



**igd** SIC  
SPAZI DA VIVERE

**Road Show Presentation  
Results as at 31/03/2017 & BP2016-2018**

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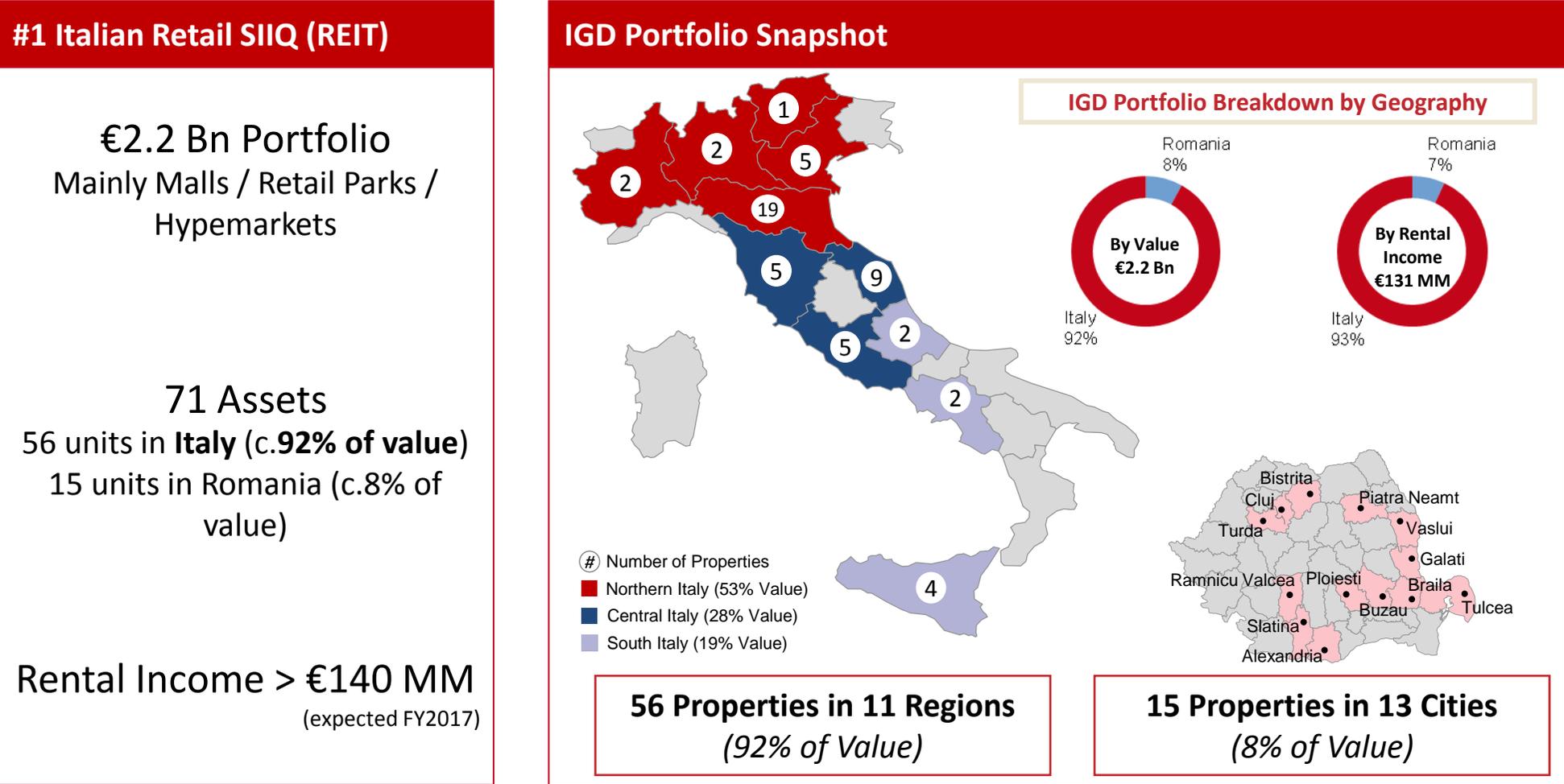
# 1. Introduction to IGD

SALDI



# IGD at a glance

IGD is one of *the main players in the Italian retail real estate sector: develops and manages shopping centers* across the country and has a significant presence in retail distribution in Romania



# IGD unique positioning in the Italian retail property sector

- 1 Large portfolio of retail property assets with a strong customer base generating sound and visible revenues and growing cashflows over the business plan timespan
- 2 Strong competitive position in the stable and attractive Italian retail property market
- 3 Track record of uninterrupted profitable growth with a clear operating strategy and prudent development activities
- 4 Low exposure to commercialization risks related to development activities
- 5 Diversified debt structure with proven access to capital markets
- 6 Solid and supportive shareholding structure
- 7 Strong and stable Management Team with a strong expertise both in retail market and retail real estate market

# Our business model

**DIRECT MANAGEMENT  
OF THE SHOPPING CENTRES**

A careful merchandising mix, marketing activity adapted to each context and various customer related services and careful attention paid to tenants' needs

**MEDIUM SIZED AND EASILY  
REACHABLE SHOPPING CENTERS**

In line with the geographical structure of Italy which is characterized by a lot of MEDIUM SIZED provinces

**PRESENCE IN THE WHOLE  
OF ITALY**

Strategic presence in Northern/ Central Italy with GDP per capita above EU average

**SHOPPING CENTERS WITH FOOD  
ANCHORS**

The presence of a strong food anchor (COOP), intimately integrated in the Italian territory guarantees a high and steady level of footfalls

# SIIQ regime: main features

## SIIQ STATUS FOR IGD SINCE 1 JANUARY 2008

### KEY PARAMETERS

At least 80% of total assets must be rental asset  
At least 80% of total positive components of P&L must be rental income (excluding change in FV)

### SHAREHOLDING LIMITS

Largest shareholder stake  $\leq 60\%$  (vs. previous 51%)\*  
Free float (shareholders  $< 2\%$ )  $\geq 25\%$  (vs. previous 35%)\*  
(only at the time of admission to the regime)

### DIVIDEND DISTRIBUTION

Dividend payout at least 70% (vs. previous 85%)\* of net rental income available for distribution

### CORPORATE INCOME TAX EXEMPTION

Exemption from Italian corporate income tax (IRES and IRAP)  
Capital gains on the disposal of properties, SIINQ and SIIQ shares and real estate fund units are exempted from corporate income tax subject to distribution of at least 50% of the gain in the 2 years subsequent to the disposal (vs. previous full taxation of capital gains)\*

### EXIT TAX

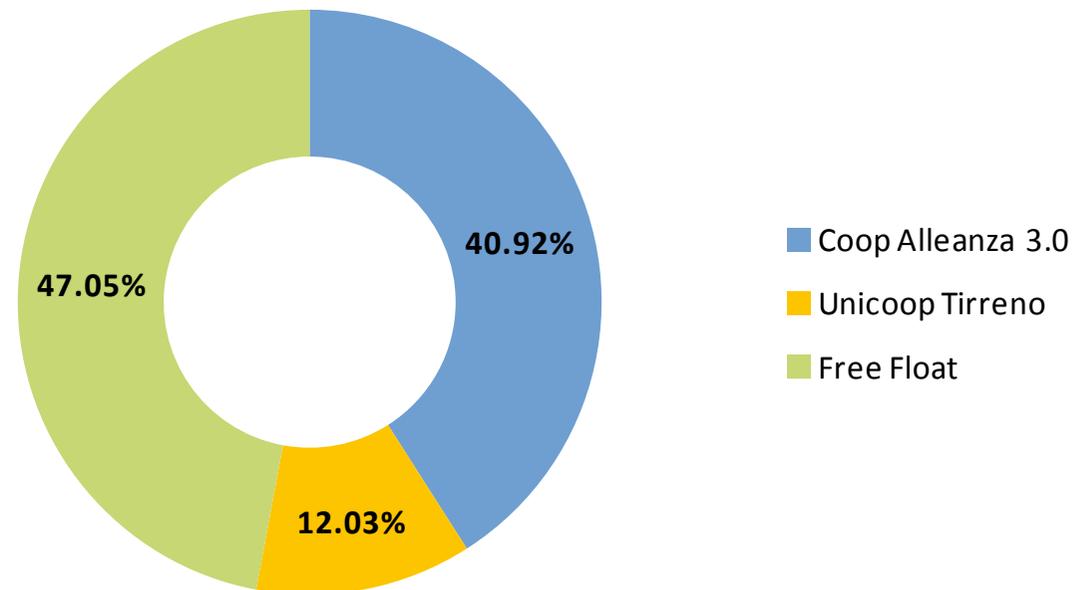
20% tax rate applies to capital gains from asset contributions

(\*) New Law 133/2014, so called "Sblocca Italia" («Unlock Italy»)

# IGD's shareholders



IGD IS LISTED ON THE STAR SEGMENT OF BORSA ITALIANA  
TOTAL SHARES 813,045,631 *SHARE CAPITAL € 599,760,278.16*



MARKET SHAREHOLDING REFLECTED IN A GOVERNANCE STRUCTURE IN LINE WITH BEST STANDARDS

# IGD Governance

IGD's governance has been in line with the criteria of the Self Regulatory Code of Italian Stock Exchange since the listing. From 2008, an internal Corporate Governance Code has been adopted

## COMMITTEES:

Chairman's Committee

Nominations and compensation Committee

Control and Risks Committee

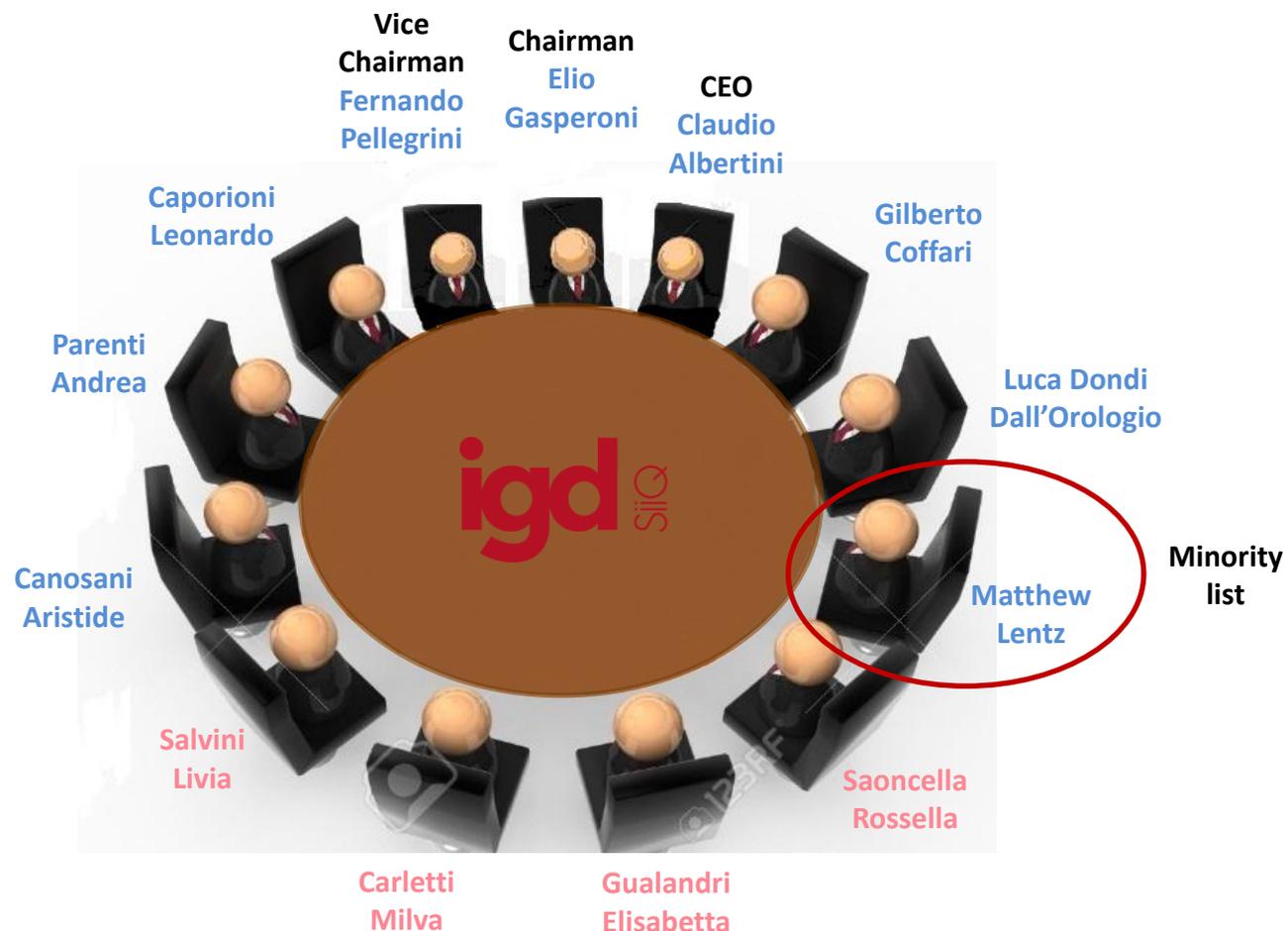
Committee for Related Parties Transactions (3 independent directors)

In addition to Compliance Committee

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Held by the Chairman, including the Internal Audit and Risk Management

## Composition of the current Board of Directors



New BoD appointed by AGM on 15 April 2015 for the period 2015-2018

13 Directors of which:

- 7 independent (since the listing the majority of the directors has been independent)
- 4 directors of the less represented gender

# IGD top management



## **ELIO GASPERONI (1953)**

### *Chairman*

- ☑ Chairman of IGD's Board since April 2017
- ☑ Vice Chairman of Coop Alleanza
- ☑ Board member of IGD since 2015
- ☑ He has held numerous roles in the Public Administrations and Local institutions



## **CLAUDIO ALBERTINI (1958)**

### *Chief Executive Officer*

- ☑ Appointed in May 2009
- ☑ Board member at IGD since 2006
- ☑ More than 20 years of experience with the Unipol Group, where he ultimately acts as General Manager of Unipol Merchant
- ☑ Certified financial auditor registered in Bologna



## **DANIELE CABULI (1958)**

### *Chief Operating Officer*

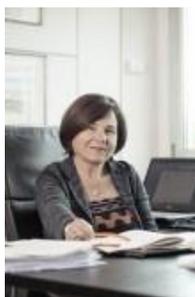
- ☑ More than 20 years of experience in the retail distribution
- ☑ Joined IGD in 2008 as Network Management Director and COO since 2009
- ☑ Worked for Coop Adriatica since 1986 with several roles: Head of Projects in the Marketing Division (1989), Head of different geographical areas and Hypermarket Manager (until 2003), Director of Marketing and Commercial Development (from 2003)



## **ROBERTO ZOIA (1961)**

### *Director of Asset Management and Development*

- ☑ Director of Asset Management and Development since 2006
- ☑ Joined GS Carrefour Italia Group in 1999 as Head of Hypermarket and Shopping Center Development
- ☑ In 2005 becomes Head of Asset Management and Development for Carrefour Italia
- ☑ Previously, Business Manager at Coopsette with responsibility in projects involving mainly shopping centres (since 1986)



## **GRAZIA MARGHERITA PIOLANTI (1953)**

### *Director of Administration, Legal & Corporate Affairs*

- ☑ Part of IGD since its creation, played a key role in SIIQ adoption
- ☑ Appointed Head of Legal Affairs, Tax and Subsidiaries of the new Coop Adriatica Group in 1995
- ☑ Appointed Administrative Director of Coop Romagna Marche in 1989, previously worked as Head of Accounting in a cooperative of constructors
- ☑ Registered Chartered Accountant and Official Financial Auditor



