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PRESS RELEASE

IGD SIIQ ENTERED INTO A PRELIMINARY AGREEMENT FOR THE ACQUISITION OF A PORTFOLIO OF 4 SHOPPING GALLERIES AND A RETAIL PARK FOR A TOTAL INVESTIMENT EQUAL TO APPROXIMATELY EURO 200 MILLION[1] AND ANNOUNCES THE INTENTION TO LAUNCH AN UP TO €150 MILLION RIGHTS ISSUE TO PARTIALLY FINANCE THE ACQUISITION

- **Acquisition from Eurocommercial Properties Group of a portfolio of 4 shopping galleries and a retail park in Northern Italy, part of shopping centres significant in their respective catchment areas, for an aggregated value of Euro 187 million and generating an accretive 6.8%[2] gross yield;**
- **Transaction supported by a sound strategic rationale allowing IGD to re-unite theownership of the entire shopping centre (hypermarket + gallery) with regard to two of the four assets to be acquired as well as consolidate the operational synergy with the "Coop" brand, food anchor in all of the shopping centres in the Portfolio, thus ensuring a leaner and more flexible asset management;**
- **Share capital increase via a pre-emptive rights issue offered to existing shareholders for an amount up to Euro 150 million, to be approved by the Extraordinary Shareholders Meeting, aimed at partially financing the acquisition of the Portfolio;**
- **Coop Alleanza 3.0 committed to subscribe for its portion of the share capital increase (approximately 40.9%);**
- **Banca IMI, BNP PARIBAS and Morgan Stanley will act as Joint Global Coordinators in the context of the rights issue and have entered into a pre-underwriting agreement subject to conditions in line with market practice for similar transactions;**
- **The transaction will allow IGD to consolidate its leadership in the Italian shopping centres market with a focus on locally dominant assets and to continue pursuing its growth and value creation strategy while strengthening its capital and financial structure;**
- **Proposal of a reverse stock split of IGD's ordinary shares, at a ratio of 1 new ordinary share, with regular entitlement, per 10 existing ordinary shares.**

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1 Such amount refers to the total value of the Portfolio (Euro 187 million) plus the estimated related transfer duties and ancillary costs.
2 Gross yield is calculated based on the lease contracts, stabilized and annualized, divided by the total value of the investment. **Net Yield (6,4%)** is calculated by deducting the non recoverable costs, stabilized and annualized, from the calculation base of the gross yield

Bologna, 15 December 2017 – Today, after the approval of the Board of Directors chaired by Elio Gasperoni, IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("**IGD**" or the "**Company**") entered into a preliminary agreement for the acquisition of 4 going concerns encompassing 4 shopping galleries and a retail park located in Northern Italy (the "**Portfolio**"), being sold by Eurocommercial Properties Group ("**ECP**"), for a total value of Euro 187 million, plus transfer taxes and ancillary costs. It is expected that the acquisition of the Portfolio will result in a gross yield equal to 6.8%[3] including transfer costs.

The IGD Board of Directors also resolved upon submitting to the Extraordinary Shareholders Meeting the proposal of a share capital increase via a pre-emptive rights issue offered to existing shareholders for an amount up to Euro 150 million to be carried out in one or more instances (the "**Capital Increase**"), aimed at partially financing the acquisition of the Portfolio and for the remaining portion (if any) to the reduction of the indebtedness of the Group; the Capital Increase will therefore allow the Company to strengthen its capital and financial structure.

The Capital Increase, after the approval of the Extraordinary Shareholder Meeting, will be subject to market conditions and to the obtainment of all the necessary authorizations from the competent authorities.

Leveraging on the significant achievements delivered so far by the Company, in line with its 2016-2018 Business Plan, the acquisition of the Portfolio will enable IGD to further consolidate its leadership in the management of locally dominant shopping centres in mid-sized Italian cities with high spending power. Besides, this transaction will allow IGD to re-unite the ownership of the entire shopping centre (hypermarket + gallery) with regard to two of the four assets to be acquired, as well as reinforcing the operational synergy with the "Coop" brand, food anchor in all of the shopping centres of the Portfolio, thus ensuring a leaner and more flexible asset management.

