IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office in Ravenna (RA), Via Agro Pontino n. 13,

Headquarters in Bologna, Via Trattati Comunitari Europei1957-2007 n.13,

Tax ID, VAT no. 00397420399 and Ravenna Company Register no. 88573

Share capital subscribed and paid-in: EUR 749,738,139.26

Interim Financial Report

at 30/09/2018

Corporate and Supervisory Bodies

Board of Director	Office	Executive	Non exective	Independent	Control and Risk Committee	Compensation and Remuneration Committee	Related Party Transaction Committee
Elio Gasperoni	Chairman	X					
Rossella Saoncella	Vice Chairman			X		X	
Claudio Albertini	Chief Executive Officer	X					
Gian Maria Menabò	Director		X				
Eric Jaen Veron	Director			X			X
Livia Salvini	Director			X		X	X
Luca Dondi Dall'Orologio	Director			X	X		X
Sergio Lugaresi	Director			X	X		
Timothy Guy Michele Santini	Director			X		X	
Elisabetta Gualandri	Director			X	X		
Alessia Savino	Director		X				

Board of Statutory Auditors	Office	Standing	Alternate
Anna Maria Allievi	Chairman	X	
Roberto Chiusoli	Auditor	X	
Daniela Preite	Auditor	X	
Pierluigi Brandolini	Auditor		X
Laura Macrì	Auditor		X
Paolo Prandi	Auditor		X

Supervisory board

Fabio Carpanelli (Chairman), Alessandra De Martino, Paolo Maestri.

External auditors

PricewaterhouseCoopers S.p.A.

Financial reporting officer

Grazia Margherita Piolanti

1. The IGD Group's Interim Financial Report

1.1. Financial and Economic Highlights at 30 September 2018

113 € mn
Total revenues
+9.7%

92.3 € mn
Net rental income
+10.7%

85.1 € mn
Ebitda core business
+12.1%
Margin 72.3% + 210bps
Margine from Freehold 80.7% (+ 100bps)

52.4€ mn
Group Net Profit
-19%

59.5 mn
Funds From Operations (FFO)
+21.5%

45.84%
Loan to Value
30.06.2018: 46.4%

0.88
Gearing ratio
30.06.2018 : 0.90

2.67%
Average cost of Debt
30.06.2018: 2,82%

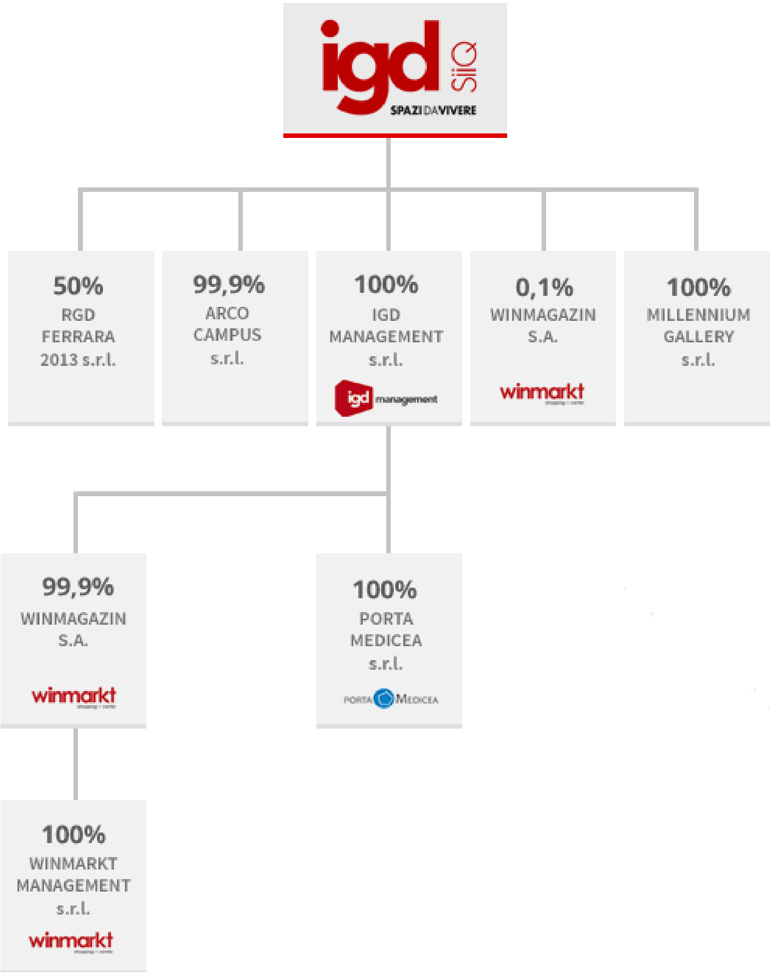
3.47x
Interest Cover Ratio
30.06.2018: 3.44X

1,117.3 mn
Net Debt
30.062018: 1,132.1

87.55%
Hedging on long term debt + bond
30.06.2018: +87.12%

1.2. The IGD Group

IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008 and is still the only retail real estate company that qualifies as a SIIQ. Most of the Group's real estate assets are in Italy (around 93%). The remainder (around 7%) is in Romania where IGD owns the Winmarkt chain of shopping centers through WinMagazin SA.



IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.

At 30 September 2018, the Parent Company also controlled:

- ✓ 100% of **Millennium Gallery**, (which owns part of the Rovereto shopping mall and a business division in the shopping center in Crema);
- ✓ 50% of **RGD Ferrara 2013**, formed on 30 September 2013, to manage the Darsena City Shopping Center in Ferrara;
- ✓ 99.9% di **Arco Campus srl,** company dedicated to the construction, leasing and management of properties used for sports, as well as the development and promotion of sporting activities;
- ✓ 100% of **IGD Management srl** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:

    - 99.9% of **WinMagazine SA**, the Romanian subsidiary, through which it controls 100% of **WinMarktManagement srl**, the company responsible for the team of Romanian managers;

- 100% of **Porta Medicea srl**, responsible for the requalification and development of the multi-use real estate project on Livorno's waterfront;
- management of the leasehold properties (Centro Nova and Centro Piave);
- service activities which include mandates for the management of freehold and leasehold properties.

1.3. Income statement review

Sales of the retailers in the Group's Italian malls rose +2.1% in the first nine months of 2018 while footfalls fell slightly. Occupancy was also good in Italy and slightly higher than at 30 June 2018, coming in at 97.2%.

Rental income also performed well, rising 9.2% (net rental income was +10.7% higher). This result reflects the contribution of the portfolio (comprising 4 shopping malls and a retail park) acquired in April 2018 and the contribution of the ESP extension in Ravenna for the entire period, which was not the case in 2017 as it was opened on 1 June. Like-for-like revenue rose 1.4% thanks also to effective pre-letting which was reflected in an upside on the new leases of 1.7%.

In Romania economic growth continues at a decidedly more robust pace than in Italy, but slower than in 2017. Our shopping centers posted positive results: occupancy reached 97.5%, in line with 30 June 2018, and the pre-letting and renegotiations carried out in the first nine months of 2018 resulted in an average upside on new leases of 2.5%. These good results led to an increase in rental income of 3.87% compared to the same period of the prior year.

From a financial standpoint, financial expense fell further (-6.8% compared to the first nine months of 2017) and the net financial postion (€1,117 thousand) was lower with respect to 30 June 2018. The average cost of debt of 2.67%, as well as the ICR of 3.47X, are in line with the targets outlined in the Business Plan and testify to the good work done by IGD over the last few years.

The Group's net profit amounted to €52,370 thousand at 30 September 2018 and the FFO came to €59,543 thousand, an increase of 21.5% against 30 September 2017.

Consistent with the European Public Real Estate Association (EPRA)'s "Best Practices Recommendations" and the common practice of other sector companies, beginning in 2018 the Group decided to include a new operating item in the consolidated income statement which reflects, among other things, the rental income less the relative non-recoverable direct costs (the "Net Rental Income") as shown below:

GROUP CONSOLIDATED	(a) 9M_CONS_2017	(b) 9M_CONS_2018	Δ (b)/(a)
Revenues from freehold rental activities	93,911	103,552	10.3%
Revenues from leasehold rental activities	9,499	9,406	-1.0%
Total income from rental activities	**103,410**	**112,958**	**9.2%**
Rents and payable leases	-7,660	-7,695	0.5%
Direct costs from rental activities	-12,373	-12,965	4.8%
Net rental income	**83,377**	**92,297**	**10.7%**
Revenues from services	4,653	4,639	-0.3%
Direct costs from services	-4,292	-3,822	-10.9%
Net services income	**361**	**817**	**n.a.**
Personnel expenses	-4,870	-4,932	1.3%
G&A expenses	-2,959	-3,123	5.6%
CORE BUSINESS EBITDA (Operating income)	**75,909**	**85,060**	**12.1%**
Core business Ebitda Margin	*70.2%*	*72.3%*	
Revenues from trading	4,857	4,073	-16.1%
Cost of sale and trading costs	-5,411	-4,994	-7.7%
Operating result from trading	**-554**	**-921**	**66.1%**
EBITDA	**75,355**	**84,139**	**11.7%**
Ebitda Margin	*66.7%*	*69.2%*	
Impairment and Fair Value adjustments	18,533	-4,774	n.a.
Depreciations and provisions	-924	-728	-21.2%
EBIT	**92,965**	**78,637**	**-15.4%**
FINANCIAL MANAGEMENT	-26,039	-24,281	-6.8%
EXTRAORDINARY MANAGEMENT	-93	5	n.a.
PRE-TAX PROFIT	**66,833**	**54,361**	**-18.7%**
Taxes	-2,156	-1,991	-7.6%
PROFIT FOR THE PERIOD	**64,677**	**52,370**	**-19.0%**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET PROFIT	**64,677**	**52,370**	**-19.0%**

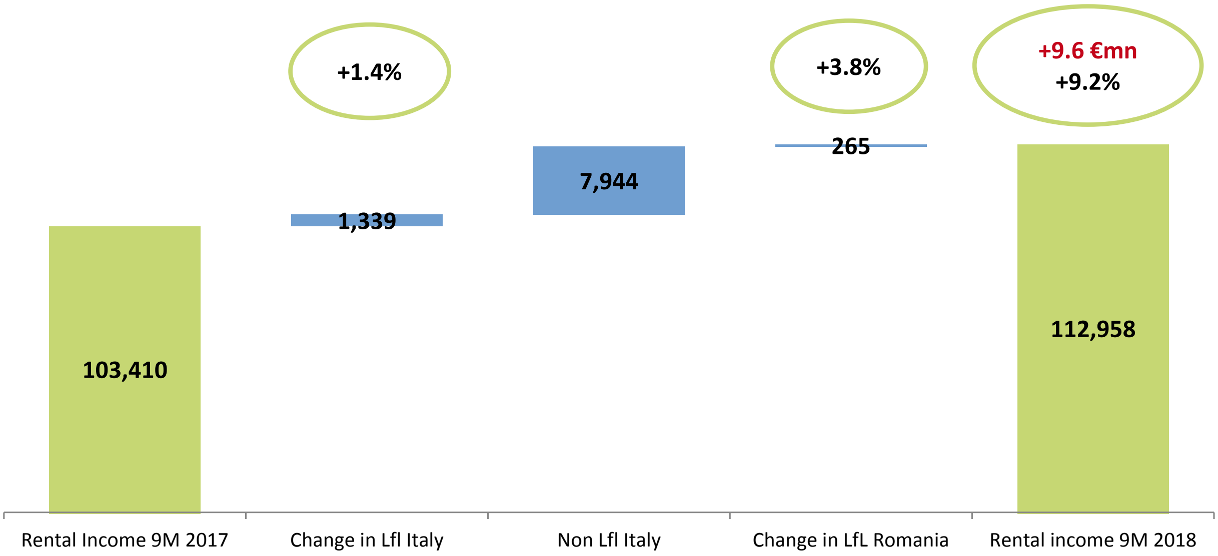
Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information). Payroll costs include ancillary expenses.