## **ANDREA BONVICINI (1963)**

### *Director of Finance Division*

- ☑ Head of the IGD Group's Finance Division since September 2009
- ☑ In July 2012 he was appointed Director of Finance and Treasury Department
- ☑ More than 20 years of professional experience in the world of credit, first in Cooperbanca and, subsequent to 1997, in the Bank of Bologna



## **RAFFAELE NARDI (1976)**

### *Head of Planning, Control and Investor Relations*

- ☑ Head of the division to which 3 different departments report: planning, control and investor relations.
- ☑ Joined IGD in October 2010
- ☑ Formerly head of the Advisory Service of UGF Merchant, bank of the Unipol Financial Group, where he matured more than ten years of professional experience
- ☑ Holds a degree in Business Economics



## **CARLO BARBAN (1978)**

### *Chief Executive Officer of Winmarkt Group*

- ☑ Appointed CEO in April 2014
- ☑ Worked in Winmarkt as Operating & Reporting Manager since January 2009 with responsibilities also for administration, planning and control and finance
- ☑ Previously working as qualified accountant and for international consultancy companies
- ☑ Graduated in Economics and Commerce



GIOCA CONE

LOVABLE

Ogni cuore ha il suo cuore



## 2. Operating data

# IGD: A cluster of retail assets dominant in their catchment area



**MONDOVICINO SHOPPING CENTER & RETAIL PARK**  
MONDOVÌ (CN)



**I BRICCHI**  
ISOLA D'ASTI (AT)



**CENTRO SARCA**  
SESTO S. GIOVANNI (MI)



**GRAN RONDÒ**  
CREMA (CR)



**MILLENNIUM GALLERY**  
ROVERETO (TN)



**CONÈ**  
CONEGLIANO (TV)



**CENTRO PIAVE (1)**  
SAN DONA' DI PIAVE (VE)



**CLODÌ**  
CHIOGGIA (VE)



**CENTRO NOVA (1)**  
VILLANOVA DI CASTENASO (BO)



**CENTRO BORGO**  
BOLOGNA



**ESP**  
RAVENNA



**LE MAIOLICHE**  
FAENZA (RA)



**LUNGO SAVIO**  
CESENA



**I MALATESTA**  
RIMINI



**PUNTADIFERRO**  
FORLÌ



**FONTI DEL CORALLO (1)**  
LIVORNO



**CITTÀ DELLE STELLE**  
ASCOLI PICENO



**CENTRO PORTO GRANDE**  
PORTO D'ASCOLI (AP)



**TIBURTINO**  
GUIDONIA (RM)



**CASILINO**  
ROMA



**MAREMA'**  
GROSSETO



**CENTRO D'ABRUZZO**  
PESCARA



**LE PORTE DI NAPOLI**  
AFRAGOLA (NA)



**LA TORRE**  
PALERMO



**KATANÉ**  
CATANIA



**ESP Extension**  
RAVENNA



**PORTA A MARE**  
LIVORNO

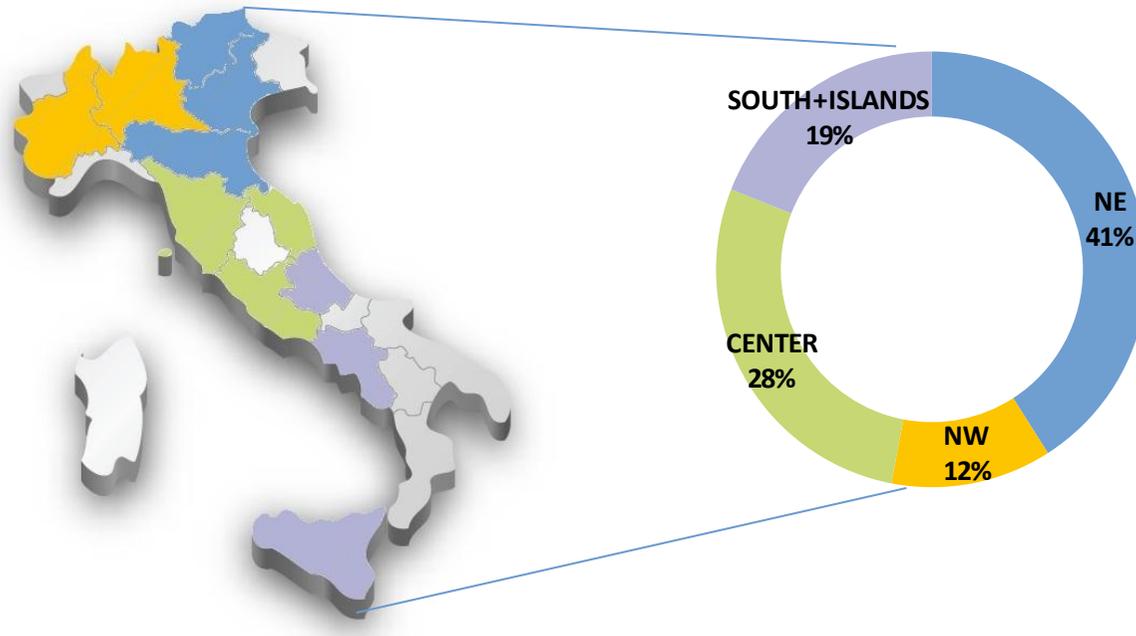
# Italian Portfolio: hypermarkets and shopping malls

(as at 31/12/2016)

	22 SHOPPING MALLS	25 HYPERMARKETS	TENANTS OF HYPERMARKETS
<b>FULL OWNERSHIP OF 14 SHOPPING CENTRES (MALL + HYPERMARKET)</b>	CENTRO D'ABRUZZO -Pescara	CENTRO D'ABRUZZO -Pescara	Coop Alleanza 3.0
	CLODI' - Chioggia	CLODI' - Chioggia	Coop Alleanza 3.0
	PORTO GRANDE - Porto d'Ascoli (AP)	PORTO GRANDE - Porto d'Ascoli (AP)	Coop Alleanza 3.0
	ESP - Ravenna	ESP - Ravenna	Coop Alleanza 3.0
	CENTRO BORGO -Bologna	CENTRO BORGO -Bologna	Coop Alleanza 3.0
	CONE' RETAIL PARK - Conegliano (TV)	CONE' RETAIL PARK - Conegliano (TV)	Coop Alleanza 3.0
	LE MAIOLICHE - Faenza	LE MAIOLICHE - Faenza	Coop Alleanza 3.0
	LUNGO SAVIO -Cesena	LUNGO SAVIO -Cesena	Coop Alleanza 3.0
	CITTA' DELLE STELLE - Ascoli Piceno	CITTA' DELLE STELLE - Ascoli Piceno	Coop Alleanza 3.0
	KATANE' - Catania	KATANE' - Catania	Coop Sicilia
	TORRE INGASTONE - Palermo	TORRE INGASTONE - Palermo	Coop Sicilia
	CASILINO -Roma	CASILINO -Roma	Distribuzione Lazio Umbria srl
	LE PORTE DI NAPOLI -Afragola (NA)	LE PORTE DI NAPOLI -Afragola (NA)	Distribuzione Centro Sud Srl (ipercoop)
	TIBURTINO -Guidonia (RM)	TIBURTINO -Guidonia (RM)	Distribuzione Centro Sud Srl (ipercoop)
<b>8 SHOPPING MALLS</b>	MILLENNIUM GALLERY - Rovereto (TN)	Hypermkts not totally owned by IGD	
	PUNTADIFERRO - Forlì (FC)		
	MAREMA' - Grosseto		
	CENTRO SARCA - Sesto S. Giovanni (MI)		
	MONDOVICINO RETAIL PARK -Mondovì (CN)		
	Gran Rondò (Crema)		
	I BRICCHI - Isola d'Asti (AT)		
DARSENA CITY - Ferrara (50% owned by			
<b>11 HYPERMARKETS</b>	Malls not owned by IGD	Supermkt Civita Castellana (Viterbo)	Distribuzione Lazio Umbria srl
		Supermkt Cecina (Livorno)	Unicoop Tirreno
		Hypermkt Le Fonti del Corallo - Livorno	Unicoop Tirreno
		Hypermkt Schio-Schio (Vicenza)	Coop Alleanza 3.0
		Hypermkt LAME - Bologna	Coop Alleanza 3.0
		Hypermkt LEONARDO - Imola (BO)	Coop Alleanza 3.0
		Hypermkt LUGO - Lugo (RA)	Coop Alleanza 3.0
		Hypermkt IL MAESTRALE - Senigallia (AN)	Coop Alleanza 3.0
		Hypermkt MIRALFIORE - Pesaro	Coop Alleanza 3.0
		Supermkt AQUILEJA - Ravenna	Coop Alleanza 3.0
		Hypermkt I MALATESTA - Rimini	Coop Alleanza 3.0

# 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



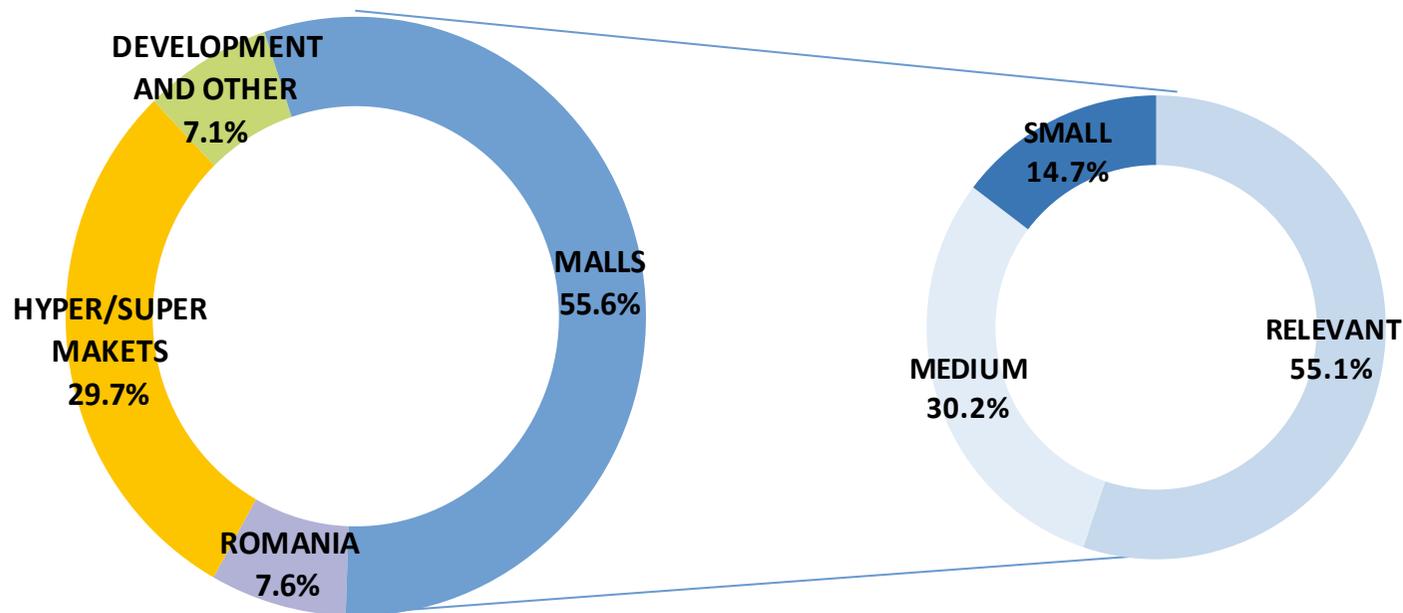
NEAPLES –Porte di Napoli



CATANIA - Katanè

# Balanced portfolio

from a market value point of view



## 7 Relevant Malls

(mkt value >€70mn):

