

## PRESS RELEASE

### IGD SIIQ SPA: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2013

#### Results for the first nine months of 2013:

- Consolidated operating revenue: €90.5 million (€92 million at 30 September 2012)
- Core business EBITDA : €62.3 million (€64.6 million in the first nine months of 2012)
- The Group's net profit : €11 million; the change with respect to 30 September 2012 (€16.1 million) is attributable above all to the different trend in the fair value of real estate
- Funds from Operations (FFO): €26 million; largely unchanged with respect to 30 September 2012 (€27 million)
- Net debt stable at €1.086 billion (versus €1.086 billion at 30 June 2013); gearing ratio 1.37, an improvement with respect to the 1.38 posted at 30 June 2013

Bologna, 7 November 2013. Today 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, in a meeting chaired by Gilberto Coffari, examined and approved the **Consolidated Interim Management Statement at 30 September 2013**.

*"In what is still a difficult market environment characterized by a persistent situation of generalized crisis and ever declining consumption, the IGD Group managed to maintain its economic-financial fundamentals intact, with core business cash flow generation falling slightly with respect to the prior year. In the coming months we will focus on sustaining our tenants and development of the investments already part of the portfolio, while keeping financial expense under control."* **Claudio Albertini, IGD – Immobiliare Grande Distribuzione SIIQ S.p.A.'s Chief Executive Officer** stated.

## Operating income statement at 30 September 2013

	CONSOLIDATED				CORE BUSINESS				"PORTA A MARE" PROJECT			
	€/000	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%	30/09/2012	30/09/2013	%		
Revenues from freehold properties		81,896	80,478	-1.7%	81,896	80,415	-1.8%	0	63	n.a.		
Revenues from leasehold properties		6,357	6,243	-1.8%	6,357	6,243	-1.8%	0	0	n.a.		
Revenues from services		3,913	3,745	-4.3%	3,913	3,745	-4.3%	0	0	n.a.		
Revenues from trading		0	0	n.a.	0	0	n.a.	0	0	n.a.		
<b>Operating revenues</b>		<b>92,166</b>	<b>90,466</b>	<b>-1.8%</b>	<b>92,166</b>	<b>90,403</b>	<b>-1.9%</b>	<b>0</b>	<b>63</b>	<b>n.a.</b>		
Direct costs		(18,423)	(18,782)	1.9%	(18,158)	(18,497)	1.9%	(265)	(285)	7.8%		
Personnel expenses		(2,597)	(2,890)	11.3%	(2,597)	(2,890)	11.3%	0	0	n.a.		
Increases, cost of sales and other costs		599	0	-100.0%	0	0	n.a.	599	0	-100.0%		
<b>Gross Margin</b>		<b>71,745</b>	<b>68,794</b>	<b>-4.1%</b>	<b>71,411</b>	<b>69,016</b>	<b>-3.4%</b>	<b>334</b>	<b>(222)</b>	<b>-166.3%</b>		
G&A expenses		(2,975)	(2,922)	-1.8%	(2,722)	(2,572)	-5.5%	(253)	(350)	38.4%		
Headquarters personnel costs		(4,117)	(4,197)	2.0%	(4,099)	(4,147)	1.2%	(18)	(50)	186.3%		
<b>EBITDA</b>		<b>64,653</b>	<b>61,675</b>	<b>-4.6%</b>	<b>64,590</b>	<b>62,297</b>	<b>-3.6%</b>	<b>63</b>	<b>(622)</b>	<b>n.a.</b>		
<i>Ebitda Margin</i>					<b>70.1%</b>	<b>68.9%</b>						
Depreciation		(988)	(1,013)	2.6%								
Devaluation/restores work in progress and invento		(771)	(316)	-59.0%								
Change in FV		(11,640)	(16,812)	44.4%								
Other provisions		0	(94)	n.a.								
<b>EBIT</b>		<b>51,254</b>	<b>43,440</b>	<b>-15.2%</b>								
Financial income		469	296	-36.8%								
Financial charges		(36,290)	(35,027)	-3.5%								
<b>Net financial income</b>		<b>(35,821)</b>	<b>(34,731)</b>	<b>-3.0%</b>								
<b>Income from equity investments</b>		<b>(566)</b>	<b>(490)</b>	<b>-13.5%</b>								
<b>PRE-TAX INCOME</b>		<b>14,867</b>	<b>8,219</b>	<b>-44.7%</b>								
Income tax for the period		1,057	2,496	136.1%								
<b>NET PROFIT</b>		<b>15,924</b>	<b>10,715</b>	<b>-32.7%</b>								
(Profit)/losses related to third parties		151	361	139.1%								
<b>NET GROUP PROFIT</b>		<b>16,075</b>	<b>11,076</b>	<b>-31.1%</b>								

