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 and Ravenna Company Register no. 88573

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

Interim Financial Report

at 30/09/2017

Corporate officers

Board of Directors	Office held	Executive	Non Executive	Independent	Chairman's committee	Control and Risk committe e	Compensation and Nominations committee	Related party Transactions 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					
Matteo Cidonio	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 held	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

Supervisory board

Fabio Carpanelli (Chairman), Alessandra De Martino, Riccardo Sabadini.

External auditors

PricewaterhouseCoopers S.p.A.

Financial reporting officer

Grazia Margherita Piolanti

1. The IGD Group's Interim Financial Report

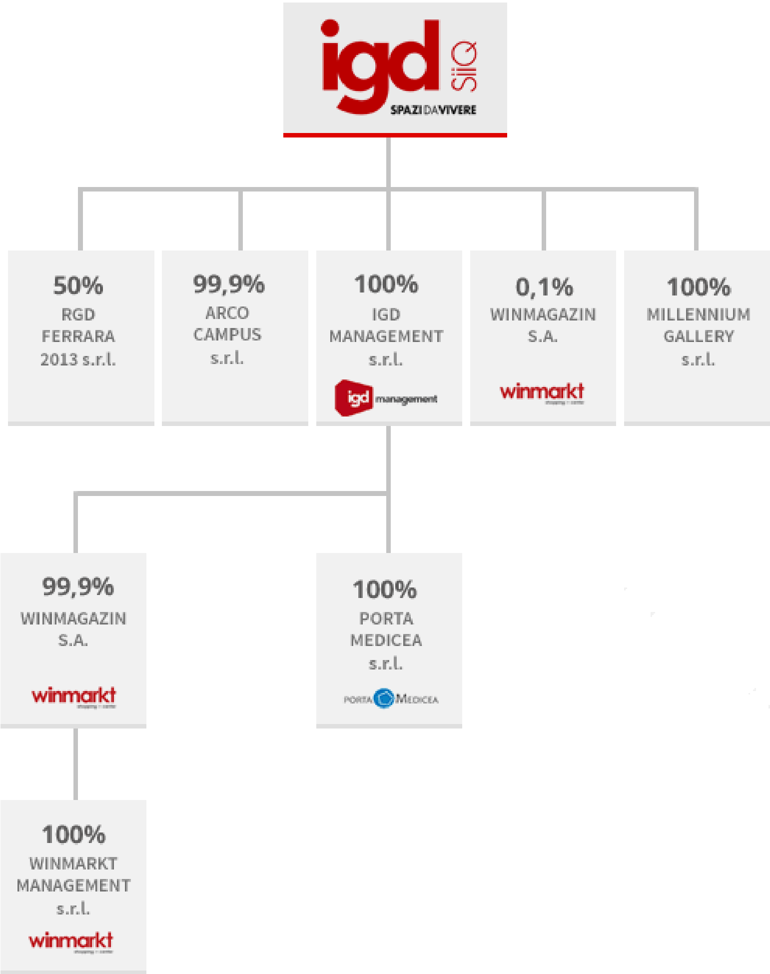
1.1. Financial and Economic Highlights at 30 September 2017

108.1 € mn Core business revenues +6.6%	**75.9 € mn** Core business Ebitda +7.7% Ebitda Margin 70.2% (+70bps) Margine from freehold 79.7% (+100bps)
49.0 € mn Funds From Operations (FFO) +22.8%	**64.7 € mn** Group net profit +74.1%

1,065.7 € mn Net debt 1,076.8 €mn at 30/06/2017	**2.85%** Average cost of debt 2.91% at 30/06/2017
2.89x Interst Cover Ratio (ICR) 2.83x at 30/06/2017	**90.9%** Share of medium/long term debt 90.7% at 30/06/2017
48.0 % Loan to value 48.5% at 30/06/2017	**0.96** Gearing 0.98 at 30/06/2017

1.2. The IGD 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 (around 93%). The remainder (around 7%) is in Romania where 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. On 1 April the merger by incorporation was completed of Igd Property SIINQ S.p.A. and Punta di Ferro SIINQ S.p.A. in IGD SIIQ S.p.A.
At 30 September 2017 the Parent Company 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;
- ✓ 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;
- ✓ 100% 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.

1.3. Income statement review

In the first nine months of the year the positive operating performance recorded in the Italian shopping centers stabilized with retailers' sales in mall rising 1.8%, while footfalls were basically unchanged (+0.1%). In Romania footfalls were down (-2.2%) due mainly to internal fit-outs and increased competition linked to the opening of new shopping centers. The positive trend in pre-letting already reported in the first half continued. In Italy 134 leases (84 renewals and 48 turnover), were signed with an average upside of +5.7% and in Romania 317 leases were signed (187 renewals and 130 turnover) with an average upside of 2.3%. In Italy the average occupancy (malls and hyper) came to 96.8%, down slightly compared to the prior quarter (97.2%), while Romania was stable at 96.9%. The Group's consolidated net profit reached €64,677 thousand at 30 September, an increase of €27,522 thousand compared to 30 September 2016; similarly, FFO also rose by around €9,111 thousand from €39,910 thousand to €49,021 thousand. These results were influenced by the opening of Maremà (in October 2016) and the Esp mall extension (in June 2017), in particular, as well as the good performance like-for-like. The consolidated operating income statement is shown below:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%	30/09/2016	30/09/2017	Δ%
Revenues from freehold real estate and rental act.	88,272	93,911	6.4%	88,272	93,911	6.4%	0	0	n.a.
Revenues form leasehold real estate and rental act.	9,233	9,499	2.9%	9,233	9,499	2.9%	0	0	n.a.
Total revenues from real estate and rental act.	**97,505**	**103,410**	**6.1%**	**97,505**	**103,410**	**6.1%**	**0**	**0**	**n.a.**
Revenues from services	3,897	4,652	19.4%	3,897	4,652	19.4%	0	0	n.a.
Revenues from trading	590	4,857	n.a.	0	0	n.a.	590	4,857	n.a.
OPERATIN REVENUES	**101,992**	**112,919**	**10.7%**	**101,402**	**108,062**	**6.6%**	**590**	**4,857**	**n.a.**
COST OF SALE AND OTHE COST	**(586)**	**(4,972)**	**n.a.**	**0**	**0**	**n.a.**	**(586)**	**(4,972)**	**n.a.**
Rents and payable leases	(7,603)	(7,660)	0.7%	(7,603)	(7,660)	0.7%	0	0	n.a.
Personnel expenses	(2,858)	(3,194)	11.7%	(2,858)	(3,194)	11.7%	0	0	n.a.
Direct costs	(13,020)	(13,665)	5.0%	(12,815)	(13,470)	5.1%	(205)	(195)	(4.8)%
DIRECT COSTS	**(23,481)**	**(24,519)**	**4.4%**	**(23,276)**	**(24,324)**	**4.5%**	**(205)**	**(195)**	**(4.8)%**
GROSS MARGIN	**77,925**	**83,428**	**7.1%**	**78,126**	**83,738**	**7.2%**	**(201)**	**(310)**	**54.3%**
Headquarter personnel	(4,754)	(4,924)	3.6%	(4,702)	(4,870)	3.6%	(52)	(54)	2.6%
G&A expenses	(3,172)	(3,149)	(0.7)%	(2,924)	(2,959)	1.2%	(248)	(190)	(23.2)%
G&A EXPENSES	**(7,926)**	**(8,073)**	**1.9%**	**(7,626)**	**(7,829)**	**2.7%**	**(300)**	**(244)**	**(18.7)%**
EBITDA	**69,999**	**75,355**	**7.7%**	**70,500**	**75,909**	**7.7%**	**(501)**	**(554)**	**10.6%**
Ebitda Margin	*68.6%*	*66.7%*		*69.5%*	*70.2%*				
Other provisions	(146)	(157)	8.0%						
Impairment and Fair Value adjustments	(844)	18,533	n.a.						
Depreciations	(844)	(767)	(9.1)%						
DEPRECIATIONS AND IMPAIRMENTS	**(1,834)**	**17,609**	**n.a.**						
EBIT	**68,165**	**92,965**	**36.4%**						
FINANCIAL MANAGEMENT	**(30,312)**	**(26,039)**	**(14.1)%**						
EXTRAORDINARY MANAGEMENT	**(255)**	**(93)**	**(63.6)%**						
RISULTATO ANTE IMPOSTE	**37,598**	**66,833**	**77.8%**						
PRE-TAX PROFIT	(782)	(966)	23.5%						
Taxes	(22)	(1,190)	n.a.						
PROFIT FOR THE PERIOD	**36,794**	**64,677**	**75.8%**						
(Profit/Loss) for the period related to third parties	361	0	n.a.						
GROUP NET PROFIT	**37,155**	**64,677**	**74.1%**						

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). Payroll costs include ancillary expenses.