*Punta di Ferro (FC)*

*Centro Sarca (MI)*

*Tiburtino (RM)*

*Le Porte di Napoli (NA)*

*Katanè (CT)*

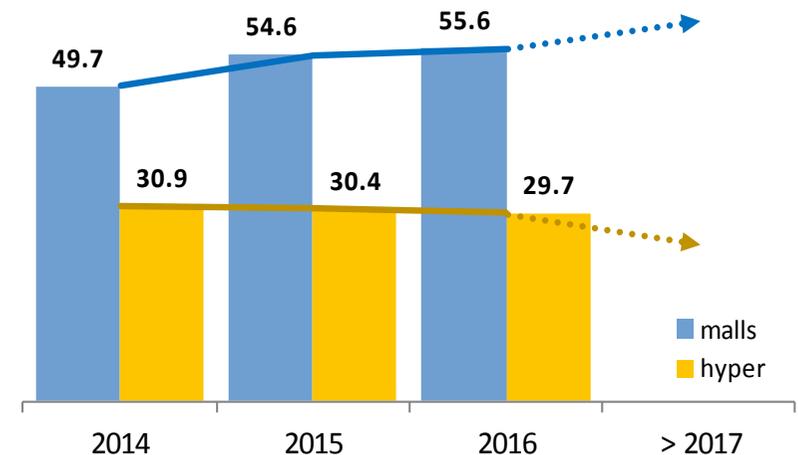
*Conè (TV)*

*Esp (RA)*

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

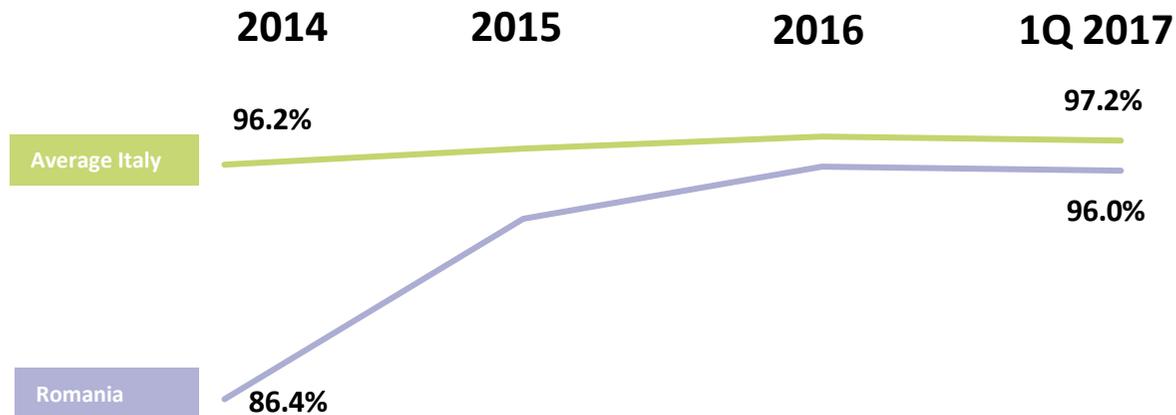
Medium malls: mkt value >€30mn <€70mn

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

m<sup>2</sup>

Average mall dimension:  
**approx 15,000 m<sup>2</sup>**



Average no. of shops:  
**55**

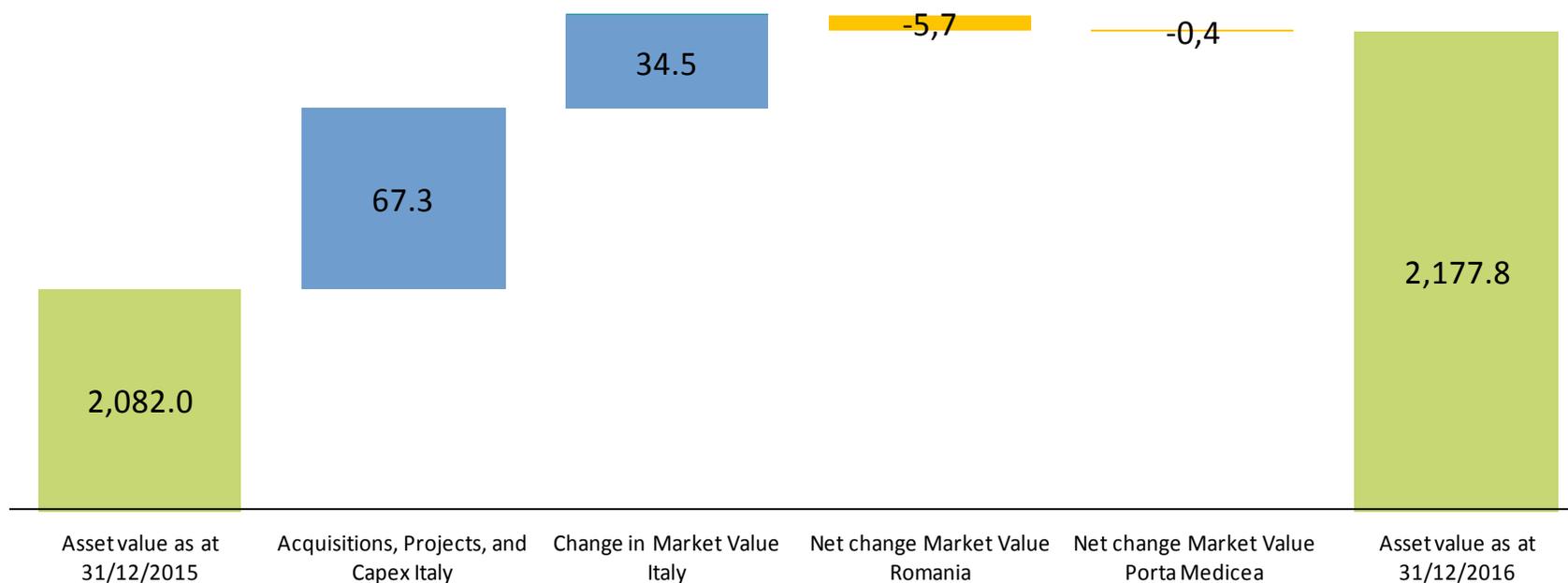


No. of full ownership shopping center\*:  
**14**

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

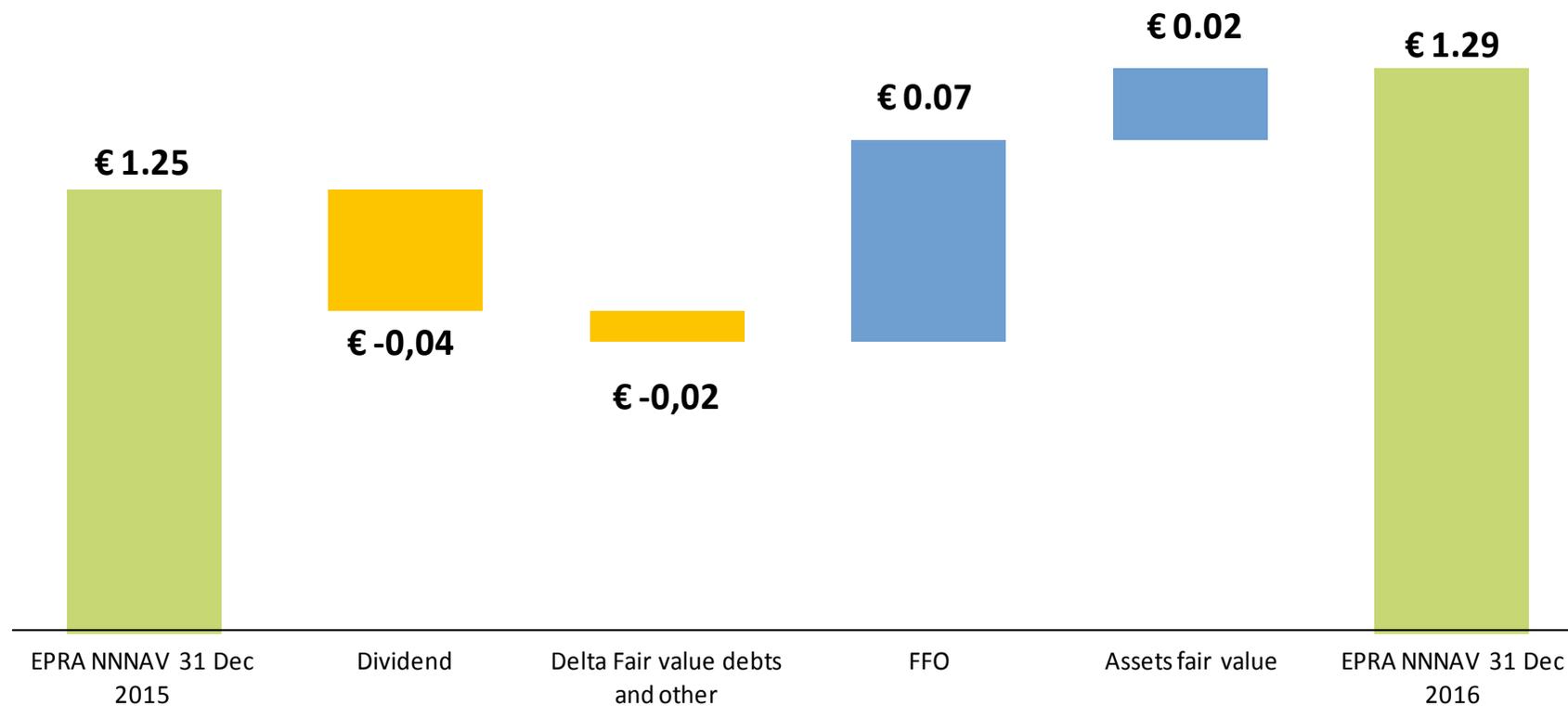
# IGD Portfolio is growing...

€ mn	FV 2015	FV 2016	? %	? % <i>Like for Like</i>	Gross Initial Yield	Sqm
Italy malls	1,136.81	1,211.60	+ 6.6%	+ 1.5%	6.23%	334,029
Hypermarkets	633.63	646.09	+ 2.0%	+ 2.0%	6.17%	269,623
Romania	170.60	164.91	-3.3%	-3.3%	6.51%	92,628
Porta a Mare + development + other	140.97	155.17				
<b>IGD Total Portfolio</b>	<b>2,082.01</b>	<b>2,177.77</b>	<b>+ 4.6%</b>			



# ...and so is the value created

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



## General objectives:

- + convenience
- + security
- new products and services
- **Shops renewal**
- Innovation through e-commerce

**DEEP TRANSFORMATION  
OF THE HYPERMARKET**  
**Investments €240 mn**  
**8 – 10 hyper per year**  
**(approx. €10 mn each)**

Are also expected:

- 30 new openings
- 160 refurbishments (renewals of 1/3 of pos, supermarkets included)
- development of new corners dedicated (62 optician corners, 57 healthcare areas, 60 new pet store)

## FURTHERMORE:

- **More choice of packaged products** (new products for rising needs, more national and international excellences, centrality of Coop products)
- **Centrality and requalification** and better offer on **fresh food**
- **Modern non-food** and careful to customer needs (also thanks to the on-line)
- **Prices repositioning:** impressive price reduction throughout 2017, price simplification, offers and promotions more understandable

# 2017-2019 Business Plan and its impacts on IGD

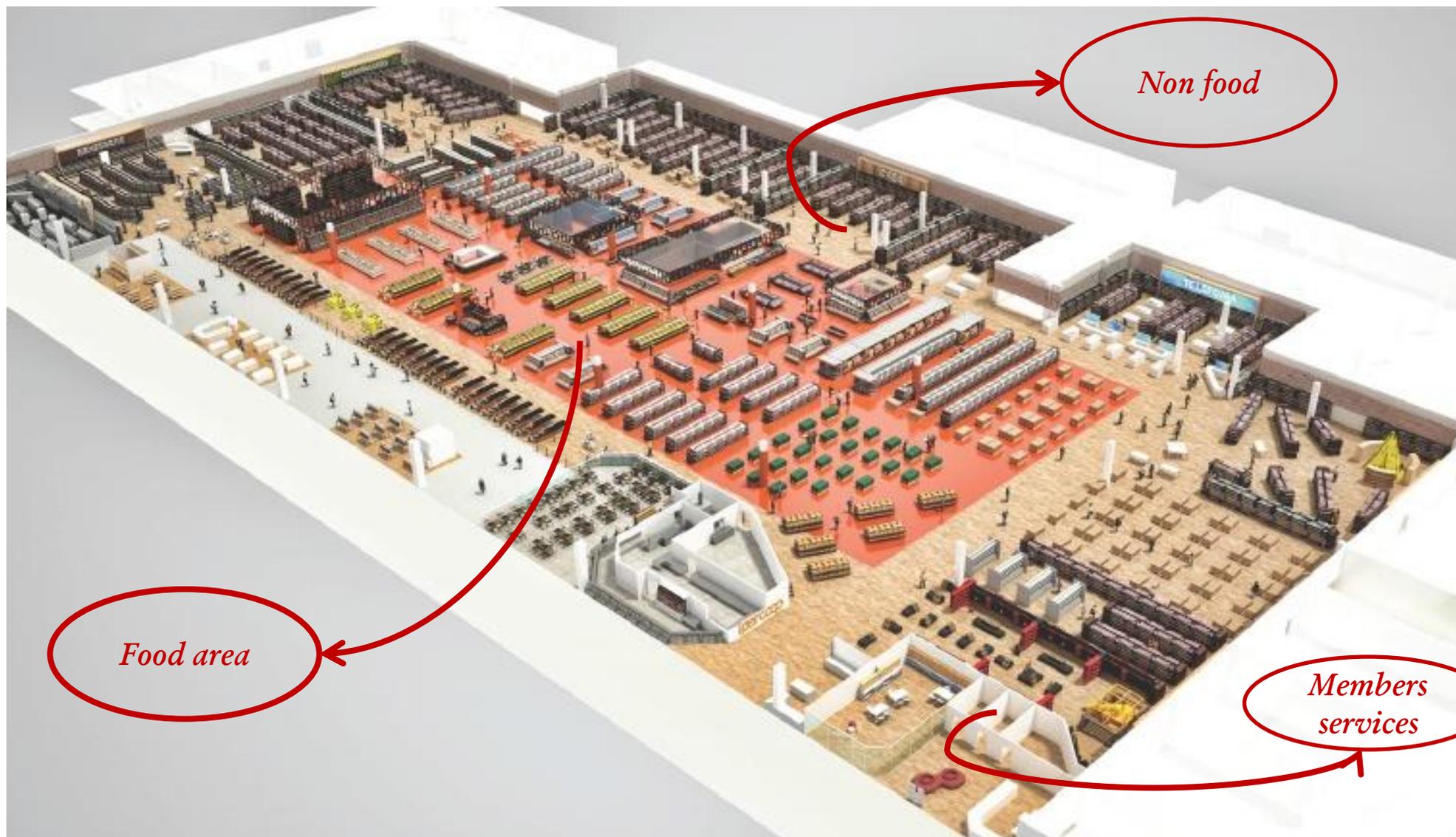
Investments for the points of sale transformation will be fully covered by  
Coop Alleanza 3.0

*First intervention have been carried out...*



Ipercoop Formigine (MO) opened on 29 April 2017

*Others are still being studied...*

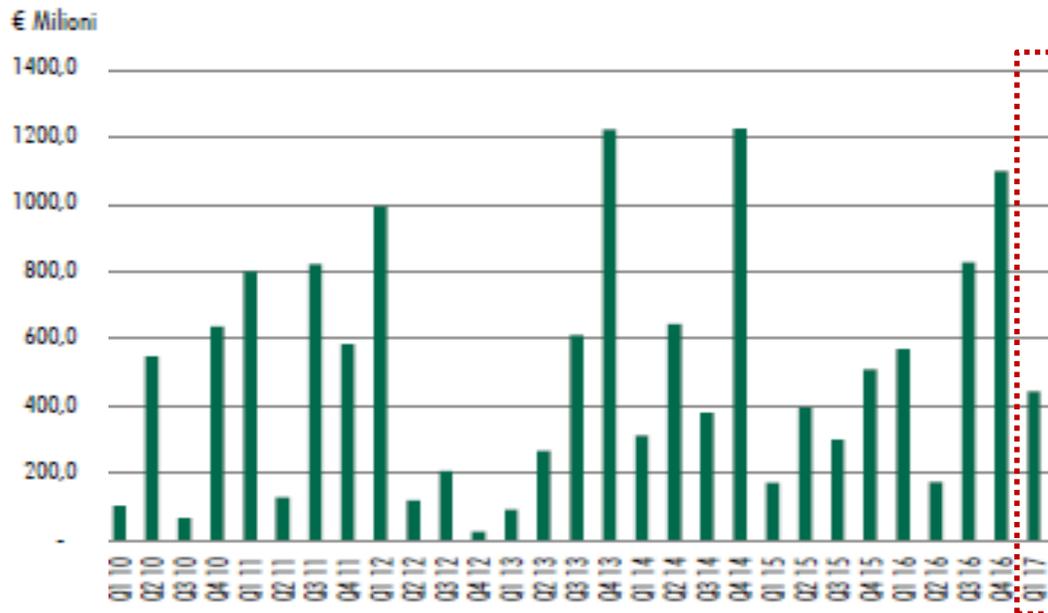


Render of a new big hypermarket

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

- Real Estate investments FY2016: €9.1 bn, of which retail investments: €2.6 bn (+80% vs FY 2015)
- Real Estate investments 1Q2017: €1.9 bn (+12% vs 1Q 2016).
- 67% of the total investments of the period (approx. €1.3 bn) came from foreign investors.

## Retail investments evolution

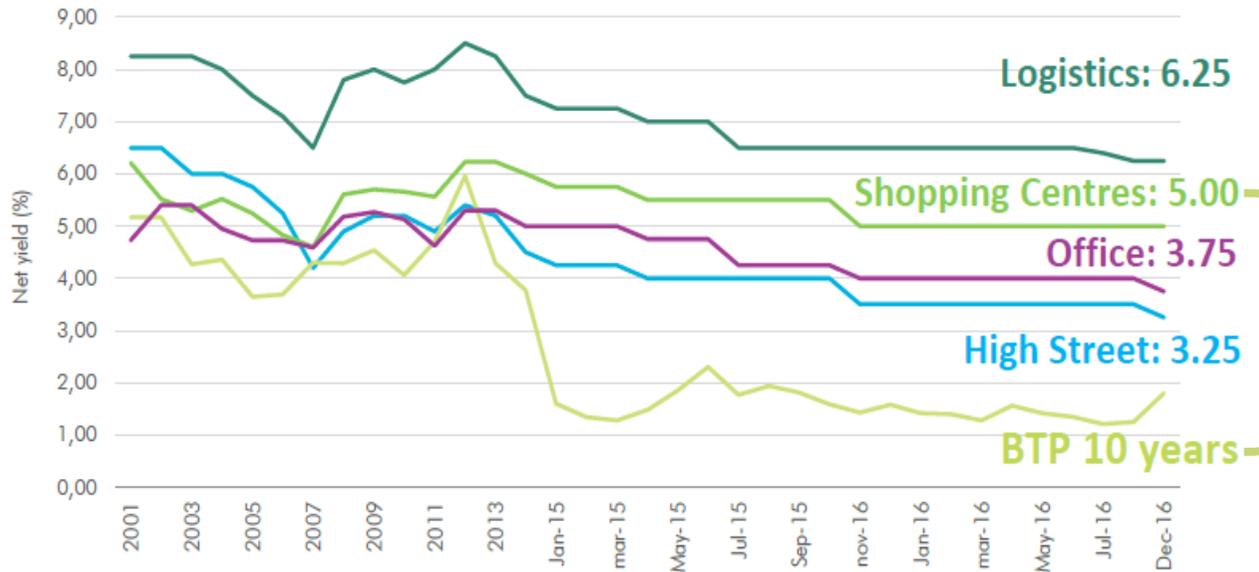


Fonte: CBRE Research, Q1 2017.