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements. (refer to the information provided relative to the operating segments).

## Principal consolidated results at 30 September 2013

The IGD Group's **consolidated operating revenue** amounted to approximately **€90.5 million** at 30 September 2013, a slight drop (-1.8%) with respect to the €92.2 million recorded in the same period of the prior year. **Rental income** at 30 September 2013 fell by 1.7% with respect to the same period 2012. In Italy (-1.3% like-for-like) the positive trend for hypermarkets continued (+2.5 % due to indexing and the full impact of rent step-ups for recently opened hypermarkets), while malls posted a decline (-3.5%) explained also by the increase in vacancies which, in some cases, are instrumental to the openings expected to take place by the end of 2013. The occupancy rate in Italy is still high, however, coming in at 96.6%.

In Romania, rather, the drop in revenue (-6.2%) is attributable in part to increased vacancies (due both to the works underway and longer turnover) and, in part, to the deteriorating market conditions which resulted in lower rents.

**Revenue from services** amounted to €3.8 million, down (-4.3%) with respect to the same period of the prior year due primarily to the expiration of two management mandates.

The IGD Group's core business **EBITDA** amounted to **€62.3 million** at 30 September 2013 versus €64.6 million at 30 September 2012. This figure reflects the drop in revenue, as well as the impact of direct tax (IMU) and the increase in condominium fees as a result of the increased vacancies in the period. **Direct costs**, pertaining to the core business and including personnel expenses, amounted to €21 million, an

increase of 3.1% with respect to the same period in the prior year. Direct costs as a percentage of revenue reached 23.7%. **General expenses** for the core business (including payroll costs at headquarters), reached €6.7 million, a decrease of 1.5% with respect to the €6.8 million recorded for the first nine months of 2012. General expenses as a percentage of core business revenue reached 7.4%, unchanged with respect to the prior year.

These changes caused the core business **EBITDA margin to drop** from the 70.1% recorded at 30 September 2012 to **68.9%**.

The IGD Group's **EBIT** at 30 September 2013 amounted to **€43.4 million**, compared to €51.2 million at 30 September 2012 due also to the different trend in the fair value of real estate and the drop in Ebitda.

**Net financial expense** dropped in the first nine months of 2013 (-3.0%) from the **€35.8 million** posted at 30 September 2012 to €34.7 million which resulted in a lower average cost of debt.

The tax burden, current and deferred, at 30 September 2013 amounted to positive €2.5 million explained by fair value adjustments.

The Group's **net profit** at 30 September 2013 amounted to **€11 million**, versus **€16.1 million** in the first nine months of 2012.

**Funds from operations (FFO)**, which measures operating cash flow, fell from the €27 million recorded at 30 September 2012 to approximately **€26 million** at 30 September 2013.

The **gearing ratio** at the end of the first nine months of 2013 came to **1.37** (an improvement with respect to the 1.38 recorded at 30 June 2013).

The IGD Group's **net debt** at 30 September 2013 amounted to **€1.086 billion**, in line with the €1.086 billion recorded at 30 June 2013.

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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 2013 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.*

#### **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 circa €1,895.9 million at 30 June 2013, 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)

#### **CONTACTS INVESTOR RELATIONS**

**CLAUDIA CONTARINI**

Investor Relations  
+39 051 509213  
[claudia.contarini@gruppoigd.it](mailto:claudia.contarini@gruppoigd.it)

**ELISA ZANICHEL**

IR Assistant  
+39 051 509242  
[elisa.zanicheli@gruppoigd.it](mailto:elisa.zanicheli@gruppoigd.it)

#### **CONTACTS MEDIA RELATIONS**

**IMAGE BUILDING**

Cristina Fossati, Federica Corbeddu  
+39 02 89011300  
[igd@imagebuilding.it](mailto:igd@imagebuilding.it)

*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 2013<sup>1</sup>.