The results recorded in the last quarter are shown in the following income statement:

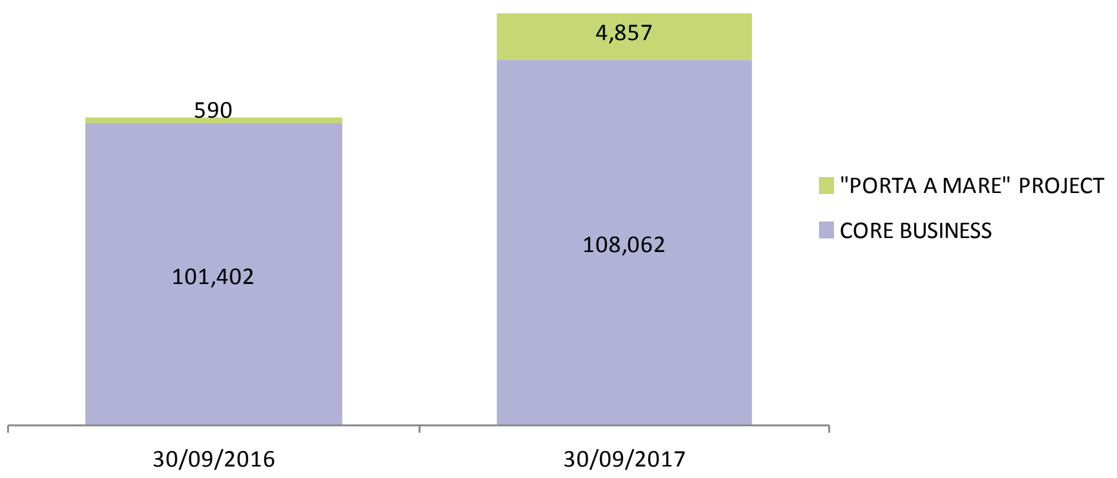
€/000	CONSOLIDATED 3Q 2016	CONSOLIDATED 3Q 2017	CONSOLIDATED Δ%	CORE BUSINESS 3Q 2016	CORE BUSINESS 3Q 2017	CORE BUSINESS Δ%	PORTA A MARE PROJECT 3Q 2016	PORTA A MARE PROJECT 3Q 2017	PORTA A MARE PROJECT Δ%
Revenues from freehold real estate and rental activities	29,433	31,843	8.2%	29,433	31,843	8.2%	0	0	n.a.
Revenues from leasehold real estate and rental activities	3,087	3,181	3.0%	3,087	3,181	3.0%	0	0	n.a.
Total revenues from real estate and rental activities	**32,520**	**35,024**	**7.7%**	**32,520**	**35,024**	**7.7%**	**0**	**0**	**n.a.**
Revenues from services	1,339	1,424	6.4%	1,340	1,425	6.4%	0	0	n.a.
Revenues from trading	0	809	n.a.	0	0	n.a.	0	809	n.a.
OPERATING REVENUES	33,859	37,258	10.0%	33,860	36,450	7.7%	0	809	n.a.
INCREASES, COST OF SALE AND OTHER COSTS	(10)	(929)	n.a.	0	0	n.a.	(10)	(929)	n.a.
Rents and payable leases	(2,542)	(2,559)	0.7%	(2,542)	(2,559)	0.7%	0	0	n.a.
Personnel expenses	(918)	(995)	8.4%	(918)	(995)	8.4%	0	0	n.a.
Direct costs	(4,452)	(4,655)	4.6%	(4,361)	(4,595)	5.4%	(91)	(60)	-34.6%
DIRECT COSTS	(7,913)	(8,209)	3.7%	(7,821)	(8,149)	4.2%	(91)	(60)	-34.6%
GROSS MARGIN	25,938	28,121	8.4%	26,039	28,301	8.7%	(101)	(180)	77.7%
Headquarters personnel	(1,457)	(1,509)	3.6%	(1,441)	(1,491)	3.4%	(16)	(19)	18.9%
G&A expenses	(910)	(945)	3.8%	(838)	(883)	5.4%	(72)	(62)	-13.6%
G&A EXPENSES	(2,367)	(2,455)	3.7%	(2,280)	(2,374)	4.1%	(88)	(81)	-7.7%
EBITDA	23,570	25,666	8.9%	23,759	25,927	9.1%	(189)	(260)	38.1%
Ebitda Margin	*69.6%*	*68.9%*		*70.2%*	*71.1%*				
Other provisions	(49)	(50)	2.2%						
Impairment and fair value adjustments	(1,202)	(400)	-66.8%						
Depreciations	(286)	(255)	-10.9%						
DEPRECIATION AND IMPAIRMENTS	(1,537)	(703)	-54.2%						
EBIT	22,033	24,964	13.3%						
FINANCIAL MANAGEMENT	(10,667)	(8,494)	-20.4%						
EXTRAORDINARY MANAGEMENT	(76)	(30)	-60.7%						
PRE-TAX PROFIT	11,290	16,440	45.6%						
Taxes	(278)	(311)	11.8%						
Other taxes	(388)	(396)	1.9%						
PROFIT FOR THE PERIOD	10,624	15,732	48.1%						
(Profit)/Loss for the period related to third parties	23	0	n.a.						
GROUP NET PROFIT	10,647	15,733	47.8%						

Revenue

Consolidated operating revenue amounted to €112,919 thousand, an increase of 10.7% against the same period of the prior year.

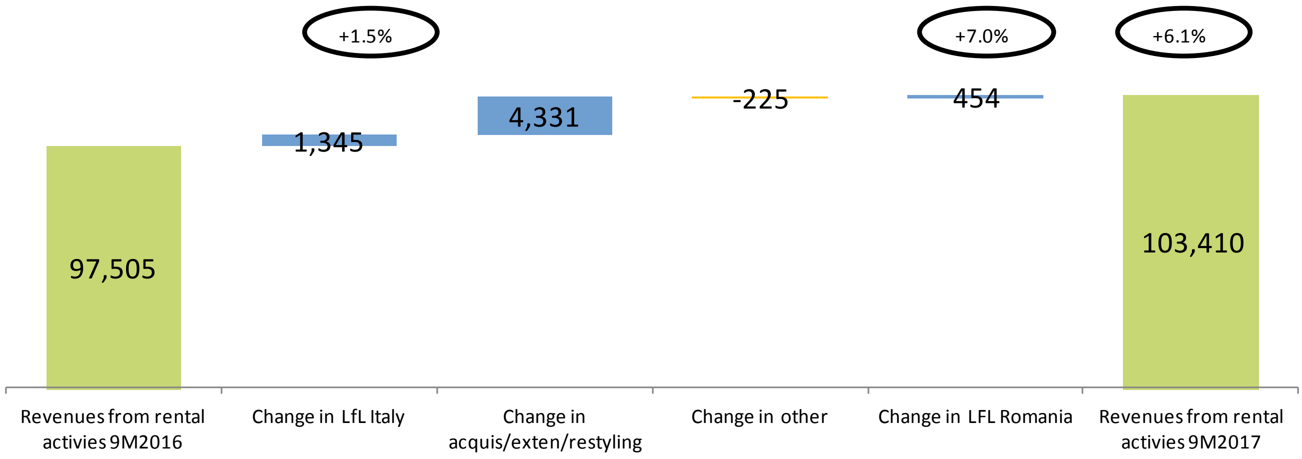
The core business revenue reached €108,062 thousand, an increase of 6.6% compared to the same period of the prior year; the Porta a Mare project generated €4,857 thousand in trading revenue compared to €590 thousand in the same period of the prior year.

Total revenues



The breakdown of revenue is described below:

✓ The revenue from the rental business rose 6.1% to €103,410 thousand.



The increase of €5,905 thousand is explained:

- for €1,345 thousand, by like-for-like revenue in Italy (+1.5%). Malls were up (+2.1% as a result of the pre-letting completed between year-end 2016 and the end of the period under examination, as well as lower discounts) and hypermarkets were unchanged compared to the prior year. 134 new leases were signed in the period with an average upside of +5.7%;
- for around €4,331 thousand, by the expanded perimeter which comprises the Maremà shopping center in Grosseto opened in October 2016 and the Esp extension which was inaugurated in June 2017;
- for -€225 thousand, by non-recurring revenue generated in 2016;
- for around €454 thousand, by higher like-for-like revenue in Romania (+7.0%) linked to pre-letting and renegotiations. In the period 317 leases were signed (130 turnover and 187 renewals) with an average upside of 2.3%.

Revenue from services was higher than in the same period of the prior year (+19.4%). Most of this revenue comes from the facility management business (85.4% of the total or €3,971 thousand), an increase against the prior period (+8.4%) attributable to new management mandates. Revenue from agency management rose €94 thousand as a result mainly of pre-letting at the Poseidon center and pilotage fees were €297 thousand higher than in the prior year as a result of the activities related to the opening of the Esp extension

Revenue from trading generated by the Porta a Mare project amounted to €4,857 thousand and reflects the sale of 17 residential units and appurtenances. At the approval date of this quarterly report preliminary agreements for an additional 8 residential units had been signed; the total of the units sold or bound by preliminary agreements has, therefore, reached 79% of the total saleable area.

Cost of goods sold and other expenses

"Cost of goods sold and other expenses", which amounted to €4, 972 thousand, refers for €4,944 thousand to the cost of the units sold and for €28 thousand to the ancillary sales costs.

