PRESS RELEASE

RESULTS FOR THE FIRST HALF OF 2018:

- **Recurring net income (FFO): €38.9 million (+22%); outlook for FY 2018 revised upward to the high end of the guidance range (at least +20%)**
- **Rental income: €74.1 million, +8.4 % (LFL Italy +1.4%, Romania +4.7%)**
- **Net rental income: €60.7 million, +9.9%**
- **Sales of retailers in Italian malls + 3.8%; upside on renewed leases (Italy +1.4%; Romania +1.1%)**
- **Further improvement in the financial ratios: Loan-to-Value 46.4%; average cost of debt 2.7%**
- **Market value of the portfolio: €2,428.8 million (+9%);**
- **EPRA NNNAV per share: €11.25**

Bologna, 3 August 2018. Today the Board of Directors of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** ("**IGD"** or the "**Company**"), one of the main players in Italy's retail real estate market and listed on the STAR segment of the Italian Stock Exchange, examined and approved the **Half-Year Financial Report at 30 June 2018** during a meeting chaired by **Elio Gasperoni.**

"Overall the first half results are in line with expectations and with regard, specifically, to FFO I can say that at year-end FFO will reach the high end of the guidance shared in February and increase, therefore, by at least 20%, consistent with the robust growth rates recorded over the last 4 years" **stated Claudio Albertini, IGD's Chief Executive Officer**. *"The asset management activities continued as scheduled and we completed the work at the Crema mall in the half and also obtained the green light for the Officine Storiche variance in Livorno which will make it possible to resume work on this section. In addition to these activities, in April we finalized the acquisition of the portfolio of assets from Eurocommercial Properties for around €200 million. All of this, along with the new projects presented and approved today by the Board, allows us to be confident in our ability to continue along the Group's growth path in the coming quarters, as well"*

OPERATING PERFORMANCE

Sales of retailers in the Group's Italian malls increased **+3.8%** (+0.5% excluding the ESP extension inaugurated on 1 June 2017); growth was recorded in the second quarter alone, thanks also to the opening of new performing points of sale, the attention paid to understanding the retail trends and rebalancing the merchandising mix in the malls; In terms of merchandise, the best performing categories were Services and Culture – Leisure Time – Gifts. Footfalls were down slightly against the prior year.

Consistent with this context, the results for the pre-letting activities were significant: **101 contracts,** 67 renewals and 34 new leases, were signed with an **average upside of +1.4%**; while the average **occupancy** (malls and hyper) came to **97.1%,** higher compared to year-end 2017.

The fundamentals of the **Romanian** economy, in terms of consumption and regional retail trends, continue to be particularly buoyant which fueled a further increase in the **occupancy rate (97.5%)** and the **upside on renewals (+1.1%)**.

FINANCIAL – ECONOMIC RESULTS (FFO +22%)

Rental income rose 8.4% to €74.1 million explained by:

- for around €0.9 million, like-for-like growth (+1.4%) in Italy. Malls were up +1.7% and hypermarkets +1.0%; inflation contributed 90 bps
- for around €4.6 million, higher revenue not like-for-like linked to the opening of the ESP extension on 1 June 2017 and the acquisition of 4 malls from Eurocommercial Properties on 18 April 2018
- for around €0.2 million, higher revenue like-for-like in Romania (+4.7%)

Net rental income amounted to €60.7 million, an increase of 9.9% against the same period of the prior year.

Revenue from services came to €3.1 million and net revenue from services was €0.3 million higher than in the previous year.

The Porta a Mare project generated revenue from trading of around €2.7 million as a result of the sale of 9 residential units. The preliminary sales agreements for an additional 6 units will close by the end of the year (the total of the units sold/committed, therefore, now represents 90.7% of the total saleable area).

Core business Ebitda amounted to €55.6 million, an increase of 11.3% compared to 30 June 2017. Operating costs fell even further as a percentage of core business revenue and, consequently, the core business Ebitda Margin rose 230 basis points against the prior year (69.8%) to 72.1%. The **recurring freehold Ebitda margin** (relative to freehold properties) came to **80.2%,** an increase of 110 basis points against June 2017.