The income statement shown below shows the figures for the last quarter:

CONSOLIDATED	(a) 3Q2017	(b) 3Q2018	Δ (b)/(a)	Δ (c)/(b)
Revenues from freehold rental activities	31,843	35,771	12.3%	-1.6%
Revenues from leasehold rental activities	3,181	3,088	-2.9%	-2.3%
Total income from rental activities	**35,024**	**38,859**	**10.9%**	**-1.6%**
Rents and payable leases	-2,559	-2,569	0.4%	-0.2%
Direct costs from rental activities	-4,327	-4,687	8.3%	7.1%
Net rental income	**28,138**	**31,603**	**12.3%**	**-2.9%**
Revenues from services	1,427	1,520	6.5%	-1.8%
Direct costs from services	-1,264	-1,223	-3.3%	-6.3%
Net services income	**163**	**297**	**81.8%**	**22.2%**
Personnel expenses	-1,491	-1,567	5.1%	-7.1%
G&A expenses	-883	-911	3.2%	-17.0%
CORE BUSINESS EBITDA (Operating income)	**25,927**	**29,422**	**13.5%**	**-2.0%**
Core business Ebitda Margin	*71.1%*	*72.9%*		
Revenues from trading	809	1,352	67.2%	-21.5%
Cost of sale and trading costs	-1,070	-1,790	67.2%	-18.3%
Operating result from trading	**-261**	**-438**	**67.6%**	**-6.4%**
EBITDA	**25,665**	**28,985**	**12.9%**	**-1.9%**
Ebitda Margin	*68.9%*	*69.5%*		
Impairment and Fair Value adjustments	-400	-2,212	n.a.	n.a.
Depreciations and provisions	-303	-243	-19.9%	-27.9%
EBIT	**24,964**	**26,530**	**6.3%**	**-9.2%**
FINANCIAL MANAGEMENT	-8,495	-8,238	-3.0%	-0.7%
EXTRAORDINARY MANAGEMENT	-30	25	n.a.	n.a.
PRE-TAX PROFIT	**16,439**	**18,317**	**11.4%**	**-12.3%**
Taxes	-706	-752	6.5%	0.5%
PROFIT FOR THE PERIOD	**15,733**	**17,565**	**11.6%**	**-12.8%**
(Profit/Loss) for the period related to third parties	0	0	n.a.	n.a.

Net rental income

Rental income amounted to €112,958 thousand, an increase of 9.2% against the same period of the prior year.

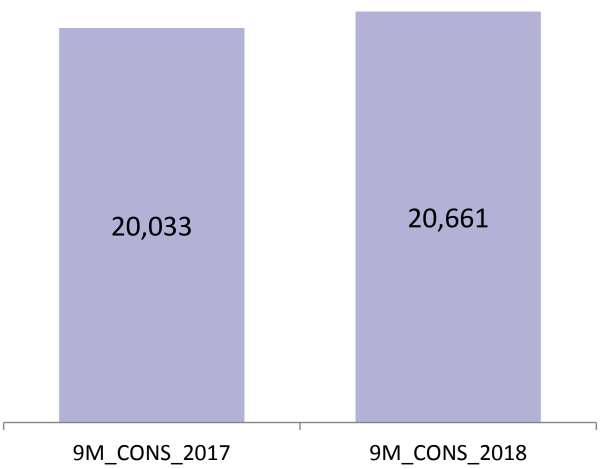


The increase of €9,548 thousand is explained by:

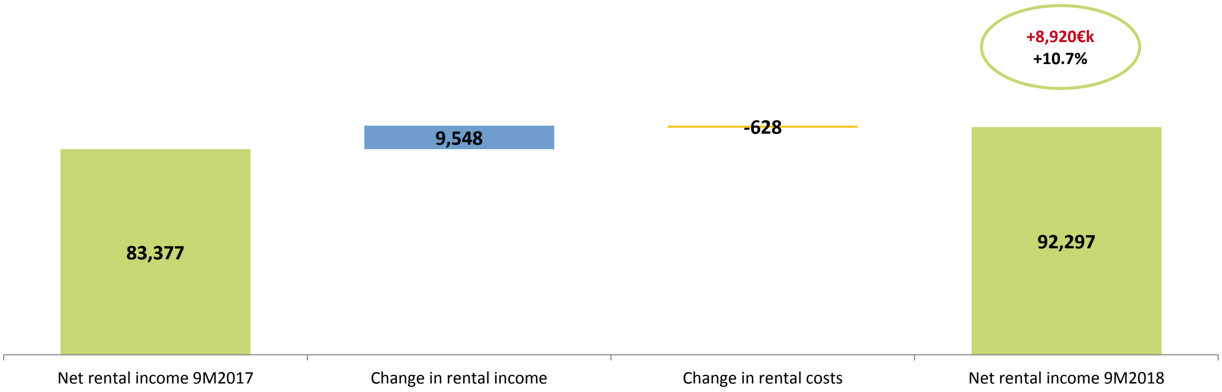
- for €1,339 thousand, like-for-like revenue in Italy (+1.4%). Malls were up (+1.6% as a result of pre-letting), as were hypermarkets (+0.9%). 157 new leases were signed in the period with an average upside of +1.7%; adjustments for inflation had a positive impact of around 85 pbs.
- for around €7,944 thousand, the expanded perimeter which includes the ESP extension opened in June 2017 and the 4 new malls acquired in April 2018 (Leonardo, Lame, CentroLuna and La Favorita);
- for around €265 thousand, higher like-for-like revenue in Romania (+3.8%) linked to pre-letting and renegotiations (168 renewals were signed with an average upside of 2.5%, along with 128 leases linked to turnover).

The direct costs for the rental business increased by around 3% compared to the same period of the prior year to €20,661 thousand, but fell as a percentage of revenue against the prior period (18.3% at 30 September 2018 compared to 19.4% in the same period of the prior year). The increase in costs is attributable, in addition to the expanded perimeter, mainly to condominium fees, property tax (IMU), provisions and insurance, which were partially offset by lower maintenance costs.

Direct costs from rental activities



Net rental income amounted to €92,297 thousand, an increase of 10.7% against the same period of the prior year.



The rental of freehold properties generated a net margin of €90,692 thousand, rising 11.1% against the same period of the prior year. In percentage terms, this activity is extremely significant and, at 87.6%, was higher than in the prior reporting period.

The rental of leasehold properties generated a net margin of €1,614 thousand, down slightly compared to the same period of the prior year (-0.9%).

Net rental income amounted to €31,603 thousand in the last three months, an increase of 12.3% against the same period of the prior year (€28,138 thousand).

In the last quarter, the margin for the rental of freehold properties came to €31,149 thousand, an increase of 12.8% against the same period of the prior year. In percentage terms, this activity is extremely significant and, at 87.1%, was higher than in the prior reporting period.

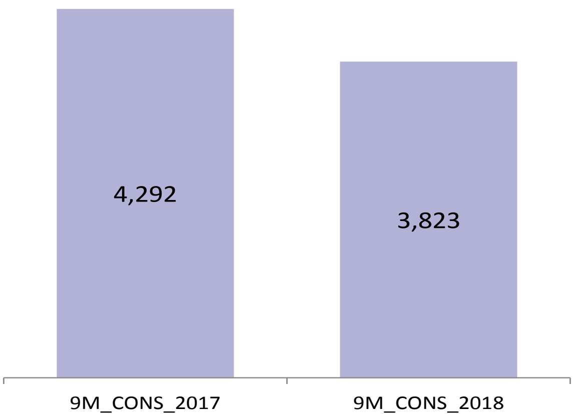
The rental of leasehold properties generated a margin of €463 thousand in the last quarter, down compared to the same period of the prior year (-13%).

Net service Income

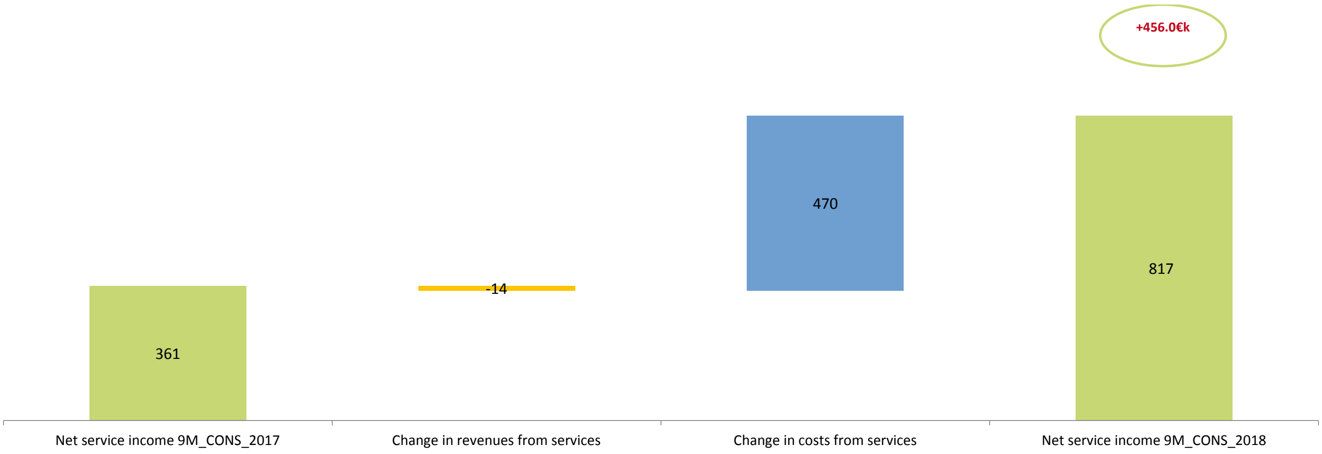
Revenue from services fell slightly (-0.3%) against the first nine months of 2017. Most of this revenue comes from the facility management business (around 89% of the total or €4,115 thousand), which was higher than in the comparison period (+3.6%) due mainly to new management mandates (ESP and Le Bolle). The decrease in revenue from services is explained by the drop in pilotage fees (included in the FY 2017 results linked to the ESP extension) and in agency explained by the Carini mall.

