IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office in Ravenna (RA), Via Agro Pontino n. 13,

Headquarters in Bologna, Via Trattati Comunitari Europei1957-2007 n.13,

Tax ID, VAT no. 00397420399

Ravenna Company Register no. 88573

Share capital subscribed and paid-in: EUR 599,760,278.16

Interim Management Statement

at 31/03/2017

CONTENTS

Corporate officers

Board of Directors	Office	Executive	Non executive	Independent	Chairman's Commitee	Control and Risk Committee	Compensation and Remuneration Commitee	Related Party Transaction Committee
Elio Gasperoni	Chairman	x			x			
Fernando Pellegrini	Vice Chairman		x		x			
Claudio Albertini	Chief Executive Officer	x			x			
Aristide Canosani	Director		x					
Gilberto Coffari	Director		x					
Luca Dondi Dall'Orologio	Director			x				
Leonardo Caporioni	Director		x					
Lentz Matthew David	Director			x				x
Elisabetta Gualandri	Director			x		x	x	
Milva Carletti	Director			x			x	
Rossella Saoncella	Director			x		x		x
Andrea Parenti	Director			x			x	x
Livia Salvini	Director			x		x		

Board of Statutory Auditors	Office	Standing	Alternate
Anna Maria Allievi	Chairman	X	
Roberto Chiusoli	Auditor	X	
Pasquina Corsi	Auditor	X	
Pierluigi Brandolini	Auditor		X
Isabella Landi	Auditor		X
Andrea Bonechi	Auditor		X

External auditors

PricewaterhouseCoopers S.p.A.

Financial reporting officer

Grazia Margherita Piolanti

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 31 March 2017

REVENUES

• Core business revenues	€ 35.4 mn *(+4.6% vs 31/03/2016)*

EBITDA

• EBITDA (core business)	€ 25.0 mn *(+5.8% vs 31/03/2016)*
• EBITDA margin (core business)	70.7% *(+0.8 points vs 31/03/2016)*
• EBITDA margin from Freehold	79.9% *(+0.8 points vs 31/03/2016*

• Group net profit	€ 14.3 mn *(€ 12.7 mn at 31/03/2016)*

Funds From Operations (FFO) core business	€ 15.6 mn *(+10.2% vs 31/03/2016)*

	31/12/2016	31/03/2017
Net debt	€ 1,055.4 mn	€ 1,046.8 mn
AVERAGE COST OF DEBT* *Net of accessory charges on loan (both recurrent and not)	3.30%	3.10%
INTEREST COVER RATIO	2.24X	2.72X
HEDGING ON LONG TERM DEBT + BOND	93.8%	94.4%

• Loan to Value	47.86% (vs 48.25% at 31/12/2016)
• Gearing (D/E)	0.95 (vs 0.97 at 31/12/2016)

The Group

IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008 and is still the only retail real estate company that qualifies as a SIIQ. Most of the Group's real estate assets are in Italy. In Romania IGD owns the Winmarkt chain of shopping centers through WinMagazin SA.

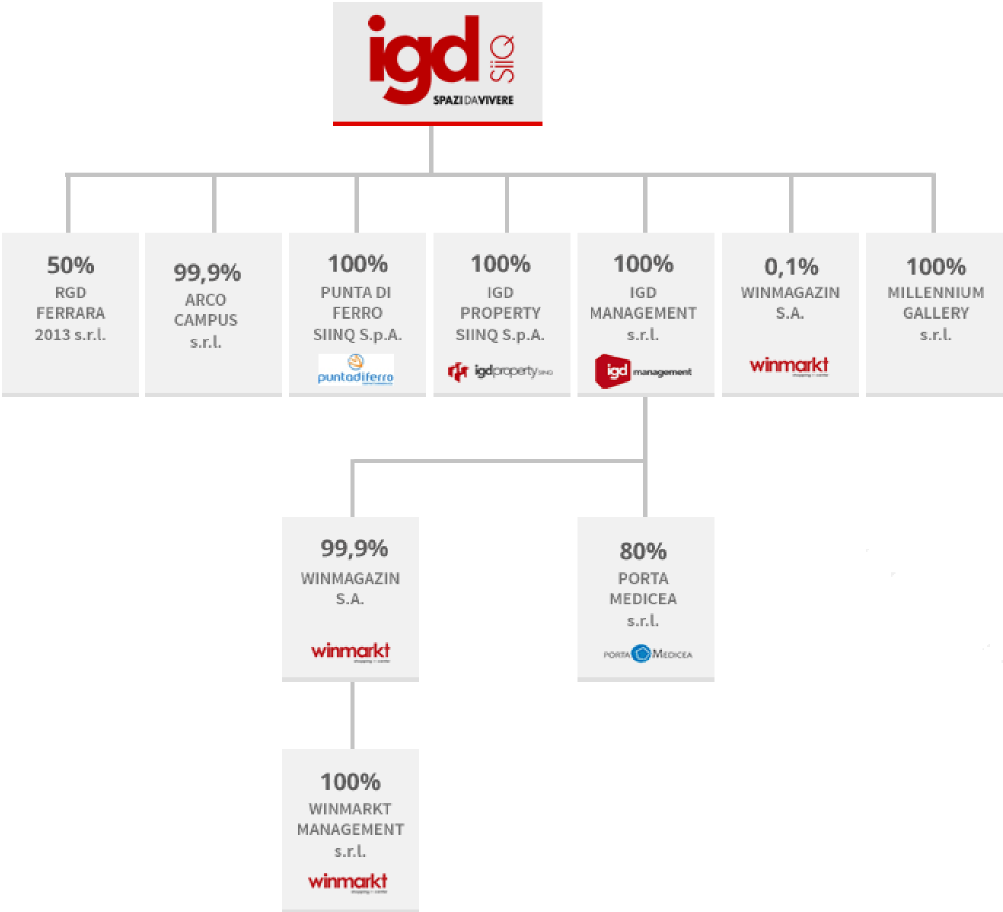
IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy. As shown below, at 31 March 2017 the Parent Company IGD SIIQ SpA also controls:

- 100% of **Millennium Gallery**, (part of the Rovereto shopping mall and a business division in the shopping center in Crema);
- 50% of **RGD Ferrara 2013**, formed on 30 September 2013, to manage the Darsena City Shopping Center in Ferrara;
- 100% of **IGD Property SIINQ SpA**, a real estate investment company formed on 13 December 2012 with stock that is not listed on a regulated market, currently being merged;
- 100% of **Punta di Ferro SIINQ SpA**, a real estate investment company responsible for the "Puntadiferro" mall in Forlì, acquired on 16 December 2015, currently being merged;
- 99.9% di **Arco Campus srl,** company dedicated to the construction, leasing and management of properties used for sports, in addition to the development and dissemination of sports;
- 100% of **IGD Management srl** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:
    - 99.9% of **WinMagazine SA**, the Romanian subsidiary, through which it controls 100% of **WinMarktManagement srl**, the company responsible for the team of Romanian managers;
    - 80% of **Porta Medicea srl**, responsible for the requalification and real estate development project of Livorno's waterfront;
    - management of the leasehold properties (Centro Nova and Centro Piave);
    - service activities which include mandates for the management of freehold and leasehold properties.

The IGD Group's operations can be broken down in to three distinct divisions**:**

- Property management and development;
- Sales, marketing and network management;
- Romania.