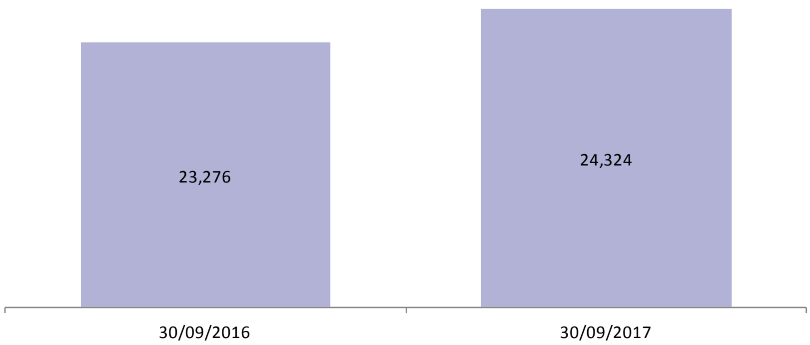
Direct costs

Direct costs, pertaining to the **core business** and including payroll costs, amounted to €24,324 thousand, an increase of 4.5% with respect to the same period of the prior year.

This increase is linked to the expanded freehold and leasehold perimeter which resulted in an increase in direct personnel costs, condominium fees and pilotage costs (explained by the activities which also generated revenue). There was a decrease in provisions for doubtful accounts linked to the improved economic environment.

The costs pertaining to the core business fell as a percentage of revenue from the 23% recorded in the prior year to 22.5%.

Core business direct costs



The direct costs for the Porta a Mare project, which amounted to €195 thousand, consist primarily in the IMU property tax (€142 thousand) and condominium fees.

Review of margins by business unit

The divisional gross margin rose by 7.1% from the €77,925 thousand posted at 30 September 2016 to €83,428 thousand at 30 September 2017. The table below shows the trend in divisional gross margins by business unit:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2016	30/09/2017	%	30/09/2016	30/09/2017	%	30/09/2016	30/09/2017	%
Margin from freehold properties	76,156	81,661	7.2%	76,156	81,661	7.2%	0	0	n.a.
Margin from leasehold properties	1,518	1,716	13.0%	1,518	1,716	13.0%	0	0	n.a.
Margin from services	453	361	(20.3)%	453	361	(20.4)%	(0)	0	n.a.
Margin from trading	(201)	(310)	54.5%	0	0	n.a.	(201)	(310)	54.5%
Gross margin	**77,926**	**83,428**	**7.1%**	**78,127**	**83,738**	**7.2%**	**(201)**	**(310)**	**54.3%**

The table below shows the gross margins recorded in the last three months:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	3Q 2016	3Q 2017	%	3Q 2016	3Q 2017	%	3Q 2016	3Q 2017	%
Margin from freehold properties	25,285	27,605	9.2%	25,285	27,605	9.2%	0	0	n.a.
Margin from leasehold properties	488	533	9.0%	488	533	9.0%	0	0	n.a.
Margin from services	265	163	-38.5%	265	163	-38.5%	(0)	0	n.a.
Margin from trading	(101)	(180)	77.7%	0	0	n.a.	(101)	(180)	77.7%
Gross trading	**25,938**	**28,121**	**8.4%**	**26,039**	**28,301**	**8.7%**	**(101)**	**(180)**	**77.7%**

SBU 1 - Property leasing - margin from freehold properties: this margin amounted to €81,661 thousand, versus €76,156 thousand in the prior year (+7.2%). In percentage terms, this activity continues to feature a significant margin of 87% which is also higher than the prior year (increase in revenue and largely stable costs)

SBU 1 - Property leasing – margin on leasehold properties: this margin reached €1,716 thousand. As a percentage of revenue this margin reached 18.1%, an increase against the16.4% recorded in 2016 linked mainly to the growth in revenue and largely stable costs.

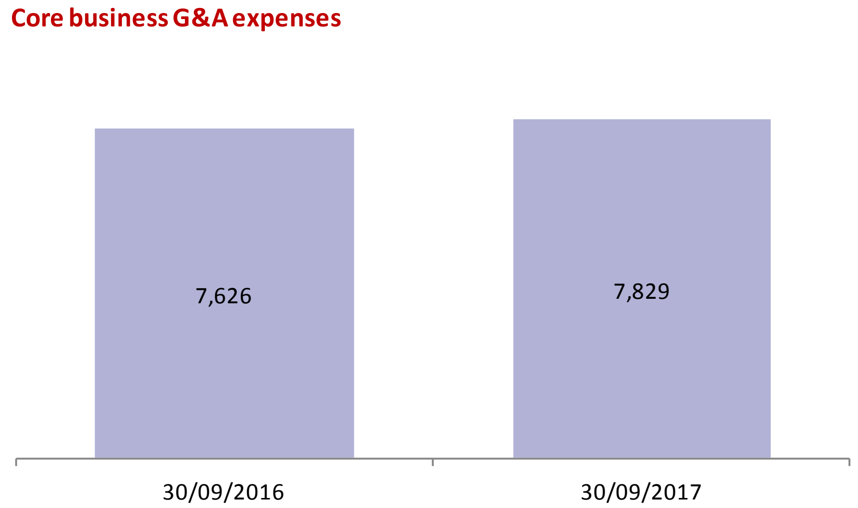
SBU 2 - Services - margin from service businesses: the margin from services amounted to €361 thousand. As a percentage of revenue the margin fell from the 11.6% posted in the prior year to 7.8%. The decline is attributable to the Esp pilotage costs which diluted the total margin.

SBU 3 – Development and trading – margin from trading: the margin from the "Porta a Mare" project in Livorno reached €115 thousand and after direct costs (linked largely to the property taxes (IMU) on the undeveloped properties) the result was negative for €310 thousand.

General expenses

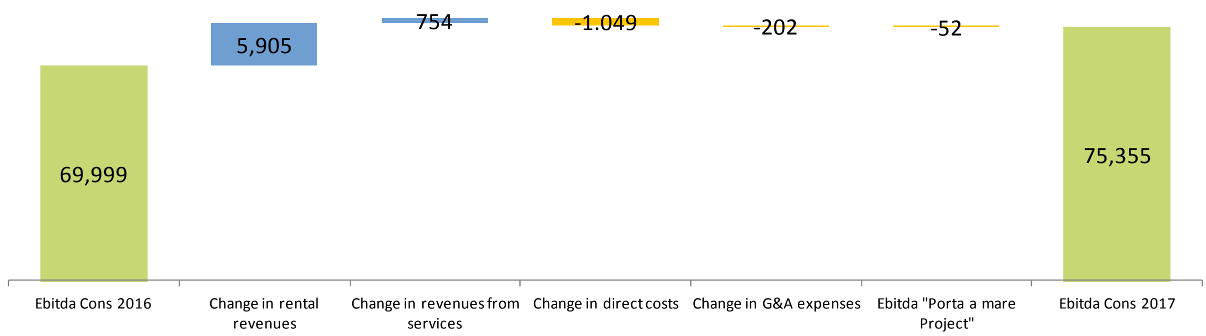
General expenses for the core business, including payroll costs at headquarters came to €7,829 thousand, an increase (+2.7%) against the €7,626 thousand posted in the prior year. While payroll costs were higher (as a result of the corporate welfare project and variable compensation), other operating costs were down. These costs also fell as a percentage of revenue from the 7.5% recorded in the prior year to 7.2% in 2017.

General expenses for the Porta a Mare project amounted to €244 thousand (including payroll costs), a decrease of 18.7% with respect to the prior year.



EBITDA

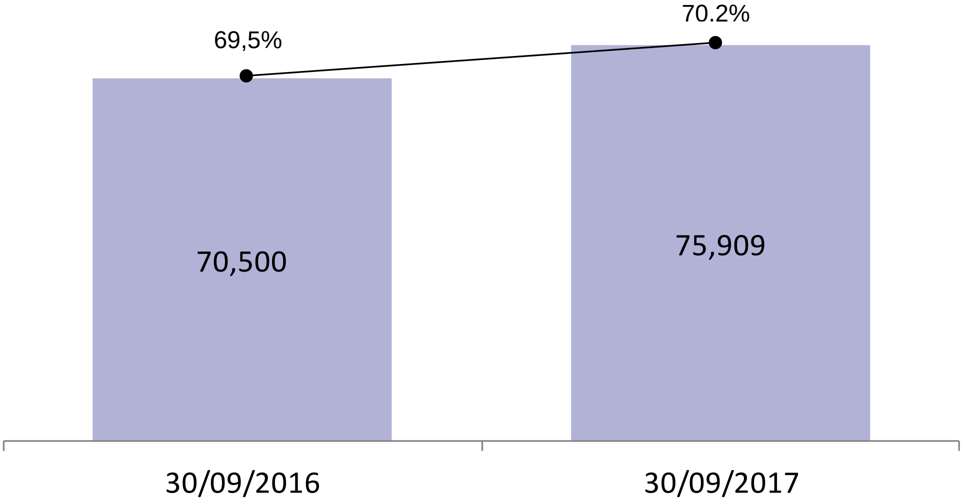
Core business **EBITDA** amounted to €75,909 thousand in the first nine months of 2017, an increase of 7.7% with respect to the same period of the prior year, while total EBITDA rose by 7.7% to €75,355 thousand. The changes in the components of total EBITDA during the period are shown below.