- Retail investments 1Q 2017: **approx. €445 mn**, -12% vs 1Q 2016 (but the most relevant transaction on a prime asset - Le before shopping center in Rimini - was closed in April for approx. €300mn).

Source: CBRE, "Italia Retail Q1 2017", April 2017

# ...also from the yields point of view



Source: CBRE Research, Q4 16

**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\*\***

# Main lease terms

## Italian Shopping Malls

### Main lease terms

#### Average maturity:

- ☑ Lease agreement (space only): 6 years (+ 6 years)
- ☑ Rental agreement (space + licence): 5 years

#### Rental income:

- ☑ Minimum guaranteed rent plus a percentage based on the occupier's sales

#### Rents indexation:

- ☑ Lease agreement of the going concern: 75% of CPI
- ☑ Rental agreement: 100% of CPI

#### Lease of temporary spaces:

- ☑ IGD can benefit from a very diversified tenants base, with limited credit risk, thanks to a careful screening of potential new tenants

## Italian Hypermarkets

### Main lease terms

#### Average maturity:

- ☑ 6 to 18 years (with tacit renewal every 6 years)

#### Rents indexation:

- ☑ 75% of CPI

#### Maintenance:

- ☑ Tenant in charge of ordinary and extraordinary maintenance works. Landlord in charge of external maintenance of the properties (façade, etc.)

## Romanian Shopping Malls

### Main lease terms

#### Average maturity:

- ☑ 2 years for local tenants
- ☑ 5 years for national tenants
- ☑ 10 years for international tenants

#### Rental income:

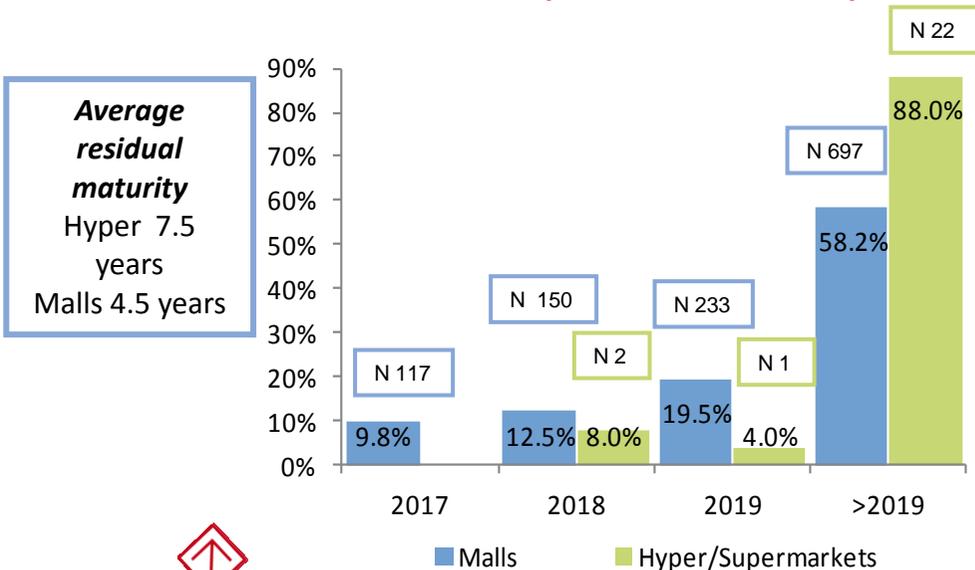
- ☑ Rents are paid in EURO

#### Rents indexation:

- ☑ All contracts are EUROLINKED

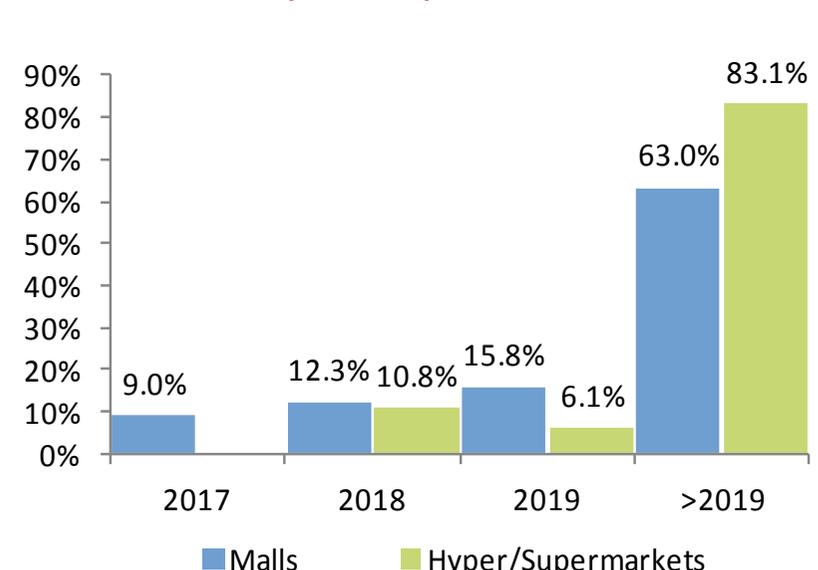
# Contracts in Italy and Romania as at 31 March 2017

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



**Average residual maturity**  
Hyper 7.5 years  
Malls 4.5 years

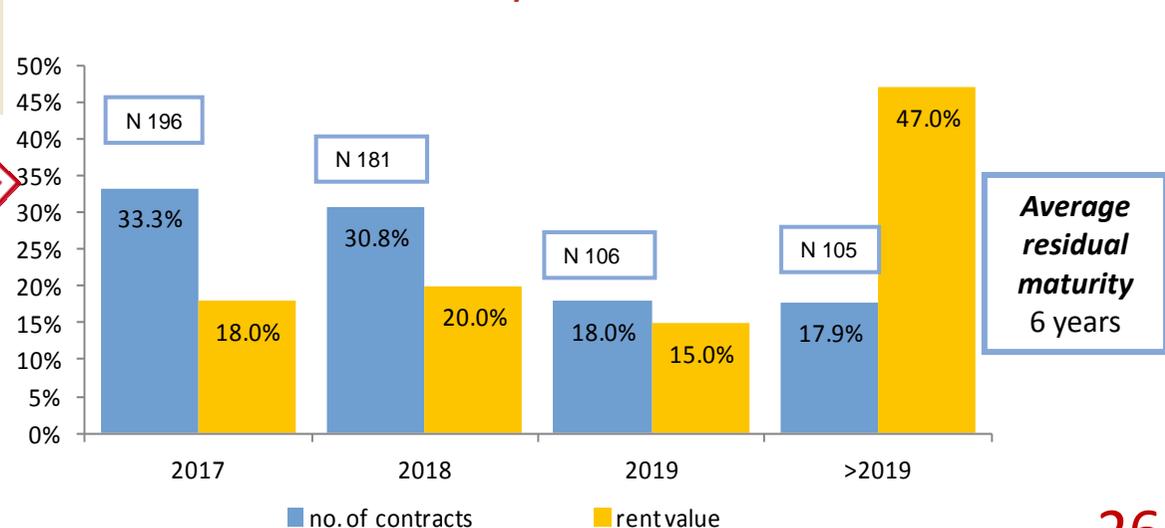
**EXPIRY DATE OF HYPERMARKETS AND MALLS CONTRACT ITALY (% value)**



**RENEWALS**  
**ITALY (Total mall contracts 1,197)**  
In 1Q 2017 **36 contracts** were signed, of which **13 turnover** and **23 renewals**. Renewals with upside **+3.8%**

**RENEWALS**  
**ROMANIA (total contracts 588)**  
In 1Q 2017 **75 contracts** were renewed (upside **+2.8%**) and **59 new contracts** were signed. (Renewals and new contracts of 1Q 2017 represent 7.1% and 3.8% of Winmarkt total revenues)

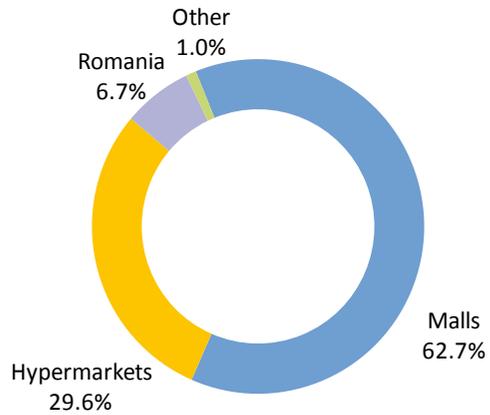
**EXPIRY DATE OF MALL CONTRACTS ROMANIA (no. and % of contracts and % value)**



**Average residual maturity**  
6 years

# Key tenants as at 31/03/2017

## 1Q2017 Rental Income Breakdown



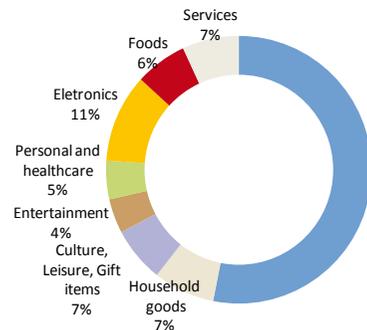
## Top 10 Tenants Italia

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.3%	12
H&M	clothing	2.8%	10
Gruppo Miroglio mabivi FIORELLA RUBINO oltre	clothing	2.6%	28
OVS	clothing	2.3%	7
unieuro	elettronica	2.0%	5
SCARPE SCARPE	shoes	1.9%	6
CALZEDONIA	clothing	1.8%	24
ALCOTT	clothing	1.5%	11
DECATHLON	clothing	1.5%	4
KASANOVA l'amante della casa	households goods	1.4%	16
<b>Total</b>		<b>21.1%</b>	<b>123</b>

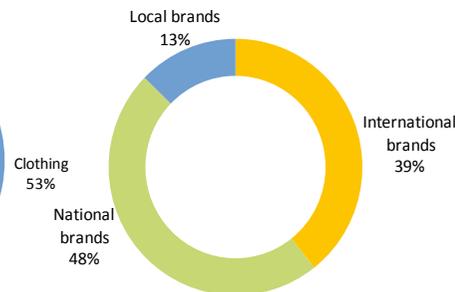
## Top 10 Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
Carrefour	food	9.2%	9
H&M	clothing	8.1%	6
PEPCO	clothing	3.2%	10
ALTEX	eletronics	2.9%	4
B&B collection	jewellery	2.7%	7
dm	grocery	2.6%	5
SENSI	pharmacy	1.9%	4
Oficiu de Cadastru OCPI	offices	1.8%	1
BILLA	food	1.3%	2
Art	clothing	1.3%	5
<b>Total</b>		<b>35.0%</b>	<b>53</b>

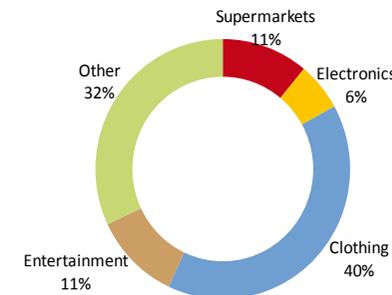
## MALLS MERCHANDISING MIX



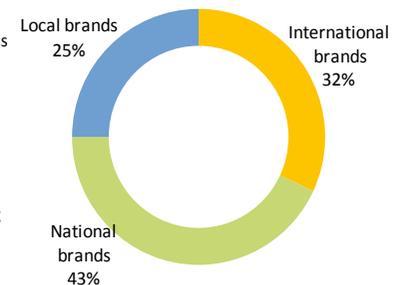
## MALLS TENANT MIX



## MALLS MERCHANDISING MIX



## MALLS TENANT MIX



# 3. 1Q2017RESULTS



# Financials highlights: 2016 of growth and strong start of 2017

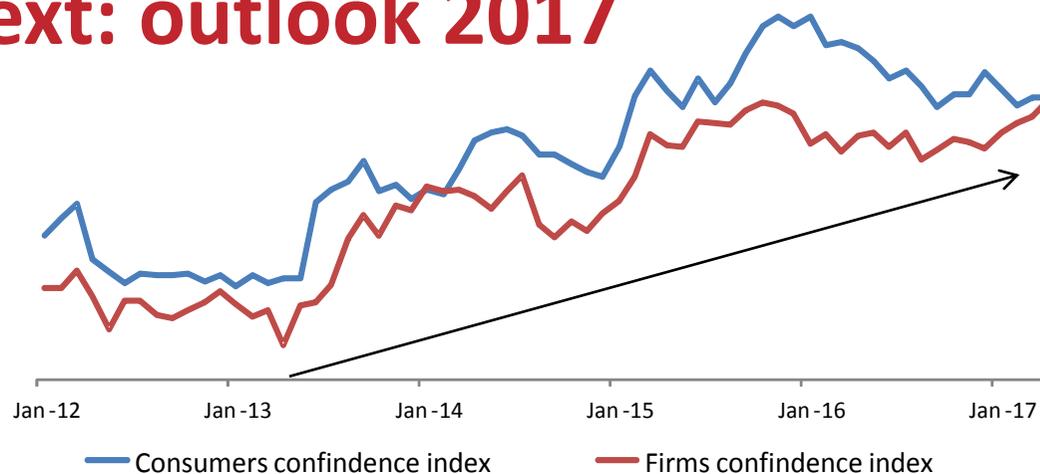
	2015	2016		1Q 2016	1Q 2017	
<b>Revenues</b>						
• Core Business Revenues	€125.9MM	€136.8MM	+8,4%	€33.8MM	€35.4MM	+4.6%
<b>EBITDA</b>						
• EBITDA (Core Business)	€84.7MM	€94.9MM	+11,6%	€23.6MM	€25MM	+5.8%
• EBITDA Margin (Core Business)	67.3%	69.3%	+200pts	69.9%	70.7%	+80pts
• EBITDA Margin from Freehold	77.2%	78.7%	+150pts	79.2 %	79.9%	+70pts
• Group Net Profit	€46 MM	€68.3MM	+49.7%	€12.7MM	€14.3MM	+13%
Core Business Funds from Operation (FFO)	€45 MM	€53.9MM	+18.9%	€14.1MM	€15.6MM	+10.2%
Core Business FFO <i>per share</i> <sup>(1)</sup>	€0.056	€0.066				
• Epra NNNAV per share	€1.25	€1.29				

# The macroeconomic context: outlook 2017



↗ **GDP +1.0%**  
(2016 Official data: +1.0%)

↗ **Consumption +1.0%**  
(2016 Official data: +1.3%)



- April 2017: firms confidence index has reached the highest level since 2007
- GDP 1Q 2017: growth at the pace of the previous quarter (approx. +0.2%)
- Inflation 1Q 2017: +1.3%, highest value since 2013



↗ **GDP +4.0%**  
(2016 Official data: +4.8%)

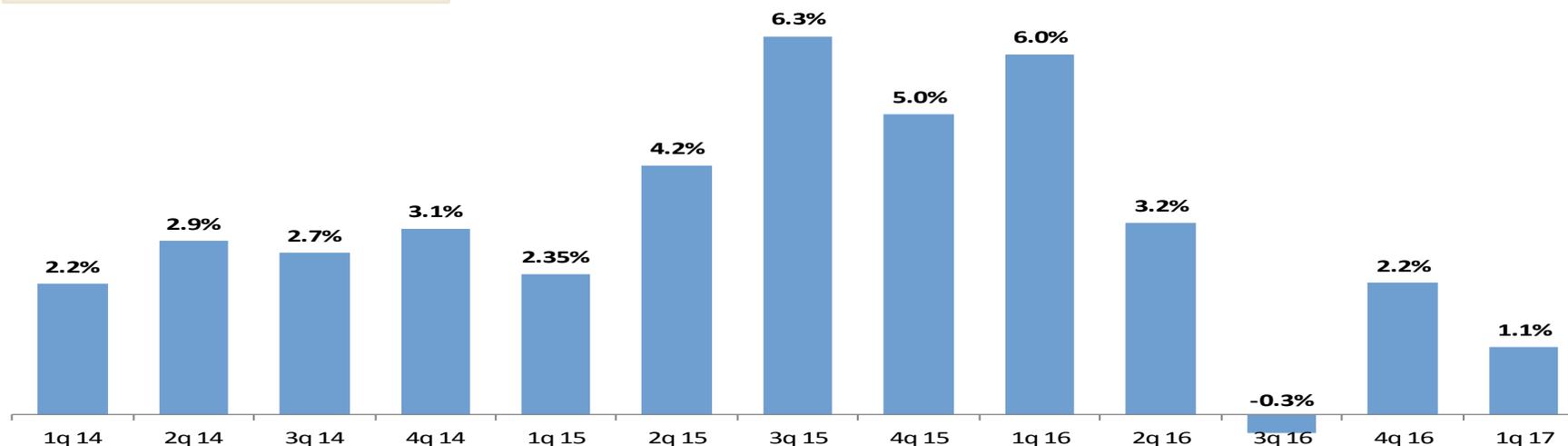
↗ **Consumption +5.9%**  
(2016 Official data: +8.9%)

- New set of fiscal measures to sustain growth is expected in 2017
- Growth will be driven by strong domestic demand that will remain sustained despite an expected acceleration in consumer prices.

