

2016 Results: *the best in IGD's history*
Conference call 28 February 2017

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2016 Results...

↗ **€ 136.8 mn**
Core business revenues
+8.4%

↗ **€ 94.9 mn**
Core business Ebitda
+11.6%
margin 69.3% + 200bps

↗ **€ 68.3 mn**
Group Net Profit
+49.7%

↗ **78.7%**
Ebitda margin from Freehold
+ 150 bps

↗ **€ 2,178 mn**
Portfolio Market value
+4.6%

↗ **€ 1.29** per share
Epra NNNNAV
+3.2%

...exceeding expectations!!!

↗ **€ 53.9 mn**

Funds From Operations (FFO)

+18.9% (+15/16% guidance)

↗ **€ 0.066**

FFO per share

↗ **€ 0.045** per share

Proposed dividend

+12.5%



Operating Performance

A positive scenario, also in 2017...

ITALY



- 8° economy in the world and 3° in the Euro Area
- **GDP 2016: €1,569 mld (+0.9%)**
- **Consumption 2016: +1.2%**

ROMANIA



- Among the economies that are growing faster in Europe
- **GDP 2016: approx. €176 mld (+4.8%)**
- **Consumption 2016: + 8,9%**

OUTLOOK 2017

GDP + 0.9%

Consumption + 0.9%

GDP + 3.9%

Consumption + 5.9%

Sources: World Bank, Istat, Raiffeisen Research and European Commission and IGD internal processing on research institutes panel

..which results in good operating performances



↗ +2.6%

Tenants sales shopping malls

Better results in shopping centers recently restyled/refurbished



→ Slight decline

Footfalls

But comparison with a strong 2015:

Δ IGD/CNCC 2015 +1.4%

Δ IGD/CNCC 2016 -0.8%



↗ +2.5%

Footfalls

Increase in the commercial offer, reduction of works inside the assets

Effective commercial performances



206 signed contracts
of which 89 turnover and 117 renewals



+1.8% upside



9% rotation rate
26 new brands



97.3% occupancy
+ 40 bps



Maremma (GR) – New brand: Zara and Pull&Bear

ZARA
PULL&BEAR

AMY B.
est. 2010
FLÖREIZA
styled in Florence

FOOD STYLE
100
MONTADITOS
FROM SPAIN



the **athlete's foot**

supermedia
tecnologia a portata di mano

Merchandising: physical vs virtual

Implementation of the food court's offer and services



CENTRO SARCA (Milan)

Food court: 2,550 m² (11% tot. malls)



MAREMA' (Grosseto)

Food court: 1,550 m² (9% tot. malls)



Merchandising: physical vs virtual

Personal care services to enhance visits to the shopping centers and customers loyalty

3 CLINICS
OPENED IN 2016



DENTALPRO
CENTRI DENTISTICI PROFESSIONALI



11 TOTAL



@identicoop®
preuienti.cura.sorridi



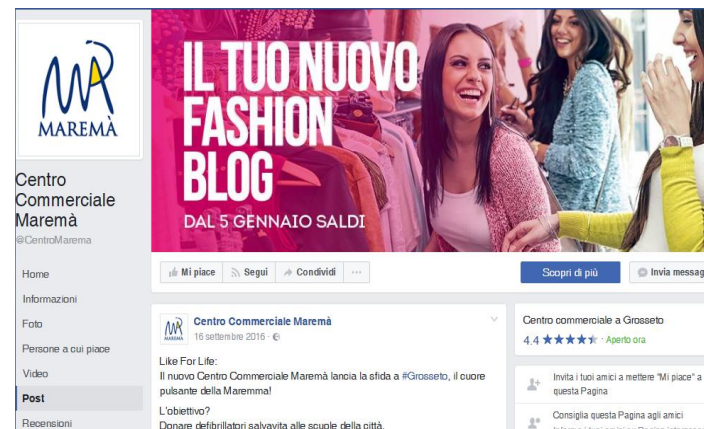
3 NEXT OPENINGS
(2017)



DENTALPRO
CENTRI DENTISTICI PROFESSIONALI



Innovation and technologies



- Book online and collect in the shopping mall
- First pilot project in a Shopping Center in Italy



- A common strategy for all the Centers
- Reinforcing the link with visitors:
 - ✓ Increase in likes +31%
 - ✓ engagement rate +73%
 - ✓ total no. of contacts: 11.5 milion

Restyling results



* May, June and July are not included



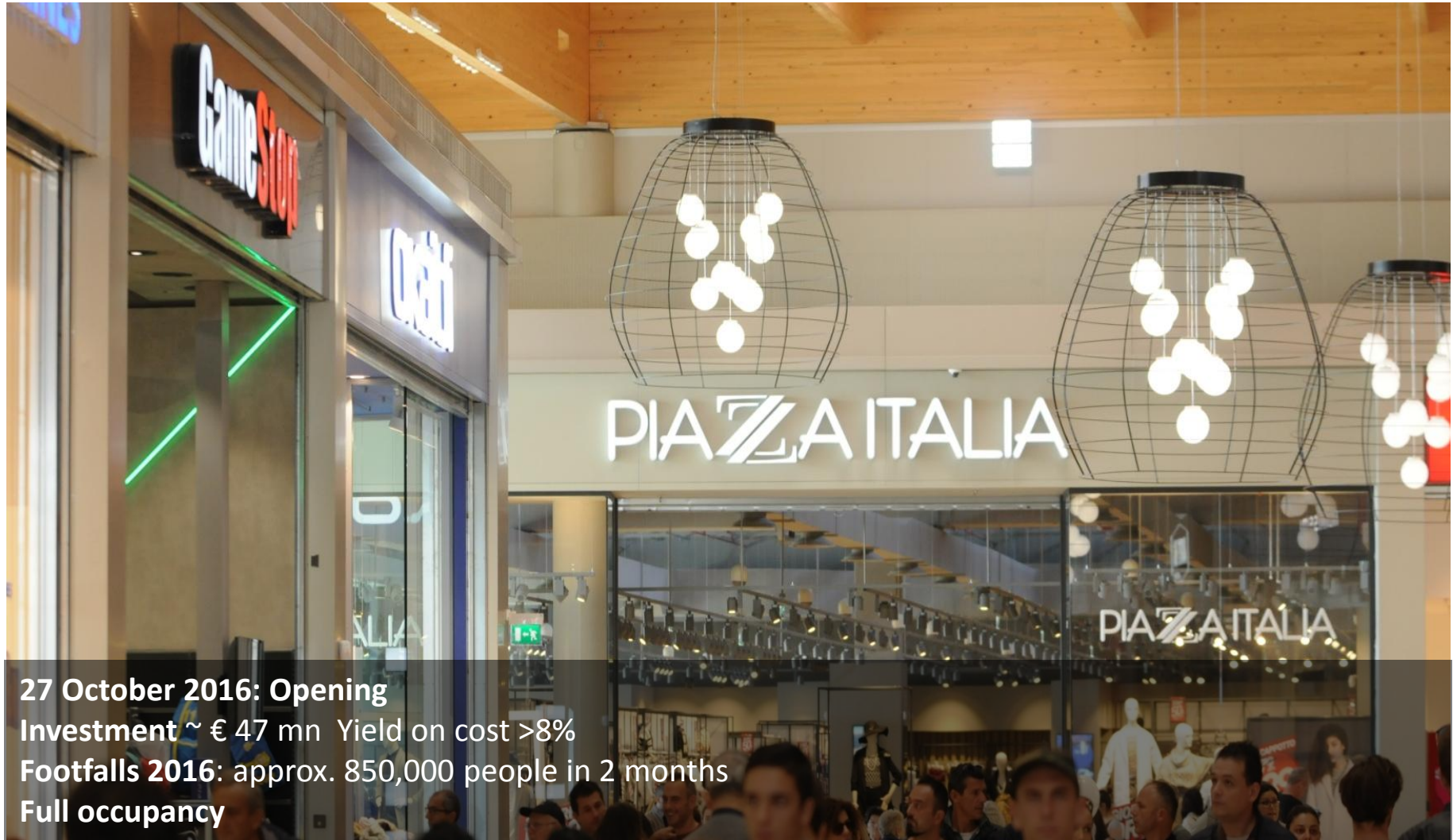
* Data from June to December

Work in progress: Città delle Stelle (Ascoli-Piceno)



2017 – Second step
Hypermarket reduction and creation of a new court in progress
Hyper from 14,400 m² to 9,350 m²
New mall GLA approx. 4,150 m² (shops, stands)
IGD investments: € 1.4 mn
End of work: 2H2017

2016 news: Maremà (Grosseto)



27 October 2016: Opening
Investment ~ € 47 mn **Yield on cost** >8%
Footfalls 2016: approx. 850,000 people in 2 months
Full occupancy

Positive results also in Romania



454 contracts signed

Of which 207 turnover and 247 renewals



+1.1% upside



34.3% rotation rate

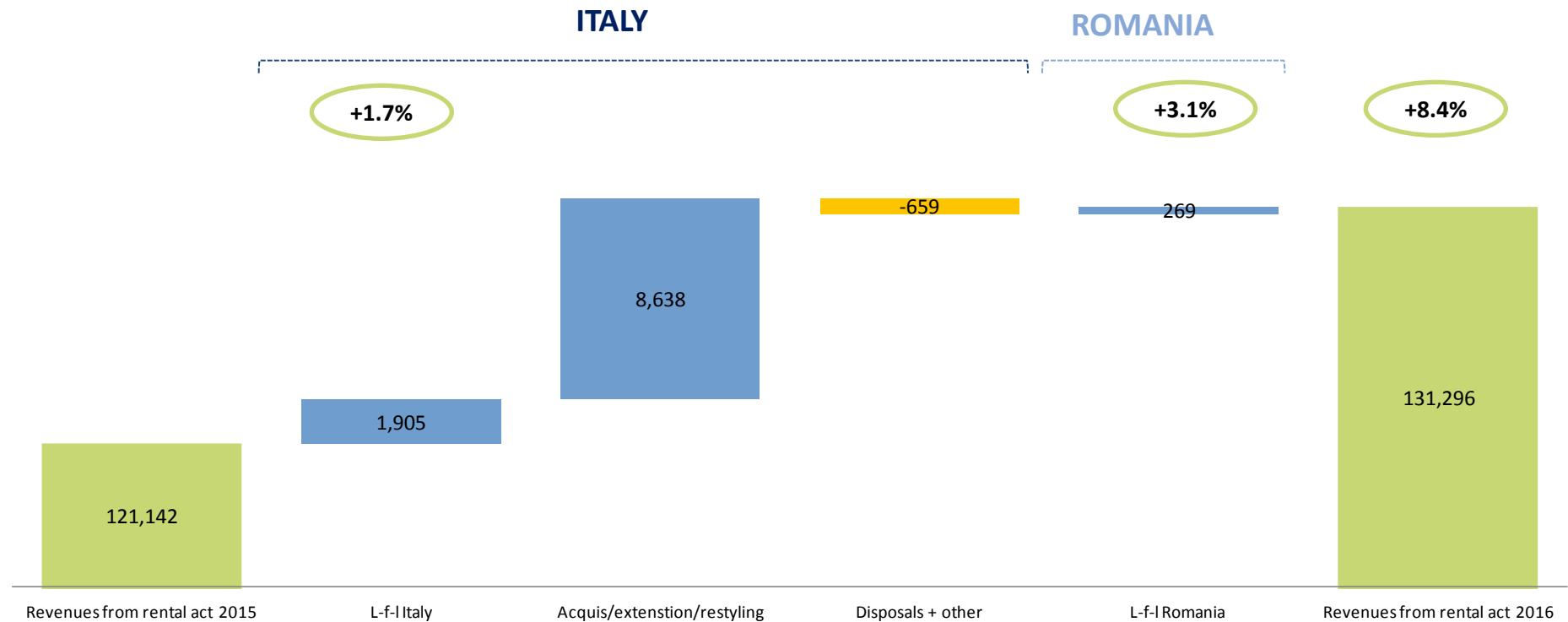


96.1% occupancy

+ 220 bps



The results: rental revenues +8.4%



↗ **Like for like Italy +1.7%: malls (+2.7%) and hypermarkets are stable;**

↗ **Like for like Romania +3.1%**

Seventh Sustainability Report:

significant achievements in 2016



Integrity in business and management



Legality rating obtained

Quality and efficiency of the shopping centers



Electricity consumption reduced by 13% from 2011 (-3,200 ton into the atmosphere)

