LIABILITIES:</b>					
Current financial liabilities	331,261	266,731	234,916	64,530	96,345
Trade and other payables	9,595	10,072	13,858	(477)	(4,263)
Current tax liabilities	3,078	3,522	7,869	(444)	(4,791)
Other current liabilities	6,649	5,590	6,000	1,059	649
<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>350,583</b>	<b>285,915</b>	<b>262,643</b>	<b>64,668</b>	<b>87,940</b>
<b>TOTAL LIABILITIES (F=D + E)</b>	<b>1,249,534</b>	<b>1,244,977</b>	<b>1,243,719</b>	<b>4,557</b>	<b>5,815</b>
<b>TOTAL NET EQUITY AND LIABILITIES (C + F)</b>	<b>2,009,138</b>	<b>2,001,129</b>	<b>2,010,772</b>	<b>8,009</b>	<b>(1,634)</b>

## Consolidated statement of cash flows at 30 September 2012

CONSOLIDATED STATEMENT OF CASH FLOWS	30/09/2012	30/09/2011
(€/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	14,867	45,312
<b>Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:</b>		
(Capital gains) capital losses and other non-monetary items	6,836	5,420
Depreciation, amortization and provisions	2,679	3,273
(Impairment)/reversal of assets under construction and goodwill	423	391
(writedowns of inventories for construction in progress)	348	0
Change in fair value of investment property	11,640	(12,076)
Equity investments	557	424
<b>CASH FLOW FROM OPERATING ACTIVITIES (b)</b>	<b>37,350</b>	<b>42,743</b>
Income tax	(1,112)	(755)
<b>CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX</b>	<b>36,238</b>	<b>41,988</b>
Change in inventories	(5,690)	(5,440)
Net change in current assets and liabilities	(2,882)	13,703
Net change in non-current assets and liabilities	1,414	(3,980)
<b>CASH FLOW GENERATED BY BUSINESS OPERATIONS IN THE PERIOD</b>	<b>29,080</b>	<b>46,572</b>
Investments in fixed assets	(9,332)	(111,762)
Divestments of fixed assets e	386	0
Equity investments in subsidiaries	(108)	0
<b>CASH FLOW FROM INVESTING ACTIVITIES (b)</b>	<b>(9,054)</b>	<b>(111,762)</b>
Change in non-current financial assets	16	0
Change in financial receivables and other current financial assets	(1,830)	(16,392)
Dividend reinvestment option	12,711	
Payment of dividends	(23,862)	(22,370)
Change in current debt	94,344	66,061
Change in non-current debt	(101,420)	15,670
<b>CASH FLOW FROM FINANCING ACTIVITIES (c)</b>	<b>(20,041)</b>	<b>42,969</b>
Difference in translation of liquidity	(82)	(25)
<b>NET INCREASE (DECREASE) IN CASH BALANCE</b>	<b>(97)</b>	<b>(22,246)</b>
<b>CASH BALANCE AT BEGINNING OF THE PERIOD</b>	<b>14,433</b>	<b>32,264</b>
<b>CASH BALANCE AT END OF THE PERIOD</b>	<b>14,336</b>	<b>10,018</b>



**Consolidated net financial position at 30 September 2012**

<b>NET FINANCIAL POSITION</b>			
	<b>30/09/2012</b>	<b>30/06/2012</b>	<b>31/12/2011</b>
Cash and cash equivalents	(14,336)	(10,854)	(14,433)
Financial receivables and other current financial assets	(3,533)	(4,397)	(1,704)
<b>LIQUIDITY</b>	<b>(17,869)</b>	<b>(15,251)</b>	<b>(16,137)</b>
Current financial liabilities	197,963	201,028	197,310
Mortgage loans - current portion	130,958	65,389	35,398
Leasing – current portion	273	270	2,142
Convertible bond loan - current portion	2,067	44	66
<b>CURRENT DEBT</b>	<b>331,261</b>	<b>266,731</b>	<b>234,916</b>
<b>CURRENT NET DEBT</b>	<b>313,392</b>	<b>251,480</b>	<b>218,778</b>
Non-current financial assets	(23)	(24)	(41)
Non-current financial liabilities due to other sources of finance	8,078	8,173	25,170
Leasing – non-current portion	5,513	5,582	5,719
Non-current financial liabilities	540,156	608,112	625,304
Convertible bond loan	223,304	221,990	219,466
<b>NON-CURRENT DEBT</b>	<b>777,028</b>	<b>843,833</b>	<b>875,618</b>
<b>NET FINANCIAL POSITION</b>	<b>1,090,420</b>	<b>1,095,313</b>	<b>1,094,397</b>