Sources: Istat, Banca d'Italia, European Commission, International Monetary Fund. Forecast: IGD internal processing on research institutes panel

# Operating performance Italy

## Tenant sales trends



1Q  
2017



**+1.1%**

**Tenant sales shopping malls**  
(FY 2016 +2.6%)



**-2.7%**

**Footfalls**  
Particularly negative in January.  
(FY 2016 slight decline)

### Different reasons:

- **calendar:** 1 less weekend and 1 less Sunday in January, 1 less working day in February.
- **climatic:** strong snowfall in January in the central regions.

# Commercial performances: Italy



**36 signed contracts**  
of which 13 turnover and 23 renewals



**+3.8% upside**



**1.1% rotation rate**  
new brands



**97.2% occupancy**  
stable



Puntadiferro (FO)

# Commercial performances: Romania



**134 signed contracts**  
of which 59 turnover and 75 renewals



**+2.8% upside**



**10% rotation rate**



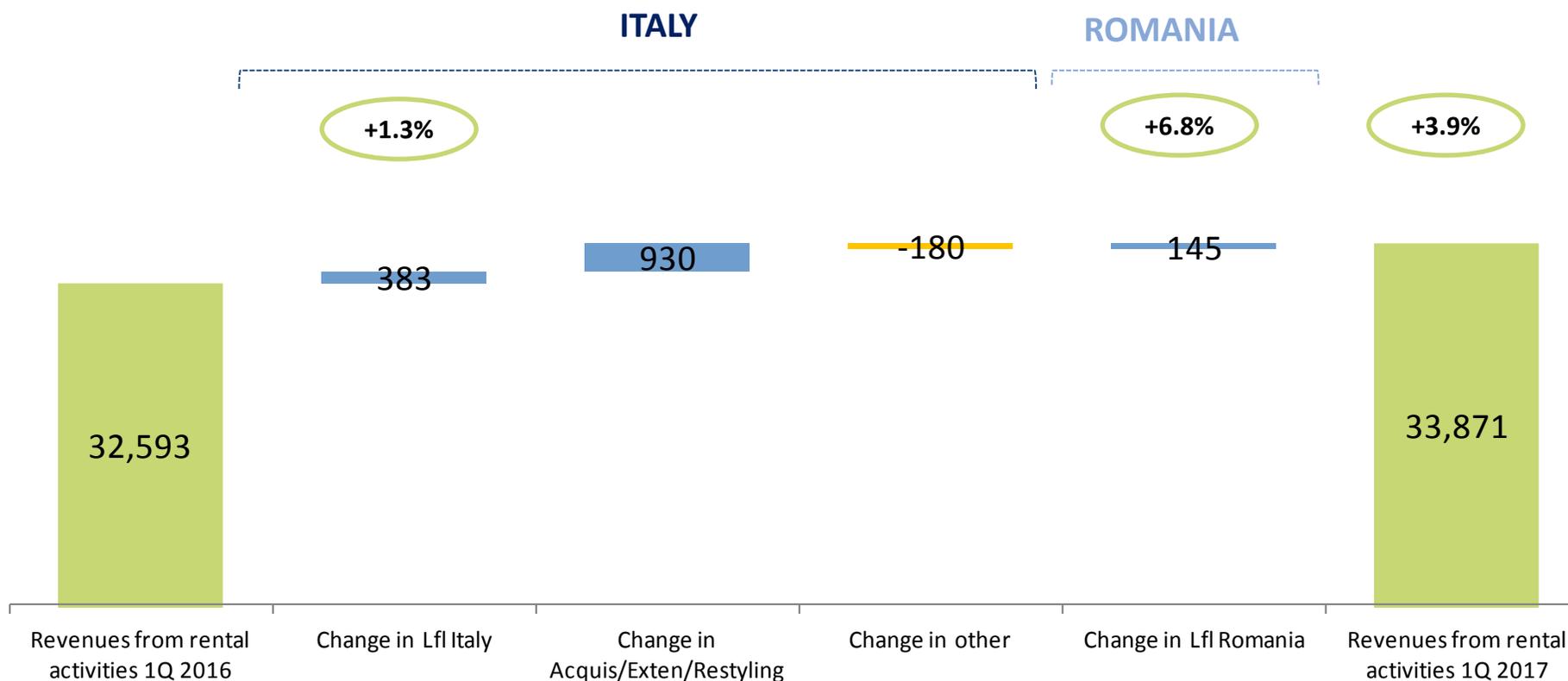
**96% occupancy**  
stable



**+0.6% footfalls**



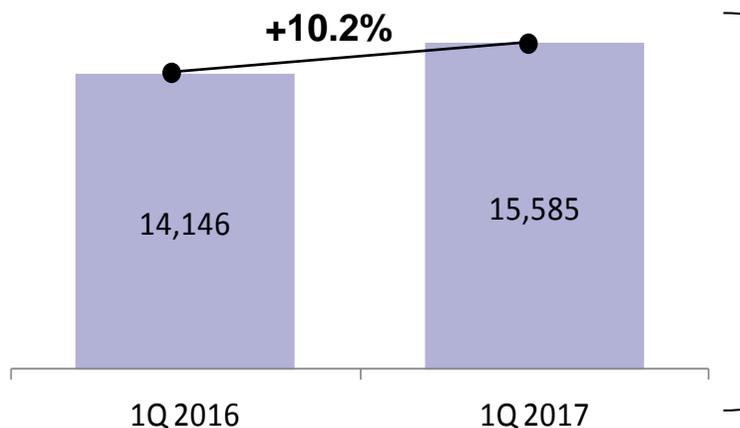
# The results: rental revenues + 3.9%



↗ **Like for like Italy +1.3%:** shopping malls are growing (+2.0%) and hypermarkets are stable; still marginal contribution from inflation over the period

↗ **Like for like Romania +6.8%**

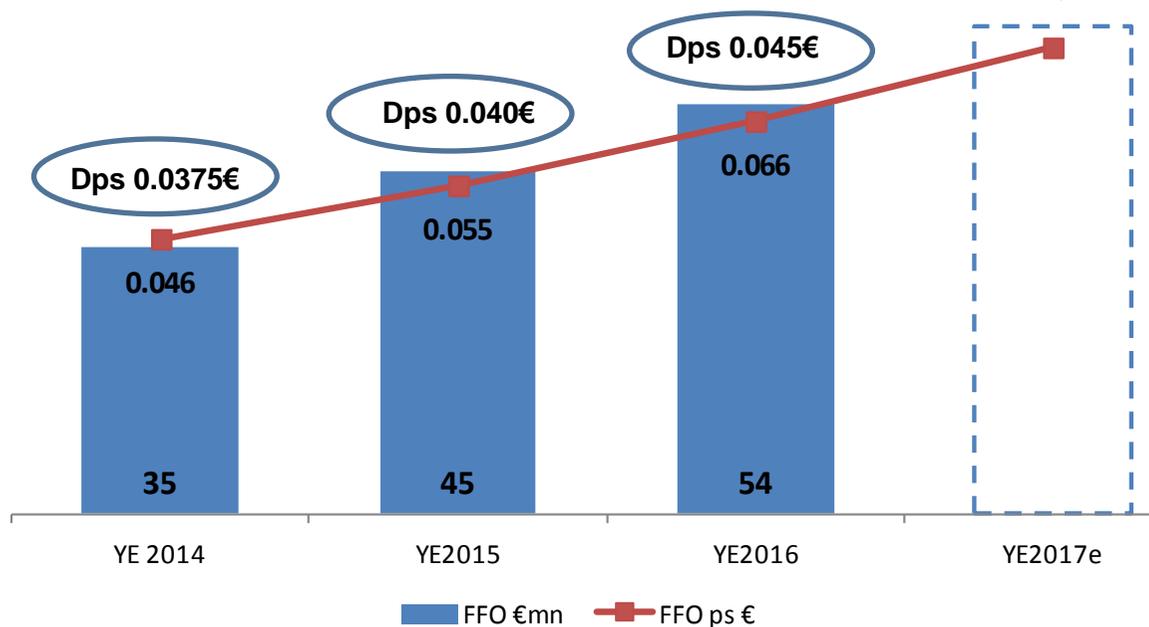
# Fund from Operations (FFO) €15.6 mn



- + €1.4 mn increase in Ebitda
- + €0.1 mn financial management

**Target stated for the full year 2017: +18/19%**

*Target confirmed, considering the opening of the ESP extension (1 June 2017) and the financial management improvement that will accelerate in 2H 2017*



# Financial Highlights 1/2

	2015	2016	31/03/2017
GEARING RATIO (D/E)	0.93	0.97	0.95
LOAN TO VALUE	47.07%	48.25%	47.9%
COST OF DEBT	3.67%	3.30%	3.10%
INTEREST COVER RATIO	2.15X	2.24X	2.72X
LONG-TERM DEBT AVERAGE RESIDUAL MATURITY (bonds included)	6.3 years	5.5 years	5.4 years

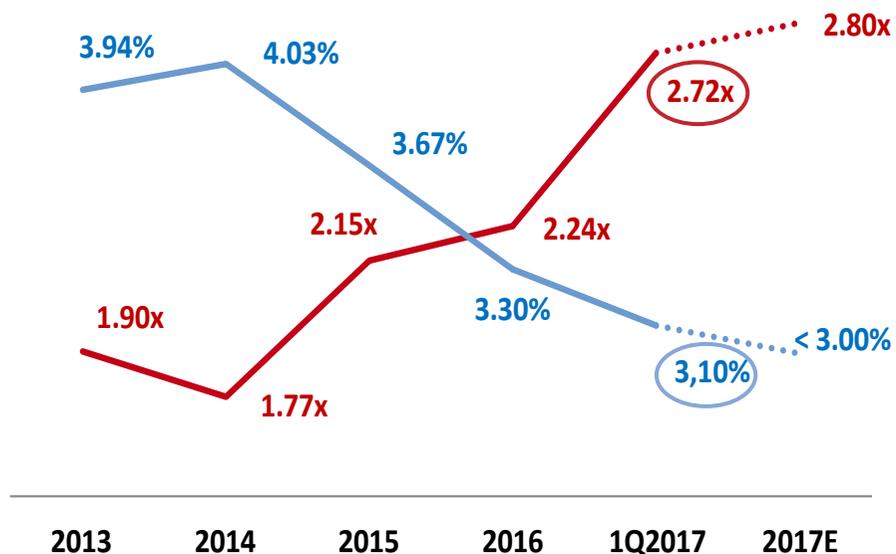
# Financial Highlights 2/2

	2015	2016	31/03/2017
SHARE OF MEDIUM /LONG-TERM DEBT	77.6%	84.6%	94.1%
HEDGING ON LONG-TERM DEBT + BOND	91.6%	93.8%	94.4%
UNCOMMITTED CREDIT LINES GRANTED	€ 302.5 mn	€ 276 mn	€ 291 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€ 120 mn	€ 164 mn	€ 280 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	-	€ 60 mn	€ 60 mn
UNENCUMBERED ASSETS	€ 867.6 mn	€ 1,406.9 mn	€ 1,406.9 mn