As mentioned above, the total EBITDA margin was impacted substantially by the increase in core business revenue (as a result also of the expanded perimeter), offset by the less than proportional increase in direct costs and general expenses.

The core business **EBITDA MARGIN** came in at 70.2%, an increase of around 0.7 percentage points with respect to the same period of the prior year.

Core business Ebitda and Ebitda Margin

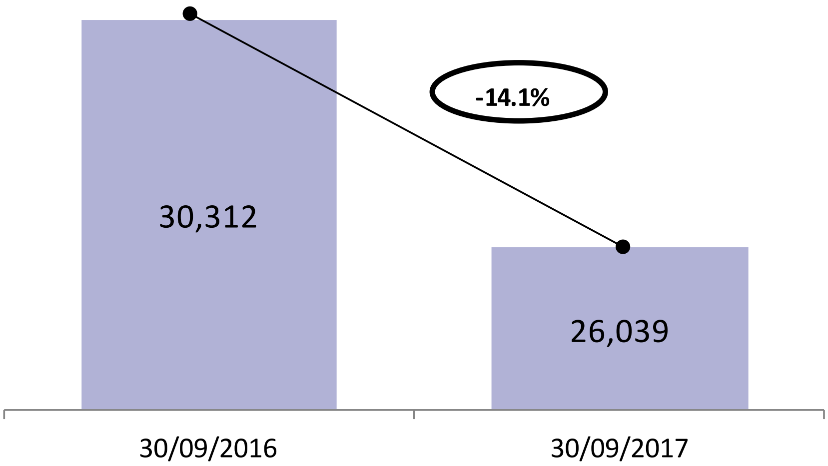


EBIT

EBIT amounted to €92,965 thousand, an increase of 36.4% against the same period 2016.

In addition to the above mentioned rise in EBITDA, the result reflects the positive balance of write-downs and fair value adjustments (+€18,533 thousand versus -€844 thousand in the same period of the prior year).

Net financial income (expense)



Financial expense fell from the €30,312 thousand recorded at 30 September 2016 to €26,039 thousand at 30 September 2017. The decrease, of around €4,273 thousand, is attributable mainly to lower interest expense due to the early repayment of loans from BNP and Banco Popolare di Verona the previous year and the termination of a mortgage loan at its natural maturity in December 2016, as well as a decrease in the use of short-term credit facilities and a decline in interest rates. Costs for interest rate swaps (IRS) also decreased, including as a result of the expiration of one IRS in April 2017.

The drop in financial expense was partially offset by the costs associated with the €300 million bond issued on 31 May 2016 and the €100 million bond issued on 11 January 2017, as well as the rating costs and the fees for the expiring Committed Revolving Credit Facilities.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 September 2017 was 2.85%, down from 3.30% the previous year, while the weighted average effective cost of debt went from 3.72% at 30 September 2016 to 3.15%.

Equity investments/non-recurring transactions

The result at 30 September 2017, -€93 thousand, is attributable mainly to the results posted by equity investments accounted for using the equity method and the writedown of a financial receivable held by Iniziative Bologna Nord s.r.l., in liquidation.

Taxes

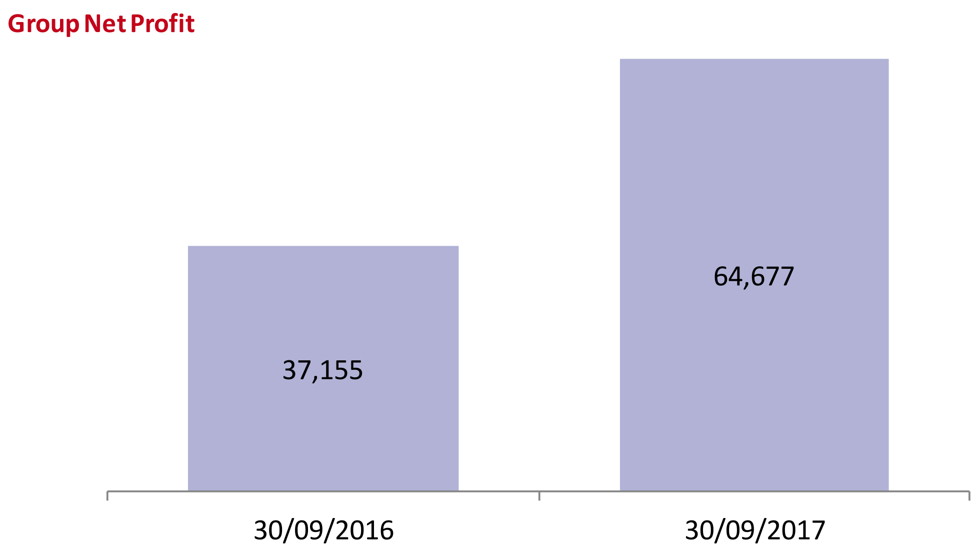
	30/09/2017	30/09/2016	*Change*
Current taxes	966	782	184
IRAP tax credit	(19)	(69)	50
Deferred taxes on Fair Value	(152)	(1.383)	1.231
Deferred tax liabilities	1.290	2.023	(733)
Deferred tax assets	77	(580)	657
Out of period income/charges - Provisions	(6)	31	(37)
Total income taxes for the period	**2.156**	**804**	**1.352**

The tax burden, current and deferred, reached €2,156 thousand at 30 September 2017, an increase of €1,352 against 30 September 2016.

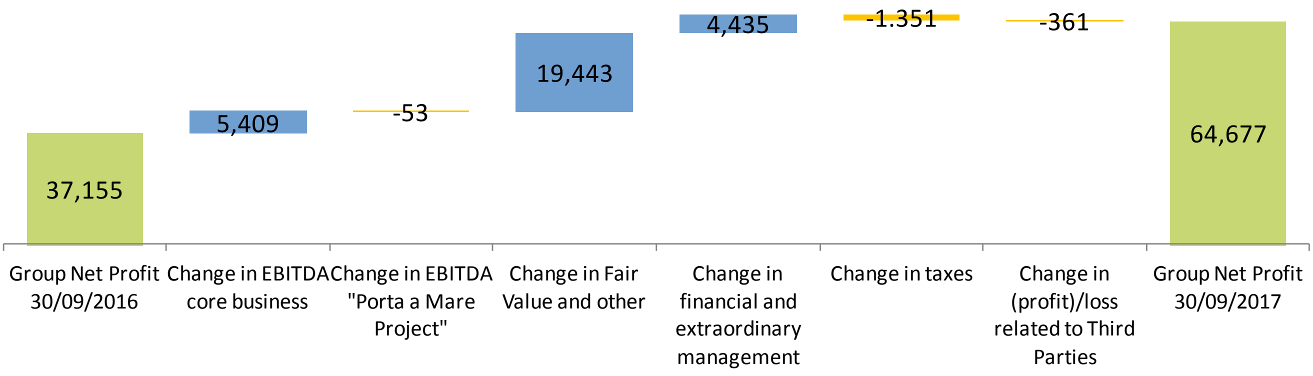
The change is attributable primarily to the adjustment made to deferred tax assets and liabilities in order to align the fair value with the tax assessed value of a few real estate investments held by subsidiaries.

Group net profit

As a result of the above the Group's net profit came to €64,677 thousand, an increase of 74.1% against the €37,155 thousand recorded in 2016.



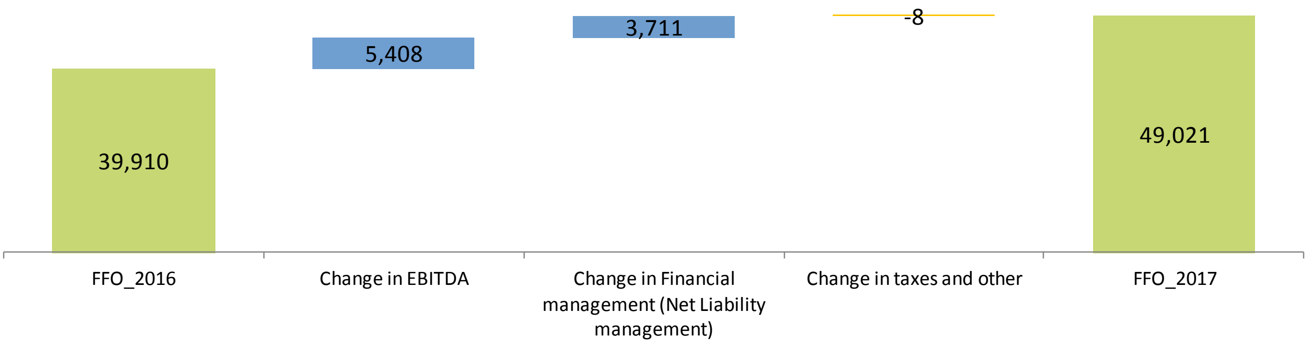
The change in net profit compared to the same period of the prior year is shown below.