Financial expense decreased (-8.6%) to €16.0 million: the result is attributable also to the recent liability management activities carried out in 2017, as well as the termination of or decrease in the notional amount of a few IRS. The downward trend in the **average cost of debt**, which came to **2.7%** (vs 2.9% in June 2017), was, therefore, confirmed.

The Group's portion of net profit amounted to €34.8 million, down with respect to the €48.9 million posted in the same period 2017 (-28.9%). The result reflects the difference in the write-downs and fair value adjustments recorded in the period, which were basically flat, versus a positive €18.9 million in the first half of 2017.
Funds from Operations (FFO) came to €38.9 million, an increase of 22% compared to 30 June 2017.

ASSET MANAGEMENT ACTIVITIES AND DEVELOPMENT PIPELINE

The asset management activities continued as planned in the first half of 2018. On 3 April the variant for the **Officine Storiche** section of the Porta a Mare project was finally approved by the Livorno City Council which will make it possible to resume work on the section.
On 18 April the **final closing of the acquisition of the portfolio** comprising 4 shopping malls and a retail park from Eurocommercial Properties for a total investment of €195.5[1] million was signed.
On 3 May the new 2,850 m^2 midsize store adjacent to the mall in the **Gran Rondò Shopping Center in Crema** was opened and the complete restyling of the mall façade, as well as the multi-level parking garage, were also completed.
Today the Board also approved two new projects which aim to modernize and requalify the Group's existing portfolio:

- the **restyling** of the mall, facades and exterior of the **Casilino** Shopping Center in **Rome**;
- **the downsizing of the hypermarket** at the **Fonti del Corallo** Shopping Center in Livorno and the creation of new spaces inside the mall: work is being done, specifically, on including services which will make the shopping center more attractive to returning and first time visitors. Unicoop Tirreno will also sign an integration of the lease which will expire in 2037. A project for the **restyling** of the mall was also presented.

Both projects are expected to be completed in 2019.

PORTFOLIO AND ASSET VALUATION

The market value of the **IGD Group's real estate portfolio** reached **€2,428.8 million, an increase of 9%** compared to December 2017. The main change is explained by the acquisition of the portfolio comprising 4 shopping malls and a retail park from Eurocommercial Properties in April 2018.

The like-for-like portfolio in Italy was down slightly (-0.4%):

- malls dropped -0.26% (-€3.5 million) and the gross initial yield came to 6.3%;

[1] This amount refers to the total value of the portfolio of €187 million, in addition to transfer tax and ancillary charges of €8.5 million.

- hypermarkets were also down by -0.32% (-€2.1 million) and the gross initial yield came to 6.2%;

In Romania the value of the real estate portfolio reached €157.2 million at 30 June 2018, lower than the €159.5 million posted at 31 December 2017, while the gross initial yield came to 6.62%.

The Net Initial Yield, calculated using EPRA criteria, reached 5.5% for the Italian portfolio (5.6% topped up) and 5.5% for the Romanian portfolio (5.9% topped up).

The EPRA NNNAV reached €1,242 million or €11.25 per share. The figure is 1.3% lower versus 30 June 2017 (€11.4 per share, recalculated to take into account the capital increase completed on 23 April 2018) [2]. The result recorded at 30 June 2018 includes the dividend of 50 euro cents per share (€55 million in total) also paid on the shares issued as a result of the capital increase.

FINANCIAL STRUCTURE

The IGD Group's net financial debt came to €**1,132.1** million at 30 June 2018, a slight increase with respect to December 2016, including as result of the debt financed portion of the acquisition, while financial indicators like the **gearing ratio** (which came to **0.90x** compared to 0.94x at year-end 2017) and the **loan-to-value (**which came to **46.4%** vs 47.4% at year-end 2017) improved in the wake of the capital increase.