# Financial indicators

Average cost of debt

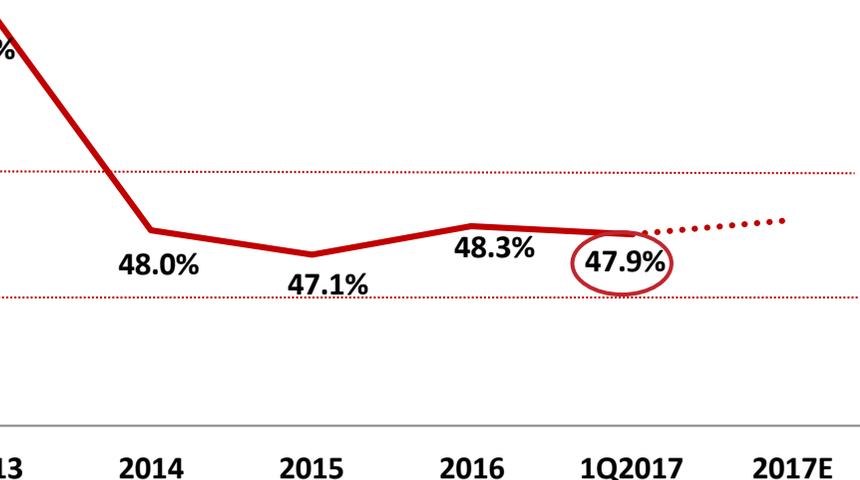
ICR



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

LTV

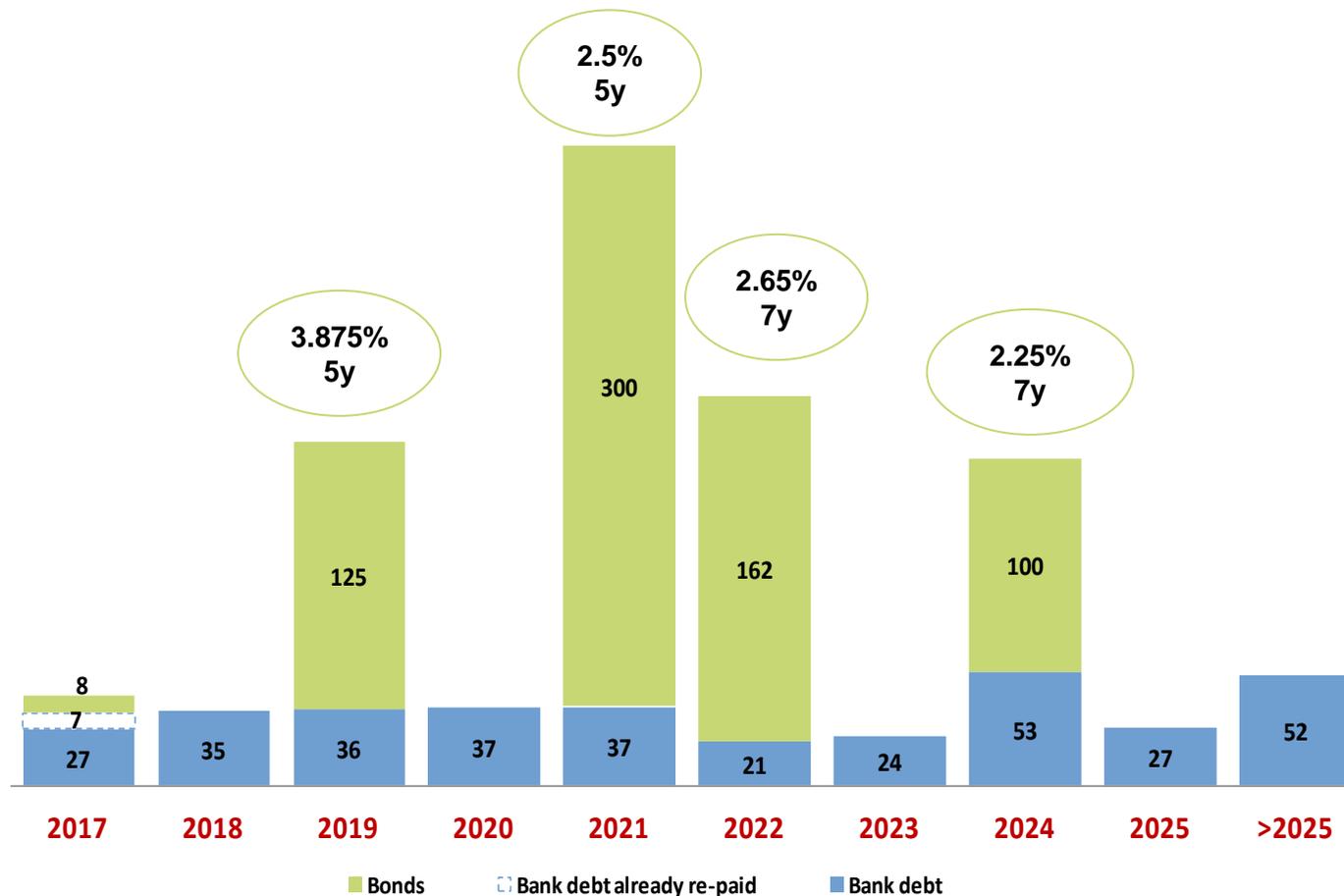
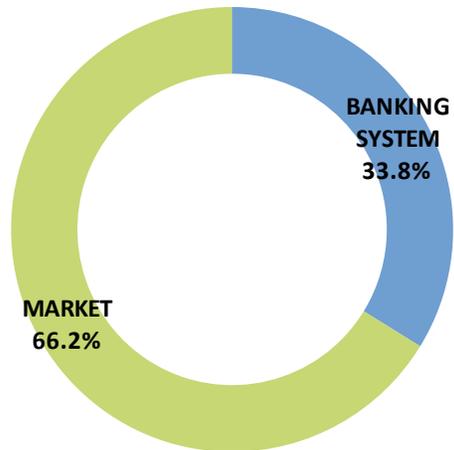
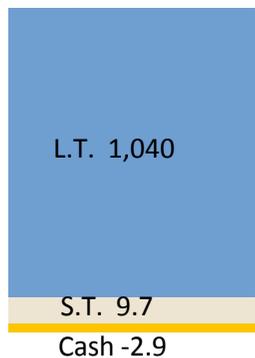
Range LTV da BP  
50%  
45%



- Strict financial discipline respected

# The debt structure

Net Debt  
1Q2017  
€1,046.8 mn



- Bank financing reduced... and “committed”

- Extended debt maturity profile

Centro Sarca – Sesto San Giovanni (MI)

## 4. Highlights on 2016-2018 Business Plan (released in May 2016)



# Main targets - BP 2016-2018

## New Targets BP 2016-2018

**REVENUES FROM RENTAL ACTIVITIES**

Total growth > +20% approx.  
cagr\* +7% approx.  
cagr\* LFL +2% approx.

**EBITDA MARGIN**  
Core business

>70% (BP end)

**EBITDA MARGIN**  
Freehold

approx. 80% (BP end)

**Funds From Operations**  
Core business

approx. €75 mn (ffo in 2018)  
Cagr\* > 18%

**LTV**

>45% <50% (BP timespan)

**PIPELINE**

approx. €195 mn BP timespan (of which for development approx. €145mn)

\*CAGR calculated used 31/12/2015 as base; cagr of previous plan used 2014 as base

# Investment pipeline



↗ A new mall every year; new GLA around 71,500 sqm

↗ 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

# 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

# 1 June 2017 Opening of the ESP extension (Ravenna)



Bershka

JACK & JONES

PULL&BEAR

H&M

OVS

KIABI

PIAZZA ITALIA

bag  
STORE

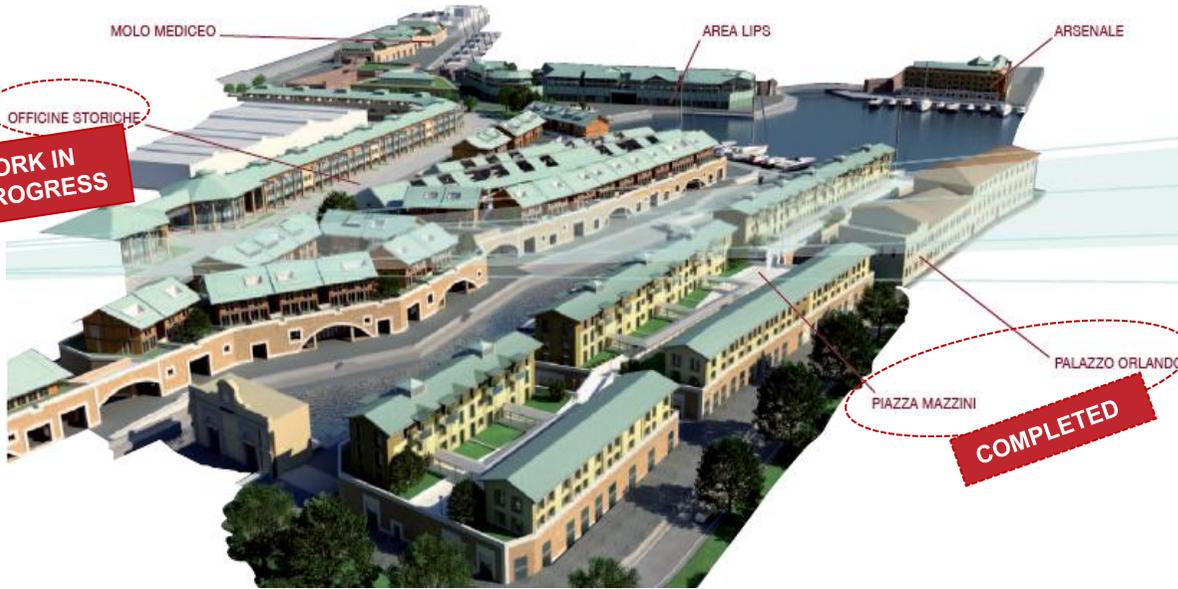


# Restyling and extension - Gran Rondò (Crema)



New medium surface (+ 2,850 m<sup>2</sup> of GLA) already rented  
Total restyling of the outside of the shopping mall  
End of work: 1H 2018  
Total expected investment approx € 7 mn

# Porta Medicea and 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 area Targets

## Main assumptions

- **Issue of unsecured senior bond** 5-7 years in 2016 with an expected cost lower than the current Group's cost of debt. ✓  
Done
- **Option** exercise for **CMBS** early repayment (€135mn, cost approx. 5.2%) ✓  
Done

## Targets confirmed with respect to the previous plan

- **Maintain a strict financial discipline and a balanced capital structure**

LTV > 45% - < 50% (BP timespan) with the expectation to reach the low end of the range in 2018  
GEARING (D/E) < 1 (BP timespan)

- **Improve the financial management result and reduce the average cost of debt**

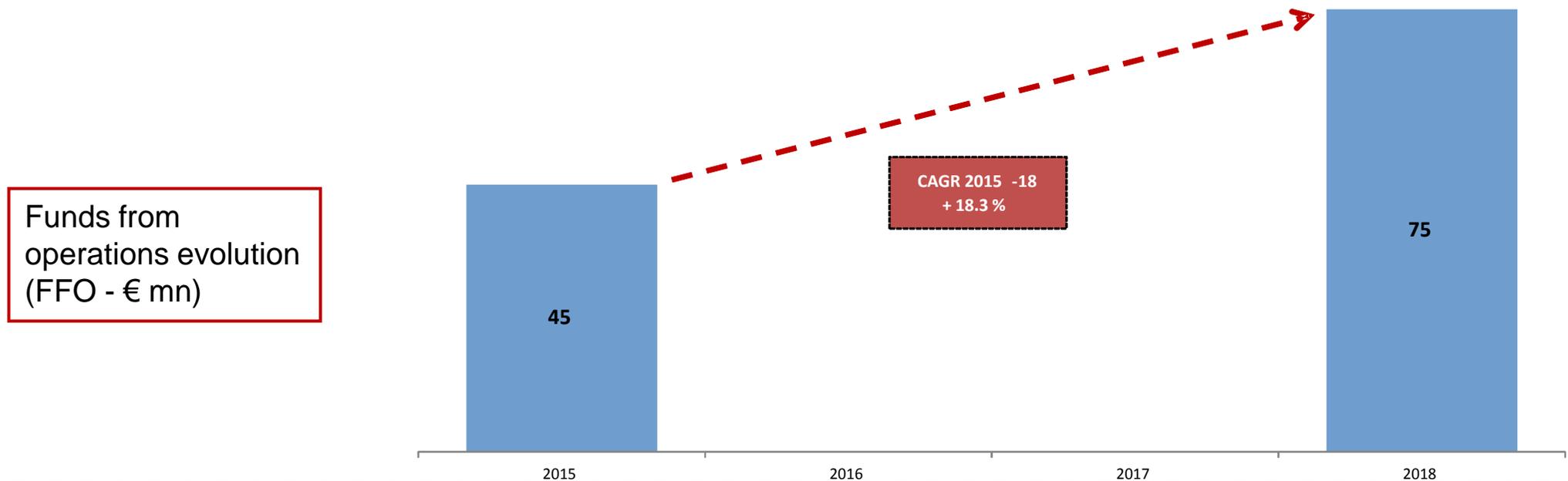
ICR > 3 (BP end)

Average cost of debt < 3% (BP end) ✓ **1 year in advance**

- **Obtain a rating over the BP timespan, with a primary agency.** ✓

Done

# FFO evolution and Dividend policy



As for *dividends*,  
policy, already communicated to the market, of the distribution of about **2/3** of the  
core business *FFO*, is confirmed

*Dividend Reinvestment Option (DRO)*  
*remains an option that we intend to evaluate in the coming years, according to financial  
markets conditions*

# Final remarks

The updated Business Plan, that has a low execution risk, confirms IGD's ability to increase FFOs and strengthen visibility of the dividends that will be distributed.

Following Punta di Ferro acquisition, not foreseen in the previous Plan, FFO target has been further improved.



**Therefore:**

✓ **Confirmation of strategy of organic development pipeline completion**

**and**

✓ **Possibility to evaluate any further external growth options that would be accretive for our shareholders**

Appendix

# 5. Appendix



# Consolidated income statement

€/000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	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.
<b>Total revenues from real estate and rental act.</b>	<b>32,593</b>	<b>33,871</b>	<b>3.9%</b>	<b>32,593</b>	<b>33,871</b>	<b>3.9%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>
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.
<b>OPERATING REVENUES</b>	<b>33,862</b>	<b>35,411</b>	<b>4.6%</b>	<b>33,862</b>	<b>35,411</b>	<b>4.6%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>
<b>COST OF SALE AND OTHER COST</b>	<b>(6)</b>	<b>(5)</b>	<b>(16.0)%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>(6)</b>	<b>(5)</b>	<b>(16.0)%</b>
Rents 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)%
<b>DIRECT COSTS</b>	<b>(7,789)</b>	<b>(7,901)</b>	<b>1.4%</b>	<b>(7,724)</b>	<b>(7,839)</b>	<b>1.5%</b>	<b>(65)</b>	<b>(62)</b>	<b>(3.7)%</b>
<b>GROSS MARGIN</b>	<b>26,067</b>	<b>27,505</b>	<b>5.5%</b>	<b>26,137</b>	<b>27,572</b>	<b>5.5%</b>	<b>(70)</b>	<b>(67)</b>	<b>(4.7)%</b>
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)%
<b>G&amp;A EXPENSES</b>	<b>(2,565)</b>	<b>(2,604)</b>	<b>1.5%</b>	<b>(2,464)</b>	<b>(2,523)</b>	<b>2.4%</b>	<b>(101)</b>	<b>(81)</b>	<b>(20.2)%</b>
<b>EBITDA</b>	<b>23,502</b>	<b>24,901</b>	<b>6.0%</b>	<b>23,674</b>	<b>25,049</b>	<b>5.8%</b>	<b>(171)</b>	<b>(148)</b>	<b>(13.8)%</b>
<i>Ebitda Margin</i>	<i>69.4%</i>	<i>70.3%</i>		<i>69.9%</i>	<i>70.7%</i>				
Other provisions	(49)	(99)	n.a.						
Impairment and Fair Value adjustments	(577)	(235)	(59.3)%						
Depreciations	(280)	(255)	(8.9)%						
<b>DEPRECIATIONS AND IMPAIRMENTS</b>	<b>(906)</b>	<b>(589)</b>	<b>(35.0)%</b>						
<b>EBIT</b>	<b>22,596</b>	<b>24,312</b>	<b>7.6%</b>						
<b>FINANCIAL MANAGEMENT</b>	<b>(9,363)</b>	<b>(9,151)</b>	<b>(2.3)%</b>						
<b>EXTRAORDINARY MANAGEMENT</b>	<b>(20)</b>	<b>(38)</b>	<b>89.2%</b>						
<b>PRE-TAX PROFIT</b>	<b>13,213</b>	<b>15,123</b>	<b>14.5%</b>						
Taxes	(587)	(829)	41.1%						
<b>PROFIT FOR THE PERIOD</b>	<b>12,626</b>	<b>14,294</b>	<b>13.2%</b>						
(Profit)/Loss for the period related to Third Parties	33	13	(60.6)%						
<b>GROUP NET PROFIT</b>	<b>12,659</b>	<b>14,307</b>	<b>13.0%</b>						

## Total revenues from rental activities:

**€33.9 mn**

*From Shopping Malls: €23.5 mn of which:*

*Italians malls €21.2 mn*

*Winmarkt Malls €2.2 mn*

*From Hypermarkets : €10.0 mn*

*From City Center Project – P.za Mazzini: €0.2 mn*

*From Other and Porta a Mare: €0.2 mn*

# Margins from activities

€/000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	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)%
<b>Gross margin</b>	<b>26,067</b>	<b>27,505</b>	<b>5.5%</b>	<b>26,137</b>	<b>27,572</b>	<b>5.5%</b>	<b>(70)</b>	<b>(67)</b>	<b>(4.3)%</b>

**Margin from freehold properties:  
87%, increased compared to te previous year (86.4%)**

**Margin from leasehold properties:  
18.4% increased compared to the previous year (10.9%), mainly thanks to higher revenues and decrease of the related costs.**