### Consolidated income statement at 30 September 2013

Consolidated income statement (€/000)	30/09/2013 (A)	30/09/2012 (B)	Change (A-B)	3Q 2013 (C)	3Q 2012 (D)	Change (C-D)
Revenue	86,712	88,249	(1,537)	28,680	29,256	(576)
Other income	3,754	3,917	(163)	1,240	1,297	(57)
<b>Total revenue and operating income</b>	<b>90,466</b>	<b>92,166</b>	<b>(1,700)</b>	<b>29,920</b>	<b>30,553</b>	<b>(633)</b>
Change in inventories for assets under construction	5,657	6,216	(559)	2,156	2,313	(157)
<b>Total revenue and change in inventory</b>	<b>96,123</b>	<b>98,382</b>	<b>(2,259)</b>	<b>32,076</b>	<b>32,866</b>	<b>(790)</b>
Costs of assets under construction	5,657	5,617	40	2,156	2,081	75
Purchase of materials and services	14,142	14,192	(50)	4,683	4,596	87
Cost of labour	6,177	5,882	295	1,940	1,855	85
Other operating costs	6,843	6,462	381	2,305	2,453	(148)
<b>Total operating costs</b>	<b>32,819</b>	<b>32,153</b>	<b>666</b>	<b>11,084</b>	<b>10,985</b>	<b>99</b>
(Amortization, depreciation and provisions)	(2,897)	(2,679)	(218)	(991)	(791)	(200)
(Impairment losses)/Reversals on work in progress and inventories	(316)	(771)	455	0	0	0
Change in fair value - increases / (decreases)	(16,812)	(11,640)	(5,172)	(797)	(717)	(80)
<b>Total Amort., depr., provisions, impairment and change in fair value</b>	<b>(20,025)</b>	<b>(15,090)</b>	<b>(4,935)</b>	<b>(1,788)</b>	<b>(1,508)</b>	<b>(280)</b>
<b>EBIT</b>	<b>43,279</b>	<b>51,139</b>	<b>(7,860)</b>	<b>19,204</b>	<b>20,373</b>	<b>(1,169)</b>
<b>Income from equity investments</b>	<b>(490)</b>	<b>(566)</b>	<b>76</b>	<b>0</b>	<b>(199)</b>	<b>199</b>
Income from equity investments	(490)	(566)	76	0	(199)	199
Financial income	296	469	(173)	34	242	(208)
Financial charges	34,866	36,175	(1,309)	11,754	11,999	(245)
<b>Net financial income/(charges)</b>	<b>(34,570)</b>	<b>(35,706)</b>	<b>1,136</b>	<b>(11,720)</b>	<b>(11,757)</b>	<b>37</b>
<b>PRE-TAX PROFIT</b>	<b>8,219</b>	<b>14,867</b>	<b>(6,648)</b>	<b>7,484</b>	<b>8,417</b>	<b>(933)</b>
Income tax for the period	(2,496)	(1,057)	(1,439)	521	678	(157)
<b>NET PROFIT FOR THE PERIOD</b>	<b>10,715</b>	<b>15,924</b>	<b>(5,209)</b>	<b>6,963</b>	<b>7,739</b>	<b>(776)</b>
Minorities portion of net profit	361	151	210	57	44	13
<b>Parent Company's portion of net profit</b>	<b>11,076</b>	<b>16,075</b>	<b>(4,999)</b>	<b>7,020</b>	<b>7,783</b>	<b>(763)</b>

<sup>1</sup>The Immobiliare Grande Distribuzione Group's Interim Management Statement and consolidated financial statements at 30 September 2013 are not subject to financial audit by external auditors.