A changing context



All tenants involved in order to reduce the energy consumption

The concept of space to be lived in



Organized events with a strong social and cultural value (ie. Happy hand in Tour)

Employees



Defined first corporate Welfare plan

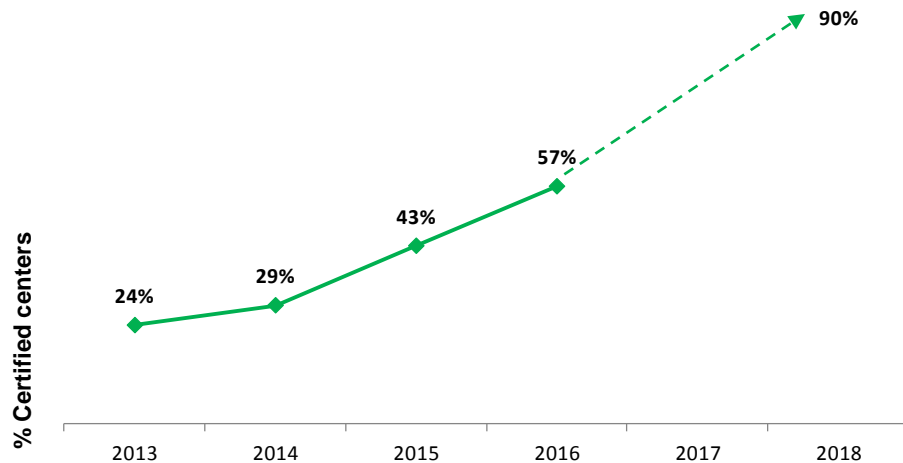
Seventh Sustainability Report: environmental commitment continues...



CERTIFICATION ISO 14001

2016: 57% Italian malls

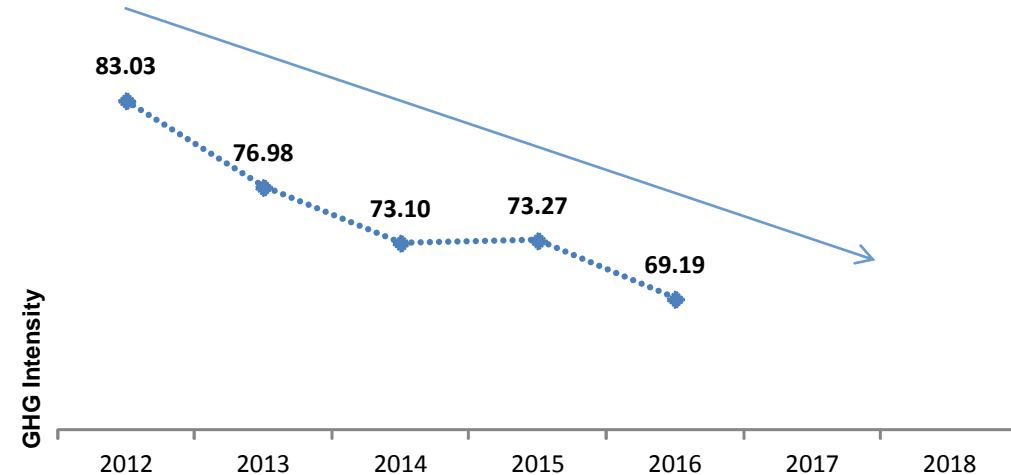
TARGET 2018: 90% Italian malls



GHG INTENSITY*

2016: -5.6%

TARGET 2018: progressive reduction



Starting from 2017, the supply of electricity to all the shopping centers will come from renewable energy sources

Important national and international awards

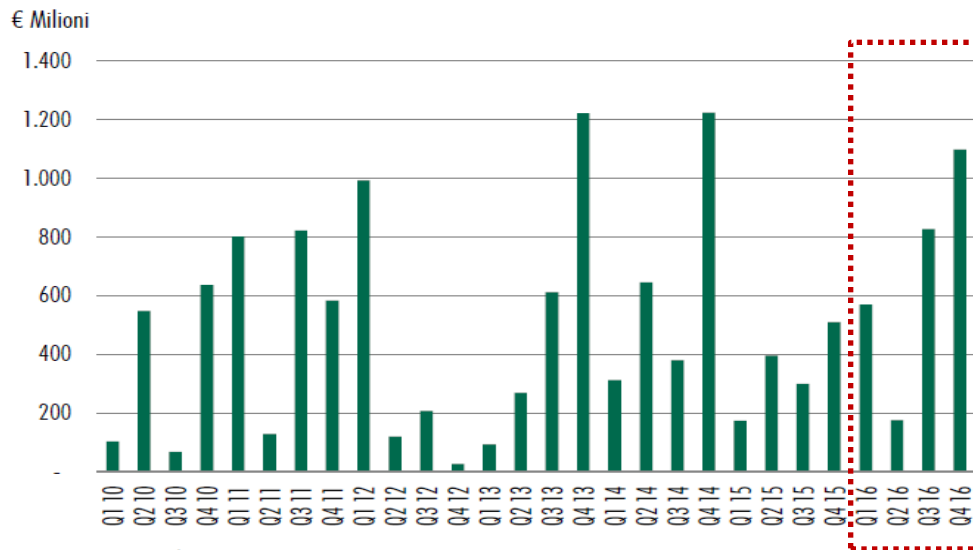


The image shows a multi-level shopping mall with a circular central atrium. Several large, white, funnel-shaped columns support the ceiling. The walls are decorated with a pattern of green and yellow circles. A red banner with the word "Portfolio" in white text is overlaid across the middle of the image. In the background, there are escalators, a food court area with tables and chairs, and various retail stores. The lighting is bright, and the overall atmosphere is modern and clean.

Portfolio

Retail real estate in Italy: an interesting market...

Retail investment evolution in Italy



Fonte: CBRE Research, Q4 2016.

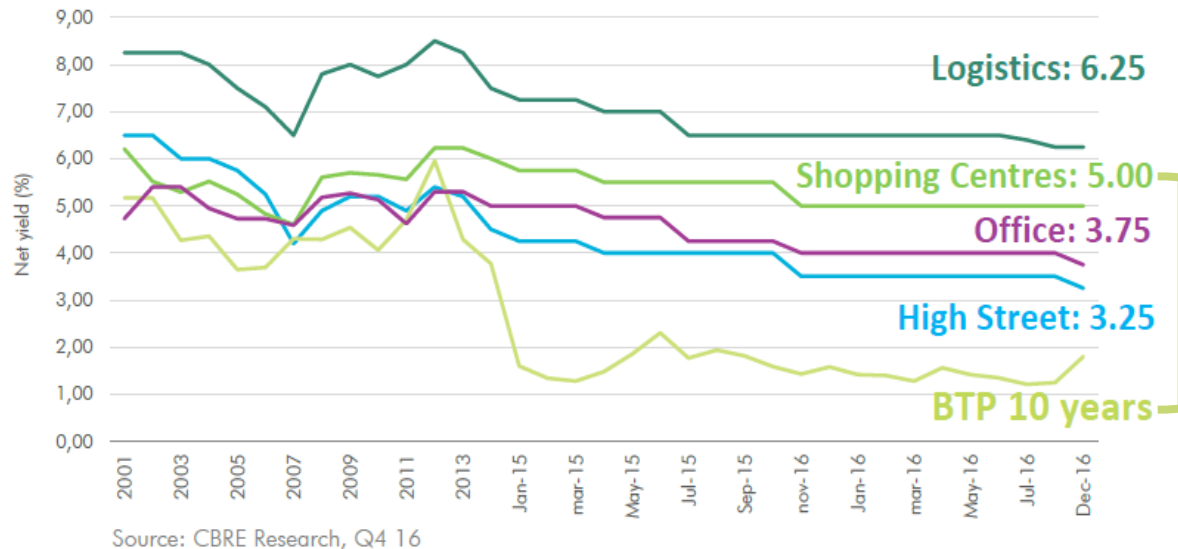
- Real estate investments in 2016: **€9.1 mld** (+13% vs 2015)

- Retail investments in 2016: **approx. €2.6 mld, +80% vs 2015**

- Slight **yields compression** on good secondary shopping centers.

Source: CBRE, "Italia Retail Q4 2016"

...also from the yields point of view



Spread Record
>300 bps
Prime shopping centers
Vs
BTP 10 years



ITALY
5%

VS



SPAIN
4.50%



GERMANY
4%



FRANCE
3.50%



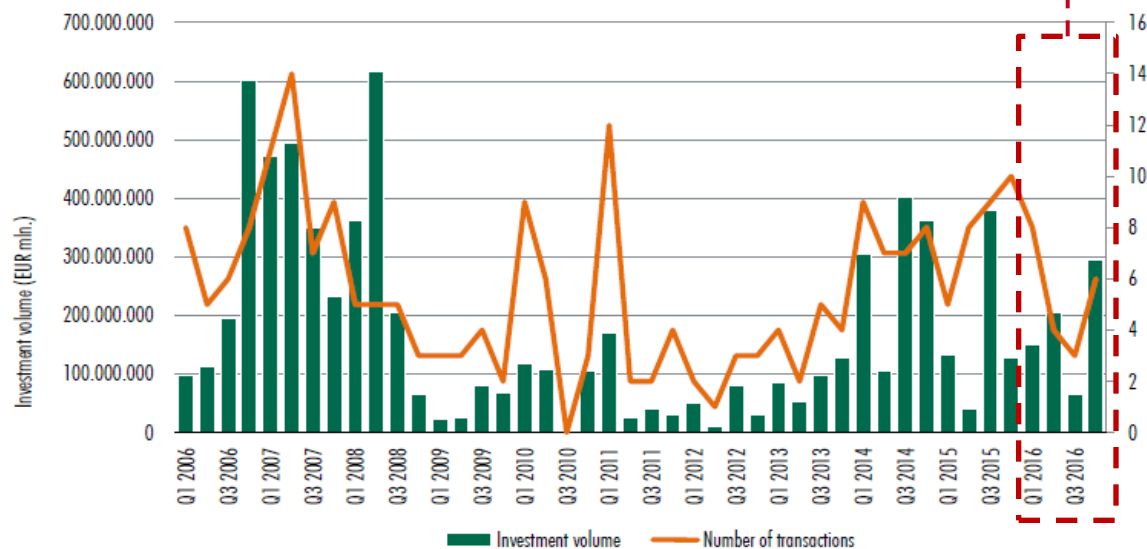
IRELAND
4%

Average net yields
prime shopping centers

Significant gap
between Italy and other European
countries**

Progress continues in Romania

Real estate investment evolution in Romania



Fonte: CBRE Research, Q4 2016.