"*Since 2014, IGD is going through a very successful value creation phase, featured by an average annual growth rate of its FFO per share of almost 20%, which stems from its strong commercial and asset management skills and a supportive macro-economic environment*", **Claudio Albertini**, **IGD's Chief Executive Officer** stated "*The acquisition of the Properties from ECP represents a further step to progress our value-creation path: we know well these assets, having managed 2 of them over the past few years on behalf of ECP and being the other 2 located within or close to our core territories. Furthermore, all of the Properties are anchored by Coop, our partner with whom we develop long-standing operational synergies. We are confident to be able to deliver new value for our shareholders through the deployment of our proven skills also on this Portfolio. With regard to the financing of the acquisition, the Capital Increase, which will be subscribed by our main shareholder for its portion, will allow us to maintain a balanced financial structure, in line with the investment grade profile of the Company. We do believe that the capital markets are currently particularly favourable thanks to the significant inflows of liquidity, the historic low level of yields and the renewed interest of international investors for Italy as a result of the improving macroeconomics fundamentals of the country*".

More in detail, the properties of the Portfolio, featuring an aggregated total leasable area of almost 37,500 sqm, are part of larger shopping centres with an aggregated total leasable area of 91.000mq. The Shopping Galleries and the retail park included in the Portfolio register in aggregate over 14 million[4] visitors per year and an annual net operating income of Euro12.5 million[5], are comprised in the following shopping centres:

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3 Gross yield is calculated based on the lease contracts, stabilized and annualized, divided by the total value of the investment. **Net Yield (6,4%)** is calculated by deducting the non recoverable costs, stabilized and annualized, from the calculation base of the gross yield.
4 Data related to 2016.
5 Calculations based on lease contracts/ non recoverable costs, stabilized and annualized

- **Centro Commerciale Leonardo (Imola):** as of the date hereof, IGD already owns the hypermarket anchoring the shopping centre and manages the gallery on behalf of ECP; therefore, the transaction will re-unite the ownership of a dominant shopping centre serving approximately 240,000 inhabitants within its core catchment area[6], distinguished by a sound local economic environment (gross disposable income of 10% above Italian average[7]);

- **Centro Commerciale Lame (Bologna):** an urban location serving the daily shopping needs of a significant part of the inhabitants of Bologna, a city featuring a spending power above the Italian average (gross disposable income of 28% above the Italian average[8]) and with over 530,000 inhabitants core catchment area[9]; IGD already owns the hypermarket anchoring the shopping centre and manages the gallery on behalf of ECP;

- **Centro Commerciale and retail park La Favorita (Mantua):** dominant shopping centre in Mantua with a core catchment area[10] of approximately 285,000 inhabitants; the asset is anchored to a Coop Alleanza 3.0 hypermarket, allowing IGD to reinforce the long standing operational synergy with "Coop", Italian's leading retail food brand;

- **CentroLuna (Sarzana):** locally dominant shopping centre in Sarzana, offering a one-stop-shop for products and services to local population (approximately 260,000 inhabitants core catchment area[11]), due to its location in the city centre and the lack of comparable structures close to the shopping centre; the asset is anchored to a Coop Liguria hypermarket, a player already well known to IGD as it anchors the Mondovicino shopping centre (owned by IGD).

All properties part of the transaction are anchored by high performing "Coop" branded hypermarkets (featuring on average yearly sales exceeding €8,000/sqm on net sales area) driving strong and recurring footfall which also lead to superior results in terms of tenants' sales achieved by the shopping galleries being acquired (Euro 4,600/sqm tenants' sales on average) [12].