### Consolidated statement of financial position at 30 September 2013

Consolidated statement of financial position (€/000)	30/09/2013 (A)	30/06/2013 (B)	31/12/2012 (C)	Change (A-B)	Change (A-C)
<b>NON-CURRENT ASSETS</b>					
<b>Intangible assets</b>					
Intangible assets w with finite useful lives	98	102	98	( 4)	0
Goodwill	11,427	11,427	11,427	0	0
	<b>11,525</b>	<b>11,529</b>	<b>11,525</b>	<b>( 4)</b>	<b>0</b>
<b>Property, plant, and equipment</b>					
Investment property	1,736,115	1,736,115	1,754,550	0	( 18,435)
Buildings	9,166	9,228	9,349	( 62)	( 183)
Plant and machinery	1,257	1,353	1,271	( 96)	( 14)
Equipment and other assets	1,820	1,947	2,179	( 127)	( 359)
Leasehold improvements	1,347	1,399	1,317	( 52)	30
Assets under construction	88,749	82,937	76,376	5,812	12,373
	<b>1,838,454</b>	<b>1,832,979</b>	<b>1,845,042</b>	<b>5,475</b>	<b>( 6,588)</b>
<b>Other non-current assets</b>					
Deferred tax assets	27,132	27,514	29,280	( 382)	( 2,148)
Sundry receivables and other non-current assets	2,432	2,899	3,828	( 467)	( 1,396)
Equity investments	356	306	304	50	52
Non-current financial assets	813	793	25	20	788
Derivatives - assets	112	125	150	( 13)	( 38)
	<b>30,845</b>	<b>31,637</b>	<b>33,587</b>	<b>( 792)</b>	<b>( 2,742)</b>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>1,880,824</b>	<b>1,876,145</b>	<b>1,890,154</b>	<b>4,679</b>	<b>( 9,330)</b>
<b>CURRENT ASSETS:</b>					
Work in progress inventory and advances	82,135	80,122	78,039	2,013	4,096
Trade and other receivables	14,247	15,268	14,972	( 1,021)	( 725)
Other current assets	4,437	4,279	3,144	158	1,293
Financial receivables and other current financial assets	291	353	775	( 62)	( 484)
Cash and cash equivalents	6,809	9,289	7,545	( 2,480)	( 736)
<b>TOTAL CURRENT ASSETS (B)</b>	<b>107,919</b>	<b>109,311</b>	<b>104,475</b>	<b>( 1,392)</b>	<b>3,444</b>
<b>TOTAL ASSETS (A + B)</b>	<b>1,988,743</b>	<b>1,985,456</b>	<b>1,994,629</b>	<b>3,287</b>	<b>( 5,886)</b>
<b>NET EQUITY:</b>					
Share capital	325,052	325,052	311,569	0	13,483
Share premium reserve	147,730	147,730	147,730	0	0
Other reserves	243,465	241,744	240,938	1,721	2,527
Group profit	39,231	32,211	41,653	7,020	( 2,422)
<b>Total Group net equity</b>	<b>755,478</b>	<b>746,737</b>	<b>741,890</b>	<b>8,741</b>	<b>13,588</b>
Portion pertaining to minorities	11,315	11,372	11,676	( 57)	( 361)
<b>TOTAL NET EQUITY (C)</b>	<b>766,793</b>	<b>758,109</b>	<b>753,566</b>	<b>8,684</b>	<b>13,227</b>
<b>NON-CURRENT LIABILITIES:</b>					
Derivatives - liabilities	38,226	40,289	54,125	( 2,063)	( 15,899)
Non-current financial liabilities	741,943	766,225	574,359	( 24,282)	167,584
Provision for employee severance indemnities	1,392	1,322	1,191	70	201
Deferred tax liabilities	44,283	43,797	45,422	486	( 1,139)
Provisions for risks and future charges	1,590	1,373	1,667	217	( 77)
Sundry payables and other non-current liabilities	20,425	20,455	20,240	( 30)	185
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>847,859</b>	<b>873,461</b>	<b>697,004</b>	<b>( 25,602)</b>	<b>150,855</b>
<b>CURRENT LIABILITIES:</b>					
Current financial liabilities	351,808	330,398	523,617	21,410	( 171,809)
Trade and other payables	12,322	13,154	12,646	( 832)	( 324)
Current tax liabilities	2,418	2,839	836	( 421)	1,582
Other current liabilities	7,543	7,495	6,960	48	583
<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>374,091</b>	<b>353,886</b>	<b>544,059</b>	<b>20,205</b>	<b>( 169,968)</b>
<b>TOTAL LIABILITIES (F=D + E)</b>	<b>1,221,950</b>	<b>1,227,347</b>	<b>1,241,063</b>	<b>( 5,397)</b>	<b>( 19,113)</b>
<b>TOTAL NET EQUITY AND LIABILITIES (C + F)</b>	<b>1,988,743</b>	<b>1,985,456</b>	<b>1,994,629</b>	<b>3,287</b>	<b>( 5,886)</b>