The three division heads report to the Chief Operating Officer.


igd SIIQ
SPAZI DA VIVERE
50%
RGD FERRARA 2013 s.r.l.
99,9%
ARCO CAMPUS s.r.l.
100%
PUNTA DI FERRO SIINQ S.p.A.
puntadiferro
100%
IGD PROPERTY SIINQ S.p.A.
igdproperty
100%
IGD MANAGEMENT s.r.l.
igd management
0,1%
WINMAGAZIN S.A.
winmarkt
100%
MILLENNIUM GALLERY s.r.l.
99,9%
WINMAGAZIN S.A.
winmarkt
80%
PORTA MEDICEA s.r.l.
PORTA MEDICEA
100%
WINMARKT MANAGEMENT s.r.l.
winmarkt

Significant events in the first quarter of 2017

Corporate events

On 19 January 2017 the Igd Siiq S.p.A.'s Board of Directors resolved – pursuant to art. 2505, second paragraph of the Italian Civil Code and art. 22 of the corporate by-laws – to approve the merger by incorporation of the wholly owned subsidiaries IGD PROPERTY SIINQ S.p.A. and PUNTA DI FERRO SIINQ S.p.A. On the same date, the merger was approved by the shareholders of the respective incorporated companies meeting in extraordinary session.

On 28 February 2017 the Board of Directors approved the draft separate and consolidated financial statements for FY 2016 and resolved to submit a proposed dividend of €0.045 per outstanding share to the AGM for approval.

IGD's Board of Directors also approved the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, as well as the Board of Director's Compensation Report.

On 27 March 2017 the merger deed relative to the merger by incorporation of the wholly owned subsidiaries IGD PROPERTY SIINQ S.p.A. and PUNTA DI FERRO SIINQ S.p.A. was signed and recorded in the relative company registry effective 1 April 2017; for accounting and tax purposes the merger took effect as of 1 January 2017.

Investments

During the quarter the IGD Group continued with development of the Porta a Mare – Officine project, as well as extensions (ESP and Gran Rondò) and extraordinary maintenance. The main investments are described below.

"Porta a Mare" Project

Work on the Officine Storiche area (residential portion) continued in the quarter for a total of around €102 thousand. Work on the retail portion amounted to approximately €264 thousand and is expected to be completed by first half 2018.

Esp extension

Around €6,202 thousand was invested in the quarter on construction work and systems. The extension is expected to be opened on 1 June 2017.

Gran Rondò extension

Around €827 thousand was invested in the work begun, pertaining mainly to urbanization works and construction, on the mid-size store and multi-level garage next to the Gran Rondò shopping center in Crema. The work is expected to be completed by the first half of 2018.

Other

In the first quarter of 2017 work was completed on the mall at the Città delle Stelle shopping center (€63 thousand), the Lugo hypermarket (€58 thousand), along with €114 thousand in minor improvements at other shopping centers in Italy (including Mondovì, Borgo, Sarca and Punta di Ferro).

Extraordinary maintenance continued, and is still underway, relating to *(i)* work at a few Romanian centers for a total of approximately €495 thousand; *(ii)* earthquake protection work at Darsena for around €55 thousand and other minor improvements for €254 thousand, explained primarily by work on the roof at the Katanè shopping center and waterproofing at the Sarca shopping center.

The investments made at 31 March 2017 are shown below:

	Mar-17 Euro/mn
Real Estate investments	0.23
Assets under construction	8.10
Other tangible fixed assets	0.01
Total investments in fixed assets	**8.34**
Inventories on work in progress Porta a Mare Project	**0.10**
Total investments	**8.44**

Sustainability

For the first time, on 28 February 2017, the Board of Directors approved the 2016 Corporate Sustainability Report when it approved the annual report.

Loans

The Euro 100,000,000.00 seven-year unsecured, non-convertible bond with a gross coupon of 2.25% reserved exclusively for qualified investors settled on 11 January 2017.

INCOME STATEMENT REVIEW

The Group's consolidated net profit at 31 March 2017 amounted to €14,307 thousand, an increase of 13% against 31 March 2016.

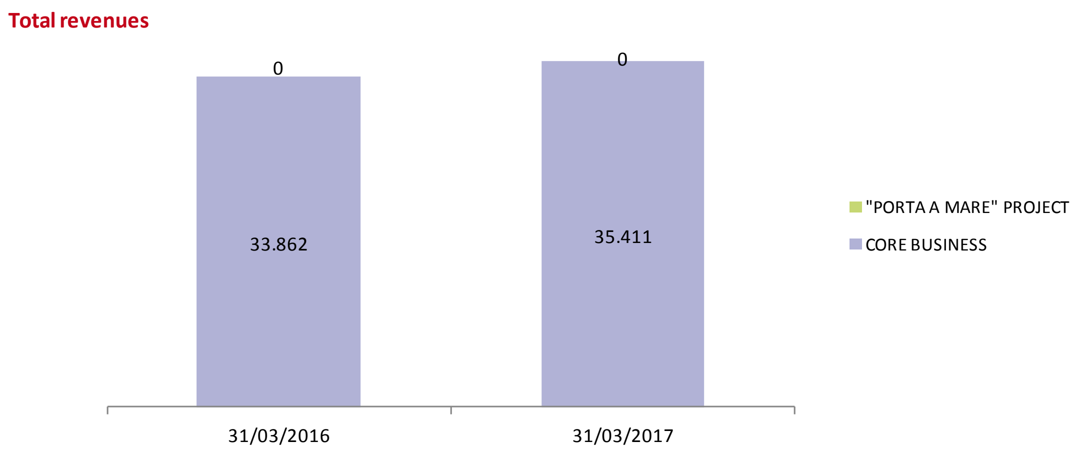
The consolidated operating income statement is shown below:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%
Revenues from freehold real estate and rental act.	29,507	30,741	4.2%	29,507	30,741	4.2%	0	0	n.a.
Revenues from leasehold real estate and rental act.	3,086	3,130	1.4%	3,086	3,130	1.4%	0	0	n.a.
Total revenues from real estate and rental act.	**32,593**	**33,871**	**3.9%**	**32,593**	**33,871**	**3.9%**	**0**	**0**	**n.a.**
Revenues from services	1,269	1,540	21.4%	1,269	1,540	21.4%	0	0	n.a.
Revenues from trading	0	0	n.a.	0	0	n.a.	0	0	n.a.
OPERATING REVENUES	33,862	35,411	4.6%	33,862	35,411	4.6%	0	0	n.a.
COST OF SALE AND OTHER COST	(6)	(5)	(16.0)%	0	0	n.a.	(6)	(5)	(16.0)%
Rent and payable leases	(2,524)	(2,546)	0.9%	(2,524)	(2,546)	0.9%	0	0	n.a.
Personnel expenses	(951)	(1,072)	12.7%	(951)	(1,072)	12.7%	0	0	n.a.
Direct costs	(4,314)	(4,283)	(0.7)%	(4,249)	(4,221)	(0.7)%	(65)	(62)	(3.7)%
DIRECT COSTS	(7,789)	(7,901)	1.4%	(7,724)	(7,839)	1.5%	(65)	(62)	(3.7)%
GROSS MARGIN	**26,067**	**27,505**	**5.5%**	**26,137**	**27,572**	**5.5%**	**(70)**	**(67)**	**(4.7)%**
Headquarters personnel	(1,566)	(1,626)	3.9%	(1,549)	(1,608)	3.8%	(17)	(18)	9.0%
G&A expenses	(999)	(978)	(2.2)%	(915)	(915)	0.0%	(85)	(63)	(26.0)%
G&A EXPENSES	(2,565)	(2,604)	1.5%	(2,464)	(2,523)	2.4%	(101)	(81)	(20.2)%
EBITDA	**23,502**	**24,901**	**6.0%**	**23,674**	**25,049**	**5.8%**	**(171)**	**(148)**	**(13.8)%**
Ebitda Margin	*69.4%*	*70.3%*		*69.9%*	*70.7%*				
Other provisions	(49)	(99)	n.a.						
Impairment and fair value adjustments	(577)	(235)	(59.3)%						
Depreciations	(280)	(255)	(8.9)%						
DEPRECIATIONS AND IMPAIRMENT	(906)	(589)	(35.0)%						
EBIT	**22,596**	**24,312**	**7.6%**						
FINANCIAL MANAGEMENT	(9,363)	(9,151)	(2.3)%						
EXTRAORDINARY MANAGEMENT	(20)	(38)	89.2%						
PRE-TAX PROFIT	**13,213**	**15,123**	**14.5%**						
Taxes	(587)	(829)	41.1%						
PROFIT FOR THE PERIOD	**12,626**	**14,294**	**13.2%**						
(Profit)/loss for the period related to third parties	33	13	(60.6)%						
GROUP NET PROFIT	**12,659**	**14,307**	**13.0%**						

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information).