• **Total Real Estate investments: €714 mn** (in line with 2015)

• **Trend 2017-2018:** national and international retailers are **moving to medium-size regional cities**

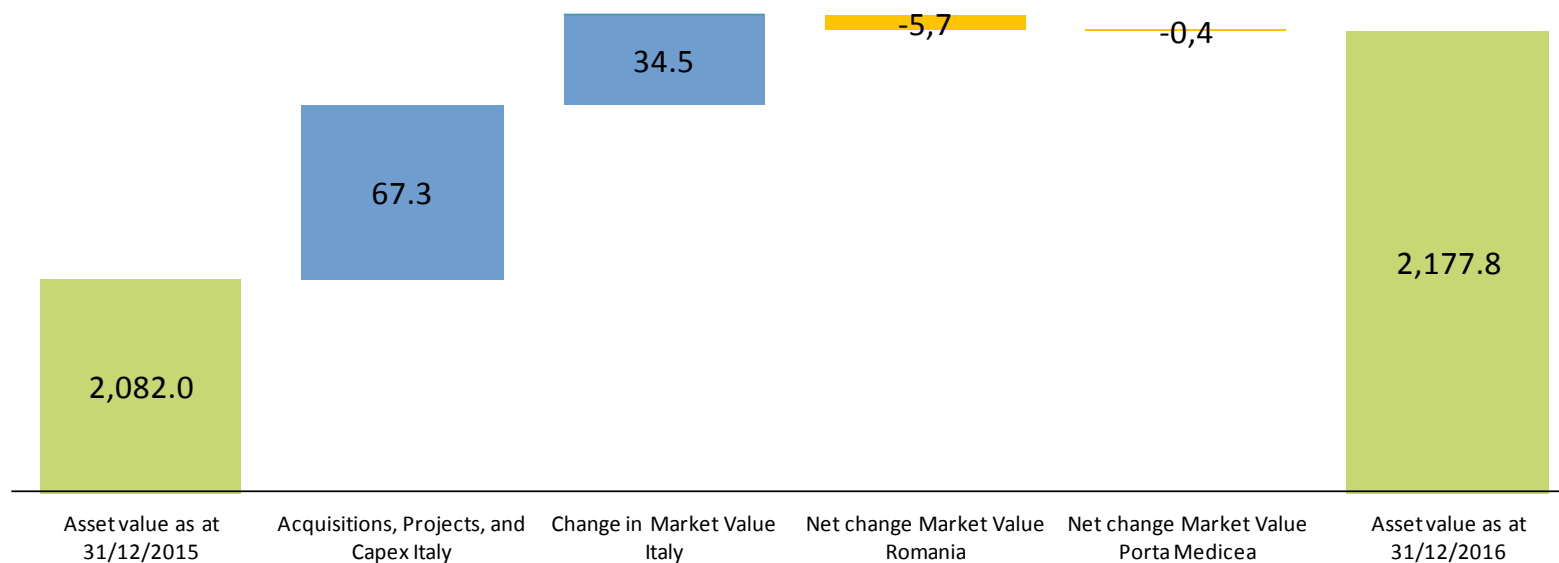
• **Investments in quality refurbishment** or in development activities in medium-size regional cities

• **Yields compression**

Source: CBRE, "Romania Investment, H2 2016", "Romania Retail, H2 2016"

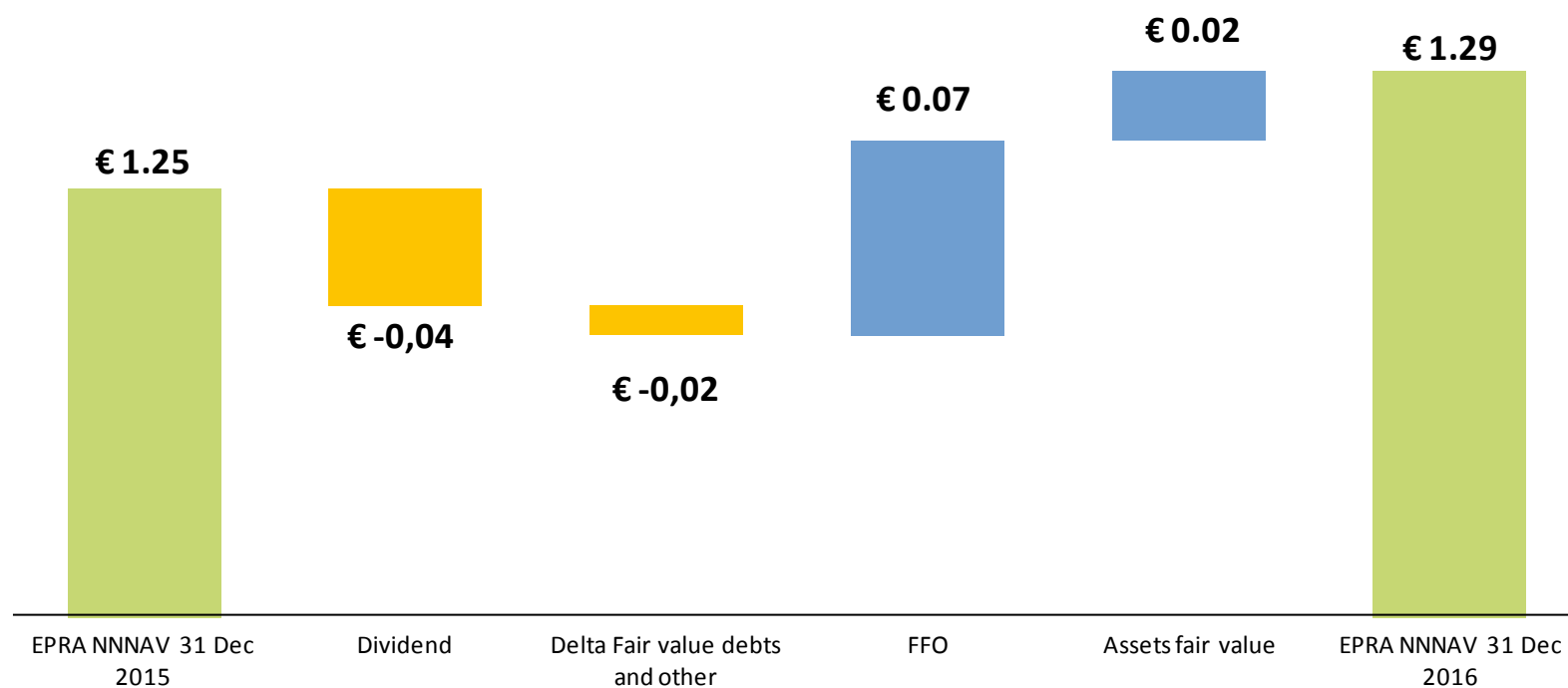
IGD Portfolio is growing...

€ mn	FV 2015	FV 2016	Δ %	Δ % <i>Like for Like</i>	Gross Initial Yield
Malls Italy	1,136.81	1,211.60	+ 6.6%	+ 1.5%	6.23%
Hypermarkets Italy	633.63	646.09	+ 2.0%	+ 2.0%	6.17%
Romania	170.60	164.91	-3.3%	-3.3%	6.51%
Porta a Mare + developments + other	140.97	155.17			
Total IGD portfolio	2,082.01	2,177.77	+ 4.6%		



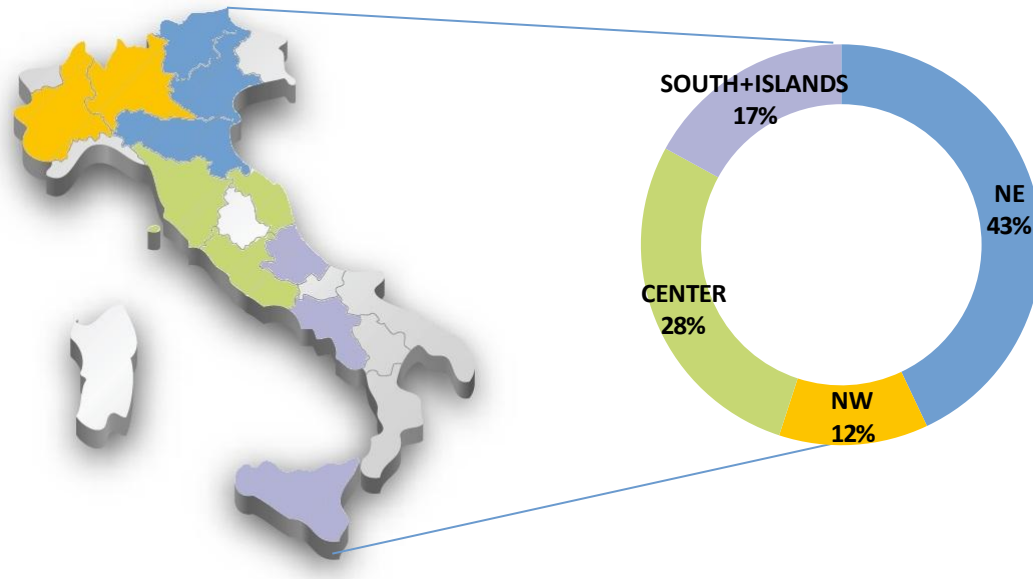
...and so is the value created

€ p.s.	31-Dec-15	31-Dec-16	Δ%
EPRA NAV	1.32	1.37	+ 3.4%
EPRA NNAV	1.25	1.29	+ 3.2%



Balanced portfolio

from a geographical point of view



- Leader in their catchment area
- Present in 11 Italian regions, from North to South, mainly in medium/large size cities