The Interest Cover Ratio (**ICR**) improved markedly, coming in at **3.44x** (vs. 2.93x in 2017).

OUTLOOK 2018

The Group has revised the guidance for FY 2018 upward to the high end of the range (at least +20%) disclosed in February (+18/20%).

[2] Gross cash in of around €151 million and 110,341,903 shares issued.

Operating income statement at 30 June 2018

GROUP CONSOLIDATED	(a) CONS_2017	(b) CONS_2018	Δ (b)/(a)
Revenues from freehold rental activities	62.1	67.8	9.2%
Revenues from leasehold rental activities	6.3	6.3	0.0%
Total income from rental activities	**68.4**	**74.1**	**8.4%**
Rents and payable leases	-5.1	-5.1	0.5%
Direct costs from rental activities	-8.0	-8.3	2.9%
Net rental income	**55.2**	**60.7**	**9.9%**
Revenues from service	3.2	3.1	-3.3%
Direct costs from services	-3.0	-2.6	-14.1%
Net services income	**0.2**	**0.5**	**n.a.**
Personnel expenese	-3.4	-3.4	-0.4%
G&A expenses	-2.1	-2.2	6.6%
CORE BUSINESS EBITDA (Operating income)	**50.0**	**55.6**	**11.3%**
Core business Ebitda Margin	*69.8%*	*72.1%*	
Reveneus from trading	4.0	2.7	-32.8%
Cost of sale and trading costs	-4.3	-3.2	-26.2%
Operating result from trading	**-0.3**	**-0.5**	**64.8%**
EBITDA	**49.7**	**55.2**	**11.0%**
Ebitda Margin	*65.7%*	*69.0%*	
Impairment and Fair Value adjustments	18.9	-2.6	n.a.
Depreciation and provisions	-0.6	-0.5	-21.9%
EBIT	**68.0**	**52.1**	**-23.4%**
FINANCIAL MANAGEMENT	-17.5	-16.0	-8.6%
EXTRAORDINARY MANAGEMENT	-0.1	0.0	-67.7%
PRE-TAX PROFIT/LOSS	**50.4**	**36.0**	**-28.5%**
Taxes	-1.4	-1.2	-14.5%
PROFIT FOR THE PERIOD	**48.9**	**34.8**	**-28.9%**
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET PROFIT	**48.9**	**34.8**	**-28.9%**

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements.

The documents will be made available to the public – as well as published on IGD's website http://www.gruppoigd.it/Governance - at the Company's registered office, Borsa Italiana S.p.A. and on the authorized storage system www.emarketstorage.com in accordance with the law and applicable regulations.

Grazia Margherita Piolanti, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of Legislative Decree n. 58/1998 ("Testo Unico della Finanza" or TUF) that the information reported in this press release corresponds to the underlying records, ledgers and accounting entries.

Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.

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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 centers 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 €2.428,8 million at 30 June 2018, comprised of, in Italy, 25 hypermarkets and supermarkets, 27 shopping malls and retail parks, 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

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Please find attached the IGD Group's income statement, statement of financial position, statement of cash flows and consolidated net financial position, as well as the operating income statement at 30 June 2018.