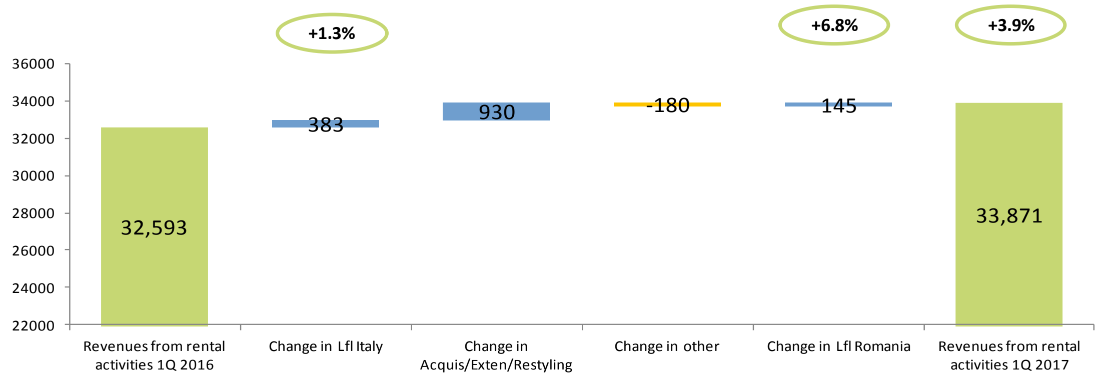
Revenue

Consolidated operating revenue amounted to €35,411 thousand, an increase of 4.6% against the same period of the prior year. The core business revenue reached €35,411 thousand and there was no trading revenue in the quarter.



The breakdown of revenue is described below:

- ✓ **The revenue from the rental business** rose 3.9% against the same period 2016.



The increase of €1,278 thousand is explained:

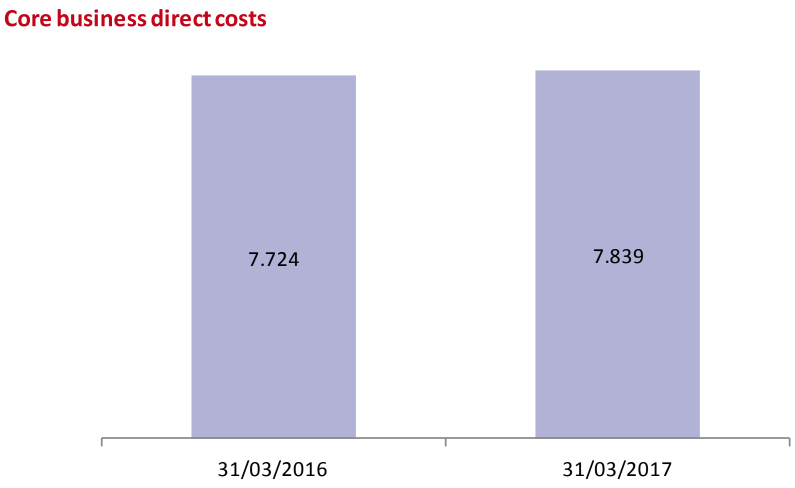
- for €383 thousand, by like-for-like revenue in Italy (+1.3%). Malls were up (+2.4% as a result of the pre-letting completed in second quarter 2016 and lower discounts) and hypermarkets were in line with the prior year. 36 contracts were signed in first quarter 2017 with an average upside of +3.8%;
- for €930 thousand, by the expanded perimeter which comprises the Maremà shopping center in Grosseto opened in October;
- for -€180 thousand, by non-recurring revenue generated in 2016;
- for €145 thousand, by higher revenue like-for-like in Romania linked to pre-letting and leases renegotiated in the period (average upside +2.8%).

✓ **Revenue from services** rose against first quarter 2016 (+21.4%). Most of this revenue comes from the facility management business (85.6% of the total or €1,318 thousand), which was up against the prior period (+8.8%) due mainly to new management mandates. Revenue from agency management rose €128 thousand as a result mainly of pre-letting at the Poseidon center.

✓ **No trading revenue was generated by the Porta a Mare project** in the first quarter**.**

Direct costs

Direct costs, pertaining to the **core business** and including personnel expenses, amounted to €7,839 thousand, an increase of 1.5% with respect to the same period of the prior year.
This increase reflects higher property taxes (IMU) (attributable also to the expanded freehold perimeter) and direct personnel costs (linked to the new management mandates), offset, in part, by the decrease in provisions for doubtful accounts (as a result of fewer disputed claims) and other savings.
The costs pertaining to the core business fell as a percentage of revenue from the 22.8% recorded in first quarter 2016 to 22.8%.



Review of margins by business unit

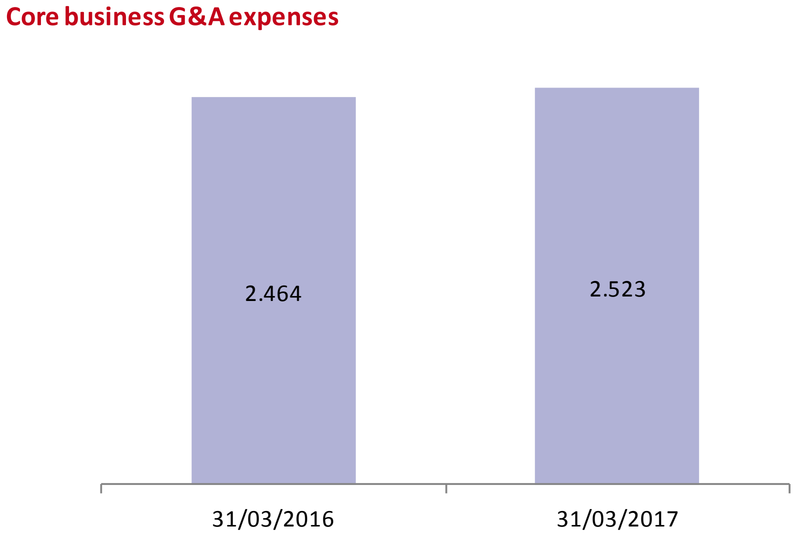
The divisional gross margin rose by 5.5% from the €26,067 thousand posted at 31 March 2016 to €27,505 thousand at 31 March 2017. The table below shows the trend in divisional gross margins by business unit:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%
Margin from freehold properties	25,487	26,755	5.0%	25,487	26,755	5.0%	0	0	n.a.
Margin from leasehold properties	518	574	10.9%	518	574	10.9%	0	0	n.a.
Margin from services	132	242	83.5%	132	242	83.5%	0	0	n.a.
Margin from trading	(70)	(67)	(4.3)%	0	0	n.a.	(70)	(67)	(4.3)%
Gross margin	**26,067**	**27,505**	**5.5%**	**26,137**	**27,572**	**5.5%**	**(70)**	**(67)**	**(4.3)%**

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €26,755 thousand, versus €25,487 thousand in the prior year. In percentage terms, this activity continues to feature a significant margin of 87% which is also higher than the 86.4% recorded in the prior year (increase in revenue and largely stable costs).
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €574 thousand. As a percentage of revenue this margin reached 18.4%, an increase against the same period of the prior year (10.9%) linked mainly to the growth in revenue and the decrease in costs.
- ✓ **SBU 2 - Services - margin from service businesses:** the margin from services amounted to €242 thousand. As a percentage of revenue the margin rose from the 10.4% posted in the prior year to 15.7%. The increase in this margin is explained primarily by the rise in facility revenue, as a result of new mandates, and in agency revenue.
- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the "Porta a Mare" project in Livorno reached €70 thousand, in line with the prior year. This margin mainly reflects costs linked to IMU and condominium fees. No property sales were closed in the quarter.