MILAN – C. Sarca



BOLOGNA – C. Borgo



RAVENNA - ESP



ROME -Tiburtino



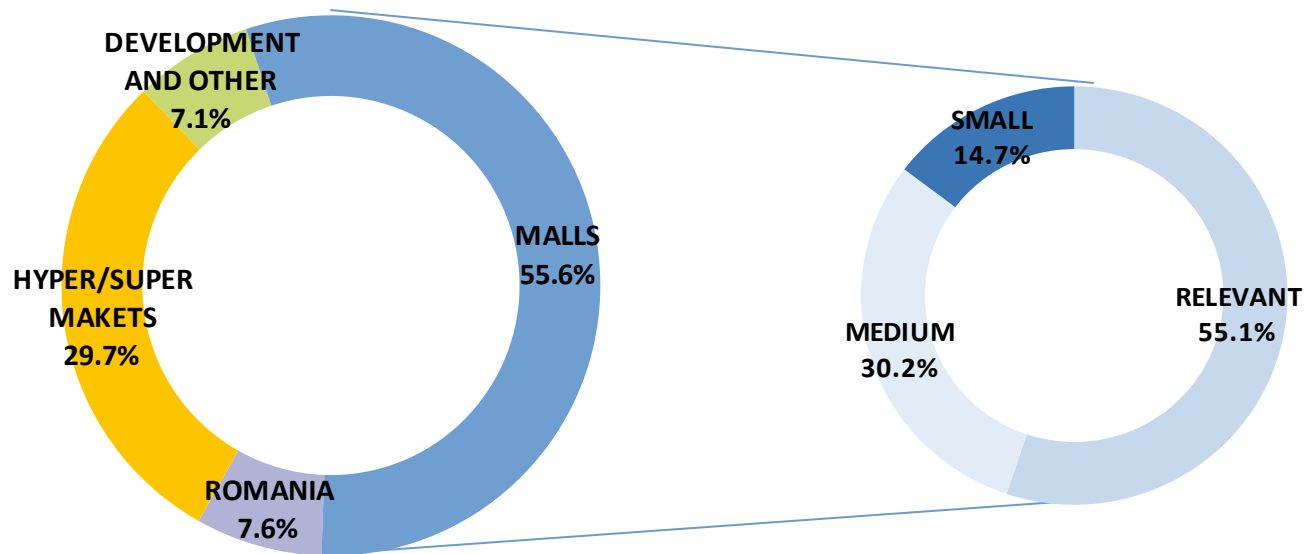
NEAPLES –Porte di Napoli



CATANIA - Katanè

Balanced portfolio

from a market value point of view



7 Relevant Malls

(mkt value >€70mn):

Punta di Ferro

Centro Sarca

Tiburtino

Le Porte di Napoli

Katanè

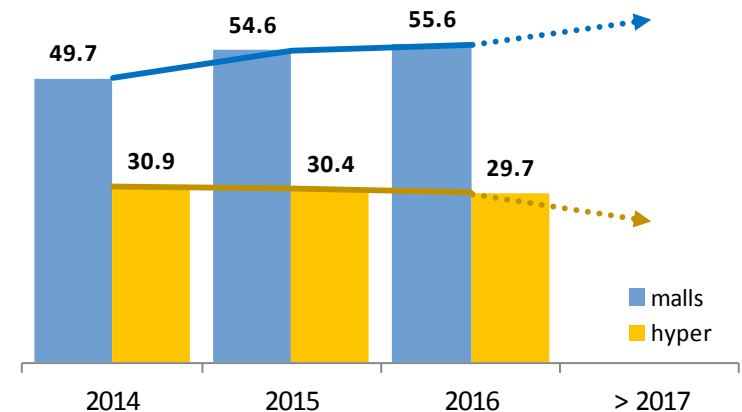
Conè

Esp

- Decrease in hypermarket and Romania
- Increase in malls
- Relevant and Medium malls equal to 85% of asset class

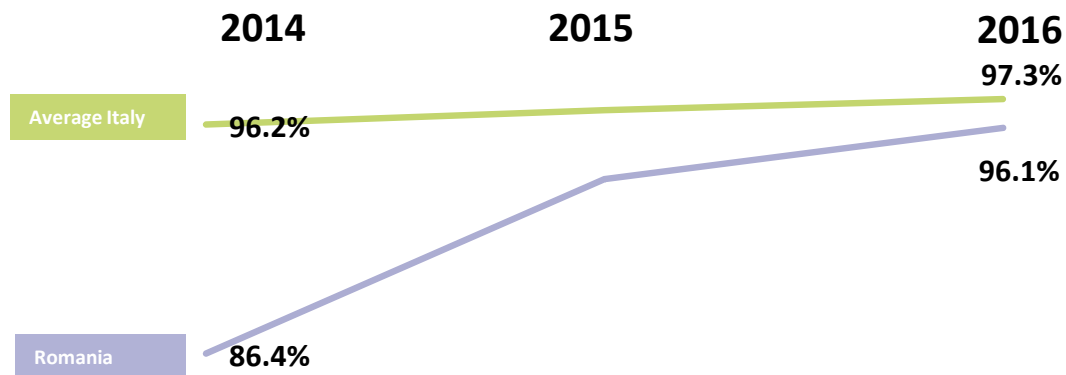
Medium malls: mkt value >€30mn <€70mn

Small malls: mkt value < €30mn



Performing and effective portfolio

Resilience in occupancy



Occupancy rate always high thanks to the restyling/extension/remodeling activities

Flexibility and adaptability

m²

Average mall dimension:
approx 15,000 m²



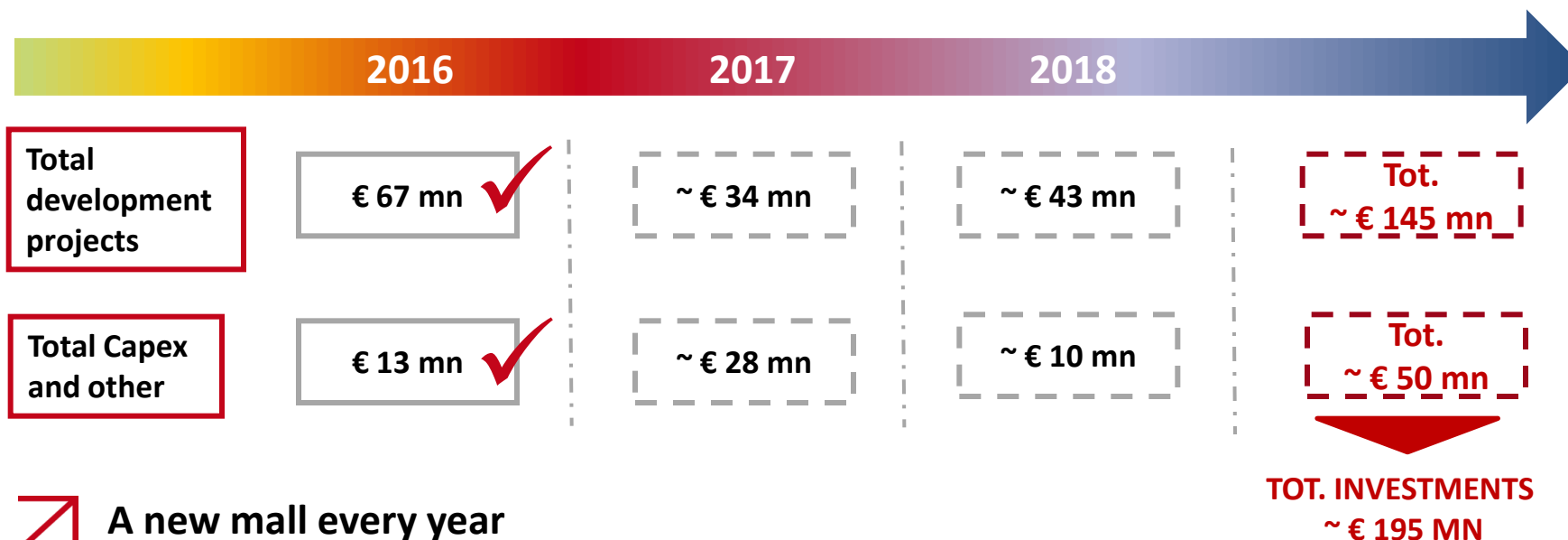
Average no. of shops:
55



No. of full ownership shopping center*:
14

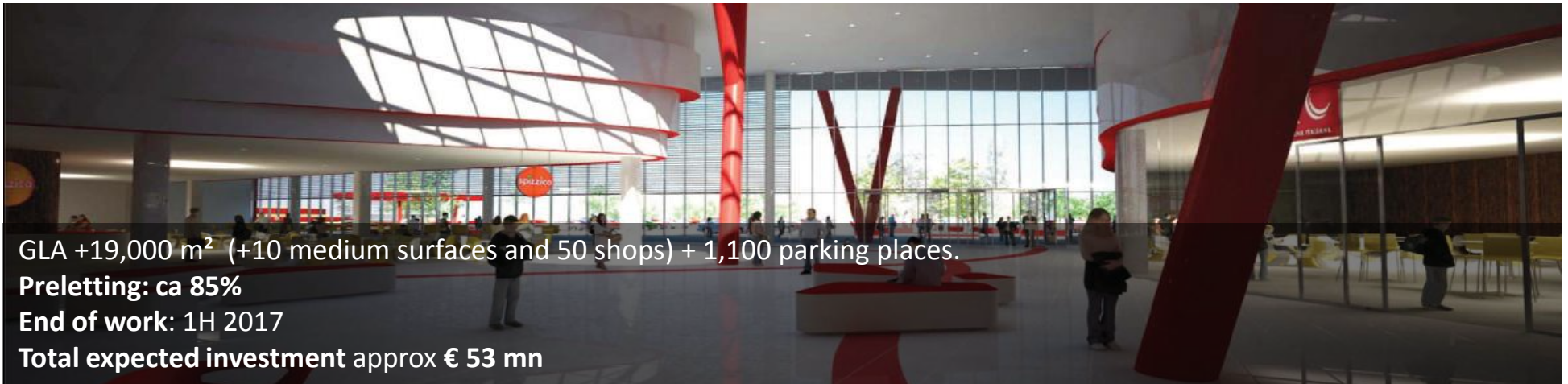
Portfolio that can easily be remodeled/reconverted (ie. Le Porte di Napoli, Città delle Stelle)

Investment pipeline



- A new mall every year
- Average yield on cost approx. 7%
- Attention on sustainability and energy saving
- Seismic improvement works: voluntary action plan to improve the safety of customers and employees

Esp extension (Ravenna)



Restyling and extension - Gran Rondò (Crema)



Officine Storiche (Livorno)



Redevelopment of the former Cantieri Navali Orlando, a modern retail concept with personal care services (fitness, leisure, food court)

Preletting: significant interests collected

Expected opening: 2H 2018

Total expected investment approx € 52 mn



Financial Results

“Record” activity with unprecedented results...