The **direct costs for services** amounted to €3,823 thousand, a decrease of €469 thousand (-10.9%) compared to the same period of the prior year attributable mainly to the higher pilotage costs relating to the ESP extension incurred in 2017.

Direct costs from services



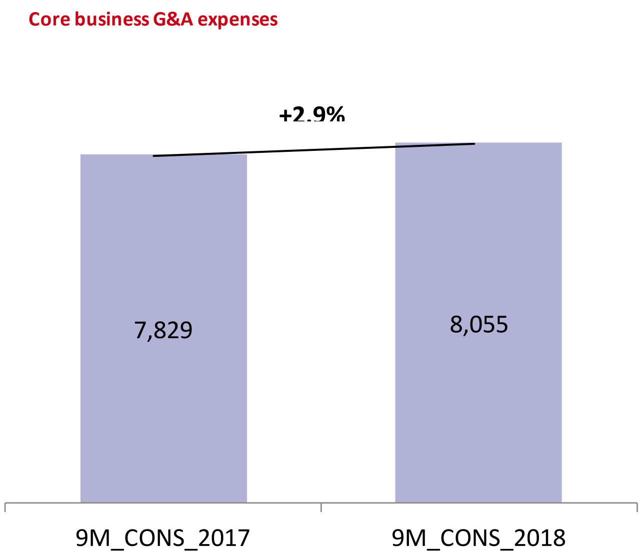
Net services income amounted to €817 thousand, an increase of €456 thousand compared to the same period of the prior year, and rose as a percentage of revenue from services from the 7.8% recorded in the prior year to 17.6%.



Net services income amounted to €297 thousand or 19.5% of revenue in the first three months, an increase against the prior year (€163 thousand) of €134 thousand.

General expenses for the core business

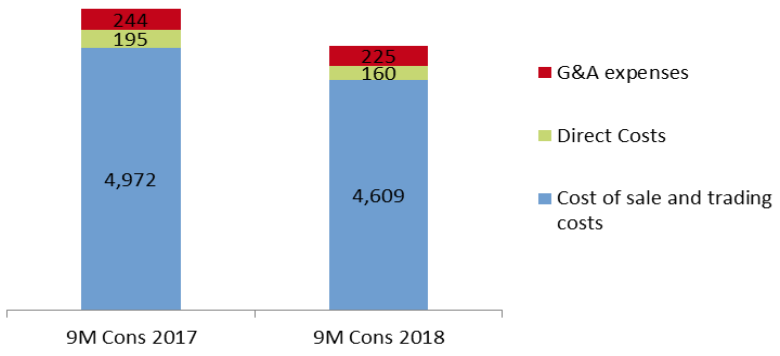
General expenses for the core business, including payroll costs at headquarters, came to €8,055 thousand, higher (+2.9%) compared to the €7,829 thousand posted in the first nine months of 2017, but lower as a percentage of revenue (6.8% at 30 September 2018 versus 7.2% in the same period of the prior year). The increase is attributable primarily to higher security expenses and one-offs recorded in the period linked to corporate projects.



Operating result for trading

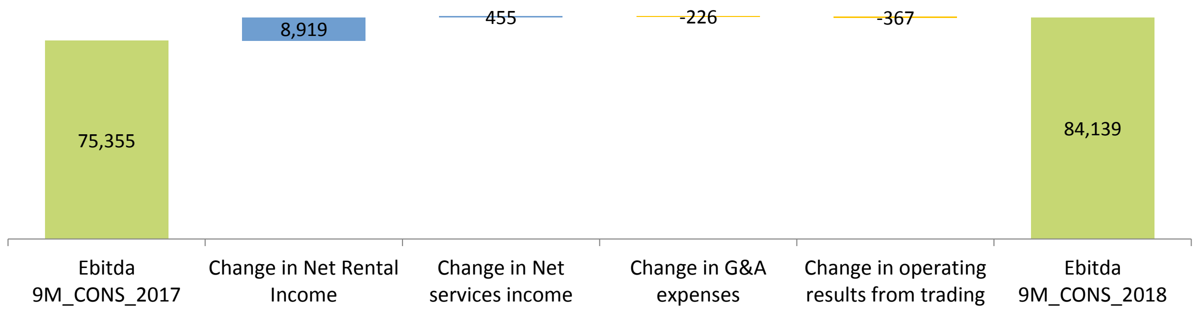
Trading posted an operating loss of €921 thousand, higher by about €367 thousand against the first nine months of 2017. Revenue from property sales reached €4,073 thousand in the first nine months of the year and reflects the sale of 13 residential units, 13 garages and one parking place. At the approval date of this interim report preliminary agreements for an additional 2 residential units had been signed (one of which closed in October). The total of the units sold/pledged has, therefore, reached 90.7% of the total saleable area.

The costs for the Porta a Mare project are broken down below:

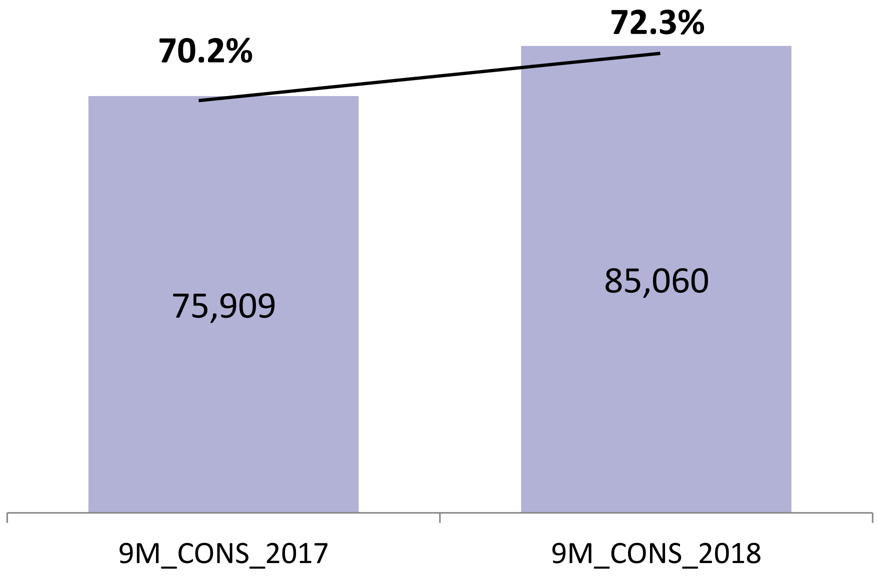


EBITDA

Core business **EBITDA** amounted to €85,060 thousand in the first nine months of 2018, an increase of 12.1% with respect to the same period of the prior year, while total EBITDA rose 11.7% to €84,139 thousand. The changes in the components of total EBITDA during the first nine months of the year are shown below.



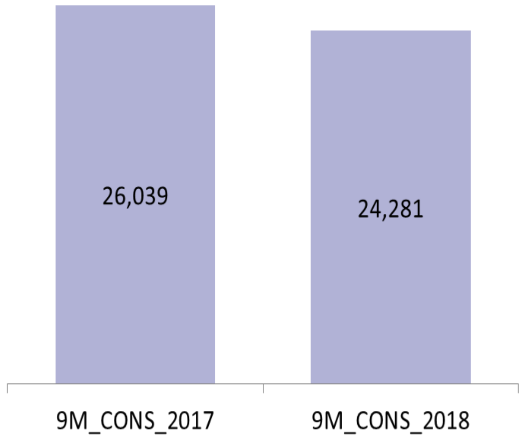
As mentioned above, total EBITDA was impacted substantially by the increase in core business revenue (as a result also of the expanded perimeter), offset by the less than proportional increase in direct costs and general expenses. The core business **EBITDA MARGIN** came in at 72.3%, an increase of 210 percentage points against the same period of the prior year. The freehold EBITDA margin came to 80.7% (versus 79.7% in the first nine months of the prior year) and the leasehold EBITDA margin to 10.3% (versus 10.0% in the first nine months of the prior year).



EBIT

EBIT amounted to €78,637 thousand, a decrease of 15.4% against the same period 2017. In addition to the above mentioned rise in EBITDA, the result reflects the negative balance of write-downs and fair value adjustments of €4,774 thousand versus a positive €18,533 thousand in the first nine months of 2017.

Net financial income (expense)



Financial expense fell from the €26,039 thousand recorded at 30 September 2017 to €24,281 thousand at 30 September 2018. The decrease, of around €1,758 thousand, is attributable mainly to (i) lower interest expense on IRS due to the expiration of one IRS in April 2017 and the subsequent stipulation of a new IRS agreement at more favorable conditions, and (ii) a drop in financial liabilities relating to the amortized cost of bonds following application of the new IFRS 9 which resulted in an increase in liabilities for bond loans and a decrease in the relative financial expense.

The average cost of debt at 30 September 2018, without considering recurring and non-recurring transaction costs, was 2.67%, down from 2.85% in the same period of the previous year, while the average effective cost of debt went from 3.15% at 30 September 2017 to 2.88%.

Equity investments/non-recurring transactions

The result reported at 30 September 2018, €5 thousand, is attributable mainly to the results posted by equity investments accounted for using the equity method.

Taxes

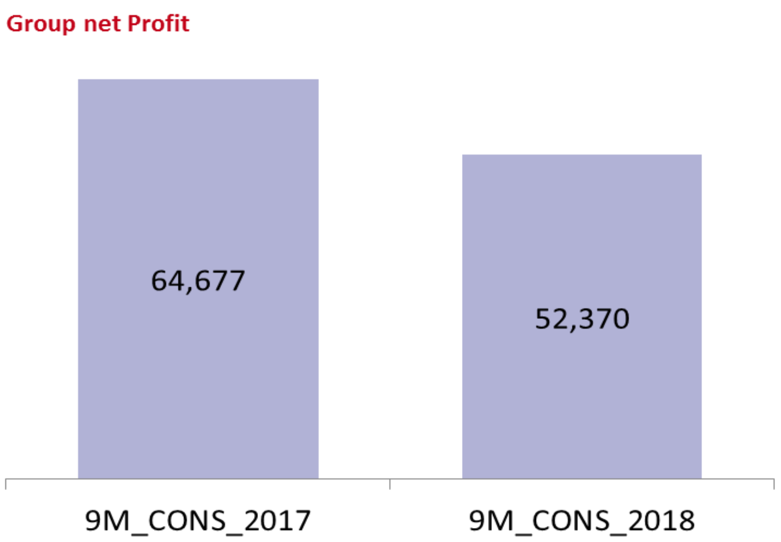
	30/09/2018	30/09/2017	Change
Current taxes	1,120	966	154
IRAP tax credit	0	(19)	19
Deferred tax liabilities	749	1,138	(389)
Deferred tax assets	123	77	46
Out-of-period income/charges - Provisions	(1)	(6)	5
Income taxes for the period	**1,991**	**2,156**	**(165)**

The tax burden, current and deferred, reached €1,991 thousand at 30 September 2018, a decrease of €165 thousand against 30 September 2017.