The acquisition of the Portfolio was approved by IGD's Board of Directors, with the support of real estate appraisals provided by CBRE and Cushman & Wakefield, and, under the preliminary agreement, shall be completed by the first half of 2018. On the date of effectiveness of the transfer, the purchase price will be determined for a consideration of Euro 187 million (plus related transfer duties and ancillary costs), increased or reduced of the assets/liabilities related to the going concerns to be transferred, including the mortgage loan estimated in approximately Euro 88 million as of the date of the transfer. The transfer of these loans is subject to the approval of the lending banks.

The Capital Increase will allow IGD to improve the leverage ratios which trend is already in line with the financial objectives communicated to the market as part of its 2016-2018 Business Plan (Loan to Value comprised between 45% and 50% and Interest Cover Ratio above 3x by the end of 2018). Considering that the Capital

6 0-30 minutes catchment area
7 Source: Elaborations based on data from the Italian Ministry of Economy and Finance (2015 tax filings data)
8 Source: Elaborations based on data from the Italian Ministry of Economy and Finance (2015 tax filings data)
9 0-20 minutes catchment area
10 0-30 minutes catchment area
11 0-20 minutes catchment area
12 Shops < 500 sqm GLA. Total average equal to approximately Euro 3,800/mq.

Increase will represent almost 75% of the total investment, the Company expects an improvement in the leverage metrics in comparison to the latest data reported in the third quarter of 2017 (reported Loan to Value of 48% and an Interest Cover Ratio of 2.89x).

Lastly, as a result of the Capital Increase, the market capitalization of the Company will increase, providing greater visibility and liquidity for the Company's shares.

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IGD's Board of Directors also resolved to convene an **Extraordinary Shareholders' Meeting on 18 January 2018 and 19 January 2018, respectively on first and second call.**

The Extraordinary Shareholders' Meeting will be convened to approve (i) the Capital Increase to be carried-out in one or more instances, for an amount up to Euro 150 million (including additional paid-in capital) to be completed by 31 December 2018 through the issue of ordinary shares with no par value and regular entitlement; and **(ii) the reverse stock split of IGD's ordinary shares**, at a ratio of 1 new ordinary share, with regular entitlement, per 10 existing ordinary shares, after cancellation of ordinary shares in the minimum number necessary to allow the balancing of the entire transaction, without reduction of the share capital.

The new shares will be offered on a pre-emptive basis to the existing shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. The Capital Increase proposal provides that the Board of Directors will determine, on or around the launch date, the subscription price, the amount of additional paid-in capital, the number of newly issued shares and the issue ratio, in accordance with standard market practices.

The Capital Increase is being supported by IGD's major shareholder, Coop Alleanza 3.0, who has undertaken to subscribe for its portion of the Capital Increase equal to approximately the 40.92% (almost Euro 61 million).

With regard to the remaining portion of the Capital Increase not to be subscribed by Coop Alleanza 3.0, Banca IMI, BNP PARIBAS and Morgan Stanley, who will act as Joint Global Coordinators and Joint Bookrunners on the Capital Increase, entered today into a pre-underwriting agreement on customary terms and conditions, pursuant to which they undertook, on terms and conditions set forth in the pre-underwriting agreement, to enter on or around the launch date into an underwriting agreement for the subscription of the newly issued shares that will remain unsubscribed.

Subject to the shareholders' approval of the Capital Increase and the required authorizations from competent authorities, the Capital Increase is expected to be closed by the end of April 2018.

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Claudio Albertini – Chief Executive Officer – and the management of IGD
will hold an analyst conference call, on Monday, 18/12/2017 morning at 10 am CET
Details for the connection are available in the home page
and in the Investor Relation section of IGD website

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IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centres throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €2,210.38 million at 30 June 2017, comprised of, in Italy, 25 hypermarkets and supermarkets, 22 shopping malls and retail parks, 1 city center, 1 plot of land for development, 1 property held for trading and an additional 5 real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle: these qualities summarize IGD's strong points.
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