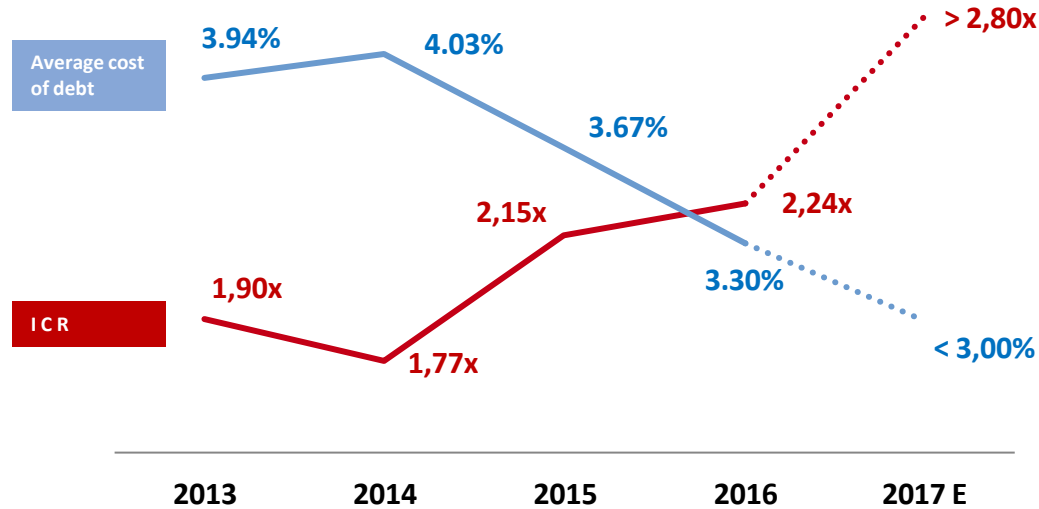
- Obtained the rating Baa(3) Outlook Stable* from Moody's
- The context of low interest rates favored by the ECB has been fully exploited to:
 - ✓ Reduce the average cost of debt
 - ✓ Extend the maturity profile of the medium/long-term debt



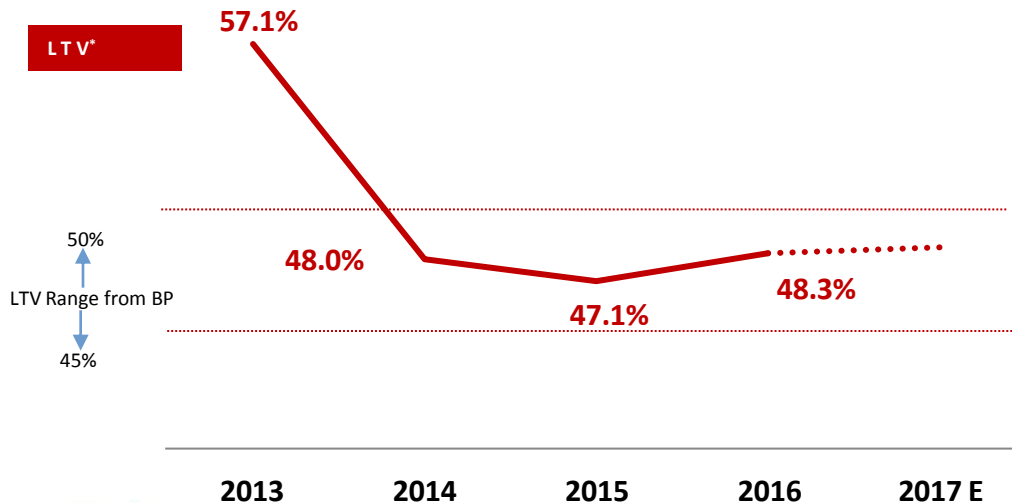
- Repayment of the € 135 mn CMBS, cost 5.2%

*outlook confirmed in December 2016

...which are the basis for further improvements



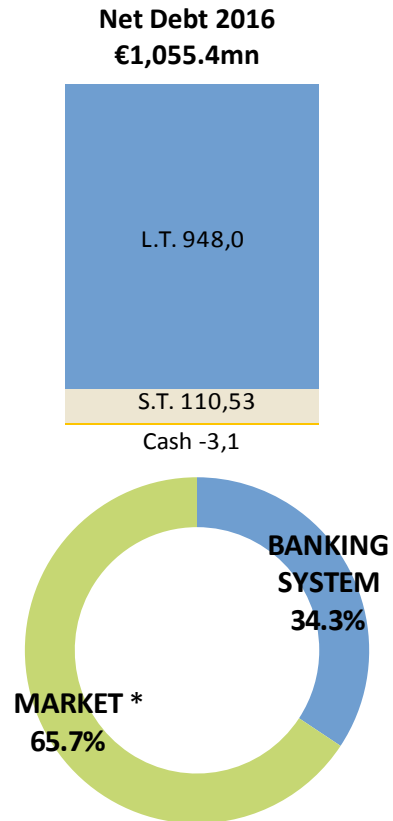
- Constant decrease in average cost of debt
- Increase in interest coverage



- Strict financial discipline respected

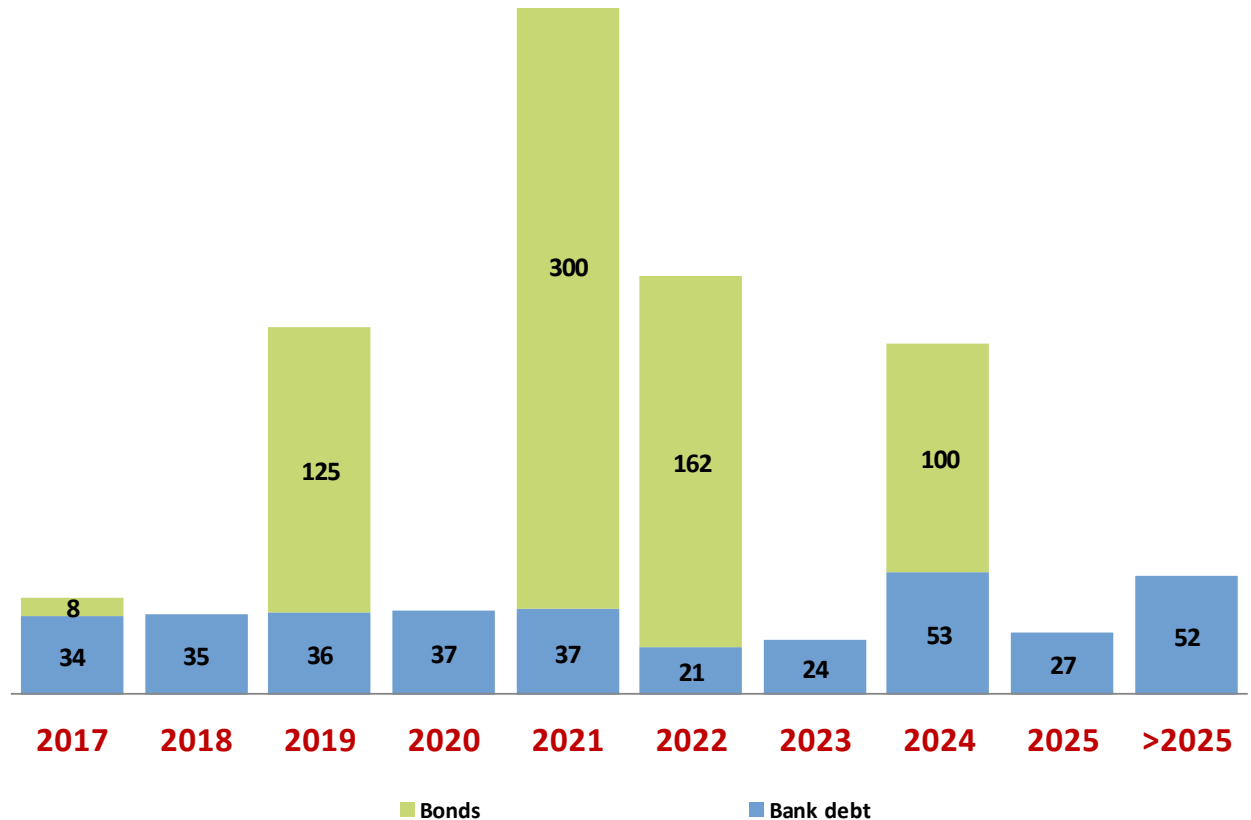
*Ratio between Net debt (which does not include financial leasing) and market value of the portfolio

A balanced debt structure



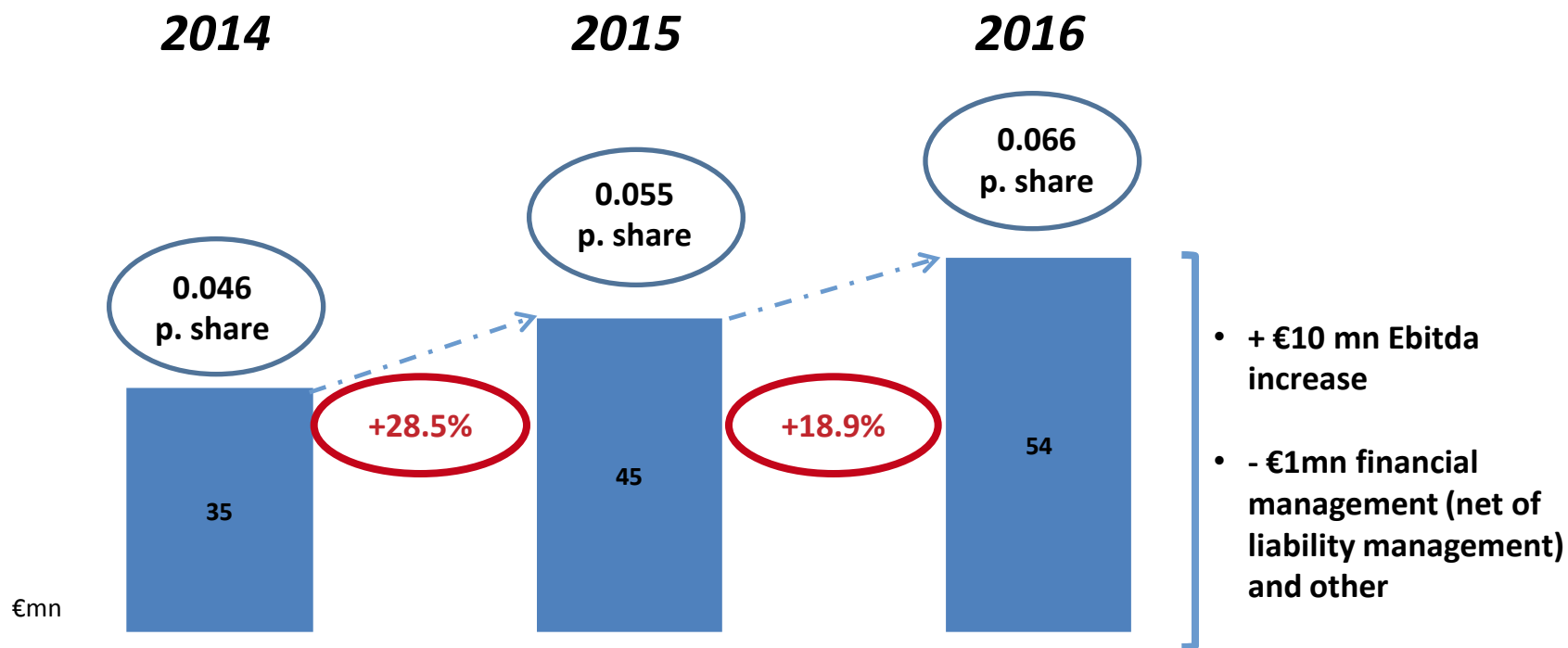
* USPP included

- Bank financing reduced... and “committed”