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 €49,021 thousand at 30 September 2017, an increase of €9,111 thousand or 22.8% 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	CONS_2016	CONS_2017	Δ vs cons 2016	Δ%
Core business EBITDA	**70,501**	**75,909**	**5,408**	**7.7%**
Adj. Financial Management	-29,755	-26,044	3,711	-12.5%
Adj. Extraordinary management	-125	0	125	n.a.
Adj. Current taxes for the period	-711	-844	-133	18.7%
FFO	**39,910**	**49,021**	**9,111**	**22.8%**



1.4. Statement of financial position and financial review

The IGD Group's statement of financial position at 30 September 2017 can be summarized as follows:

	30/09/2017	30/06/2017	Δ	%	31/12/2016	Δ	%
Fixed assets	2.127.766	2.127.766	0	0,00%	2.050.728	77.038	3,76%
Assets under construction and advances	44.350	40.458	3.892	9,62%	75.004	(30.654)	(40,87%)
Intangible assets	12.702	12.709	(7)	(0,06%)	12.720	(18)	(0,14%)
Other tangible assets	10.268	10.535	(267)	(2,53%)	11.049	(781)	(7,07%)
Sundry receivables and other non current assets	89	89	0	0,00%	89	0	0,00%
Equity investments	1.672	1.702	(30)	(1,76%)	1.685	(13)	(0,77%)
NWC	39.172	36.986	2.186	5,91%	56.378	(17.206)	(30,52%)
Funds	(7.635)	(7.297)	(338)	4,63%	(7.494)	(141)	1,88%
Sundry payables and other non-current assets	(23.228)	(23.176)	(52)	0,22%	(24.656)	1.428	(5,79%)
Net deferred tax (assets)/liabilities	(24.632)	(23.985)	(647)	2,70%	(21.901)	(2.731)	12,47%
Total use of funds	**2.180.524**	**2.175.787**	**4.737**	**0,22%**	**2.153.602**	**26.922**	**1,25%**
Shareholders' equity	1.092.666	1.076.359	16.307	1,52%	1.060.701	31.965	3,01%
Non-controlling interests in capital and reserves	0	0	0	0,00%	8.725	(8.725)	(100,00%)
Net (assets) liabilities for derivatives instruments	22.150	22.671	(521)	(2,30%)	28.748	(6.598)	(22,95%)
Net Debt	1.065.708	1.076.757	(11.049)	(1,03%)	1.055.428	10.280	0,97%
Total sources	**2.180.524**	**2.175.787**	**4.737**	**0,22%**	**2.153.602**	**26.922**	**1,25%**

The principal changes in the first nine months of 2017, compared to 30 June 2017, are described below:

- ✓ **Investment property**, for which extraordinary maintenance was carried out and completed related to waterproofing roofs, as were fit outs (grouping/dividing stores), installation of fire and electrical safety devices, as well as electrical cut-off circuits systems. These costs, which amounted to €400 thousand, resulted in a corresponding negative fair value adjustment of €400 thousand.
- ✓ **Work in progress and advances** increased by €3,892 thousand explained for around €4,109 thousand by the investments made and still underway relating to the extension of the Gran Rondò mall (€1,120 thousand), restyling of the Città delle Stelle mall (€644 thousand), extraordinary maintenance of the Romanian assets (€516 thousand), waterproofing (€403 thousand), earthquake proofing (€286 thousand), the work on the Officine Storiche area (around €838 thousand) and by the decrease in the third quarter of advances as work progressed (€217 thousand).
- ✓ **Other plant, property and equipment** and **intangible assets** changed in the period due primarily to amortization and depreciation recognized in the period.
- ✓ **Equity investments** dropped by about €30 thousand due to the fair value adjustments of equity investments accounted for using the equity method.
- ✓ **Net working capital** showed an increase of €2,186 thousand against 30 June 2017 explained primarily by: *(i)* a decrease in trade payables of €5,005 thousand; *(ii)* an increase in trade receivables of €1,751 thousand for invoices issued in the quarter but not pertaining to the period; *(iii)* a decrease in tax liabilities of around €382 thousand.

  This increase was partially offset by: *(i)* a decrease in other current assets of around €4,270 thousand explained primarily by the use of VAT credits; *(ii)* a decrease in inventory of around €704 thousand as a result of the sale of 3 residential units and appurtenances.
- ✓ **Provisions** increased by €338 thousand due primarily to the provisions made for the variable compensation to be paid employees in 2018.

✓ **Net deferred tax assets and liabilities**, went from €23,985 thousand to €24,632 thousand due primarily to tax misalignments relating to *(i)* adjustments to the fair value of investment properties which are not included in the SIIQ perimeter; *(ii)* taxed provisions, and *(iii)* hedges (IRS).

✓ The Group's **net equity** amounted to €1,092,666 thousand at 30 September 2017. The change of +€16,307 thousand is explained primarily by:

➢ for approximately -€83 thousand, movements in the translation reserve for the translation of foreign currency financial statements;

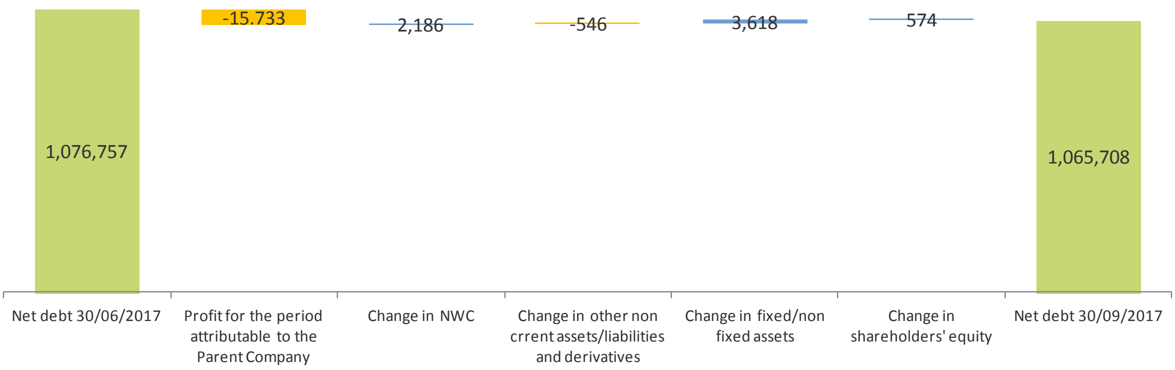
➢ adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€802 thousand for the parent company and around -€81 thousand for a subsidiary;

➢ for -€64 thousand, the recognition of treasury shares;

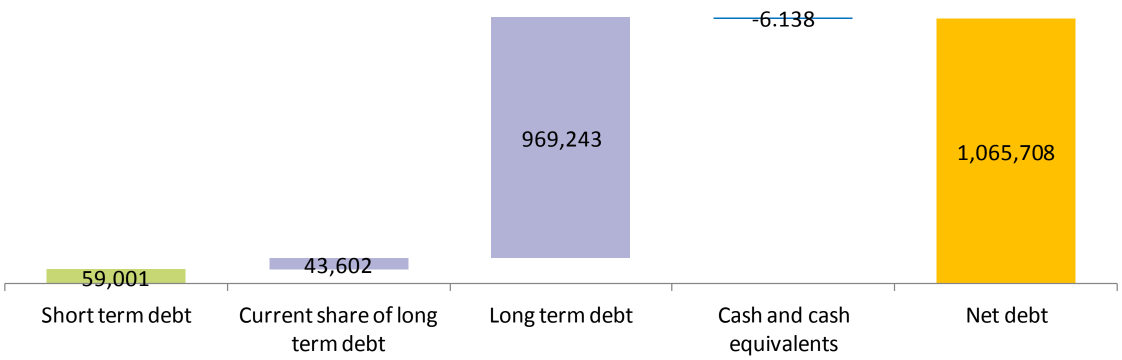
➢ for €15,733 thousand, the profit for the quarter allocable to the Parent Company.

✓ **Net liabilities for derivatives** were down against the prior quarter due to the fair value measurement of hedging instruments.

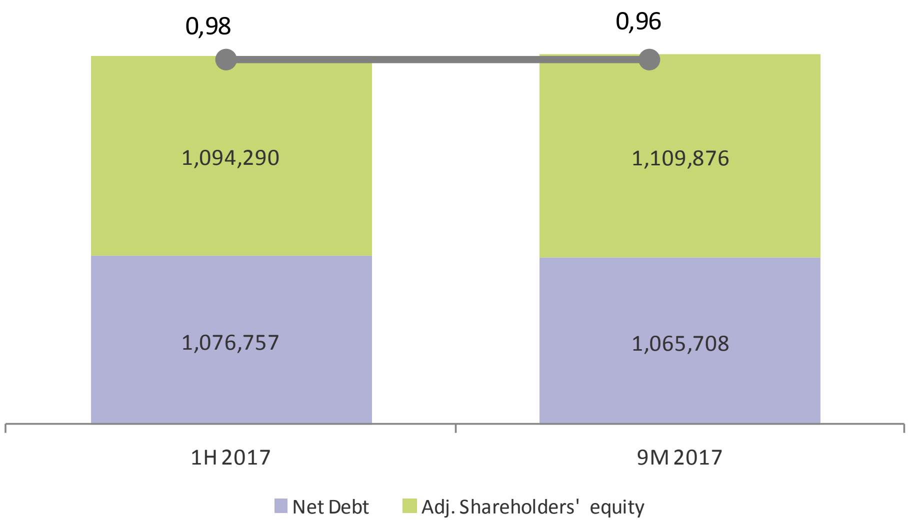
✓ The **net financial position** at 30/09/2017 was about €11,049 thousand lower with respect to the prior quarter. The changes are shown below:



The breakdown of the net financial position is shown below:



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 0.96 at 30 September 2017, a slight improvement against the 0.98 recorded at 30 June 2017.