**Consolidated statement of cash flows at 30 September 2013**

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>30/09/2013</b>	<b>30/09/2012</b>
<i>(In thousands of Euro)</i>		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	<b>8,219</b>	<b>14,867</b>
<b>Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:</b>		
Non-monetary items	8,548	6,836
Depreciation, amortization and provisions	2,898	2,679
(Impairment)/reversal of assets under construction and inventories	316	771
Change in fair value of investment property	16,812	11,640
Equity investments	3	557
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>36,796</b>	<b>37,350</b>
Income tax	(939)	(1,112)
<b>CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX</b>	<b>35,857</b>	<b>36,238</b>
Change in inventories	(5,287)	(5,690)
Net change in current assets and liabilities	(2,085)	(2,882)
Net change in non-current assets and liabilities	1,625	1,414
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>30,110</b>	<b>29,080</b>
Investments in non-current assets	(14,221)	(9,332)
Divestments of non-current assets	0	386
Equity investments in subsidiaries	(55)	(108)
<b>CASH FLOW FROM INVESTING ACTIVITIES (b)</b>	<b>(14,276)</b>	<b>(9,054)</b>
Change in non-current financial assets	(788)	16
Change in financial receivables and other current financial assets	484	(1,830)
Dividend reinvestment option	13,091	12,711
Payment of dividends	(22,333)	(23,862)
Change in current debt	(175,215)	94,344
Change in non-current debt	168,205	(101,420)
<b>CASH FLOW FROM FINANCING ACTIVITIES (c)</b>	<b>(16,556)</b>	<b>(20,041)</b>
Difference in translation of liquidity	(14)	(82)
<b>NET INCREASE (DECREASE) IN CASH BALANCE</b>	<b>(736)</b>	<b>(97)</b>
<b>CASH BALANCE AT BEGINNING OF THE PERIOD</b>	<b>7,545</b>	<b>14,433</b>
<b>CASH BALANCE AT END OF THE PERIOD</b>	<b>6,809</b>	<b>14,336</b>

**Consolidated net financial position at 30 September 2013**

<b>NET FINANCIAL POSITION</b>			
	<b>30/09/2013</b>	<b>30/06/2013</b>	<b>31/12/2012</b>
Cash and cash equivalents	(6,809)	(9,289)	(7,545)
Financial receivables and other current financial assets	(291)	(353)	(775)
<b>LIQUIDITY</b>	<b>(7,100)</b>	<b>(9,642)</b>	<b>(8,320)</b>
Current financial liabilities	199,183	181,109	181,821
Mortgage loans - current portion	42,395	42,236	116,836
Leasing – current portion	282	279	275
Convertible bond loan - current portion	109,948	106,774	224,685
<b>CURRENT DEBT</b>	<b>351,808</b>	<b>330,398</b>	<b>523,617</b>
<b>CURRENT NET DEBT</b>	<b>344,708</b>	<b>320,756</b>	<b>515,297</b>
Non-current financial assets	(813)	(793)	(25)
Non-current financial liabilities due to other sources of finance	4,217	4,366	8,081
Leasing – non-current portion	5,232	5,303	5,444
Non-current financial liabilities	590,677	614,932	560,834
Convertible bond loan	141,817	141,624	0
<b>NON-CURRENT DEBT</b>	<b>741,130</b>	<b>765,432</b>	<b>574,334</b>
<b>NET FINANCIAL POSITION</b>	<b>1,085,838</b>	<b>1,086,188</b>	<b>1,089,631</b>