- Extended debt maturity profile

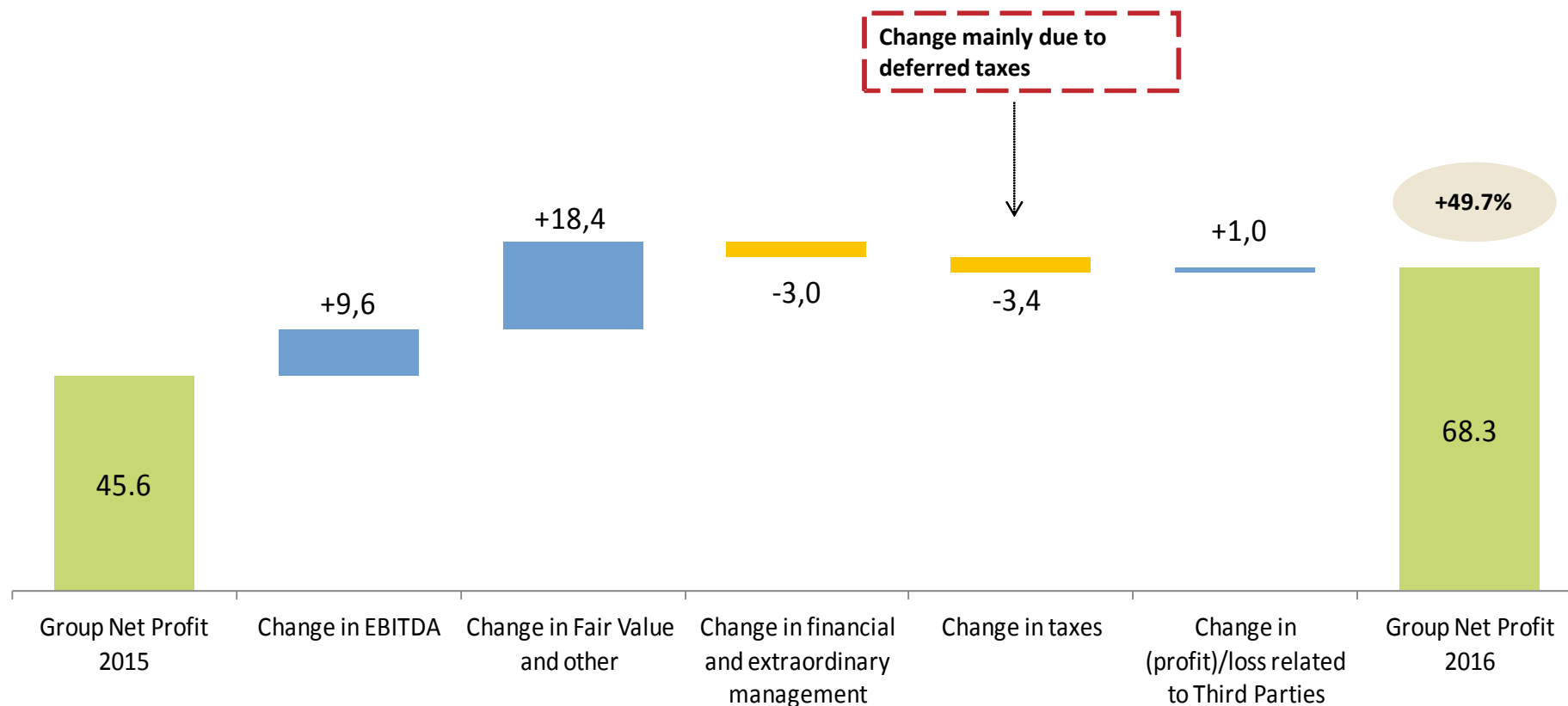
New target achieved: FFO € 54 mn



**Target announced (+15/16%):
EXCEEDED!!!**

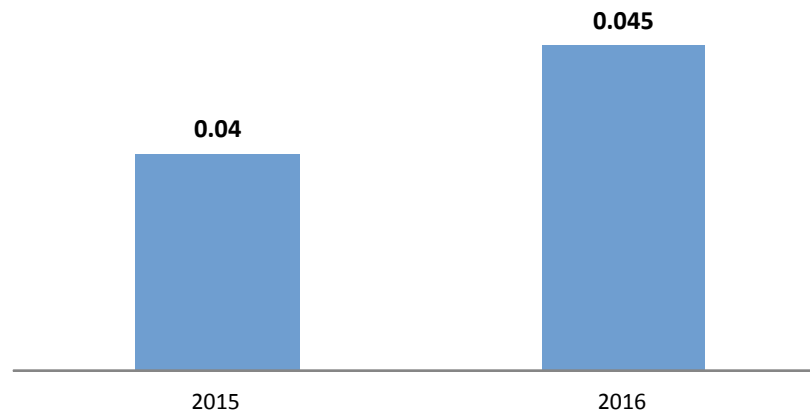
Group Net Profit: €68.3 MN

NET PROFIT EVOLUTION(€ 000)



Proposed dividend*

€ 0.045 per share (+12.5%)



- **Dividend yield 6.2%** (on both year end and 27th February price equal to approx. €0.72)
- **Amount of dividends equal to € 36.6 mn (68% of FFO)**
- ***Dividend Reinvestment Option will NOT be proposed this year***

*To the AGM on 12 April 2017

Outlook 2017

FFO expected for 2017

$\approx + 18/19 \%$

***Committed in maintaining an attractive dividend policy
and that is linked to the FFO evolution
($\approx 2/3$ of the gross FFO)***



Attachments

Consolidated Income Statement

€'000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/12/2015	31/12/2016	Δ%	31/12/2015	31/12/2016	Δ%	31/12/2015	31/12/2016	Δ%
Revenues from freehold real estate and rental activities	108,865	118,882	9.2%	108,865	118,882	9.2%	0	(0)	n.a.
Revenues from leasehold real estate and rental activities	12,277	12,414	1.1%	12,277	12,414	1.1%	0	0	n.a.
Total revenues from real estate and rental activities	121,142	131,296	8.4%	121,142	131,296	8.4%	0	(0)	n.a.
Revenues from services	5,085	5,529	8.7%	5,085	5,529	8.7%	0	0	n.a.
Revenues from trading	2,289	1,999	(12.7)%	0	0	n.a.	2,289	1,999	(12.7)%
OPERATING REVENUES	128,516	138,824	8.0%	126,227	136,825	8.4%	2,289	1,999	(12.7)%
COST OF SALE AND OTHER COST	(2,181)	(2,189)	0.4%	0	0	n.a.	(2,181)	(2,189)	0.4%
Rent and payable leases	(10,068)	(10,145)	0.8%	(10,068)	(10,145)	0.8%	0	0	n.a.
Personnel expenses	(3,771)	(3,914)	3.8%	(3,771)	(3,914)	3.8%	0	0	n.a.
Direct costs	(17,021)	(17,307)	1.7%	(16,730)	(17,032)	1.8%	(291)	(275)	(5.6)%
DIRECT COSTS	(30,860)	(31,366)	1.6%	(30,569)	(31,091)	1.7%	(291)	(275)	(5.6)%
GROSS MARGIN	95,475	105,269	10.3%	95,658	105,734	10.5%	(183)	(465)	n.a.
Headquarter personnel	(6,208)	(6,473)	4.3%	(6,134)	(6,402)	4.4%	(74)	(71)	(3.7)%
G&A expenses	(4,898)	(4,813)	(1.7)%	(4,512)	(4,477)	(0.8)%	(386)	(336)	(12.9)%
G&A EXPENSES	(11,106)	(11,286)	1.6%	(10,646)	(10,879)	2.2%	(460)	(407)	(11.4)%
EBITDA	84,369	93,983	11.4%	85,012	94,855	11.6%	(643)	(872)	35.6%
<i>Ebitda Margin</i>	<i>65.6%</i>	<i>67.7%</i>		<i>67.3%</i>	<i>69.3%</i>		<i>-28.1%</i>	<i>-43.6%</i>	
Other provisions	(411)	(154)	(62.5)%						
Impairment and Fair Value adjustments	1,538	19,582	n.a.						
Depreciation	(1,264)	(1,119)	(11.5)%						
DEPRECIATION AND IMPAIRMENTS	(137)	18,309	n.a.						
EBIT	84,232	112,292	33.3%						
FINANCIAL MANAGEMENT	(39,392)	(42,008)	6.6%						
EXTRAORDINARY MANAGEMENT	50	(336)	n.a.						
PRE-TAX PROFIT	44,890	69,948	55.8%						
Taxes	310	(3,044)	n.a.						
NET PROFIT FOR THE PERIOD	45,200	66,904	48.0%						
(Profit)/Loss for the period related to Third Parties	439	1,425	n.a.						
GROUP NET PROFIT	45,639	68,329	49.7%						

Total revenues from rental activities:

€ 131.3 mn

From Shopping Malls: € 89.9 mn of which:

Italian malls €81.0 mn

Winmarkt malls €8.9 mn

From Hypermarkets : €40.0 mn

From City Center Project – P.za Mazzini : €0.6 mn

From Other and Porta a Mare: €0.8 mn

Margins from activities

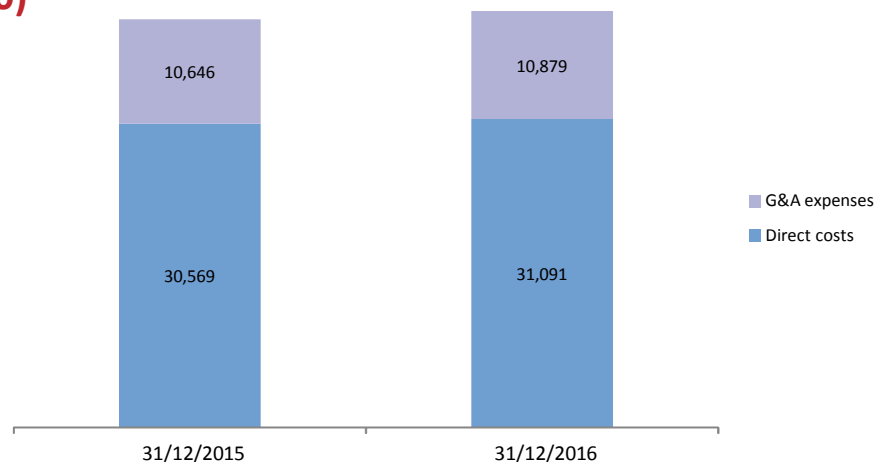
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/12/2015	31/12/2016	%	31/12/2015	31/12/2016	%	31/12/2015	31/12/2016	%
Margin from freehold properties	93,186	102,999	10.5%	93,186	102,999	10.5%	0	0	n.a.
Margin from leasehold properties	1,999	2,171	8.6%	1,999	2,171	8.6%	0	0	n.a.
Margin from services	473	564	19.2%	473	564	19.3%	0	(0)	n.a.
Margin from trading	(183)	(465)	n.a.	0	0	n.a.	(183)	(465)	n.a.
Gross margin	95,475	105,268	10.3%	95,658	105,733	10.5%	(183)	(465)	n.a.

Margin from freehold properties:
86.3% increased compared to the previous year

Margin from leasehold properties:
17.5% increased compared to the same period of the previous year (16.3%), mainly thanks to higher revenues and stability of the related costs.