0,98
0,96
1,094,290
1,109,876
1,076,757
1,065,708
1H 2017
9M 2017
Net Debt
Adj. Shareholders' equity

1.5. Significant events in the first nine months 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; for the first time the Board also approved the 2016 Corporate Sustainability Report at the same as the separate financial statements for FY 2016.
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.

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 was 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.

On 15 June 2017 John Matthew Lentz tendered his resignation as an independent director of IGD.

On 26 June the framework agreement entered into with the CMB Group relating to the Porta a Mare Project was dissolved. The transaction resulted in the buy-back of 20% of Porta Medicea's share capital for around €9.5 million and the sale of 14 residential units and 14 garages for around €4 million.

On 4 August the Board of Directors approved the launch of a year-long program to enhance the liquidity of IGD's shares effective 4 September 2017. At 30 September 2017 a total of 75,013 treasury shares had been purchased recognized as a €63,854.94 reduction in net equity. During the same Board of Directors' meeting the independent director Matteo Cidonio was coopted.

Investments

During the first nine months of 2017 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.

The investments made at 30 September and 30 June 2017 are shown below:

	30/09/2017 Euro/mn	30/06/2017 Euro/mn	3Q 2017 Δ
Development projects:			
Esp expansion (completed)	16.06	16.06	0.00
Gran Rondò expansion (underway)	3.04	1.92	1.12
Officine Storiche retail section of the Porta a Mare project (underway)	1.53	0.69	0.84
Porta a Mare Project (Trading) (underway)	0.58	0.37	0.21
Extraordinary maintenance:			
Restyling and extraordinary maintenance of the like-for-like portfolio currently underway	4.58	2.53	2.05
Extraordinary maintenance of the like-for-like portfolio completed	1.04	0.64	0.40
Other	0.02	0.02	0.00
Total investments	**26.85**	**22.23**	**4.62**

Development projects

Esp extension

The extension of the ESP Shopping Center in Ravenna was inaugurated on 1 June 2017. The occupancy of the extension came to 97% (100% in the pre-existing area).

In 2017 around €16,061 thousand was invested in construction work and systems. A total of around €51 million, including about €5.7 million on primary and secondary urbanization works, was invested in the mall extension.

During the construction phase choices were made in line with IGD's commitment to environmental sustainability: LED lighting was used, a system for harvesting rainwater, for uses other than drinking, was installed. Solar panels were also installed on the roof of the new building which will generate enough clean energy to satisfy part of the new mall's needs.

Gran Rondò extension

In the second quarter work started on the mid-size store and on the multi-level parking garage next to the Gran Rondò shopping center in Crema for a total investment, at 30 September, of €3,036 thousand pertaining mainly to urbanization works and construction of the parking area. The extension is expected to open in the first half of 2018.

"Porta a Mare" Project

Work on the Officine Storiche area (residential portion) continued for a total of around €575 thousand, while work on the retail portion, which is expected to be completed by first half 2019, amounted to approximately €1,530 thousand.

Restyling and extraordinary maintenance of the like-for-like portfolio still underway

At 30 September 2017, restyling and extraordinary maintenance continued and is still underway relating to:

- ✓ reconfiguration of space at the Città delle Stelle mall. In the first nine months, subsequent to the downsizing and restyling of the hypermarket inside the Città delle Stelle shopping center, work was begun on the reconfiguration of the space which will increase the GLA by around 4,150 m^2 for a total investment of about €1.4 million. The work is expected to be completed by the end of fourth quarter 2017. Around €832 thousand had been invested at 30 September 2017;
- ✓ earthquake proofing of a few shopping centers for a total of €958 thousand;
- ✓ waterproofing at the Katanè, Sarca, Tiburtino and Le Maioliche centers for a total of around €599 thousand;

- ✓ work on the parking lot at the Portogrande shopping center for a total of around €194 thousand;
- ✓ work at a few Romanian centers for around €1,933 thousand.

Extraordinary maintenance of the like-for-like portfolio completed

In 2017 extraordinary maintenance was carried out and completed relating to waterproofing roofs, fit outs (grouping/dividing stores, installation of fire and electrical safety devices, as well as electrical cut-off circuits systems, for a total of around €1,045.

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.

On 6 April 2017 the interest rate swap stipulated with BNP Paribas to hedge the mortgage on the Centro Sarca Shopping Center – Sesto San Giovanni expired, and was substituted with an IRS agreement stipulated with Unipol Banca on a remaining notional amount at 30 June 2017 of €69.25 million which expires on 6 April 2027.

On 8 June 2017 the company contracted two new Interest Rate Swap agreements with Banca Intesa and BNL for a notional amount of €34.625 million each, with a start date of 6 July 2017 and expiring on 6 April 2027, at a fixed rate of 0.5925% with the variable rate pegged to the 3 month LIBOR.

1.6. Subsequent events

There are no events to report.

1.7. Outlook for the current year

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 on 1 June 2017 of the Esp shopping center extension; the cost of funding should also continue to be low, at less than 3%.
The FY 2017 target for FFO, disclosed and revised in August, is also confirmed at +20%.

2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

2.1 Consolidated income statement

Consolidated Income Statement (in thousands of Euro)	30/09/2017 (A)	30/09/2016 (B)	Change (A-B)	3° Q 2017 (C)	3° Q 2016 (D)	Change (C-D)
Revenues	103,410	97,505	5,905	35,024	32,520	2,504
Other income	4,652	3,897	755	1,426	1,339	87
Revenues from property sales	4,857	590	4,267	809	0	809
Total revenues and operating income	**112,919**	**101,992**	**10,927**	**37,259**	**33,859**	**3,400**
Change in inventory	(4,368)	2,063	(6,431)	(703)	845	(1,548)
Total revenues and change in inventory	**108,551**	**104,055**	**4,496**	**36,556**	**34,704**	**1,852**
Cost of work in progress	575	2,621	(2,046)	205	850	(645)
Cost of service	17,205	16,377	828	5,589	5,349	240
Cost of labour	7,263	6,786	477	2,233	2,129	104
Other operating costs	7,413	7,370	43	2,549	2,597	(48)
Total operating costs	**32,456**	**33,154**	**(698)**	**10,576**	**10,925**	**(349)**
(Depreciation, amortization and provisions)	(1,663)	(1,892)	229	(616)	(544)	(72)
(Impairment losses)/Reversals on work in progress and inventories	(2,215)	(2,201)	(14)	0	0	0
Change in fair value - increases / (decreases)	20,748	1,357	19,391	(400)	(1,202)	802
Total depreciation, amortization, provisions, impairment and change in fair value	**16,870**	**(2,736)**	**19,606**	**(1,016)**	**(1,746)**	**730**
EBIT	**92,965**	**68,165**	**24,800**	**24,964**	**22,033**	**2,931**
Gains/losses from equity investments and disposals	**(68)**	**(180)**	**112**	**(30)**	**(51)**	**21**
Financial income	94	171	(77)	38	107	(69)
Financial charges	26,158	30,558	(4,400)	8,533	10,799	(2,266)
Net financial income/(charges)	**(26,064)**	**(30,387)**	**4,323**	**(8,495)**	**(10,692)**	**2,197**
PRE-TAX PROFIT	**66,833**	**37,598**	**29,235**	**16,439**	**11,290**	**5,149**
Income tax for the period	2,156	804	1,352	706	666	40
NET PROFIT FOR THE PERIOD	**64,677**	**36,794**	**27,883**	**15,733**	**10,624**	**5,109**
Minorities portion of net profit	0	361	(361)	0	23	(23)
Parent Company's portion of net profit	**64,677**	**37,155**	**27,522**	**15,733**	**10,647**	**5,086**

2.2 Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in thousands of Euro)	30/09/2017 (A)	30/09/2016 (B)	Change (A-B)	3° Q 2017 (C)	3° Q 2016 (D)	Change (C-D)
NET PROFIT FOR THE PERIOD	**64,677**	**36,794**	**27,883**	**15,733**	**10,624**	**5,109**
Components that will not be reclassified to income statement	**0**	**0**	**0**	**0**	**0**	**0**
Effects of hedge derivatives on net equity	6,277	(582)	6,858	923	1,560	(637)
Tax effects of hedge derivatives on net equity	(1,449)	(233)	(1,216)	(202)	(355)	153
Other effects on income statement components	(107)	92	(199)	(83)	101	(184)
Components that will be reclassified to income statement	**4,720**	**(723)**	**5,443**	**638**	**1,306**	**(668)**
Total comprehensive profit/(loss) for the period	**69,397**	**36,071**	**33,326**	**16,371**	**11,930**	**4,441**
Non-controlling interests in (profit)/loss for the period	0	361	(361)	0	23	(23)
Profit/(Loss) for the period attributable to the Parent Company	**69,397**	**36,432**	**32,965**	**16,371**	**11,953**	**4,418**