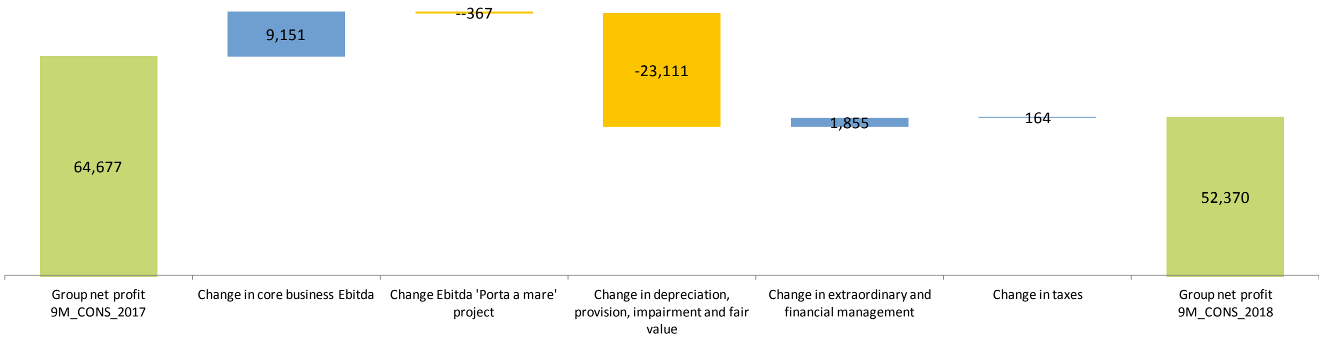
The change is attributable primarily to the adjustment made to deferred tax assets and liabilities in order to align the fair value with the tax assessed value of a few real estate investments held by subsidiaries, as well as higher current taxes.

Group net profit

As a result of the above, the Group's net profit came to €52,370 thousand, a decrease of 19.0% against the €64,677 thousand in the first nine months of 2017.



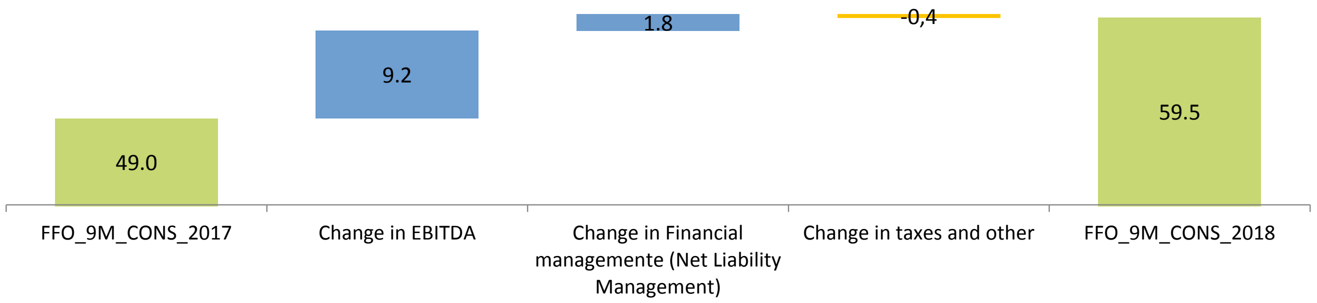
The change in net profit compared to the same period of the prior year is shown below.


9,151
--367
-23,111
1,855
164
64,677
52,370
Group net profit 9M_CONS_2017
Change in core business Ebitda
Change Ebitda 'Porta a mare' project
Change in depreciation, provision, impairment and fair value
Change in extraordinary and financial management
Change in taxes
Group net profit 9M_CONS_2018

Core business FFO

FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, reached €59,543 thousand at 30 September 2018, an increase of €10,522 thousand or 21.5% compared to the same period of the prior year. The change is explained by the higher core business Ebitda and the drop in financial expense described above.

Funds from Operations	9M_CONS_2017	9M_CONS_2018	Δ vs cons 2017	Δ%
Core business Ebitda	**75,909**	**85,059**	**9,150**	**12.1%**
Adj. Financial Management	-26,044	-24,286	1,759	-6.8%
Adj. Current taxes for the period	-844	-1,230	-386	45.8%
FFO	**49,021**	**59,543**	**10,522**	**21.5%**



1.4. Statement of Financial Position and Financial Review

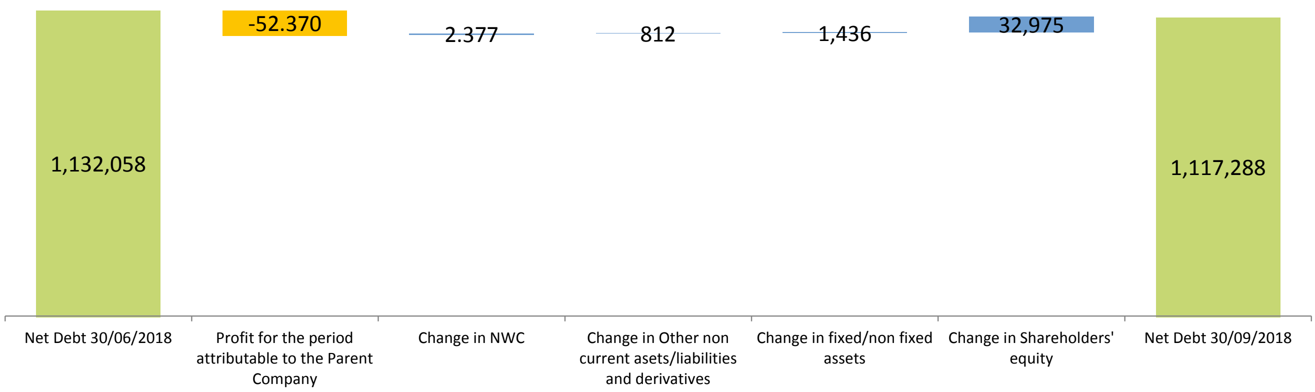
The IGD Group's statement of financial position at 30 September 2018 can be summarized as follows:

	30/09/2018	30/06/2018	Δ	%	31/12/2017	Δ	%
Fixed assets	2,362,453	2,358,369	4,084	0.17%	2,157,176	205,277	9.52%
Asset under construction and adavcnes	36,667	39,137	(2,470)	(6.31%)	40,466	(3,799)	(9.39%)
Intangible assets	12,698	12,698	0	0.00%	12,697	1	0.01%
Other tangible assets	9,734	9,912	(178)	(1.80%)	10,204	(470)	(4.61%)
Sundry receivables and other non current assets	110	91	19	20.88%	90	20	22.22%
Equity investments	368	343	25	7.29%	254	114	44.88%
NWC	25,326	22,949	2,377	10.36%	28,768	(3,442)	(11.96%)
Funds	(8,250)	(7,655)	(595)	7.77%	(7,900)	(350)	4.43%
Sundry payables and other non current liablities	(19,749)	(19,720)	(29)	0.15%	(21,182)	1,433	(6.77%)
Net deferred tax (assets)/liabilites	(26,821)	(25,822)	(999)	3.87%	(24,777)	(2,044)	8.25%
Total use of funds	**2,392,536**	**2,390,302**	**2,234**	**0.09%**	**2,195,796**	**196,740**	**8.96%**
Total Gorup net equity	1,259,585	1,240,190	19,395	1.56%	1,115,753	143,832	12.89%
Non-controlling interests in capital and reserves	0	0	0	0.00%	0	0	0.00%
Net (Assets) liabilities for derivative instruments	15,663	18,054	(2,391)	(13.24%)	20,397	(4,734)	(23.21%)
Net financial position	1,117,288	1,132,058	(14,770)	(1.30%)	1,059,646	57,642	5.44%
Total sources	**2,392,536**	**2,390,302**	**2,234**	**0.09%**	**2,195,796**	**196,740**	**8.96%**

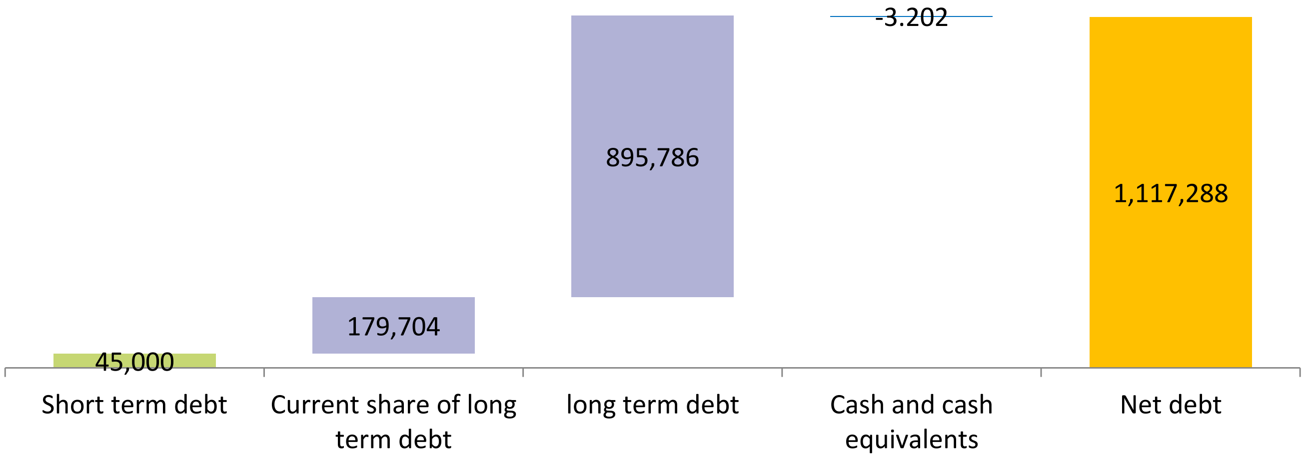
The principal changes in the third quarter, compared to 30 June 2018, are described below:

- ✓ **Investment property** rose by €4,084 thousand. In the third quarter extraordinary maintenance was carried out and completed related to waterproofing roofs, reflooring a shopping mall, installation of fire and electrical safety devices, as well as electrical cut-off circuits systems. These costs, which amounted to €2,189 thousand, resulted in a corresponding negative fair value adjustment of €2,189 thousand. In the quarter the building to be used for housing and offices by athletes and sports organizations was completed. This property, valued at €4,084 thousand, was reclassifed from work in progress to investment property;
- ✓ **Work in progress and advances,** the decline of €2,470 thousand is explained mainly by: *(i)* the reclassification of the building to be used for housing and offices by athletes and sports organizations following completion of the work during the period (the investment amounted to €383 thousand in the third quarter), (ii) ongoing restyling of the mall in the Darsena, Casilino and Fonti del Corallo centers (arourd €472 thousand); and (iii) ongoing work at Officine Storiche (€116 thousand). In the third quarter advances increased by €758 thousand, due primarily to the restyling work begun at the Fonti del Corallo center;
- ✓ **Other plant, property and equipment** and **intangible assets** changed due primarily to amortization and depreciation recognized in the period;
- ✓ **Equity investments** dropped by about €25 thousand due to the fair value adjustments of equity investments accounted for using the equity method;
- ✓ **Net working capital** showed an increase of €2,377 thousand against 30 June 2018 explained primarily by: *(i)* the decrease in trade payables of €666 thousand; *(ii)* an increase in trade receivables of €1,373 thousand for invoices issued in the quarter but not pertaining to the period; *(iii)* a decrease in tax liabilities of around €2,316 thousand and a decrease in inventory of €1,483 thousand attributable mainly to the sale of 4 residential units and relative appurtenances;
- ✓ **Provisions** increased by €595 thousand due primarily to the provisions made for the variable compensation to be paid employees in 2019 and legal disputes relating to property tax (IMU) at the ESP (Ravenna) and La Torre (Palermo) centers;