Operating costs and financial management

CORE BUSINESS G&A EXPENSES AND DIRECT COSTS (€ 000)

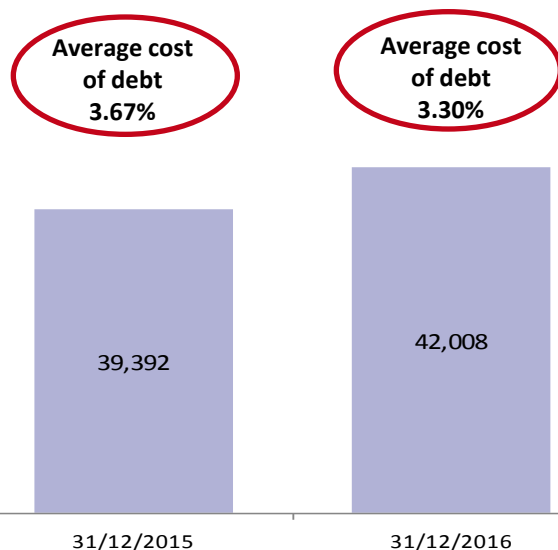


Lower impact of operating cost on Revenues

Ebitda margin core business is growing (69.3%): +200 bps

Ebitda margin from Freehold: 78.7%

FINANCIAL MANAGEMENT (€ 000)



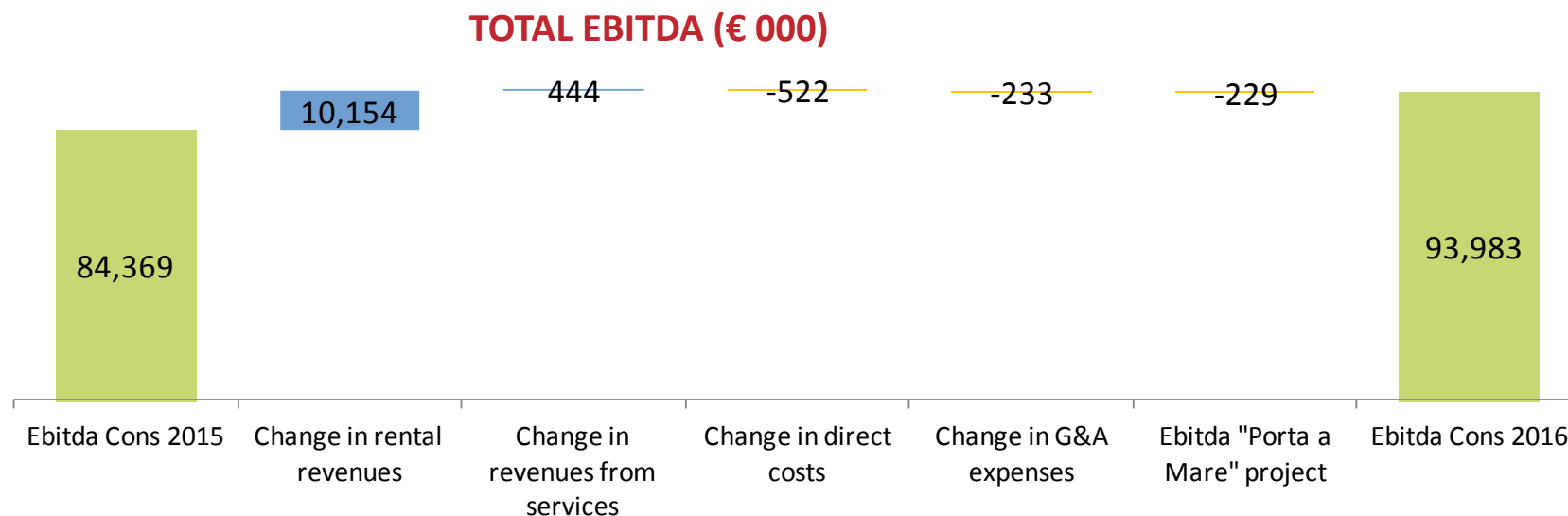
The cost of debt decrease continues

Slight increase in Financial Management due to:

- €2.1mn non-recurrent charges of the CMBS early settlement
- bond issue (short-term credit lines replaced with long-term debt)
- net debt increased by approx. €70mn

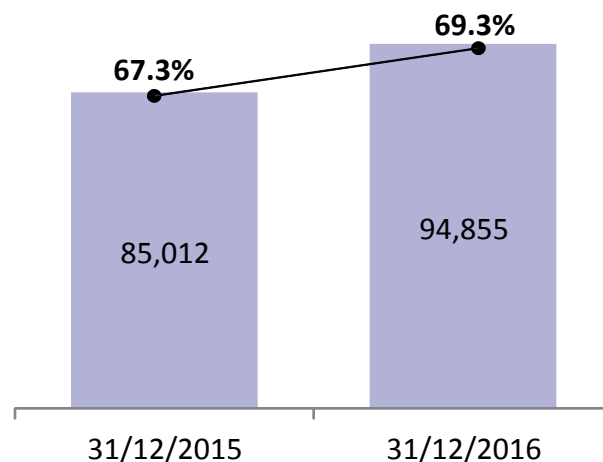
Total consolidated Ebitda: € 94.0 mn

Ebitda (core business): €94.9 mn (+11.6%)




CORE BUSINESS EBITDA and EBITDA MARGIN (€ 000)

The EBITDA MARGIN from FREEHOLD MANAGEMENT is equal to 78.7%, showing an increase vs previous year.



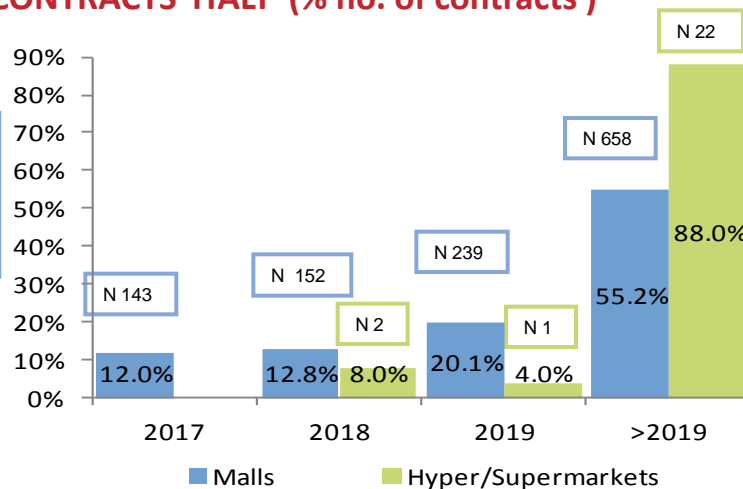
Funds From Operations

Funds from Operations	CONS_2015	CONS_2016	Δ vs cons 2015	Δ%
Core business EBITDA	85,011	94,855	9,844	11.6%
Adjusted financial management	-38,946	-39,817	-870	2.2%
Adjusted extraordinary management	218	-125	-343	n.a.
Adjusted current taxes of the period	-956	-1,004	-49	5.1%
FFO	45,328	53,910	8,582	18.9%

	31-Dec-15		31-Dec-16		Δ%
	€'000	€ p.s.	€'000	€ p.s.	
Total number of shares	813,045,631		813,045,631		
1) Group shareholders' equity	1,022,053	1.26	1,060,701	1.30	3.8%
<i>Excludes:</i>					
Fair Value of financial instruments	34,990		28,748		-17.8%
Deferred taxes	19,917		23,633		18.7%
Goodwill as a results of deferred taxes					
2) EPRA NAV	1,076,960	1.32	1,113,083	1.37	3.4%
<i>Includes:</i>					
Fair Value of financial instruments	(34,990)		(28,748)		-17.8%
Fair Value of debt	(9,560)		(15,749)		64.7%
Deferred taxes	(19,917)		(23,633)		18.7%
3) EPRA NNAV	1,012,492	1.25	1,044,952	1.29	3.2%

Contracts in Italy and Romania

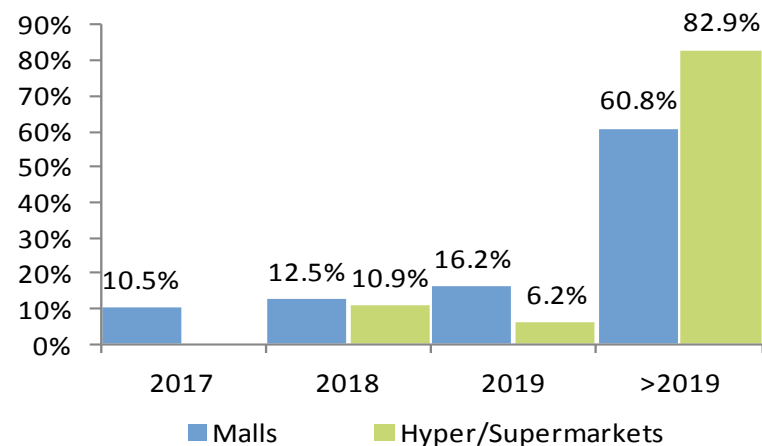
**EXPIRY DATE OF HYPERMARKETS AND MALLS
CONTRACTS ITALY (% no. of contracts)**



Average residual maturity

Hyper 7.8 years
Malls 4.5 years

**EXPIRY DATE OF HYPERMARKETS AND MALLS
CONTRACTS ITALY (% value)**



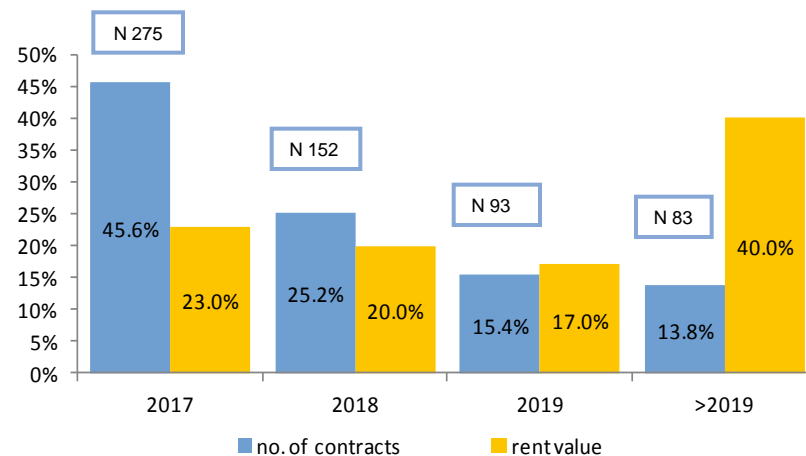
ITALY (total mall contracts 1,192)

In 2016, 206 contracts have been signed of which 89 were turnover and 117 renewals.
Upside on renewals +1.8%

ROMANIA (total contracts 567)

In 2016, 247 contracts were renewed (upside +1.1%) and 207 new contracts were signed.
(Renewals and turnover of 2016 represent the 25.7% and 23% of Winmarket total revenues)

EXPIRY DATE OF MALL CONTRACTS ROMANIA (no. and % of contracts and % value)