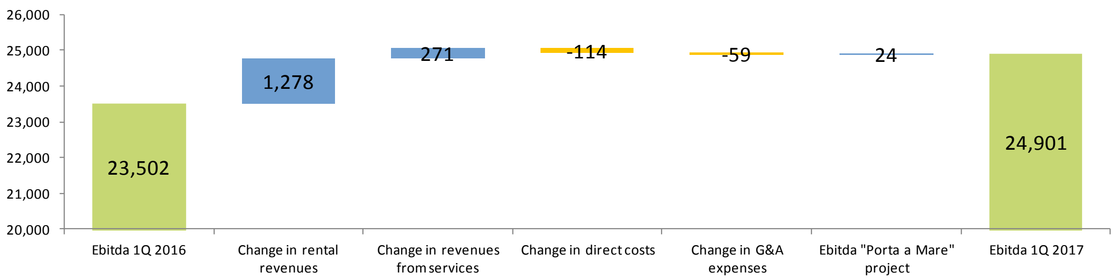
General expenses

General expenses for the core business, including payroll costs at headquarters came to €2,523 thousand, an increase (+2.4%) against the €2,464 thousand recorded in the first quarter of 2016. These costs represent 7.1% of core business revenue, an improvement compared to the same period of the prior year (7.3%).



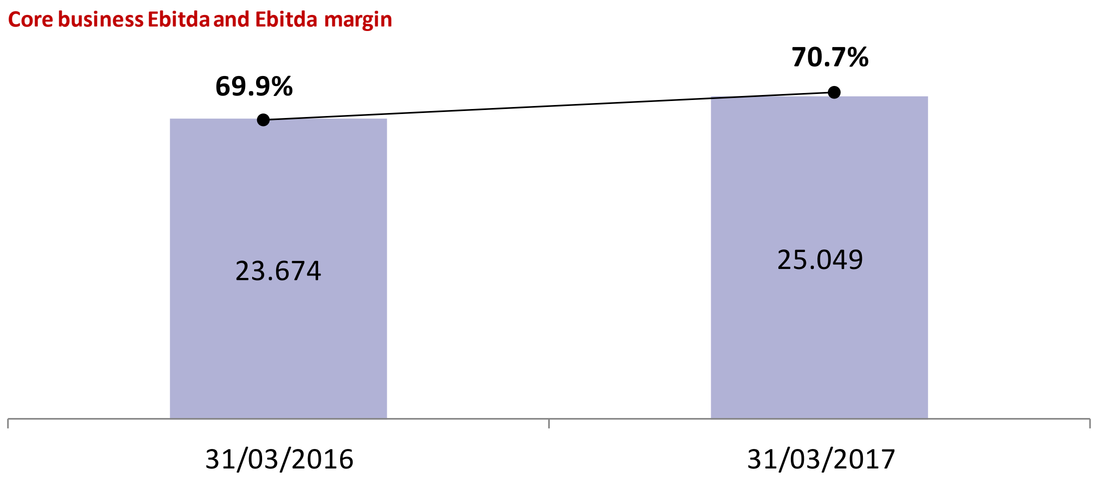
EBITDA

Core business **EBITDA** amounted to €25,049 thousand in the first quarter of 2017, an increase of 5.8% with respect to the same period of the prior year, while total EBITDA rose by 6% to €24,901 thousand**.** The changes in the components of total EBITDA during the period are shown below.



As mentioned above, total EBITDA was impacted substantially by the increase in core business revenue linked primarily to the acquisition and opening of Grosseto.

The core business **EBITDA MARGIN** came in at 70.7%, an increase of almost one percentage point with respect to the same period of the prior year.

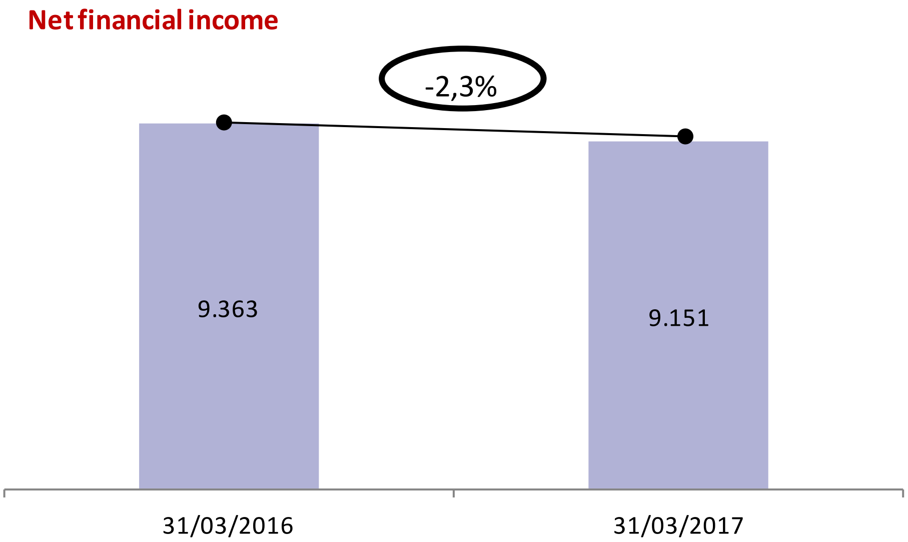


EBIT

EBIT amounted to €24,312 thousand, an increase of 7.6% attributable mainly to the above mentioned rise in EBITDA.

Net financial income (expense)

Financial expense fell from the €9,363 thousand recorded at 31 March 2016 to €9,151 thousand at 31 March 2017. The decrease, of around €212 thousand, is attributable mainly to the lower interest payable on IRS and fees linked to the BNP loan (repaid in 2016; €29.6 million on 26 May 2016 and around €105.4 million on 26 November 2016), partially offset by the financial costs associated with the €300 million bond issued on 31 May 2016 and the €100 million bond issued on 11 January 2017.
The average cost of debt net of ancillary charges (recurring and non-), consequently, fell from the 3.26% recorded at 31 March 2016 to 3.10% at 31 March 2017.



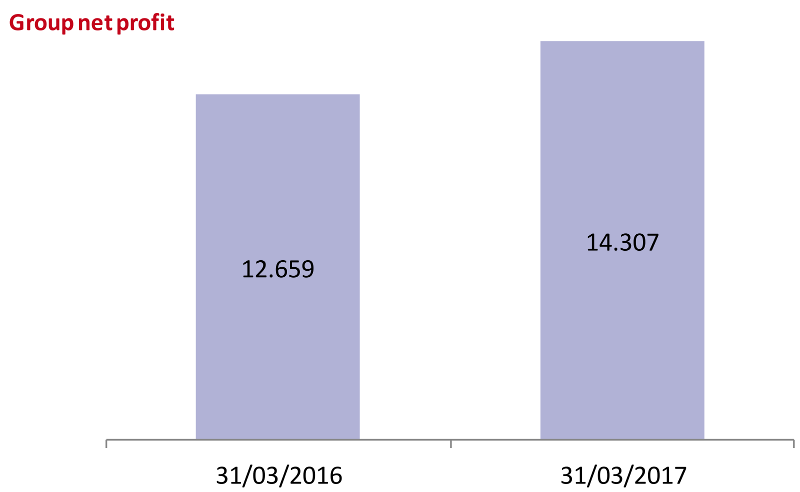
Taxes

Taxes	31/03/2017	31/03/2016	*Change*
Current taxes	347	261	86
Advanced and deferred tax liabilities	482	326	156
Total	**829**	**587**	**242**