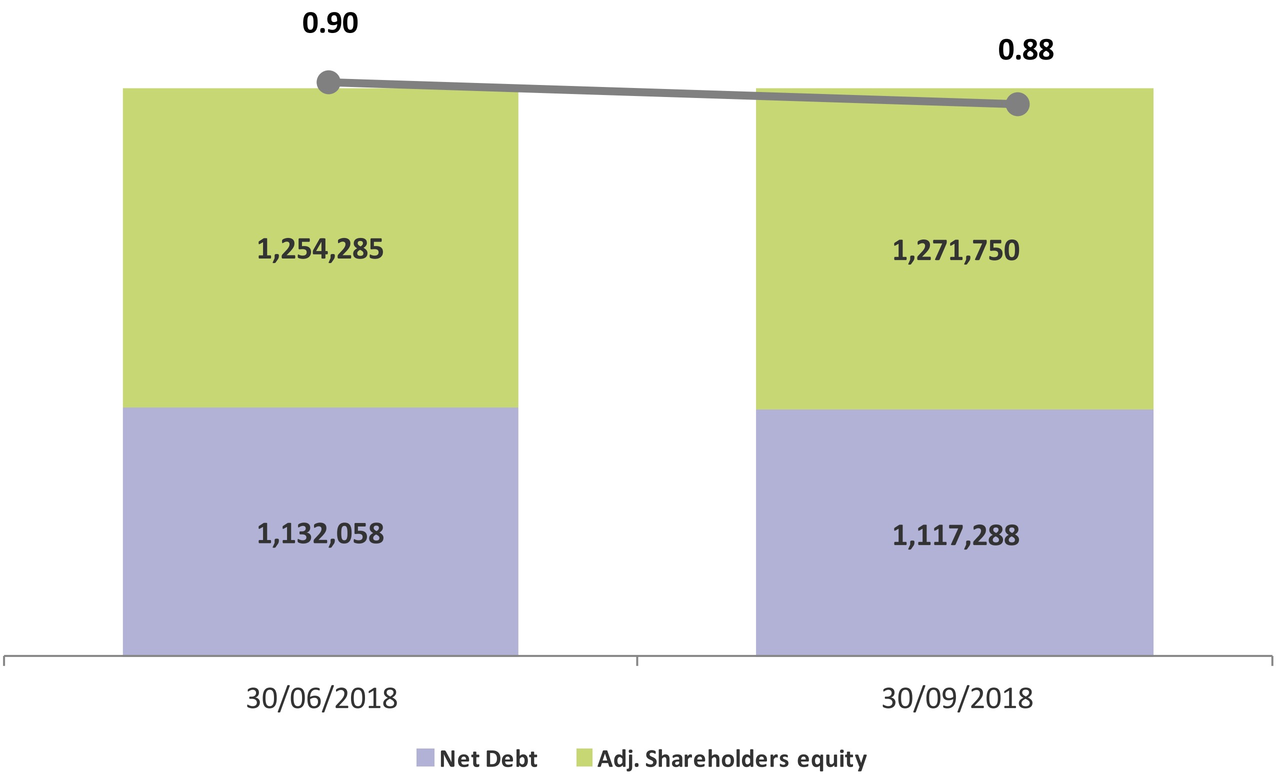
- ✓ **Net deferred tax assets and liabilities**, went from €25,822 thousand to €26,821 thousand due primarily to tax misalignments relating to *(i)* adjustments to the fair value of investment properties which are not included in the SIIQ perimeter and *(iii)* hedges (IRS);
- ✓ The **Group's net equity** amounted to €1,259,585 thousand at 30 September 2018. The change of around €19,395 thousand is explained primarily by:
  - for approximately -€10 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€1,707 thousand for the parent company and around +€312 thousand for a subsidiary;
  - for -€173 thousand, the recognition of treasury shares;
  - for €17,565 thousand, the profit for the quarter allocable to the Parent Company.
- ✓ **Net liabilities for derivatives** were down against the prior quarter due to the fair value measurement of hedging instruments.
- ✓ The **net financial position** at 30/09/2018 was around €14,770 thousand lower than in the prior quarter. The changes are shown below:



The breakdown of the net financial position is shown below:



The gearing ratio reflects the debt to equity ratio, including non-controlling interests, net of the CFH reserves. The ratio came to 0.88 at 30 September 2018, showing slight improvement against the 0.90 recorded at 30 June 2018.



1.5. Significant Events at 30 September 2018

Corporate events

During the Extraordinary Shareholders' Meeting held on 12 February 2018 shareholders approved the proposal to increase share capital, against payment, on one or more occasions, by up to a maximum of €150 million through the issue of ordinary shares without a stated par value to be offered to shareholders in accordance with Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. During the same meeting held in extraordinary session, shareholders also approved the reverse stock split of ordinary shares at a ratio of 1 new ordinary share with dividend rights for every 10 ordinary shares held.

On 19 February 2018, in execution of the shareholders' resolution of 12 February 2018, the reverse stock split of all 813,045,631 outstanding shares at a ratio of 1 new ordinary share, without a stated par value, for every 10 ordinary shares held, without a stated par value, was completed. With a view to a balanced transaction 1 ordinary share held by Coop Alleanza 3.0 Soc. Coop. was cancelled without a reduction in share capital. As a result of this transaction the share capital is unchanged at €599,760,278.16 and comprises 81,304,563 ordinary shares without a stated par value

On 22 February 2018 the Board of Directors approved the draft separate and consolidated financial statements for FY 2017, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, and the Board of Director's Compensation Report. The Board of Directors also approved the Corporate Sustainability Report which was the first edition to have received certification from PricewaterhouseCoopers for compliance with the most important international standards (the GRI Standards).

On 21 March 2018 the Board of Directors approved the final terms and conditions of the share capital increase for a maximum of up to €150 million approved during the Extraordinary Shareholders' meeting held on 12 February 2018. The capital increase will take place through the issue of a maximum of 29,037,340 new ordinary shares, without a stated par value and dividend rights, at the subscription ratio of 5 new shares for every 14 ordinary shares held, at an issue price equal to €5.165 per each new share, for a total amount of €149,977,861.10. The Board of Directors also resolved to propose that shareholders, in the event the capital increase is successfully completed, approve payment of a dividend of € 0.50 per share.

On 22 March 2018 Consob approved the Registration Document, the Securities Note and the Summary Note relating to the rights issue and the listing of the shares issued as a result of the cash capital increase approved during the Shareholders' Meeting held on 12 February 2018.

On 23 April 2018 the rights offer of 29,037,340 newly issued shares was completed. During the offering period, which started on 26 March 2018 and ended on 13 April 2018, 79,668,540 option rights were exercised and 28,453,050 new shares were subscribed or 97.99% of the total offering, for a total amount equal to €146,960,003.50. Pursuant to Article 2441, paragraph 3, of the Italian Civil Code, at the end of the option period the 1,636,012 unexercised rights were auctioned on the stock exchange. All the rights were sold during the first trading session of the rights auction on 18 April 2018 and, subsequently, were all exercised resulting in the issue of 584,290 new shares, for a total of €3,017,857.85. The value of the sale of these rights, €1,532,943.24 based on the reference accounting standards, will be recognized in the share premium reserve. The offer was, therefore, completed with the full subscription of the new shares for a total amount of €149,977,861.10. The new share capital now amounts to € 749,738,139.26, divided into 110,341,903 ordinary shares without a stated par value.

On 9 May 2018 the Board of Directors examined and approved the Interim Financial Report at 31 March 2018.

During the Annual General Meeting held on 1 June 2018 IGD's shareholders approved the 2017 financial statements for IGD SIIQ S.p.A., as presented during the Board of Directors meeting held on 22 February 2018, which closed with a net profit of €86.5 million, and also resolved to pay a dividend of €0.50 per share. The dividend was payable as from 13 June 2018 with shares going ex-div on 11 June 2018. The total dividend payable amounted to €55,170,951.50 (€0.50 per share) and was taken from:

- for €36,704,390, distributable income generated by exempt operations which is equal to 70% of the distributable income from these operations subject to mandatory distribution;
- for €12,628,022, partial utilization of the reserve for retained earnings from exempt operations arising from the merger by incorporation of Punta di Ferro SIINQ S.p.A. and IGD Property SIINQ S.p.A., which equals 70% of these reserves and subject to mandatory distribution;
- for €5,838,539.50, partial utilization of the reserve for retained earnings from exempt operations.

Shareholders also set the number of Board members at 11 and appointed the new Board of Directors which will remain in office through the Annual General Meeting called to approve the 2020 Annual Report. During the same meeting, shareholders also appointed the new Board of Statutory Auditors and approved the relative compensation.
Shareholders also approved the first section of the Remuneration Report, already approved by the Board of Directors on 22 February 2018, pursuant to Art. 123-*ter* of Legislative Decree. 58/98, and renewed the Board of Director's authorization to purchase and sell treasury shares, on one or more occasions, up to the maximum allowed under the law.

On 6 June 2018 the Board of Directors confirmed Elio Gasperoni as Chairman of the Board of Directors and Claudio Albertini as Chief Executive Officer. Director Rossella Saoncella was also appointed Vice Chairman of the Board of Directors. The Board confirmed the pre-existing powers, granting the Chairman Elio Gasperoni and the Chief Executive Officer Claudio Albertini the same powers held during the prior term of office. The Board of Directors also appointed the Board Committees.

On 3 August 2018 the Board of Directors examined and approved the Half-Year Financial Report at 30 June 2018.

Investments

During the period under examination the IGD Group finalized the purchase of a portfolio of 4 shopping malls and a retail park, inaugurated the Gran Rondò extension and completed work on the building to be used for housing and offices by athletes and sports organizations, continued with the development of the Porta a Mare – Officine Project, as well as extraordinary maintenance. More in detail:

Acquisition of the 4 shopping malls and the retail park

On 18 April 2018 the definitive agreement for the purchase from Eurocommercial Properties Group of a portfolio of 4 shopping malls and a retail park found in northern Italy (Leonardo Shopping Center in Imola, Lame Shopping Center in Bologna, La Favorita Shopping Center and Retail Park in Mantua and Centro Luna in Sarzana) was finalized. These going concerns were purchased for €187 million, in addition to ancillary costs and transfer taxes of around €8.4 million.