2.3 Consolidated statement of financial position

Consolidated statement of financial position (in thousand of Euro)	30/09/2017 (A)	30/06/2017 (B)	31/12/2016 (C)	Change (A-B)	Change (A-C)
NON-CURRENT ASSETS:					
Intangible assets					
Intangible assets with finite useful lives	40	47	58	(7)	(18)
Goodwill	12,662	12,662	12,662	0	0
	12,702	**12,709**	**12,720**	**(7)**	**(18)**
Property, plant, and equipment					
Investment property	2,127,766	2,127,766	2,050,728	0	77,038
Buildings	8,192	8,254	8,374	(62)	(182)
Plant and machinery	241	273	332	(32)	(91)
Equipment and other assets	1,022	1,126	1,323	(104)	(301)
Leasehold improvements	813	882	1,020	(69)	(207)
Assets under construction	44,350	40,458	75,004	3,892	(30,654)
	2,182,384	**2,178,759**	**2,136,781**	**3,625**	**45,603**
Other non-current assets					
Net deferred tax assets	-	-	764	0	(764)
Sundry receivables and other non-current assets	89	89	89	0	0
Equity investments	1,672	1,702	1,685	(30)	(13)
Non-current financial assets	368	368	393	0	(25)
Derivatives - assets	-	249	-	(249)	0
	2,129	**2,408**	**2,931**	**(279)**	**(802)**
TOTAL NON-CURRENT ASSETS (A)	**2,197,215**	**2,193,876**	**2,152,432**	**3,339**	**44,783**
CURRENT ASSETS:					
Work in progress inventory and advances	51,189	51,893	57,753	(704)	(6,564)
Trade and other receivables	15,131	13,380	12,706	1,751	2,425
Other current assets	2,850	7,120	13,112	(4,270)	(10,262)
Financial receivables and other current financial assets	466	416	151	50	315
Cash and cash equivalents	5,672	2,788	3,084	2,884	2,588
TOTAL CURRENT ASSETS (B)	**75,308**	**75,597**	**86,806**	**(289)**	**(11,498)**
TOTALE ASSETS (A + B)	**2,272,523**	**2,269,473**	**2,239,238**	**3,050**	**33,285**
NET EQUITY:					
Share capital	599,760	599,760	599,760	0	0
Share premium reserve	29,971	29,971	29,971	0	0
Other reserves	383,522	382,948	349,246	574	34,276
Group profit	79,413	63,680	81,724	15,733	(2,311)
Total Group net equity	**1,092,666**	**1,076,359**	**1,060,701**	**16,307**	**31,965**
Portion pertaining to minorities	-	-	8,725	0	(8,725)
TOTAL NET EQUITY (C)	**1,092,666**	**1,076,359**	**1,069,426**	**16,307**	**23,240**
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	22,150	22,920	28,748	(770)	(6,598)
Non-current financial liabilities	969,611	976,666	893,296	(7,055)	76,315
Provision for employee severance indemnities	2,726	2,664	2,530	62	196
Deferred tax liabilities	24,632	23,985	22,665	647	1,967
Provisions for risks and future charges	4,909	4,633	4,964	276	(55)
Sundry payables and other non-current liabilities	23,228	23,176	24,656	52	(1,428)
TOTAL NON-CURRENT LIABILITIES (D)	**1,047,256**	**1,054,044**	**976,859**	**(6,788)**	**70,397**
CURRENT LIABILITIES:					
Current financial liabilities	102,603	103,663	165,760	(1,060)	(63,157)
Trade and other payables	16,088	21,093	17,062	(5,005)	(974)
Current tax liabilities	4,258	4,640	2,396	(382)	1,862
Other current liabilities	9,652	9,674	7,735	(22)	1,917
TOTAL CURRENT LIABILITIES (E)	**132,601**	**139,070**	**192,953**	**(6,469)**	**(60,352)**
TOTAL LIABILITIES (F = D + E)	**1,179,857**	**1,193,114**	**1,169,812**	**(13,257)**	**10,045**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**2,272,523**	**2,269,473**	**2,239,238**	**3,050**	**33,285**

2.4 Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests in 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				37,155	37,155	(361)	36,794
Cash flow hedge derivative assessment			(815)		(815)		(815)
Other comprehensive income (loss)			92		92		92
Total comprehensive income (loss)	**0**	**0**	**(723)**	**37,155**	**36,432**	**(361)**	**36,071**
Allocation of 2015 profit							
Dividends paid			(6,828)	(25,694)	(32,522)		(32,522)
To legal reserve		(10,000)	10,000		0		0
To other reserve			19,318	(19,318)	0		0
Balance at 30/09/20116	**599,760**	**29,971**	**345,682**	**50,550**	**1,025,963**	**9,789**	**1,035,752**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests in 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 period				64,677	64,677		64,677
Cash flow hedge derivative assessment			4,827		4,827		4,827
Other comprehensive income (loss)			(107)		(107)		(107)
Total comprehensive income (loss)	**0**	**0**	**4,720**	**64,677**	**69,397**	**0**	**69,397**
Purchase of treasury share			(64)		(64)		(64)
Reserve reclassification due to merger			23,979	(23,979)	0		0
Purchase of minority shares				(781)	(781)	(8,725)	(9,506)
Allocation of 2016 profit							
Dividends distributed			(14,731)	(21,856)	(36,587)		(36,587)
To other reserves			20,372	(20,372)	0		0
Balance at 30/09/2017	**599,760**	**29,971**	**383,522**	**79,413**	**1,092,666**	**0**	**1,092,666**

2.5 Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW	30/09/2017	30/09/2016
(in thousands of Euro)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	**66,833**	**37,598**
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-monetary items	(1,778)	3,482
Depreciation, amortization and provisions	1,663	1,892
(Impairment losses)/Reversals on work in progress and inventories	2,215	2,201
Change in fair value of investment property	(20,748)	(1,357)
Gains/losses from equity investments and disposals	68	180
CASH FLOW FROM OPERATIONS	**48,253**	**43,996**
Income tax	(939)	(694)
CASH FLOW FROM OPERATIONS NET OF TAX	**47,314**	**43,302**
Change in inventories	4,369	(2,063)
Net change in current assets and liabilities	10,916	(8,190)
Net change in non-current assets and liabilities	(1,466)	(1,654)
CASH FLOW FROM OPERATING ACTIVITIES	**61,133**	**31,395**
(Investments) in non-current assets	(26,822)	(18,487)
Divestments of non-current assets	152	152
Divestments in subsidiaries	0	4,466
(Investments) in subsidiaries	(9,507)	(13)
CASH FLOW FROM INVESTING ACTIVITIES	**(36,177)**	**(13,882)**
Change in non-current financial assets	0	0
Change in financial receivables and other current financial assets	(370)	9,023
Share capital increase	(64)	0
Cash Flow Hedge reserve	0	(1,659)
Payment of dividends	(36,587)	(32,522)
Change in current debt	(59,370)	(164,433)
Change in non-current debt	74,078	236,932
CASH FLOW FROM FINANCING ACTIVITIES	**(22,313)**	**47,341**
Difference in translation of liquidity (d)	(55)	12
NET INCREASE (DECREASE) IN CASH BALANCE	**2,588**	**64,866**
CASH BALANCE AT BEGINNING OF THE PERIOD	**3,084**	**23,603**
CASH BALANCE AT END OF THE PERIOD	**5,672**	**88,469**

2.6 Net financial position

The table below presents the net financial position at 30 September, 30 June 2017 and 31 December 2016. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.
Uncommitted credit facilities with banks amount to €291 million, of which €230.29 million was unutilized at the close of the period.
Committed revolving credit facilities with banks, unutilized at 30 September 2017, amount to €60 million.

See the section "Statement of financial position and financial review" for comments.

NET DEBT			
	30/09/2017	30/06/2017	31/12/2016
Cash and cash equivalents	(5,672)	(2,788)	(3,084)
Financial receivables and other current financial assets	(466)	(416)	(151)
LIQUIDITY	**(6,138)**	**(3,204)**	**(3,235)**
Current financial liabilities	59,001	64,002	110,929
Mortgage loans - current portion	34,846	34,539	34,178
Leasing – current portion	321	318	313
Convertible bond loan - current portion	8,435	4,804	20,340
CURRENT DEBT	**102,603**	**103,663**	**165,760**
CURRENT NET DEBT	**96,465**	**100,459**	**162,525**
Non-current financial assets	(368)	(368)	(393)
Leasing – non-current portion	4,009	4,090	4,251
Non-current financial liabilities	290,182	297,822	314,904
Convertible bond loan	675,420	674,754	574,141
NON-CURRENT DEBT	**969,243**	**976,298**	**892,903**
NET FINANCIAL POSITION	**1,065,708**	**1,076,757**	**1,055,428**

2.7 Preparation criteria and scope of consolidation

1. General information

The interim financial report of Immobiliare Grande Distribuzione at 30 September 2017 was approved and authorized for publication by the Board of Directors on 9 November 2017.
IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0. Soc. Coop and is under the management and coordination of that company.