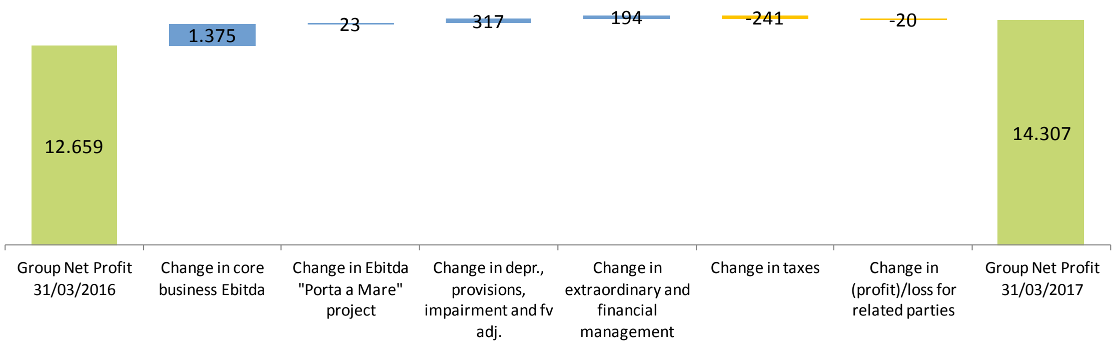
The tax burden, current and deferred, reached €829 thousand at 31 March 2017, an increase against 31 March 2016 attributable to higher taxes in Romania and an increase in IRAP (corporate income tax), in addition to the deferred tax assets which were not recognized in the same period of the prior year on IRES (regional business tax) losses linked to tax consolidation.

Group net profit

As a result of the above the Group's net profit came to €14,307 thousand, an increase of 13% compared to 31 March 2016.



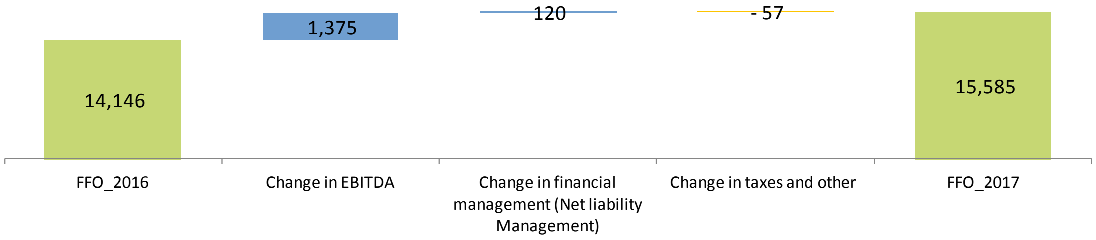
The change in net profit compared to the same period of the prior year is shown below.



Core business FFO

FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business came to €15,585 at 31 March 2017, an increase of €1,438 thousand or 10.2% with respect to the same period of the prior year explained by the higher core business Ebitda and the drop in financial expense described above.

Funds from Operations	1Q 2016	1Q 2017	Δ vs 1Q 2016	Δ%
Core Business EBITDA	**23,674**	**25,049**	**1,375**	**5.8%**
Adj financial management	-9,272	-9,153	120	-1.3%
Margine Lordo da attività di trading	0	0	0	n.a.
Adj current taxes of the period	-255	-312	-57	22.2%
FFO	**14,146**	**15,585**	**1,438**	**10.2%**


14,146
1,375
120
- 57
15,585
FFO_2016
Change in EBITDA
Change in financial management (Net liability Management)
Change in taxes and other
FFO_2017

STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 31 March 2017 can be summarized as follows:

	31-Mar-17	31-Dec-16	Δ	%
- Fixed assets	2,050,728	2,050,728	0	0.00%
- Assets under constructionImmobilizzazioni in corso	83,003	75,004	7,999	10.66%
Intangible assets	12,715	12,720	(5)	(0.04%)
Other tangible assets	10,791	11,049	(258)	(2.34%)
- Sundry receivables and other non-current assets	89	89	0	0.00%
- Equity investments	1,727	1,685	42	2.49%
NWC	55,381	56,378	(997)	(1.77%)
Funds	(7,931)	(7,494)	(437)	5.83%
Sundry payables and other non-current liabilities	(24,682)	(24,656)	(26)	0.11%
Net deferred tax (assets)/liabilities	(23,153)	(21,901)	(1,252)	5.72%
Total use of funds	**2,158,668**	**2,153,602**	**5,066**	**0.24%**
Shareholders' equity	1,077,455	1,060,701	16,754	1.58%
Non-controlling interests in capital and reserves	8,712	8,725	(13)	(0.15%)
Net (assets) and liabilities for derivative instruments	25,718	28,748	(3,030)	(10.54%)
Net debt	1,046,783	1,055,428	(8,645)	(0.82%)
Total sources	**2,158,668**	**2,153,602**	**5,066**	**0.24%**

The principal changes in first quarter 2017, compared to 31 December 2016, related to **assets under construction** which increased by around €7,999 thousand explained by: *(i)* for approximately €6,202 thousand, the ESP extension project; *(ii)* for approximately €827 thousand, the Crema extension project; *(ii)* for approximately €264 thousand, the retail portion of the Officine area; *(iv)* for approximately €495 thousand, by work done at a few Romanian shopping centers.

Net working capital, was lower than the figure recorded at 31 December 2016, explained mainly by: *(i)* for €2,045 thousand, an increase in tax liabilities relating mainly to property tax (IMU) recognized in the first quarter; *(ii)* for €1,614 thousand, a decrease in other current assets attributable largely to a decline in the VAT credit used in first quarter 2016. These changes were partially offset by a decrease in trade payables of €2,370 thousand relating to payments made in the quarter for work done in the prior year, as well as other less material changes.

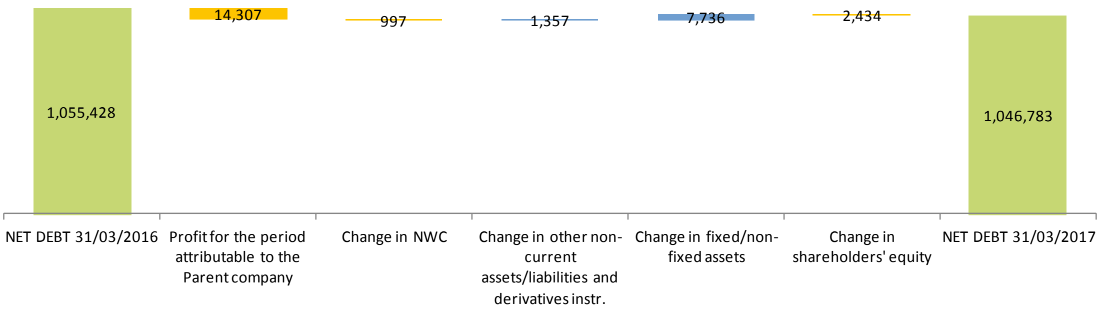
The Group's **net equity** amounted to €1,077,455 thousand at 31 March 2017. The increase of €16,754 thousand is explained primarily by the:

- adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to +€1,837 thousand for the parent company and around +€631 thousand for a subsidiary;
- movements in the translation reserve for the translation of foreign currency financial statements which amounted to approximately -21 thousand;
- profit for the period allocable to the Parent Company of €14,307 thousand.