The properties comprising the going concerns have a total leasable area of around 38,000 m^2 and are found in shopping centers which have a total leasable area of around 91,000 m^2.

Leonardo Shopping Center (Imola): the Group already owns the hypermarket anchoring the shopping center and managed the mall for the seller; the acquisition will make it possible to consolidate the ownership inside an important shopping which has a primary catchment area of around 240,000 inhabitants;

Lame Shopping Center (Bologna): the Group already owns the hypermarket anchoring the shopping center and managed the mall for the seller;

La Favorita Shopping Center and Retail Park (Mantua): the hypermarket anchoring the shopping center is owned by Coop Alleanza 3.0; the acquisition, therefore, will make it possible for the Group to strengthen operating synergies with Coop, Italy's leading retail food brand;

CentroLuna (Sarzana): the hypermarket anchoring the shopping center is owned by Coop Liguria, player known to IGD as it owns the hypermarket anchoring the Mondovicino Shopping Center (already owned by IGD).

In all the properties purchased there is a "Coop" brand hypermarket with high turnover (average annual sales in excess of €8,000 per square meter).

"Porta a Mare" Project

In the period under examination 13 residential units, 13 garages and one parking place at the Mazzini section were sold. At 30 September 2018 preliminary sales agreements for an additional 2 residential units had been signed; the total of the units sold/pledged has, therefore, reached 90.7%.

Work on the Officine Storiche area (residential portion) continued for a total of around €501 thousand (€161 thousand in the third quarter).

In April 2018 a variant for the retail portion was approved by the municipality of Livorno; work on this section, which is expected to be completed in the second half of 2019, totaled around €1,078 thousand in the nine-month period (€117 thousand in the third quarter

Gran Rondò Extension

In the first half of 2018, work was completed on the midsize store in the Gran Rondò shopping mall in Crema which amounted to around €3,142 thousand (€1,497 thousand in the first half). The midsize store was opened on 3 May 2018.

Arco Campus

Work on the building to be used for housing and offices by athletes and sports organizations was completed on 5 July 2018 for a total cash-out of €4,084 thousand, of which €1,922 thousand in 2018. On 6 August 2018, the subsidiary Arco Campus S.r.l. signed a renewable 15-year lease with Virtus Pallacanestro Bologna S.p.A. for the building.

Restyling

Restyling continued in the period for a total of around €836 thousand (€472 thousand in the third quarter of 2018) and was focused on the reconfiguration of the space inside the mall in the Darsena shopping center (at 30 September the costs incurred amounted to €558 thousand, of which €282 thousand in third quarter 2018).

Restyling completed and extraordinary maintenance

During the first nine months of 2018 work was carried out and completed on the reformatting of spaces and fit outs (joining/separating stores) mainly in the Città delle Stelle mall in Ascoli where a midsize Scarpe&Scarpe store and a Roadhouse restaurant were opened early 2018.

In the third quarter the reflooring of the mall in the Tiburtino center was completed and extraordinary maintenance also continued. Work was done on improving earthquake and water proofing, as well as the installation of electrical systems at the Esp, Borgo, Tiburtino, Fonti del Corallo, Darsena and Centro Sarca shopping centers and on fire alarm systems mainly at a few Romanian centers.

The investments made at 30 September 2018 are shown below:

	30/09/2018 Euro/mln	30/06/2018 Euro/mln	III Trimestre 2018 Δ
Acquisizioni:			
Investimento per l'acquisto 4 rami d'azienda (inclusi oneri accessori) (*)	195,46	195,46	-
Progetti di sviluppo:			
Ampliamento e restyling Gran Rondò	1,51	1,50	0,01
Arco Campus (Investimento concluso nel corso del trimestre)	1,92	1,59	0,33
Progetto Porta a Mare Sub ambito Officine Storiche retail (in corso)	1,08	0,96	0,12
Progetto Porta a Mare (Trading) (in corso)	0,50	0,34	0,16
Interventi di restyling in corso	0,84	0,37	0,47
Manutenzioni straordinarie	4,65	2,39	2,26
Altri	0,03	0,03	-
Totale investimenti effettuati	**205,99**	**202,64**	**3,35**

(*) Il valore dell'investimento non comprende la rivalutazione al 18 aprile 2018

Loans

The liabilities which IGD assumed as a result of the acquisition of the 4 going concerns described above include 5 loans granted by UBI Banca. The details of these loans are provided below:

- residual mortgage loan on the malls at Centro Lame and Centro La Favorita of €13,125,000 expiring on 17 July 2023, payable quarterly at 3M Euribor plus a spread of + 100 bps;
- residual mortgage loan on the malls at Centro Lame and Centro La Favorita of €11,875,000 expiring 17 October 2021, payable quarterly at 3M Euribor plus a spread of + 100 bps;
- residual mortgage loan on the La Favorita retail park of €11,666,667 expiring 17 October 2021, payable quarterly at 3M Euribor plus a spread of + 150 bps;
- residual mortgage loan on the Centro Lame mall of €1,875,000 expiring 17 October 2018, payable quarterly at 3M Euribor plus a spread of + 135 bps;
- residual bullet mortgage loan on the malls at Centro Leonardo and CentroLuna of €50 million payable on 17 October 2022 at 3M Euribor plus a spread of + 135 bps.

On 6 September 2018 IGD signed a" Commitment and Underwriting Letter" with BNP Paribas's Italian Branch, who acted as Mandated Lead Arranger, Underwriter, Global Coordinator and Bookrunner, based on which BNP has undertaken to provide the Company with a 3-year EUR 200 million senior unsecured facility which may be extended by the Company up to five years. The facility will be used to refinance the outstanding EUR 124,900,00 of the EUR 150,000,000 bond issued by IGD, maturing on 7 January and extinguish a few of the Company's short-term lines of credit, as well as to pursue the IGD Group's general coporate purposes. The facility will be split in two tranches: "Tranche 1" of Euro 125,000,000 and "Tranche 2" of Euro 75,000,000. The execution of the facility agreement is subject to the definition of mutually satisfactory contractual conditions. BNP's commitment to granting the facility is subject to the absence of any material adverse effect, to the execution of the facilities agreement by 30 October 2018 and to the absence of any event of default.

1.6. Subsequent events

On 16 October 2018 IGD executed a facility agreement with a pool of lenders, including BNP Paribas, Italian Branch, who also acted as the Mandated Lead Arranger, Underwriter, Global Coordinator and Bookrunner, based on which the lenders will provide the Company with a 3-year EUR 200 million senior unsecured facility which may be extended by the Company up to five years. As per the "Commitment and Underwriting Letter" signed by IGD on 6 September 2018, the facility will be split in two tranches: "Tranche 1" of EUR 125,000,000, which will be used to refinance the outstanding EUR 124,900,00 of the EUR 150,000,000 bond issued by IGD, maturing on 7 January, and "Tranche 2" of EUR 75,000,000, which will be used to extinguish a few of the Company's short-term lines of credit, as well as to pursue the IGD Group's general coporate purposes.
As a result of this transaction, the Company will be able to finance itself at a lower cost, while also further reducing the cost of debt, as well as cover its financial needs over the next few years as there are no significant debt maturities until 2021.

1.7. Outlook

In light of the positive results achieved, the Company expects to continue along its growth path, consistent with the financial and economic targets at 31 December 2018, with revenue rising both like-for-like and as a result of the FY contribution of the acquisitions and openings made in 2016, in addition to the opening of the ESP shopping center on 1 June 2017; the cost of funding is also expected to fall further to below 2.8%, in line with the business plan targets.
Growth in FFO is also expected to reach at least 20% for FY 2018, as communicated and revised in August of this year.

2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2018

2.1 Consolidated income statement

(amounts in htousand of Euro)	30/09/2018 (A)	30/09/2017 (B)	Variazioni (A-B)	3°Q 2018 (C)	3°Q 2017 (D)	Change (C-D)
Revenues	112,958	103,410	9,548	38,859	35,024	3,835
Other ibncome	4,639	4,652	(13)	1,519	1,426	93
Revenues from property sales	4,073	4,857	(784)	1,352	809	543
Total revenues and operating income	**121,670**	**112,919**	**8,751**	**41,730**	**37,259**	**4,471**
Change in inventories	(4,038)	(4,368)	330	(1,483)	(703)	(780)
Total revenues and change in inventories	**117,632**	**108,551**	**9,081**	**40,247**	**36,556**	**3,691**
Cost of w ork in progress	501	575	(74)	162	205	(43)
Service costs	17,207	17,205	2	5,732	5,589	143
Labour costs	7,218	7,263	(45)	2,260	2,233	27
Other operating costs	7,694	7,413	281	2,677	2,549	128
Total operating costs	**32,620**	**32,456**	**164**	**10,831**	**10,576**	**255**
(Depreciation, amortization and provisions)	(1,601)	(1,663)	62	(673)	(616)	(57)
(Impairment losses)/Reversals on w ork in progress and inventories	(288)	(2,215)	1,927	0	0	0
Change in fair value - increases / (decreases)	(17,343)	20,748	(38,091)	(2,193)	(400)	(1,793)
Net revaluation of acquisition	12,857	0	12,857	(20)	0	(20)
Total depreciation, amortization, provisions, impairment and change in fair value	**(6,375)**	**16,870**	**(23,245)**	**(2,886)**	**(1,016)**	**(1,870)**
EBIT	**78,637**	**92,965**	**(14,328)**	**26,530**	**24,964**	**1,566**
Gain/Losses from equity investments and disposals	**5**	**(68)**	**73**	**25**	**(30)**	**55**
Financial income:	73	94	(21)	48	38	10
Financial charges:	24,354	26,158	(1,804)	8,286	8,533	(247)
Net financial income/(charges)	**(24,281)**	**(26,064)**	**1,783**	**(8,238)**	**(8,495)**	**257**
PRE-TAX PROFIT	**54,361**	**66,833**	**(12,472)**	**18,317**	**16,439**	**1,878**
Income taxes for the period	1,991	2,156	(165)	752	706	46
NET PROFIT FOR THE PERIOD	**52,370**	**64,677**	**(12,307)**	**17,565**	**15,733**	**1,832**
Minoritites portion of net profit	0	0	0	0	0	0
Parent Company portion of net profit	**52,370**	**64,677**	**(12,307)**	**17,565**	**15,733**	**1,832**