Consolidated income statement at 30 June 2018

Consolidated income statement (in thousands of Euros)	Note	30/06/2018 (A)	30/06/2017 (B)	Change (A-B)
Revenue:	1	**74,099**	**68,386**	**5,713**
- from third parties		52,852	47,323	5,529
- from related parties		21,247	21,063	184
Other revenue:	2.1	**3,120**	**3,226**	**(106)**
- other income		1,886	2,231	(345)
- from related parties		1,234	995	239
Revenue from property sales	2.2	**2,721**	**4,048**	**(1,327)**
Total revenue and operating income		**79,940**	**75,660**	**4,280**
Change in inventory	6	(2,555)	(3,665)	1,110
Total revenue and change in inventory		**77,385**	**71,995**	**5,390**
Cost of work in progress	6	339	370	(31)
Material and service costs	3	11,475	11,616	(141)
- third parties		9,968	10,374	(406)
- related parties		1,507	1,242	265
Cost of labour	4	4,958	5,030	(72)
Other operating costs	5	5,017	4,864	153
Total operating costs		**21,789**	**21,880**	**(91)**
(Depreciation, amortization and provisions)		(928)	(1,047)	119
(Impairment losses)/Reversals on work in progress and		(288)	(2,215)	1,927
Change in fair value - increases / (decreases)		(15,150)	21,148	(36,298)
Net revalution acquisition		12,877	0	12,877
Total depreciation, amortization, provisions, impairment and change in fair value	7	**(3,489)**	**17,886**	**(21,375)**
EBIT		**52,107**	**68,001**	**(15,894)**
Income/(loss) from equity investments and proper	8	**(20)**	**(38)**	**18**
Financial income:		**25**	**56**	**(31)**
- third parties		23	54	(31)
- related parties		2	2	0
Financial charges:		**16,068**	**17,625**	**(1,557)**
- third parties		16,050	17,618	(1,568)
- related parties		18	7	11
Net financial income (charges)	9	**(16,043)**	**(17,569)**	**1,526**
PRE-TAX PROFIT		**36,044**	**50,394**	**(14,350)**
Income taxes	10	1,239	1,450	(211)
NET PROFIT FOR THE PERIOD		**34,805**	**48,944**	**(14,139)**
Non-controlling interests in net (profit)/loss		0	0	0
Parent Company's portion of net profit		**34,805**	**48,944**	**(14,139)**
- basic earnings per share	11	0.377	0.602	
- diluted earnings per share	11	0.377	0.602	

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Consolidated statement of financial position at 30 June 2018

Consolidated statement of financial position (in thousands of Euros)	30/06/2018 (A)	31/12/2017 (B)	Change (A-B)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets with finite useful lives	36	35	1
Goodwill	12,662	12,662	0
	12,698	**12,697**	**1**
Property, plant, and equipment			
Investment property	2,358,369	2,157,176	201,193
Buildings	8,010	8,131	(121)
Plant and machinery	248	260	(12)
Equipment and other assets	973	1,016	(43)
Leasehold improvements	681	797	(116)
Assets under construction and advances	39,137	40,466	(1,329)
	2,407,418	**2,207,846**	**199,572**
Other non-current assets			
Deferred tax assets	-	-	0
Sundry receivables and other non-current assets	91	90	1
Equity investments	343	254	89
Non-current financial assets	243	343	(100)
	677	**687**	**(10)**
TOTAL NON-CURRENT ASSETS (A)	**2,420,793**	**2,221,230**	**199,563**
CURRENT ASSETS:			
Inventory and advances	34,863	37,623	(2,760)
Trade and other receivables	11,528	11,415	113
Related party trade and other receivables	1,304	2,054	(750)
Other current assets	3,040	3,343	(303)
Related party financial receivables and other current financial assets	96	96	0
Financial receivables and other current financial assets	-	42	(42)
Cash and cash equivalents	4,648	2,509	2,139
TOTAL CURRENT ASSETS (B)	**55,479**	**57,082**	**(1,603)**
TOTAL ASSETS (A+B)	**2,476,272**	**2,278,312**	**197,960**
NET EQUITY:			
Share capital	749,738	599,760	149,978
Share premium reserve	31,504	29,971	1,533
Other reserves	409,544	384,832	24,712
Group profit	49,404	101,190	(51,786)
Total Group net equity	**1,240,190**	**1,115,753**	**124,437**
Portion pertaining to non-controlling interests	-	-	0
TOTAL NET EQUITY (C)	**1,240,190**	**1,115,753**	**124,437**
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	18,054	20,397	(2,343)
Non-current financial liabilities	907,485	965,539	(58,054)
Provision for employee severance indemnities	2,698	2,574	124
Deferred tax liabilities	25,822	24,777	1,045
Provisions for risks and future charges	4,957	5,326	(369)
Sundry payables and other non-current liabilities	7,829	9,291	(1,462)
Related party sundry payables and other non-current liabilities	11,891	11,891	0
TOTAL NON-CURRENT LIABILITIES (D)	**978,736**	**1,039,795**	**(61,059)**
CURRENT LIABILITIES:			
Current financial liabilities	229,560	97,097	132,463
Trade and other payables	10,341	13,838	(3,497)
Related party trade and other payables	783	459	324
Current tax liabilities	6,849	2,400	4,449
Other current liabilities	9,799	8,956	843
Related party other current liabilities	14	14	0
TOTAL CURRENT LIABILITIES (F)	**257,346**	**122,764**	**134,582**
TOTAL LIABILITIES (F=D + E)	**1,236,082**	**1,162,559**	**73,523**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**2,476,272**	**2,278,312**	**197,960**