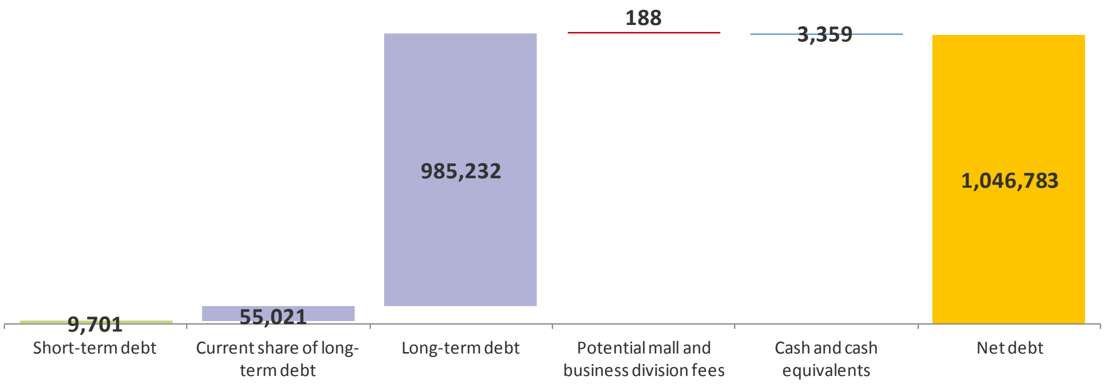
Non-controlling interests in capital and reserves fell as a result solely of the non-controlling interests' portion of the loss recorded in the period of €13 thousand.

Net liabilities for derivatives were lower against the prior quarter. The fair value measurement of hedging instruments at 31/03/2017 resulted in a €3,030 thousand decrease in liabilities compared to the prior year.

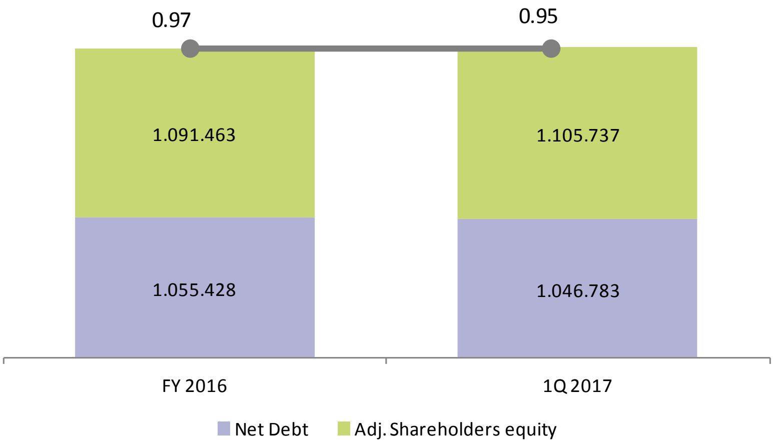
The **net financial position** at 31/03/2017 showed marked improvement with respect to the prior year and was down by €8,645 thousand. The changes are shown below:



The item "Short term portions of long term debt" shown in the net financial position includes the short term portion of mortgages, leasing company loans and bond debt.



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The ratio came to 0.95 at 31 March 2017, a slight improvement with respect to the 0.97 recorded at 31 December 2016.



SUBSEQUENT EVENTS AND OUTLOOK

On 1 April the merger by incorporation of Igd Property SIINQ S.p.A. and Punta di Ferro SIINQ S.p.A. in IGD SIIQ S.p.A. was completed.

During the Annual General Meeting held on 12 April 2017 IGD's shareholders approved the 2016 Annual Report, as presented during the Board of Directors' meeting of 28 February 2017, and resolved to pay a dividend of €0.045 per share. The dividend will be payable as from 24 May 2017 (record date 23 May 2017) with shares going ex-div on 22 May 2017 (detachment of coupon n. 17).
The total dividend paid of €0.045 per share (for a total of €36,587,053.40) comprises:

- ✓ for €0. 026882 per share: income and retained earnings generated by exempt operations, subject to the rules for income generated by these operations found in Law n. 296/2006;
- ✓ for €0.018118 per share: capital reserves.

Shareholders also approved the first section of the Remuneration Report, already approved by the Board of Directors on 28 February 2017, pursuant to Art. 123-ter of Legislative Decree. 58/98, and renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasions for up to the maximum allowed under the law.

At the end of the Annual General Meeting the Chairman Gilberto Coffari tendered his resignation as Chairman of the Board of Directors, though he will continue to act as a Company director.

On 19 April 2017 the Board of Directors appointed Elio Gasperoni, already a director of IGD SIIQ and Vice Chairman of Coop Alleanza 3.0, to act as the new Chairman of the Board of Directors.

Outlook

In light of the positive results achieved, the Company expects to continue along its growth path with revenue rising both like-for-like and as a result of the FY contribution of the acquisitions and openings made in 2106, in addition to the opening of the Esp shopping center slotted for 1 June 2017. The steps taken up until now to lower the cost of debt will cause a further reduction in the coming quarters.

Segment Reporting

The income statement and statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties.

INCOME STATEMENT	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**33,871**	**32,593**	**1,540**	**1,269**	**0**	**0**	**0**	**0**	**35,411**	**33,862**
Change in inventories of work in progress	**0**		**0**		**102**	**543**	**0**	**0**	**102**	**543**
Direct costs (a) (excluding provisions for doubtful accounts)	6,364	**6,270**	1,274	1,137	169	614	0	0	7,807	8,021
G&A expenses (b)	0		0		0		2,604	2,564	2,604	2,564
Total operating costs (a) + (b)	**6,364**	**6,270**	**1,274**	**1,137**	**169**	**614**	**2,604**	**2,564**	**10,410**	**10,585**
(Amortization and provisions)	(411)	**(554)**	(29)	(25)	(1)	(1)	(64)	(67)	(506)	(647)
Change in fair value - increases / (decreases)	(235)	**(577)**	0	0	0	0	0	0	(235)	(577)
Total amortization, provisions, impairment and fair value changes	**(646)**	**(1,131)**	**(29)**	**(25)**	**(1)**	**(1)**	**(64)**	**(67)**	**(741)**	**(1,224)**
EBIT	**26,861**	**25,192**	**237**	**107**	**(68)**	**(73)**	**(2,668)**	**(2,631)**	**24,362**	**22,596**
Result from equity investments and assets' disposal	**0**		**0**		**0**		**(63)**	**5**	**(63)**	**5**
Financial income:	**0**		**0**		**0**		**21**	**17**	**21**	**17**
Financial charges:	**0**		**0**		**0**		**9,197**	**9,405**	**9,197**	**9,405**
Net financial income	**0**		**0**		**0**		**(9,176)**	**(9,388)**	**(9,176)**	**(9,388)**
PRE-TAX INCOME	**26,861**	**25,192**	**237**	**107**	**(68)**	**(73)**	**(11,907)**	**(12,014)**	**15,123**	**13,213**
Income taxes	0		0		0		**829**	587	829	587
NET PROFIT	**26,861**	**25,192**	**237**	**107**	**(68)**	**(73)**	**(12,736)**	**(12,601)**	**14,294**	**12,626**
Non-controlling interest in net profit									13	33
IGD SIIQ S.p.A. share of net profit	**26,861**	**25,192**	**237**	**107**	**(68)**	**(73)**	**(12,736)**	**(12,601)**	**14,307**	**12,659**