2.2 Consolidated statement of comprehensive income

(amounts in thousand of Euro)	30/09/2018 (A)	30/09/2017 (B)	Change (A-B)	3°Q 2018 (C)	3°Q 2017 (D)	Change (C-D)
NET PROFIT FOR THE PERIOD	**52,370**	**64,677**	**(12,307)**	**17,565**	**15,733**	**1,832**
Ancillary costs to share capital increase	(4,280)	0	(4,280)	(6)	0	(6)
Tax effect of ancillary costs to share capital increase	80		80	0	0	0
Components that will not be reclassified to income statement	**(4,200)**	**0**	**(4,200)**	**(6)**	**0**	**(6)**
Effects of hedge derivatives on net equity	5,031	6,277	(1,246)	2,630	923	1,707
Tax effects of hedge derivatives on net equity	(1,149)	(1,449)	300	(611)	(202)	(409)
Other effects on income statement components	(13)	(107)	94	23	(83)	106
Componenents that will be reclassified to income statement	**3,836**	**4,720**	**(884)**	**2,009**	**638**	**1,371**
Total comprehensive profit/(loss) for the period	**52,006**	**69,397**	**(17,391)**	**19,568**	**16,371**	**3,197**
Non controlling interests in (profit)/loss for the period	0	0	0	0	0	0
Profit/(Loss) for the periof attributable to the Parent Company	**52,006**	**69,397**	**(17,391)**	**19,568**	**16,371**	**3,197**

2.3 Consolidated statement of financial position

(amounts in thousand of Euro)	30/09/2018 (A)	30/06/2018 (B)	31/12/2017 (C)	Change (A-B)	Change (A-C)
NON CURRENT ASSETS					
Intangible assets					
Intangible assets w ith finite useful lives	36	36	35	0	1
Goodw ill	12,662	12,662	12,662	0	0
	12,698	**12,698**	**12,697**	**0**	**1**
Tangible assets					
Investment property	2,362,453	2,358,369	2,157,176	4,084	205,277
Buildings	7,949	8,010	8,131	(61)	(182)
Plants and machinery	231	248	260	(17)	(29)
Equipment and other assets	937	973	1,016	(36)	(79)
Leasehold improvements	617	681	797	(64)	(180)
Asset under construction and advances	36,667	39,137	40,466	(2,470)	(3,799)
	2,408,854	**2,407,418**	**2,207,846**	**1,436**	**201,008**
Other non current assets					
Net deferred tax assets	-	-	-	0	0
Sundry receivables and other non-current assets	110	91	90	19	20
Equity investments	368	343	254	25	114
Non current financial assets	243	243	343	0	(100)
Derivatives - Assets	319	-	-	319	319
	1,040	**677**	**687**	**363**	**353**
TOTAL NON CURRENT ASSETS (A)	**2,422,592**	**2,420,793**	**2,221,230**	**1,799**	**201,362**
CURRENT ASSETS:					
Inventories and advances	33,380	34,863	37,623	(1,483)	(4,243)
Trade and other receivables	12,901	11,528	11,415	1,373	1,486
Related party trade and other receivables	1,286	1,304	2,054	(18)	(768)
Other current assets	2,977	3,040	3,343	(63)	(366)
Related party financial receivables and other current financial assets	96	96	96	0	0
Financial receivables and other current financial assets	-	-	42	0	(42)
Cash and cash equivalents	3,106	4,648	2,509	(1,542)	597
TOTAL CURRENT ASSETS (B)	**53,746**	**55,479**	**57,082**	**(1,733)**	**(3,336)**
TOTAL ASSETS (A + B)	**2,476,338**	**2,476,272**	**2,278,312**	**66**	**198,026**
NET EQUITY:					
Share capital	749,738	749,738	599,760	0	149,978
Trasury shares	(319)	0	0	(319)	(319)
Share premium reserve	31,504	31,504	29,971	0	1,533
Other reserves	411,693	409,544	384,832	2,149	26,861
Group profit	66,969	49,404	101,190	17,565	(34,221)
Total Group net equity	**1,259,585**	**1,240,190**	**1,115,753**	**19,395**	**143,832**
Minority interest capital and reserves	-	-	-	0	0
TOTAL NET EQUITY (C)	**1,259,585**	**1,240,190**	**1,115,753**	**19,395**	**143,832**
NON CURRENT LIABILITIES					
Derivatives - Liabilities	15,982	18,054	20,397	(2,072)	(4,415)
Non current financial liabilities	896,028	907,485	965,539	(11,457)	(69,511)
Provision for employee severance indemnities	2,792	2,698	2,574	94	218
Deferred tax liabilities	26,821	25,822	24,777	999	2,044
Provisions for risks and fututre charges	5,458	4,957	5,326	501	132
Sundry payables and other non current liabilities	7,857	7,829	9,291	28	(1,434)
Related party sundry payables and other non current liabilities	11,892	11,891	11,891	1	1
TOTAL NON CURRENT LIABILITIES (D)	**966,830**	**978,736**	**1,039,795**	**(11,906)**	**(72,965)**
CURRENT LIABILITIES:					
Current financial liabilities	224,705	229,560	97,097	(4,855)	127,608
Trade and other payables	9,675	10,341	13,838	(666)	(4,163)
Related party trade and other payables	1,161	783	459	378	702
Tax liabilities	4,533	6,849	2,400	(2,316)	2,133
Other current liabilities	9,835	9,799	8,956	36	879
Related party other current liabilities	14	14	14	0	0
TOTAL CURRENT LIABILITIES (E)	**249,923**	**257,346**	**122,764**	**(7,423)**	**127,159**
TOTAL LIABILITIES (F= D+E)	**1,216,753**	**1,236,082**	**1,162,559**	**(19,329)**	**54,194**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**2,476,338**	**2,476,272**	**2,278,312**	**66**	**198,026**

2.4 Consolidated statement of changes in equity

(Amoutns in thousand of Euro)	Share Capital	Share premium reserve	Other reserve	Group profit	Group net equity	Non-controlling interests in capital and reserves	Total net equity
Balance at 01/01/2017	**599,760**	**29,971**	**349,246**	**81,724**	**1,060,701**	**8,725**	**1,069,426**
Profit for the period	0	0	0	64,677	64,677	0	64,677
Cash flow hedge derivative assessment	0	0	4,827	0	4,827	0	4,827
Other comprehensive income (loss)	0	0	(107)	0	(107)	0	(107)
Total comprehensive income (loss)	**0**	**0**	**4,720**	**64,677**	**69,397**	**0**	**69,397**
Purchase of treasury shares	0	0	(64)	0	(64)		(64)
Reserve reclassification due to merger	0	0	23,979	(23,979)	0	0	0
Purchase of minority shares	0	0	0	(781)	(781)	(8,725)	(9,506)
Allocation of 2016 profit							
Dividends distributed	0	0	(14,731)	(21,856)	(36,587)	0	(36,587)
To legal reserve	0	0			0	0	0
To other reserve	0	0	20,372	(20,372)	0	0	0
Balance at 30/09/2017	**599,760**	**29,971**	**383,522**	**79,413**	**1,092,666**	**0**	**1,092,666**

(Amounts in thousand of Euro)	Share capital	Share premium reserve	Other reserve	Group profit	Group net equity	Non-controlling interests in capital and reserves	Total net equity
Balance at 01/01/2018	**599,760**	**29,971**	**384,832**	**101,190**	**1,115,753**	**0**	**1,115,753**
Profit for the period	0	0	0	52,370	52,370	0	52,370
Cash flow hedge derivative assessment	0	0	3,882	0	3,882	0	3,882
Share capital increase costs	0	0	(4,200)	0	(4,200)	0	(4,200)
Other comprehensive income (loss)	0	0	(13)	0	(13)	0	(13)
Total comprehensive income (loss)	**0**	**0**	**(331)**	**52,370**	**52,039**	**0**	**52,039**
Share capital increase	149,978	0	0	0	149,978	0	149,978
Sale of unexercised rights	0	1,533	0	0	1,533	0	1,533
(Purchase)/Sale of treasury shares	0	0	(193)	0	(193)	0	(193)
FTA IFRS 9	0	0	(4,354)	0	(4,354)	0	(4,354)
Allocation of 2017 profit							
Dividends distributed	0	0	0	(55,171)	(55,171)	0	(55,171)
To legale reserve	0	0	0	0	0	0	0
To other reserve	0	0	31,420	(31,420)	0	0	0
Balance at 30/09/2018	**749,738**	**31,504**	**411,374**	**66,969**	**1,259,585**	**0**	**1,259,585**

2.5 Consolidated statement of cash flows

(Amounts in thusand of Euro)	30/09/2018	30/09/2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	**54,361**	**66,833**
Adjusments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-monetary items	(1,821)	(1,778)
Depreciation, amortization and provisions	1,601	1,663
(Impairment losses)/Reversals on work in progress and inventories	288	2,215
Fair value change - Increases/(decreases)	17,343	(20,748)
Net (Revaluation) of 4 business leases acquisition	(12,857)	0
Gains/Losses from equity investments and disposals	(5)	68
CASH FLOW FROM OPERATING MANAGEMENT	**58,910**	**48,253**
Income taxes	(1,120)	(939)
CASH FLOW FROM OPERATING MANAGEMENT NET OF TAXES	**57,790**	**47,314**
Change in inventories	3,955	4,369
Net change in current assets and liabilities	(3,089)	10,916
Net change in non current assets and liabilities	(933)	(1,466)
CASH FLOW FROM OPERATING ACTIVITIES	**57,723**	**61,133**
(Investments) in intangible assets	(10,765)	(26,822)
Divestments in intangible assets	141	152
(Investments) in 4 business leases	(104,640)	0
(Investments) in equity investments	(109)	(9,507)
CASH FLOW FROM INVESTING ACTIVITIES	**(115,373)**	**(36,177)**
Change in non-current financial assets	100	0
Change in financial receivables and other current financial assets	42	(370)
Sale/(Purchase) of treasury shares	(193)	0
Share capital increase net of costs	147,311	(64)
Payment of dividends	(55,171)	(36,587)
Cash Flow Hedge reserve	3,882	0
Change in current financial debt	(6,771)	(59,370)
Change in non-current financial debt	(30,940)	74,078
CASH FLOW FROM FINANCING ACTIVITIES	**58,260**	**(22,313)**
Difference in translation of liquidity	(13)	(55)
NET INCREASE (DECREASE) IN CASH BALANCE	**597**	**2,588**
CASH BALANCE AT THE BEGINNING OF THE PERIOD	**2,509**	**3,084**
CASH BALANCE AT THE END OF THE PERIOD	**3,106**	**5,672**

2.6 Net financial position

The table below presents the net financial position at 30 September 2018, 30 June 2018 and 31 December 2017. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities. Uncommitted credit facilities with banks amount to €276 million, of which €231 million was unutilized at the close of the period. Committed revolving credit facilities with banks, unutilized at 30 September 2018, amount to €60 million.