# Operating cost and financial management

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

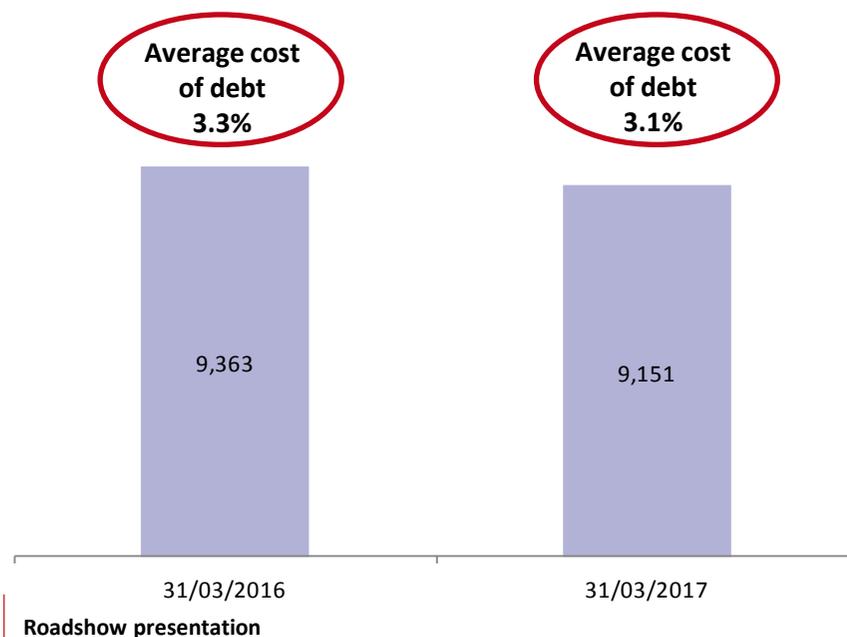


Lower impact of operating costs on revenues

**Ebitda margin core business is growing (70.7%): + 80bps**

*Ebitda margin Freehold: 79.9%*

## FINANCIAL MANAGEMENT (€ 000)



The decrease of the cost of debt continues

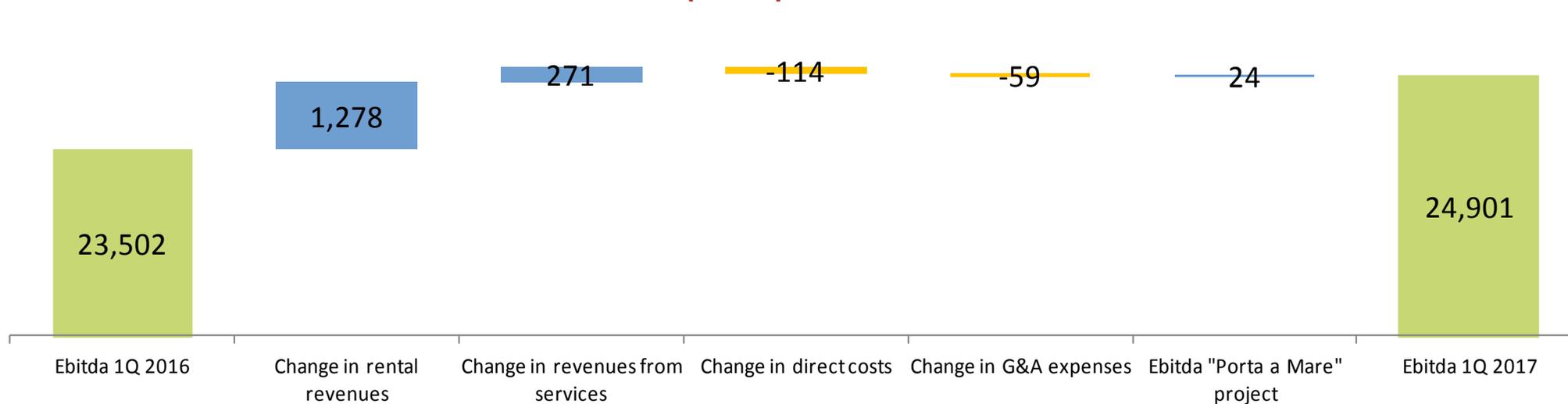
Slight decrease of Financial Management despite the increasing Net Debt:

- loans substituted with other less expensive;
- IRS notional decrease

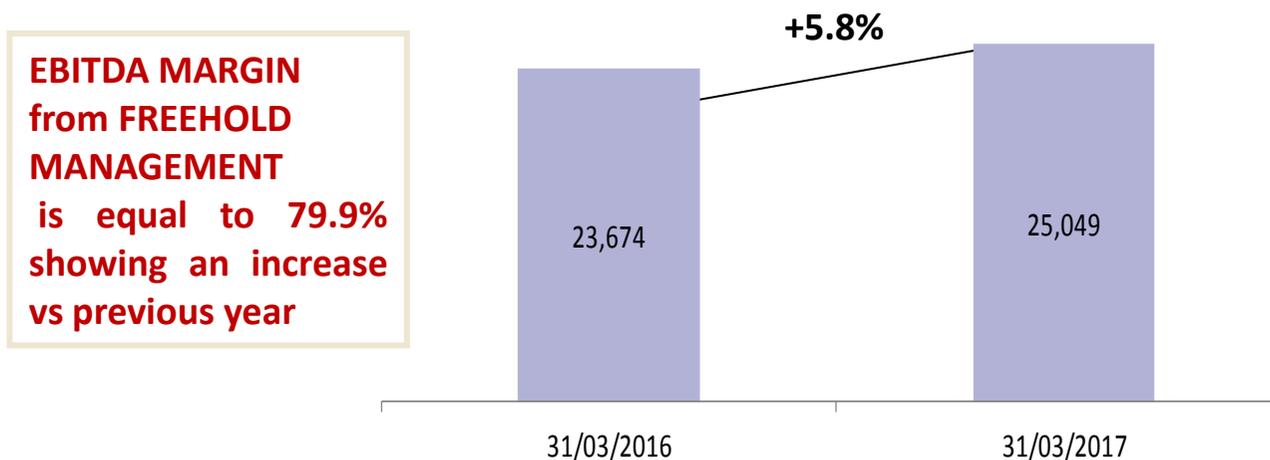
# Total consolidated Ebitda: €24.9 mn

## Ebitda (core business): €25.0 mn (+5.8%)

### TOTAL EBITDA (€ 000)

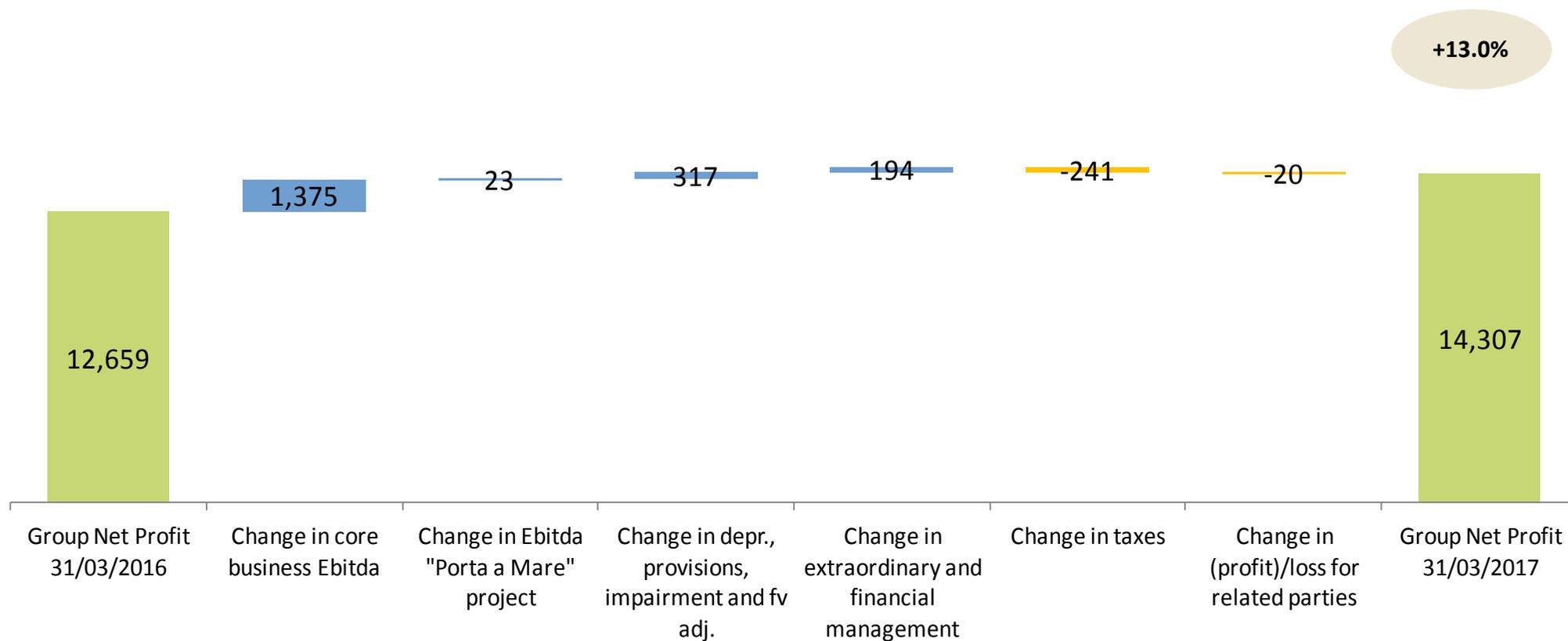


### CORE BUSINESS EBITDA and EBITDA MARGIN (€ 000)



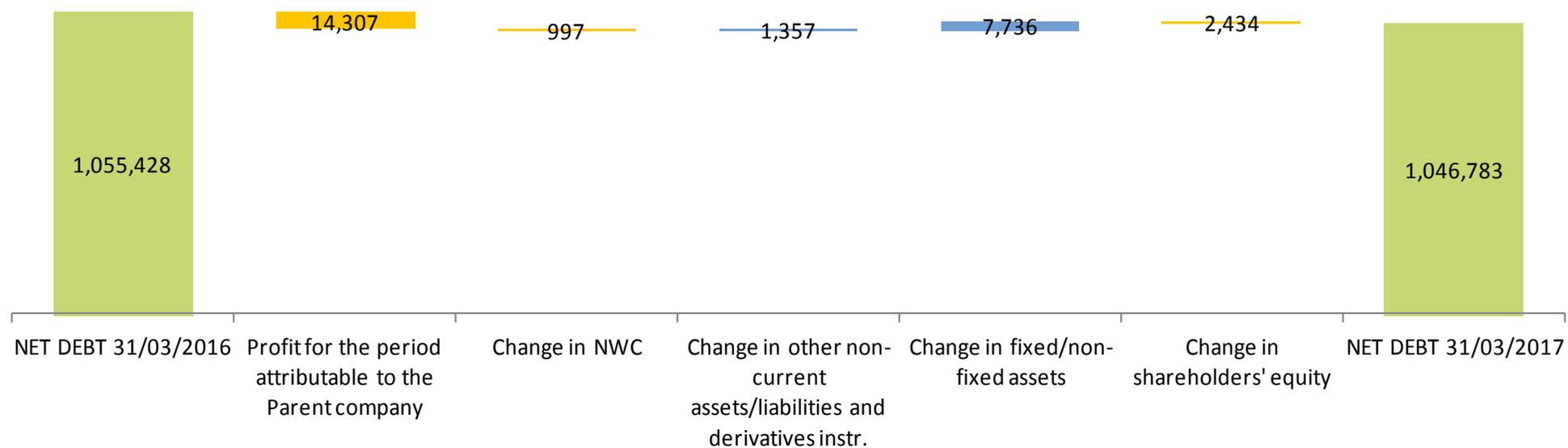
# Group Net Profit: €14.3 mn

## NET PROFIT EVOLUTION (€ 000)



# Net Debt

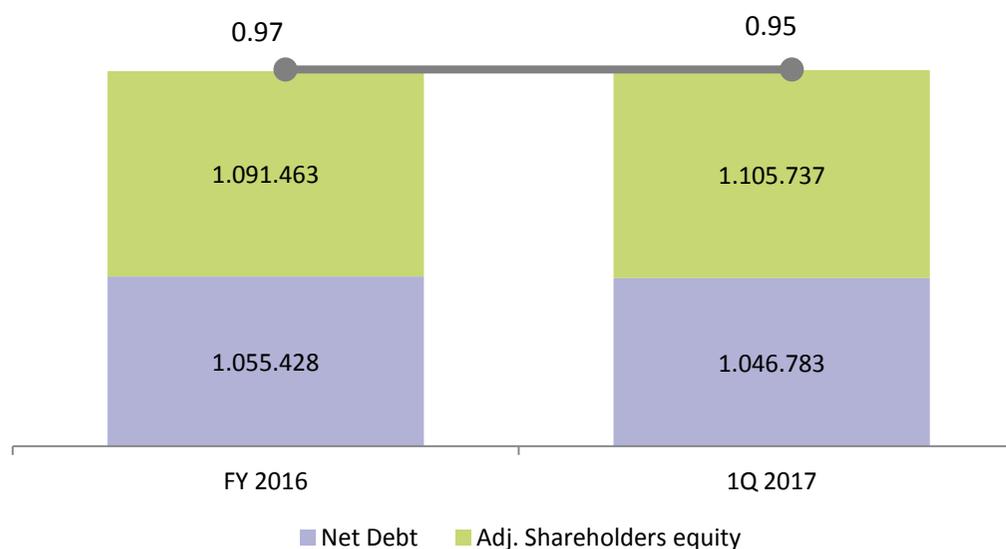
## NET DEBT EVOLUTION (€ 000)



# Re-classified Balance Sheet

Sources - Uses of funds	31/12/2016	31/03/2017	Δ	Δ%
Fixed assets	2,050,728	2,050,728	0	0.0%
Assets under construction	75,004	83,003	7,999	10.7%
Other non-current assets	25,543	25,322	-221	-0.9%
Other non-current liabilities	-32,150	-32,613	-463	1.4%
NWC	56,378	55,381	-997	-1.8%
Net deferred tax (assets)/liabilities	-21,901	-23,153	-1,252	5.7%
<b>TOTAL USE OF FUNDS</b>	<b>2,153,602</b>	<b>2,158,668</b>	<b>5,066</b>	<b>0.2%</b>
Net debt	1,055,428	1,046,783	-8,645	-0.8%
Shareholders' equity	1,069,426	1,086,167	16,741	1.6%
Net (assets)/liabilities for derivative instruments	28,748	25,718	-3,030	-10.5%
<b>TOTAL SOURCES</b>	<b>2,153,602</b>	<b>2,158,668</b>	<b>5,066</b>	<b>0.2%</b>