STATEMENT OF FINANCIAL POSITION	31-Mar-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Real estate investments	*2,050,728*	*2,050,728*	*0*	*0*	*0*	*0*	*0*	*0*	*2,050,728*	*2,050,728*
- Assets under construction	*83,003*	*75,004*	*0*	*0*	*0*	*0*	*0*	*0*	*83,003*	*75,004*
Intangible assets	*11,654*	*11,656*	*1,007*	*1,007*	*3*	*3*	*51*	*54*	*12,715*	*12,720*
Other tangible assets	*2,366*	*2,539*	*108*	*133*	*3*	*3*	*8,314*	*8,374*	*10,791*	*11,049*
- Sundry receivables and other non-current assetsCre	*0*	*0*	*0*	*0*	*0*	*0*	*89*	*89*	*89*	*89*
- Equity investments	*1,644*	*1,602*	*0*	*0*	*0*	*0*	*83*	*83*	*1,727*	*1,685*
NWC	*(2,967)*	*(935)*	*1,072*	*915*	*57,276*	*56,398*	*0*	*0*	*55,381*	*56,378*
Funds	*(6,500)*	*(6,188)*	*(1,405)*	*(1,283)*	*(26)*	*(23)*	*0*	*0*	*(7,931)*	*(7,494)*
Sundry payables and other non-current liabilities	*(18,751)*	*(18,725)*	*0*	*0*	*(5,931)*	*(5,931)*	*0*	*0*	*(24,682)*	*(24,656)*
Net deferred tax (assets)/ liabilities	*(25,715)*	*(24,473)*	*0*	*0*	*2,562*	*2,572*	*0*	*0*	*(23,153)*	*(21,901)*
Total use of funds	**2,095,462**	**2,091,209**	**782**	**772**	**53,887**	**53,022**	**8,537**	**8,600**	**2,158,668**	**2,153,602**
Total group net equity	*1,052,365*	*1,038,787*	*(399)*	*(276)*	*25,489*	*22,189*	*(0)*	*(0)*	*1,077,455*	*1,060,700*
Non-controlling interests in capital and reserves	*0*	*0*	*0*	*0*	*8,712*	*8,725*	*0*	*0*	*8,712*	*8,725*
Net (assets) and liabilities for derivatives instruments	*25,718*	*28,748*	*0*	*0*	*0*	*0*	*0*	*0*	*25,718*	*28,748*
Net debt	*1,017,379*	*1,023,673*	*1,181*	*1,048*	*19,686*	*22,107*	*8,537*	*8,600*	*1,046,783*	*1,055,428*
Total sources	**2,095,462**	**2,091,209**	**782**	**772**	**53,887**	**53,022**	**8,537**	**8,600**	**2,158,668**	**2,153,602**

REVENUES FROM FREEHOLD PROPERTIES	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016
	NORTHERN ITALY		CENTER/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	14,730	14,714	13,051	11,923	2,284	2,119	30,065	28,756
ONE-OFF REVENUES	0	3					0	3
TEMPORARY LOCATION RENTAL	380	387	274	278			654	665
OTHER RENTAL INCOME	-20	8	42	55	0	20	22	83
TOTAL	**15,090**	**15,112**	**13,367**	**12,256**	**2,284**	**2,139**	**30,741**	**29,507**

IGD GROUP

Consolidated financial statements at 31 March 2017

Consolidated income statement

Consolidated income statement (in thousands of Euros)	31/03/2017 (A)	31/03/2016 (B)	Change (A-B)
Revenue	33,871	32,593	1,278
Other income	1,540	1,269	271
Total revenue and operating income	**35,411**	**33,862**	**1,549**
Change in work in progress inventory	102	543	(441)
Total revenue and change in inventory	**35,513**	**34,405**	**1,108**
Cost of work in progress	102	543	(441)
Purchase of materials and services	5,362	5,319	43
Cost of labour	2,413	2,239	174
Other operating costs	2,533	2,484	49
Total operating costs	**10,410**	**10,585**	**(175)**
(Depreciation, amortization and provisions)	(506)	(647)	141
Change in fair value - increases / (decreases)	(235)	(577)	342
Total depreciation, amortization, provisions, impairment and change in fair value	**(741)**	**(1,224)**	**483**
EBIT	**24,362**	**22,596**	**1,766**
Gains/losses from equity investments and disposals	**(63)**	**5**	**(68)**
Financial income	21	17	4
Financial charges	9,197	9,405	(208)
Net financial income/(charges)	**(9,176)**	**(9,388)**	**212**
PRE-TAX PROFIT	**15,123**	**13,213**	**1,910**
Income tax for the period	829	587	242
NET PROFIT FOR THE PERIOD	**14,294**	**12,626**	**1,668**
Minorities' portion of net profit	13	33	(20)
Parent Company’s portion of net profit	**14,307**	**12,659**	**1,648**

Consolidated comprehensive income statement

Consolidated statement of comprehensive income (amounts in thousands of euro)	31/03/2017	31/03/2016
NET PROFIT FOR THE PERIOD	**14,294**	**12,626**
Other components of comprehensive income that will not be reclassified to profit/(loss):		
Total other components of comprehensive income that will not be reclassified to profit/(loss), net of tax effects	**0**	**0**
Other components of comprehensive income that will be reclassified to profit/(loss):		
Effects of hedge derivatives on net equity	3,223	(2,586)
Tax effects of hedge derivatives on net equity	(755)	621
Other effects on income statement components	(21)	52
Total other components of comprehensive income that will be reclassified to profit/(loss), net of tax effects	**2,447**	**(1,913)**
Total comprehensive profit/(loss) for the period	**16,741**	**10,713**
Non-controlling interests in (profit)/loss for the period	13	33
Profit/(Loss) for the period attributable to the Parent Company	**16,754**	**10,746**

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of Euros)	31/03/2017 (A)	31/12/2016 (B)	Change (A-B)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets with finite useful lives	53	58	(5)
Goodwill	12,662	12,662	0
	12,715	**12,720**	**(5)**
Property, plant, and equipment			
Investment property	2,050,728	2,050,728	0
Buildings	8,314	8,374	(60)
Plant and machinery	305	332	(27)
Equipment and other assets	1,222	1,323	(101)
Leasehold improvements	950	1,020	(70)
Assets under construction	83,003	75,004	7,999
	2,144,522	**2,136,781**	**7,741**
Other non-current assets			
Deferred tax assets	-	764	(764)
Sundry receivables and other non-current assets	89	89	0
Equity investments	1,727	1,685	42
Non-current financial assets	368	393	(25)
	2,184	**2,931**	**(747)**
TOTAL NON-CURRENT ASSETS (A)	**2,159,421**	**2,152,432**	**6,989**
CURRENT ASSETS:			
Work in progress inventory and advances	57,855	57,753	102
Trade and other receivables	13,432	12,706	726
Other current assets	11,498	13,112	(1,614)
Financial receivables and other current financial assets	396	151	245
Cash and cash equivalents	2,963	3,084	(121)
TOTAL CURRENT ASSETS (B)	**86,144**	**86,806**	**(662)**
TOTAL ASSETS (A + B)	**2,245,565**	**2,239,238**	**6,327**
NET EQUITY:			
Share capital	599,760	599,760	0
Share premium reserve	29,971	29,971	0
Other reserves	351,693	349,246	2,447
Group profit	96,031	81,724	14,307
Total Group net equity	**1,077,455**	**1,060,701**	**16,754**
Portion pertaining to minorities	8,712	8,725	(13)
TOTAL NET EQUITY (C)	**1,086,167**	**1,069,426**	**16,741**
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	25,718	28,748	(3,030)
Non-current financial liabilities	985,600	893,296	92,304
Provision for employee severance indemnities	2,590	2,530	60
Deferred tax liabilities	23,153	22,665	488
Provisions for risks and future charges	5,341	4,964	377
Sundry payables and other non-current liabilities	24,682	24,656	26
TOTAL NON-CURRENT LIABILITIES (D)	**1,067,084**	**976,859**	**90,225**
CURRENT LIABILITIES:			
Current financial liabilities	64,910	165,760	(100,850)
Trade and other payables	14,692	17,062	(2,370)
Current tax liabilities	4,441	2,396	2,045
Other current liabilities	8,271	7,735	536
TTOTAL CURRENT LIABILITIES (E)	**92,314**	**192,953**	**(100,639)**
TOTAL LIABILITIES (F=D + E)	**1,159,398**	**1,169,812**	**(10,414)**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**2,245,565**	**2,239,238**	**6,327**