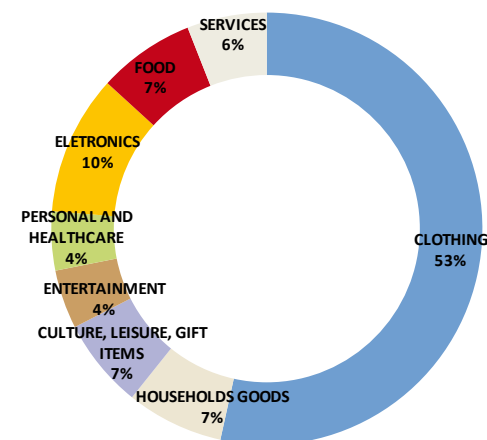


Average residual maturity
6.4 years

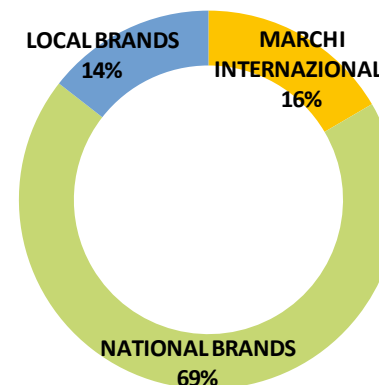
Tenants Italy

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.3%	12
H&M	clothing	2.8%	10
Gruppo Mirafiori mötivi FIORELLA RUBINO oltre	clothing	2.7%	28
OVS	clothing	2.2%	7
unieuro	electronics	2.0%	5
SCARPE & SCARPE	shoes	1.9%	6
CALZEDONIA	clothing	1.8%	24
ALCOTT	clothing	1.6%	11
DECATHLON	clothing	1.5%	4
KASANOVA® l'amante della casa	households goods	1.4%	16
Total		21.1%	123

MALLS MERCHANDISING MIX



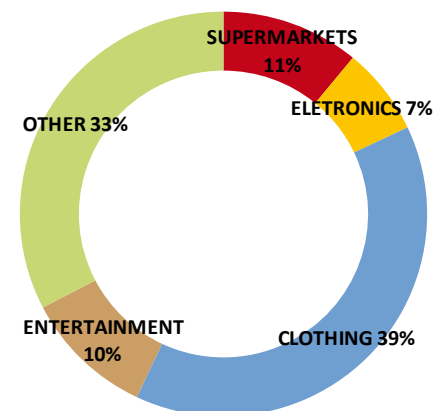
MALLS TENANT MIX



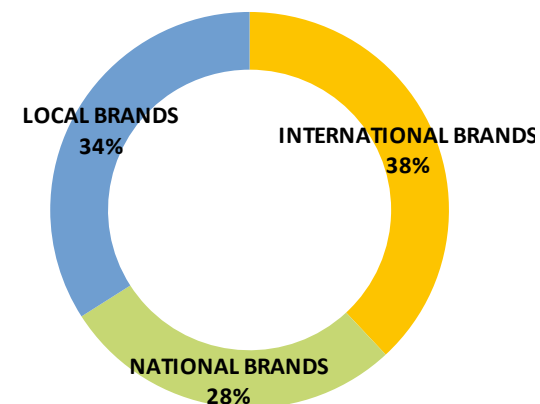
Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
	food	13.7%	9
	clothing	6.5%	6
	jewelley	5.9%	7
	food	5.5%	2
	eletronics	4.6%	4
	clothing	2.5%	9
	grocery	2.3%	5
	pharmacy	1.5%	4
Oficiul de Cadastru 	offices	1.4%	1
	shoes	1.1%	9
Total		45.1%	56

MALLS MERCHANDISING MIX

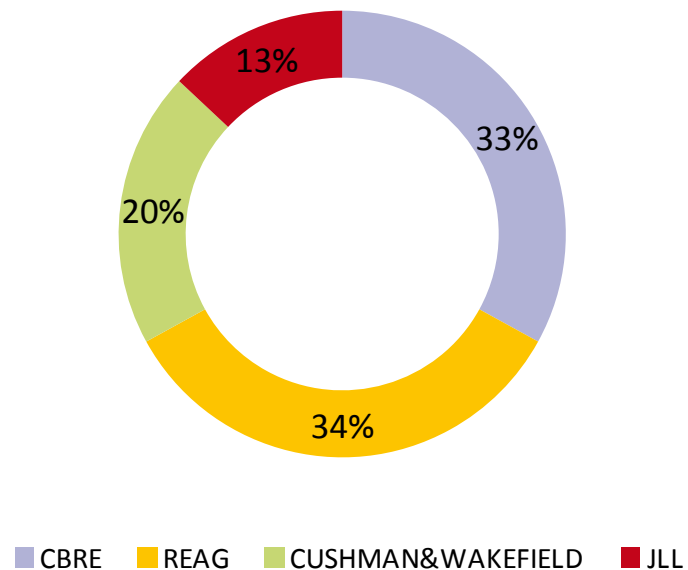


TENANT MIX



Breakdown of the portfolio's appraisals

IGD Group's real estate portfolio has been appraised by the following companies:
Cbre, Reag ,C&W and JLL



Financial Highlights 1/2

	31/12/2015	31/12/2016
GEARING RATIO (D/E)	0.93	0.97
LOAN TO VALUE adjusted	47.07%	48.25%
COST OF DEBT*	3.67%	3.30%
INTEREST COVER RATIO	2.15X	2.24X
LONG-TERM DEBT AVERAGE RESIDUAL MATURITY (bonds included)	6.3 years	5.5 years

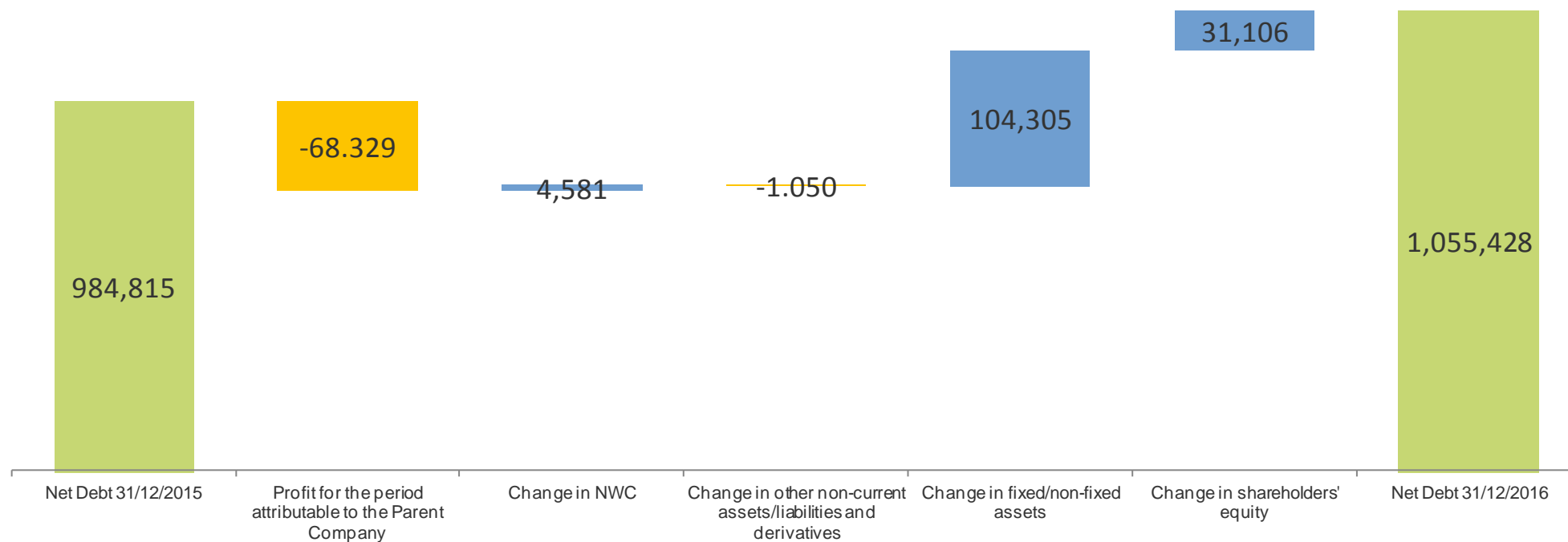
*Net of accessory charges on loan (both recurrent and not)

Financial Highlights 2/2

	31/12/2015	31/12/2016
SHARE OF MEDIUM /LONG-TERM DEBT	77.6%	84.6%
HEDGING ON LONG-TERM DEBT + BOND	91.6%	93.8%
UNCOMMITTED CREDIT LINES GRANTED	€ 302.5 mn	€ 276 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€ 120 mn	€ 164 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	-	€ 60 mn
UNENCUMBERED ASSETS	€ 867.6 mn	€ 1,406.9 mn

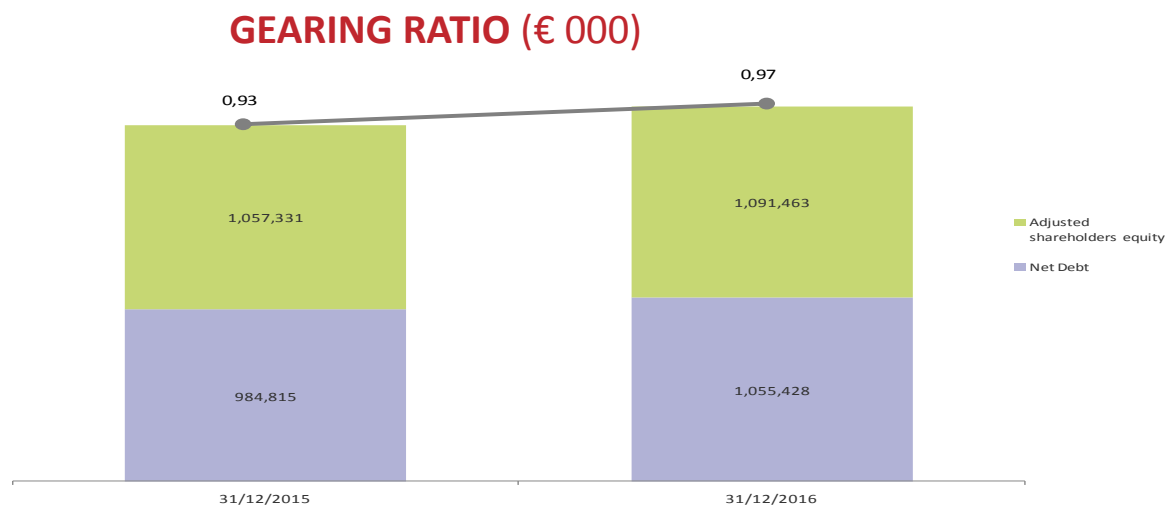
Net Debt

NET DEBT EVOLUTION (€ 000)



Re-classified Balance Sheet

Sources - Uses of funds	31/12/2015	31/12/2016	Δ	Δ%
Fixed assets	1,970,028	2,050,728	80,700	4.1%
Assets under construction	50,533	75,004	24,471	48.4%
Other non-current assets	31,091	25,543	-5,548	-17.8%
Other non-current liabilities	-33,194	-32,150	1,044	-3.1%
NWC	51,797	56,378	4,581	8.8%
Net deferred tax (assets)/liabilities	-18,247	-21,901	-3,654	20.0%
TOTAL USE OF FUNDS	2,052,008	2,153,602	101,594	5.0%
Net debt	984,815	1,055,428	70,613	7.2%
Shareholders' equity	1,032,203	1,069,426	37,223	3.6%
Net (assets)/liabilities for derivative instruments	34,990	28,748	-6,242	-17.8%
TOTAL SOURCES	2,052,008	2,153,602	101,594	5.0%



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