2. Summary of accouting standards

2.1. Preparation criteria

Declaration of conformity with international accounting standards

The interim financial information (unaudited) was prepared in accordance with Art. 154-*ter* of Legislative Decree 58/1998, as per the IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and approved by the European Union, and with the instructions issued in implementation of Art. 9 of Legislative Decree 38/2005...
The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC) which at 30/09/2017 were endorsed as per the procedure outlined in EC Regulation 1606/2002.
The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2016 and the condensed consolidated half-year financial statements at 30 June 2017, to which the reader should refer.
The valuation and reporting of book values are based on the international accounting standards 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 2016 as a result of the European Commission's future endorsement of new standards, new
Income statement figures are provided for the quarter under review and are compared with figures for the same periods last year.

Income statement figures are provided for the quarter under review and the period between the beginning of the year and the close of the quarter. The figures are compared with figures for the same periods of the prior year. The figures in the statement of financial position are provided at 30 September, 30 June 2017 and 31 December 2016. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2016), while balance sheet items are compared with the previous quarter (30 June 2017).
The use of estimates broadly reflects the practice followed in the year-end financial statements.
The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

2.2. Consolidation

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 September 2017, prepared by the directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. Since 30 June 2017, 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.

Name	Registered office	Country	Share capital	Currency	Percent consolidated	Held by	Percento f share capital held	Operations
Parent company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	599,760,278.16	Euro				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	Euro	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	Euro	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	Euro	100%	IGD Management s.r.l.	100.00%	Construction and marketing
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Facility management
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	Euro		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
Associated valued at equity								
RGD Ferrara 2013 s.r.l.	Roma, via Piemonte 38	Italy	100,000.00	Euro		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center

IGD SIIQ S.p.A., directly and indirectly, controls various consortiums for the management of shopping centers (costs relating to common areas and promotional activities). They are not consolidated as they are considered to be immaterial.

Name	Control ratio	Percentage of control	Registered office
CC Leonardo consortium	Direct control	52.00%	VIA AMENDOLA 129, IMOLA (BO)
CC I Bricchi consortium	Direct control	72.25	VIA PRATO BOSCHIERO, ISOLA D' ASTI (LOC MOLINI)
Centrolame consortium	Direct control	66.43%	VIA MARCO POLO 3, BOLOGNA (BO)
Katanè shopping center consortium	Direct control	53%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Conè shopping center consortium	Direct control	65.78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
La Torre-Palermo shopping center consortium	Direct control	55.04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Gran Rondò shopping center consortium	Direct control	48.69%	VIA G. LA PIRA n. 18., CREMA (CR)
Fonti del Corallo shopping center consortium	Direct control	68.00%	VIA GINO GRAZIANI 6, LIVORNO
Centrosarca shopping center consortium	Indirect control	62.50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Porta a Mare Mazzini consortium	Direct control	80.90%	VIA G. D'ALESIO, 2 - LIVORNO
Clodì retail park consortium	Direct control	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Le Maioliche shopping center consortium	Direct control	71.49%	VIA BISAURA N.13, FAENZA (RA)
ESP consortium	Direct control	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Puntadiferro consortium	Direct control	62.34%	Piazzale della Cooperazione 4, FORLI' (FC)
Commendone consortium	Direct control	52.60%	Via Ecuador snc, Grosseto

3. Segment reporting

The income statement and the 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	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**103,410**	**97,505**	**4,652**	**3,897**	**4,857**	**590**	**0**	**0**	**112,919**	**101,992**
Change in inventories of work in progress	**0**		**0**		**(4,368)**	**2,063**	**0**	**0**	**(4,368)**	**2,063**
Direct costs (a) (excluding provisions for doubtful accounts)	19,393	18,928	4,191	3,445	799	2,855	0	0	24,383	25,227
G&A expenses (b)							8,073	7,927	8,073	7,927
Total operating costs (a)+(b)	**19,393**	**18,928**	**4,191**	**3,445**	**799**	**2,855**	**8,073**	**7,927**	**32,456**	**33,154**
(Depreciations, amortization and provisions)	(1,422)	(1,673)	(40)	(17)	(3)	(4)	(197)	(198)	(1,663)	(1,892)
(Impairment losses)/Reversals on work in progress and inventories	(20)	(190)	0	0	(2,195)	(2,011)	0	0	(2,215)	(2,201)
Change in fair value - increases/(decreases)	20,748	1,357	0	0	0	0	0	0	20,748	1,357
Total depreciations, amortizations, provisions, impairment and fair value changes	**19,306**	**(506)**	**(40)**	**(17)**	**(2,199)**	**(2,015)**	**(197)**	**(198)**	**16,870**	**(2,736)**
EBIT	**103,324**	**78,071**	**421**	**436**	**(2,509)**	**(2,216)**	**(8,270)**	**(8,125)**	**92,965**	**68,165**
Results from equity investments and assets disposal							**(68)**	**(180)**	**(68)**	**(180)**
Financial income:							**94**	**171**	**94**	**171**
- third parties							**91**	167	91	167
- related parties							**3**	4	3	4
Financial charges:							**26,158**	**30,558**	**26,158**	**30,558**
- third parties							**26,148**	30,525	26,148	30,525
- related parties							**10**	33	10	33
Net financial income							**(26,064)**	**(30,387)**	**(26,064)**	**(30,387)**
PRE-TAX INCOME	**103,324**	**78,071**	**421**	**436**	**(2,509)**	**(2,216)**	**(34,402)**	**(38,692)**	**66,833**	**37,598**
Income taxed							**2,156**	804	2,156	804
NET PROFIT FOR THE PERIOD	**103,324**	**78,071**	**421**	**436**	**(2,509)**	**(2,216)**	**(36,558)**	**(39,496)**	**64,677**	**36,794**
Non-controlling interest in (profit)/loss for the period									0	361
Net profit of the Parent company for the period	**103,324**	**78,071**	**421**	**436**	**(2,509)**	**(2,216)**	**(36,558)**	**(39,496)**	**64,677**	**37,155**

STATEMENT OF FINANCIAL POSITION	30-Sep-17	30-Jun-17	30-Sep-17	30-Jun-17	30-Sep-17	30-Jun-17	30-Sep-17	30-Jun-17	30-Sep-17	30-Jun-17
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Real estate investment	*2,127,766*	*2,127,766*	*0*	*0*	*0*	*0*	*0*	*0*	*2,127,766*	*2,127,766*
- Assets under management	*44,350*	*40,458*	*0*	*0*	*0*	*0*	*0*	*0*	*44,350*	*40,458*
Intangible assets	*11,655*	*11,655*	*1,007*	*1,007*	*1*	*2*	*39*	*45*	*12,702*	*12,709*
Other tangible assets	*2,013*	*2,195*	*58*	*84*	*2*	*2*	*8,195*	*8,254*	*10,268*	*10,535*
- Sundry receivables and other non-current assets	*0*	*0*	*0*	*0*	*0*	*0*	*89*	*89*	*89*	*89*
- Equity investments	*1,639*	*1,632*	*0*	*0*	*0*	*0*	*33*	*70*	*1,672*	*1,702*
NWC	*(12,046)*	*(14,862)*	*1,257*	*1,086*	*49,961*	*50,762*	*0*	*0*	*39,172*	*36,986*
Funds	*(6,304)*	*(6,092)*	*(1,306)*	*(1,185)*	*(24)*	*(20)*	*0*	*0*	*(7,635)*	*(7,297)*
Sundry payables and other non-current liabilities	*(17,303)*	*(17,249)*	*0*	*0*	*(5,925)*	*(5,927)*	*0*	*0*	*(23,228)*	*(23,176)*
Net deferred taxes (assets)/liabilities	*(27,193)*	*(26,546)*	*0*	*0*	*2,561*	*2,561*	*0*	*0*	*(24,632)*	*(23,985)*
Total use of funds	**2,124,577**	**2,118,958**	**1,016**	**992**	**46,577**	**47,379**	**8,356**	**8,458**	**2,180,524**	**2,175,787**
Total group net equity	*1,062,359*	*1,045,034*	*(299)*	*(178)*	*30,607*	*31,503*	*(0)*	*0*	*1,092,666*	*1,076,359*
Net (assets) and liabilities for derivative instruments	*22,150*	*22,671*	*0*	*0*	*0*	*0*	*0*	*0*	*22,150*	*22,671*
Net debt	*1,040,067*	*1,051,253*	*1,315*	*1,170*	*15,970*	*15,876*	*8,356*	*8,458*	*1,065,708*	*1,076,757*
Total sources	**2,124,577**	**2,118,958**	**1,016**	**992**	**46,577**	**47,379**	**8,356**	**8,458**	**2,180,524**	**2,175,787**

REVENUES FROM FREEHOLD PROPERTIES	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	NORTHERN ITALY		CENTER/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	45,446	43,683	39,336	36,150	6,914	6,449	91,696	86,282
ONE-OFF REVENUES	170	12	0	10	0	0	170	22
TEMPORARY LOCATION RENTS	1,111	1,090	840	756	0	0	1,951	1,845
OTHER RENTAL INCOME	-32	45	108	49	17	28	94	122
TOTAL	**46,695**	**44,830**	**40,284**	**36,965**	**6,931**	**6,477**	**93,911**	**88,272**

2.8 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 Financial Report Statement at 30 September 2017 correspond to the company's records, ledgers and accounting entries.

Bologna, 9 November 2017

Grazia Margherita Piolanti
Financial Reporting Officer