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests capital and reserves	Total net equity
Balance at 01/01/2016	**599,760**	**39,971**	**323,915**	**58,407**	**1,022,053**	**10,150**	**1,032,203**
Profit for the period				12,659	12,659	(33)	12,626
Cash flow hedge derivative assessment			(1,965)		(1,965)		(1,965)
Other comprehensive income (losses)			52		52		52
Total comprehensive profit (losses)	**0**	**0**	**(1,913)**	**12,659**	**10,746**	**(33)**	**10,713**
Balance at 31/03/2016	**599,760**	**39,971**	**322,002**	**71,066**	**1,032,799**	**10,117**	**1,042,916**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests capital and reserves	Total net equity
Balance at 01/01/2017	**599,760**	**29,971**	**349,246**	**81,724**	**1,060,701**	**8,725**	**1,069,426**
Profit for the year				14,307	14,307	(13)	14,294
Cash flow hedge derivative assessments			2,468		2,468		2,468
Other comprehensive income (losses)			(21)		(21)		(21)
Total comprehensive profit (losses)	**0**	**0**	**2,447**	**14,307**	**16,754**	**(13)**	**16,741**
Balance at 31/03/2017	**599,760**	**29,971**	**351,693**	**96,031**	**1,077,455**	**8,712**	**1,086,167**

Consolidated cash flow statement

CONSOLIDATED STATEMENT OF CASH FLOWS	31/03/2017	31/03/2016
(In thousands of Euros)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	**15,123**	**13,213**
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-monetary items	962	(1,291)
Depreciation, amortization and provisions	506	647
Change in fair value of investment property	235	577
Gains/losses from equity investments and disposals	63	(5)
CASH FLOW FROM OPERATIONS	**16,889**	**13,141**
Income tax	(340)	(262)
CASH FLOW FROM OPERATIONS NET OF TAX	**16,549**	**12,879**
Change in inventories	(102)	(544)
Net change in current assets and liabilities	913	(9,877)
Net change in non-current assets and liabilities	330	125
CASH FLOW FROM OPERATING ACTIVITIES	**17,690**	**2,583**
Investments in non-current assets	(8,240)	(3,514)
Divestments of non-current assets	0	154
CASH FLOW FROM INVESTING ACTIVITIES	**(8,240)**	**(3,360)**
Change in financial receivables and other current financial assets	(300)	(10)
Change in current debt	(100,848)	5,297
Change in non-current debt	91,579	(14,062)
CASH FLOW FROM FINANCING ACTIVITIES	**(9,569)**	**(8,775)**
Difference in translation of liqudity (d)	(2)	9
NET INCREASE (DECREASE) IN CASH BALANCE	**(121)**	**(9,543)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**3,084**	**23,603**
CASH BALANCE AT END OF THE PERIOD	**2,963**	**14,060**

Net financial position

The net financial position at 31 March 2017 and at 31 December 2016 is shown below. The net financial position, and the comparison figures, do not reflect the measurement of hedging instruments, which by nature do not constitute monetary assets or liabilities.

Credit lines with banks amounted to €291 million, €279.59 million of which was unutilized at 31/03/2017. See the section “Statement of Financial Position and Financial Review” for comments.

The credit lines (Committed Revolving Credit Facilities) granted by the banking system amounted to euro 60 million, unused for 31 March 2017.

NET FINANCIAL POSITION		
	31/03/2017	31/12/2016
Cash and cash equivalents	(2,963)	(3,084)
Financial receivables and other current financial assets vs. related parties	(396)	(151)
LIQUIDITY	**(3,359)**	**(3,235)**
Current financial liabilities	9,889	110,929
Mortgage loans - current portion	34,515	34,178
Leasing – current portion	315	313
Convertible bond loan - current portion	20,191	20,340
CURRENT DEBT	**64,910**	**165,760**
CURRENT NET DEBT	**61,551**	**162,525**
Non-current financial assets	(368)	(393)
Leasing – non-current portion	4,171	4,251
Non-current financial liabilities	307,329	314,904
Convertible bond loan	674,100	574,141
NON-CURRENT DEBT	**985,232**	**892,903**
NET FINANCIAL POSITION	**1,046,783**	**1,055,428**

Preparation criteria and scope of consolidation

Introduction

The interim management statement and consolidated accounts of the Immobiliare Grande Distribuzione Group at 31 March 2017 (unaudited) were drafted in compliance with Art. 154-*ter* of Legislative Decree 58/1998 and with the accounting and measurement standards established by IFRS, which were adopted by the European Commission according to Article 6 of EC Regulation 1606/2002 of the European Parliament and the Council of 19 July 2002 concerning the application of international accounting standards. The interim management statement at 31 March 2017 was approved and authorized for publication by the Board of Directors on 9 May 2017.

Preparation criteria

The consolidated financial statements have been drawn up on the basis of the financial statements at 31 March 2017, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.

The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2016, to which the reader should refer.

The valuation and reporting of book values are based on the IAS/IFRS and their interpretations currently in effect; they are therefore subject to modification in order to reflect any changes that may occur between this writing and 31 December 2017 as a result of the European Commission's future endorsement of new standards, new interpretations, or guidelines issued by the International Financial Reporting Interpretation Committee (IFRIC).

The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

The use of estimates broadly reflects the practice followed in the year-end financial statements.

Deferred tax assets and liabilities have been calculated in addition to current taxes.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 31 March 2017, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.

With respect to 31 December 2016, the scope of consolidation has not changed

Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Associates are valued at cost as their value is immaterial. The resulting amount does not differ from that obtained with the equity method.

Name	Registered office	Country	Share capital	Currency	Consolidated %	Held by	% of share capital held	Operations
Parent Company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	599,760,278.16	Eur				Facility management
Subsidiaries consolidated on a line-by-line basis								
IGD Management s.r.l.	Ravenna via Villa Glori 4	Italy	75,071,221.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery s.r.l	Ravenna via Villa Glori 4	Italy	100,000.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Porta Medicea s.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Eur	80%	IGD Management s.r.l.	80.00%	Construction and marketing
IGD Property SIINQ S.p.A.	Ravenna via Villa Glori 4	Italy	50,000,000.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Punta di Ferro SIINQ S.p.A.	Ravenna via Villa Glori 4	Italy	87,202,912.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99,9%	100.00%	Facility management
						IGD SIIQ S.p.A. 0.1%		
Winmarkt management s.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Agency and facility management services
Subsidiaries valued at equity								
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	Eur		IGD SIIQ S.p.A.	99.98%	Management of real estate and sports facilities/ equipment; construction, trading and rental of properties used for commercial sports
Subsidiaries valued at cost								
Consorzio I Bricchi	Isola d'Asti loc. Molini via prato boschiero	Italy	6,000.00	Eur		IGD SIIQ S.p.A.	72.25%	Shopping center promotion and management of common areas
Consorzio Proprietari C.C.Leonardo	Imola (Bologna) Via Amendola 129	Italy	100,000.00	Eur		IGD SIIQ S.p.A.	52.00%	Shopping center promotion and management of common areas
Consorzio Proprietari Fonti del Corallo	Livorno Via Gino Graziani 6	Italy	10,000.00	Eur		IGD SIIQ S.p.A.	68.00%	Shopping center promotion and management of common areas
Consorzio Proprietari puntadiferro	Forlì Piazzale della Cooperazione 4	Italy	10,000.00	Eur		Punta di Ferro SIINQ S.p.A.	62.34%	Shopping center promotion and management of common areas
Consorzio del Commendone	Grosseto	Italy	10,000.00	Eur		IGD SIIQ S.p.A.	52.60%	Shopping center promotion and management of common areas
Associates valued at equity								
RGD Ferrara 2013 s.r.l.	Roma, via Piemonte 38	Italy	100,000.00	Eur		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center
Associates valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento) via del Garda n.175	Italy	10.000,00	Eur		Millennium Gallery s.r.l	35.40%	Shopping center promotion and management of common areas

For comments on the statement of financial position and the income statement, see the reviews provided above.

Certification of the interim management statement pursuant to Art.154-bis (2) of Legislative Decree 58/98

I, Grazia Margherita Piolanti, in my capacity as financial reporting officer of IGD SIIQ SpA, hereby declare in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Management Statement at 31 March 2017 correspond to the company's records, ledgers and accounting entries.

Bologna, 9 May 2017

Grazia Margherita Piolanti
Financial Reporting Officer