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

NET FINANCIAL POSITION (amounts in thousand of Euro)	30/09/2018	30/06/2018	31/12/2017
Cash and cash equivalents	(3,106)	(4,648)	(2,509)
Related party financial receivables and other current financial assets	(96)	(96)	(96)
Financial receivables and other current financial assets	0	0	(42)
LIQUIDITY	**(3,202)**	**(4,744)**	**(2,647)**
Current financial liabilities	45,000	55,000	48,681
Mortgage loans - current portion	46,175	44,735	34,904
Leasing - current portion	331	328	323
Convertible bond loan - current portion	133,199	129,497	13,189
CURRENT DEBT	**224,705**	**229,560**	**97,097**
CURRENT NET DEBT	**221,503**	**224,816**	**94,450**
Non current financial assets	(243)	(243)	(343)
Leasing - Non-current portion	3,679	3,762	3,928
Non current financial liabilities	335,431	347,164	285,522
Convertible bond loan	556,918	556,559	676,089
NON-CURRENT NET DEBT	**895,785**	**907,242**	**965,196**
NET FINANCIAL POSITION	**1,117,288**	**1,132,058**	**1,059,646**

2.7 Preparation criteria and scope of consolidation

1. General information

The interim financial report of Immobiliare Grande Distribuzione at 30 September 2018 was approved and authorized for publication by the Board of Directors on 7 November 2018.
IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0. Soc. Coop and is under the management and coordination of that company.

2. Summary of accouting standards

2.1. Preparation criteria

Declaration of conformity with international accounting standards

The interim financial information (unaudited) was prepared in accordance with Art. 154-*ter* of Legislative Decree 58/1998, as per the IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and approved by the European Union, and with the instructions issued in implementation of Art. 9 of Legislative Decree 38/2005...
The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC) which at 30/09/2018 were endorsed as per the procedure outlined in EC Regulation 1606/2002.
The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2017 and the condensed consolidated half-year financial statements at 30 June 2018, to which the reader should refer. The valuation and reporting of book values are based on the international accounting standards and their interpretations currently in effect; they are, therefore, subject to modification in order to reflect any changes that may occur between this writing and 31 December 2018 as a result of the European Commission's future endorsement of new standards, new or guidelines issued by the International Financial Reporting Interpretation Committee (IFRIC).
Income statement figures are provided for the quarter under review and the period between the beginning of the year and the close of the quarter. The figures are compared with figures for the same periods of the prior year. The figures in the statement of financial position are provided at 30 September 2018, 30 June 2018 and 31 December 2017. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2017), while balance sheet items are compared with the previous quarter (30 June 2018).
The use of estimates broadly reflects the practice followed in the year-end financial statements.
The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise

2.2. Consolidation

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 September 2018, prepared by the directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. Since 30 June 2018, the scope of consolidation has not changed. Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Name	Registered office	Country	Share capital	Currency	% consolidated	Held by	% share capital held	Operations
Parent company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	749,738,139.26	Euro				Facility Management
Subsidiaries consolidated on a line-by-line basis								
IGD Management s.r.l.	Ravenna via Villa Glori 4	Italy	75,071,221.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery s.r.l	Ravenna via Villa Glori 4	Italy	100,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility Management
Porta Medicea s.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Euro	100%	IGD Management s.r.l.	100.00%	Construction and marketing
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Facility Management
Winmarkt management s.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Agency and facility management services
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	Euro		IGD SIIQ S.p.A.	99.98%	Management of real estate and sport facilities/equipment; construction, trading and rent of properties used for sport facilities
Associated valued at equity								
RGD Ferrara 2013 s.r.l.	Roma, via Piemonte 38	Italy	100,000.00	Euro		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center

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

Name	Control ratio	% of control	Registered Office
CC Leonardo Consortium	Direct control	54.30%	VIA AMENDOLA 129, IMOLA (BO)
CC I Bricchi Consortium	Direct control	72.25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Centrolame Consortium	Direct control	72.53%	VIA MARCO POLO 3, BOLOGNA (BO)
Katanè shopping center Consortium	Direct control	53%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Conè shopping center Consortium	Direct control	65.78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
La Torre-Palermo shopping center Consortium	Direct control	55.04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Gran Rondò shopping center Consortium	Direct control	49.01%	VIA G. LA PIRA n. 18. CREMA (CR)
Fonti del Corallo shopping center Consortium	Direct control	68.00%	VIA GINO GRAZIANI 6, LIVORNO
Centrosarca shopping center Consortium	Indirect control	62.50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Porta a Mare Mazzini Consortium	Direct control	80.90%	VIA G. D'ALESIO, 2 - LIVORNO
Clodì retail park Consortium	Direct control	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Le Maioliche shopping center Consortium	Direct control	71.49%	VIA BISAURA N.13, FAENZA (RA)
ESP Consortium	Direct control	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Puntadiferro Consortium	Direct control	62.34%	Piazzale della Cooperazione 4, FORLI' (FC)
Commendone Consortium	Direct control	52.60%	Via Ecuador snc, Grosseto

3. Segment reporting

The income statement and the statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties *(amounts are shown in thousands of euros)*.

INCOME STATEMENT	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**112,958**	**103,410**	**4,639**	**4,652**	**4,073**	**4,857**	**0**	**0**	**121,670**	**112,919**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**(4,038)**	**(4,368)**	**0**	**0**	**(4,038)**	**(4,368)**
Direct costs (a) (excluding provision for doubtful accounts)	19,819	19,393	3,792	4,191	731	799	0	0	24,342	24,383
G&A Expenses (b)	0	0	0	0	0	0	8,278	8,073	8,278	8,073
Total operating costs (a)+(b)	**19,819**	**19,393**	**3,792**	**4,191**	**731**	**799**	**8,278**	**8,073**	**32,620**	**32,456**
(Depreciations, amortization and provisions)	(1,298)	(1,422)	(40)	(40)	(1)	(4)	(262)	(197)	(1,601)	(1,663)
(Impairment losses)/Reversals on work in progress and inventories	0	(20)	0	0	(288)	(2,195)	0	0	(288)	(2,215)
Change in fair value - Increases/(decreases)	(4,168)	20,748	0	0	(318)	0	0	0	(4,486)	20,748
Total depreciations, amortizations, provisions, impairment and fair value changes	**(5,466)**	**19,306**	**(40)**	**(40)**	**(607)**	**(2,199)**	**(262)**	**(197)**	**(6,375)**	**16,870**
EBIT	**87,673**	**103,323**	**807**	**421**	**(1,303)**	**(2,509)**	**(8,540)**	**(8,270)**	**78,637**	**92,965**
Result from equity investments and assets disposal	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**(68)**	**5**	**(68)**
Financial income:	**0**	**0**	**0**	**0**	**0**	**0**	**73**	**94**	**73**	**94**
Financial charges:	**0**	**0**	**0**	**0**	**0**	**0**	**24,354**	**26,158**	**24,354**	**26,158**
Net financial income	**0**	**0**	**0**	**0**	**0**	**0**	**(24,281)**	**(26,064)**	**(24,281)**	**(26,064)**
PRE-TAX PROFIT	**87,673**	**103,323**	**807**	**421**	**(1,303)**	**(2,509)**	**(32,816)**	**(34,402)**	**54,361**	**66,833**
Inocme taxes	0	0	0	0	0	0	1,991	2,156	1,991	2,156
NET PROFIT FOR THE PERIOD	**87,673**	**103,323**	**807**	**421**	**(1,303)**	**(2,509)**	**(34,807)**	**(36,558)**	**52,370**	**64,677**
Non-controlling interest in (profit)/loss for the period	0	0	0	0	0	0	0	0	0	0
Net profit of the Parent Company for the period	**87,673**	**103,323**	**807**	**421**	**(1,303)**	**(2,509)**	**(34,807)**	**(36,558)**	**52,370**	**64,677**

STATEMENT OF FINANCIAL POSITION	30-Sep-18	30-Jun-18	30-Sep-18	30-Jun-18	30-Sep-18	30-Jun-18	30-Sep-18	30-Jun-18	30-Sep-18	30-Jun-18
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Real estate investments	*2,362,453*	*2,358,369*	*0*	*0*	*0*	*0*	*0*	*0*	*2,362,453*	*2,358,369*
- Assets under management	*36,667*	*39,137*	*0*	*0*	*0*	*0*	*0*	*0*	*36,667*	*39,137*
Intangible assets	*11,655*	*11,655*	*1,007*	*1,007*	*0*	*0*	*36*	*36*	*12,698*	*12,698*
Other tangible assets	*1,770*	*1,882*	*15*	*21*	*1*	*0*	*7,948*	*8,009*	*9,734*	*9,912*
- Sundry receivables and other non-current assets	*0*	*0*	*0*	*0*	*0*	*0*	*110*	*91*	*110*	*91*
- Equity investments	*152*	*127*	*0*	*0*	*0*	*0*	*216*	*216*	*368*	*343*
NWC	*(8,457)*	*(13,067)*	*1,205*	*1,115*	*32,578*	*34,901*	*0*	*0*	*25,326*	*22,949*
Funds	*(6,869)*	*(6,412)*	*(1,356)*	*(1,218)*	*(25)*	*(25)*	*0*	*0*	*(8,250)*	*(7,655)*
Sundry payables and other non-current liabilities	*(13,829)*	*(13,798)*	*0*	*0*	*(5,920)*	*(5,922)*	*0*	*0*	*(19,749)*	*(19,720)*
Net deferred tax (assets)/liabilities	*(21,291)*	*(20,292)*	*0*	*0*	*(5,530)*	*(5,530)*	*0*	*0*	*(26,821)*	*(25,822)*
Total use of funds	**2,362,251**	**2,357,601**	**871**	**925**	**21,104**	**23,424**	**8,310**	**8,352**	**2,392,536**	**2,390,302**
Total Group net equity	*1,239,986*	*1,213,834*	*(349)*	*(211)*	*19,948*	*26,567*	*0*	*0*	*1,259,585*	*1,240,190*
Non-controlling interest in capital and reserves	*0*	*0*		*0*		*0*	*0*	*0*	*0*	*0*
Net (assets) and liabilities for derivative instruments	*15,663*	*18,054*		*0*		*0*	*0*	*0*	*15,663*	*18,054*
Net financial position	*1,106,602*	*1,125,713*	*1,220*	*1,136*	*1,156*	*(3,143)*	*8,310*	*8,352*	*1,117,288*	*1,132,058*
Total sources	**2,362,251**	**2,357,601**	**871**	**925**	**21,104**	**23,424**	**8,310**	**8,352**	**2,392,536**	**2,390,302**

REVENUES FROM FREEHOLD PROPERTIES	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	NORTHERN ITALY		ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	53,698	45,446	39,920	39,336	7,186	6,914	100,804	91,696
ONE-OFF REVENUES	6	170	5	0	0	0	11	170
TEMPORARY LOCATION RENTS	1,663	1,111	915	840	0	0	2,578	1,951
OTHER RENTAL INCOME	14	-31	134	108	11	17	159	94
TOTAL	**55,381**	**46,696**	**40,974**	**40,284**	**7,197**	**6,931**	**103,552**	**93,911**

4. Certification of the interim management statement pursuant to Art.154-bis (2) of Legislative Decree 58/98

I, Grazia Margherita Piolanti, in my capacity as financial reporting officer of IGD SIIQ SpA, hereby declare in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Financial Report Statement at 30 September 2018 correspond to the company's records, ledgers and accounting entries.

Bologna, 7 November 2018

Grazia Margherita Piolanti
Financial Reporting Officer