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Consolidated statement of cash flows at 30 June 2018

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2018	30/06/2017
(in Euro/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	**36,044**	**50,394**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Non-cash items	(7,129)	(6,747)
Depreciation, amortization and provisions	934	1,047
(Impairment losses)/reversals on work in progress	288	2,215
Changes in fair value - increases / (decreases)	15,150	(21,148)
Net (Revalution) of the acquisition of 4 business divisions	(12,874)	0
Gains/losses from disposals - equity investments	20	38
CASH FLOW FROM OPERATING ACTIVITIES	**32,433**	**25,799**
Income tax	(747)	(624)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**31,686**	**25,175**
Change in inventories	2,555	3,665
Net change in current assets and liabilities w. third parties	85	13,483
Net change in current assets and liabilities w. related parties	1,073	(387)
Net change in non-current assets and liabilities w. third parties	(1,923)	(1,815)
Net change in non-current assets and liabilities w. related parties	0	13
CASH FLOW FROM OPERATING ACTIVITIES	**33,476**	**40,134**
(Investments) in non-current assets	(7,175)	(21,528)
Disposals of non-current assets	141	152
(Investment) in t 4 business divisions net of cash and cash equivalents acquired	(104,623)	0
(Investments) in equity interests	(110)	(9,506)
CASH FLOW FROM INVESTING ACTIVITIES	**(111,767)**	**(30,882)**
Change in non-current financial assets	100	0
Change in financial receivables and other current financial assets	42	(320)
Sale (purchase) of treasury shares	(20)	0
Capital increase net of costs	147,317	0
Distribution of dividends	(55,171)	(36,587)
Cash Flow Hedge reserve	1,863	0
Change in current debt	3,391	(54,534)
Change in non-current debt	(17,092)	81,896
CASH FLOW FROM FINANCING ACTIVITIES	**80,430**	**(9,545)**
Exchange gains/(losses) on cash and cash equivalents	0	(3)
NET INCREASE (DECREASE) IN CASH BALANCE	**2,139**	**(296)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**2,509**	**3,084**
CASH BALANCE AT END OF THE PERIOD	**4,648**	**2,788**

Consolidated net financial position at 30 June 2018

NET FINANCIAL POSITION	30/06/2018	31/12/2017
Cash and cash equivalents	-4,648	-2,509
Financial receivables and other current financial assets w . related parties	-96	-96
Financial receivables and other current financial assets	0	-42
LIQUIDITY	-4,744	-2,647
Current financial liabilities	55,000	48,681
Mortgage loans - current portion	44,735	34,904
Leasing – current portion	328	323
Bond loan - current portion	129,497	13,189
CURRENT DEBT	229,560	97,097
CURRENT NET DEBT	224,816	94,450
Non-current financial assets	-243	-343
Leasing – non-current portion	3,762	3,928
Non-current financial liabilities	347,164	285,522
Bond loan	556,559	676,089
NON-CURRENT DEBT	907,242	965,196
NET FINANCIAL POSITION	1,132,058	1,059,646