## GEARING RATIO (€ 000)

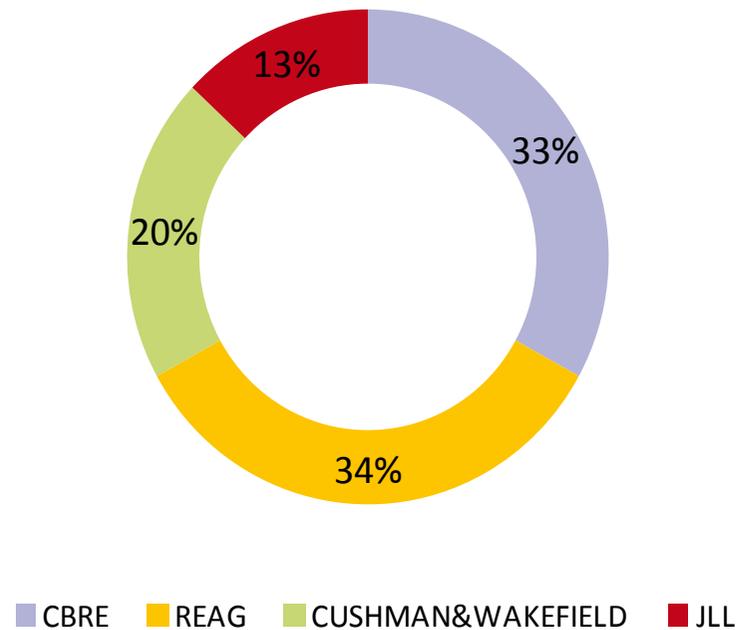


# 2016 EPRA NNNAV

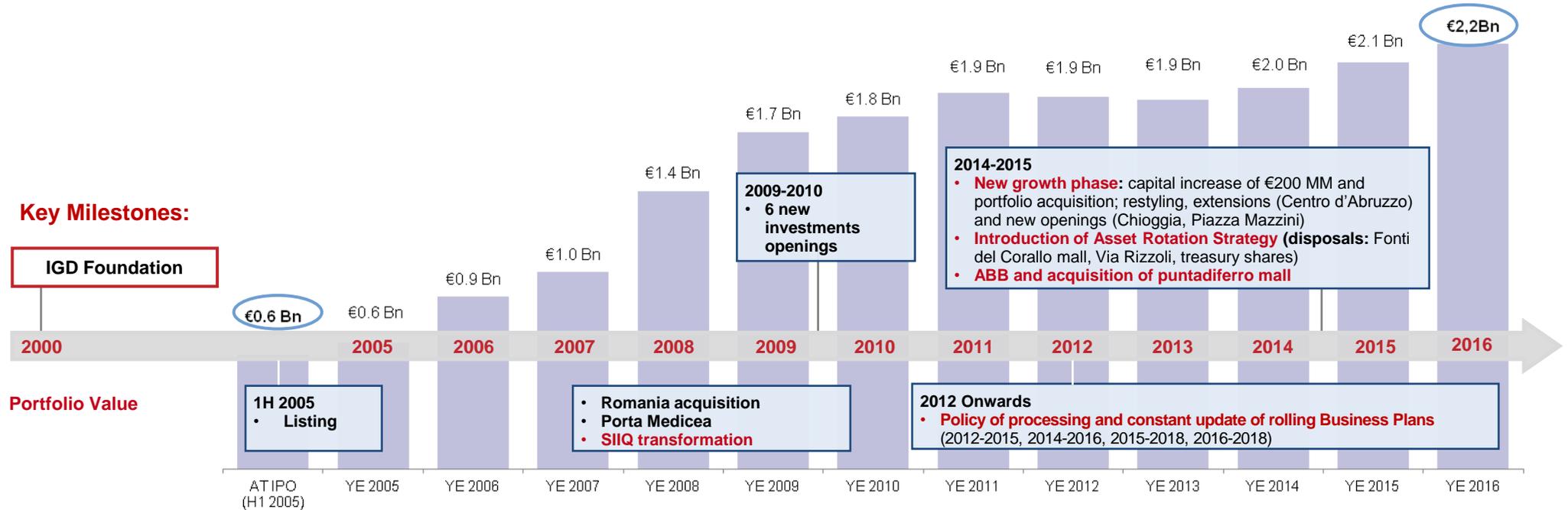
 EPRA NNNAV Calculation	31-Dec-15		31-Dec-16		Δ%
	€'000	€ p.s.	€'000	€ p.s.	
Total number of shares	813,045,631		813,045,631		
<b>1) Group shareholders' equity</b>	<b>1,022,053</b>	<b>1.26</b>	<b>1,060,701</b>	<b>1.30</b>	<b>3.8%</b>
<i>Excludes:</i>					
Fair Value of financial instruments	34,990		28,748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

# 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**



# A successful story of growth fueled by strong capital market access...



## IGD Capital Markets Track Record

### EQUITY

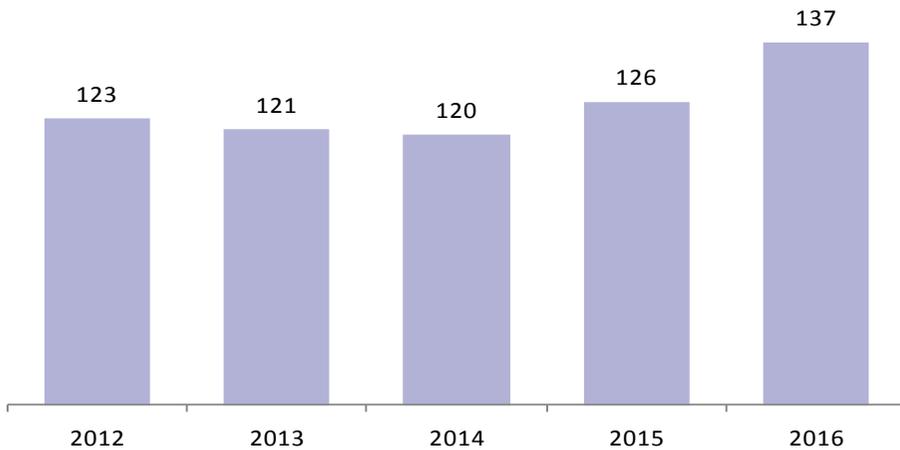
**Total resources c. €0.5 Bn**  
**Of which c. €0.4 Bn from the market**

### DEBT

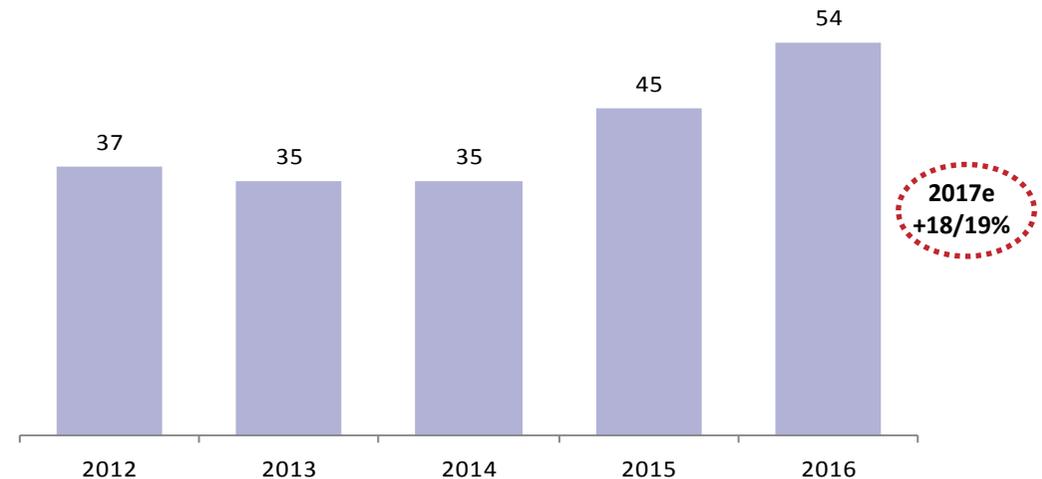
**Total resources c. €0.9 Bn (net of exchanges)**  
**Of which c. €0.8 Bn from the market**  
**(high percentage from FOREIGN INVESTORS)**

# ...delivering strong results and maintaining financial discipline...

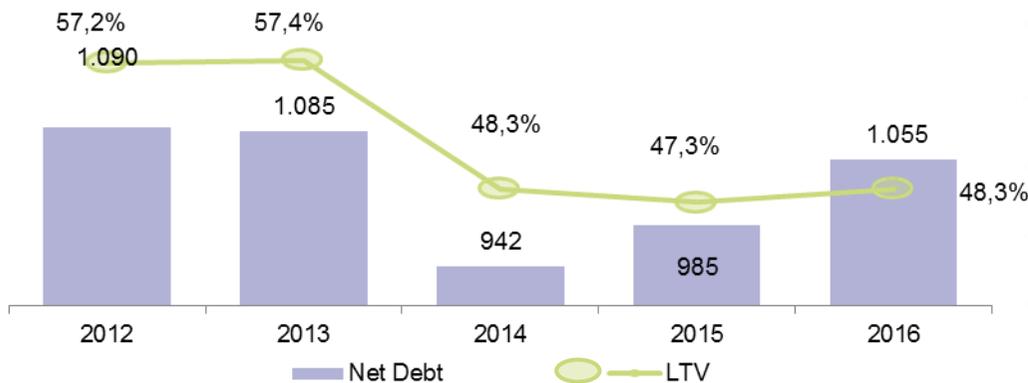
CORE BUSINESS REVENUES (€ MM)



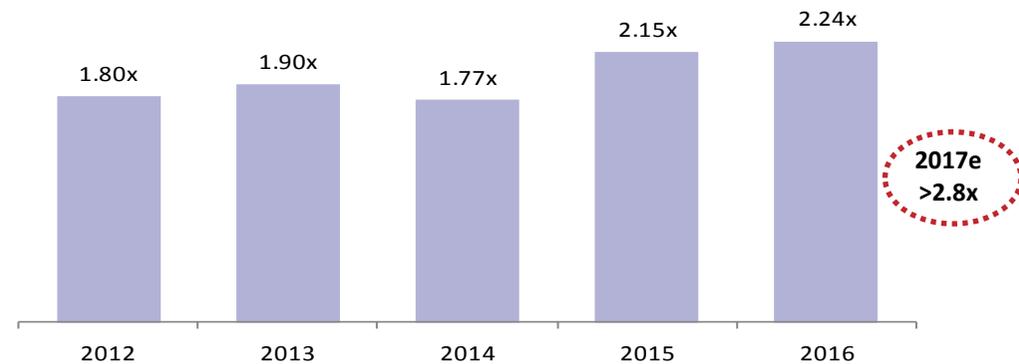
CORE BUSINESS FFO (€ MM)



NET DEBT (€ MM)

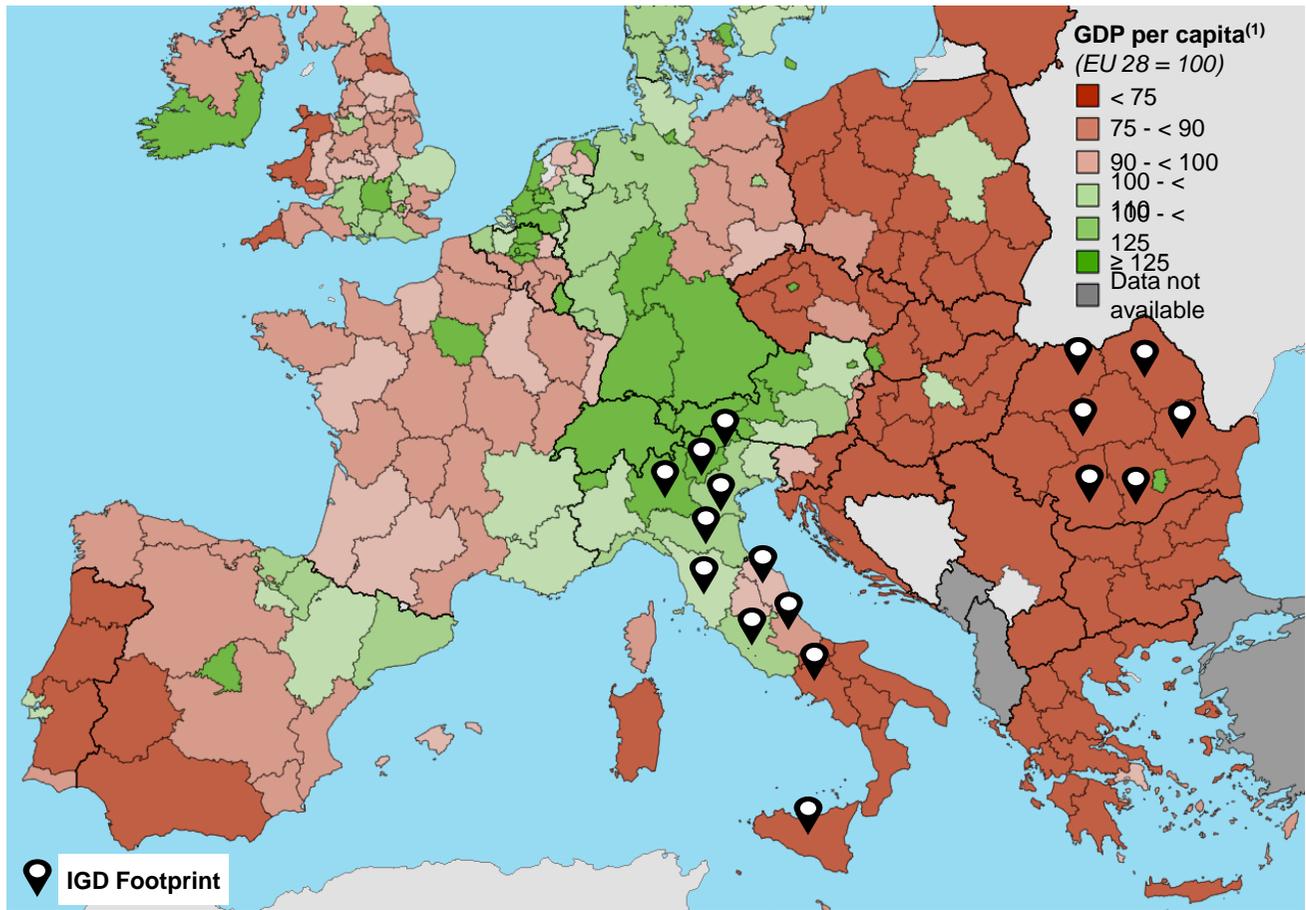


INTEREST COVER RATIO (x)

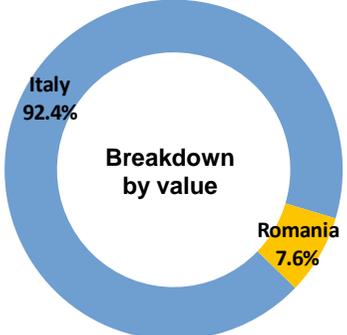


# ...benefitting from strong gearing in regions with GDP per capita above European average

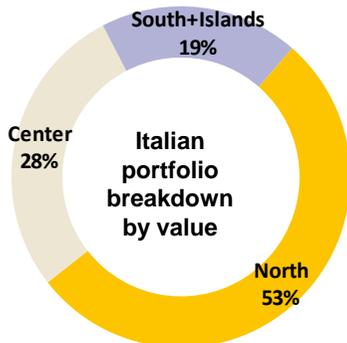
**92% of IGD portfolio value located in Italy, with strong gearing on the wealthy Northern regions, benefitting from GDP per capita well above EU average**



**92% of portfolio located in Italy...**



**...of which c.80% located in regions with GDP per capita above European average**



Source: Eurostat Statistical Atlas

# coop WORLD (1/2)

## 7 LEGAL ENTITIES THROUGHOUT ITALY

 Emilia Romagna, Lombardia, Trentino, Veneto, Friuli Venezia Giulia, Marche, Abruzzo, Puglia, Basilicata

 Toscana, Lazio, Umbria, Campania

 Lombardia, Sicilia

 Piemonte

 Liguria, Piemonte

 Toscana

 Toscana, Umbria, Abruzzo



 Regions covered by Coop

 From 1<sup>st</sup> January 2016 by merging of Coop Adriatica, Coop Estense and Coop Consumatori Nordest

 Roadshow presentation

# coop WORLD (2/2)

Data as at 31/12/2015<sup>(1)</sup>

Market share in Italy: 18.7%

Turnover : ~ 12,5 bn €

N° of points of sale: ~ 1,200

Employees: ~ 54,000

Members: ~ 8.5 million

## COOP PRODUCTS AND SERVICES

☑ Goods with Coop brand: Market share > 26% (stable vs 2014)



☑ Coop Salute: 122 points of sale



☑ Coop Voce: 1.4 million of contracts



☑ Enercoop: 15 gas stations



☑ Coop online: online from autumn 2013



(1) Source: Coop Italia press release on 2015 results (30/06/2016); market share calculated on Nielsen data

# From 1 January 2016 COOP ALLEANZA 3.0

Data as at 31/12/2015<sup>(1)</sup>



By merging of Coop Adriatica, Coop Estense and Coop Consumatori Nordest

Revenues : ~ 4,4 bn €

N° of points of sale: ~430 (of which 64 hypermarkets)

Employees: ~ 22,000

Members: ~ 2.7 million

Deposits from members: ~ 4.5 € billion

## STRATEGIC INVESTMENTS IN LISTED COMPANIES

- ☑ UNIPOL GRUPPO FINANZIARIO (Insurance and banking) 
- ☑ IGD SIIQ SPA 

# Unicoop Tirreno

Data as at 31/12/2015<sup>(1)</sup>



**Revenues: ~ 1 bn €**

**N° of points of sale: 112**

**Employees: ~ 4,225**

**Members: ~ 990,000**

**Deposits from members: ~ 1.1 bn €**

## STRATEGIC INVESTMENTS IN LISTED COMPANIES

-  UNIPOL GRUPPO FINANZIARIO (Insurance and banking) 
-  IGD SIIQ SPA 

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