

Conference call
5 August 2016
H 2.30 pm CET

Results presentation as at 30/06/2016

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3 Solid results and improved financial profile

Excellent operating results...



Positive results also in 2Q 2016, that lead to half-year total results yoy :

- Retail Sales +4.6%
- Footfalls + 1.3%
- Increased occupancy both in Italy 97.3% and Romania 95.1 %
- FFO 1H2016 +26.3%

...despite turmoil on the financial markets and... Brexit!



Concrete measures to improve the financial profile and reduce the market risks:

- Rating Baa(3) Outlook Stable from Moody's
- €300mn Bond issue; 5 years; coupon 2.50%
- Limited debt maturity profile in the next two years

4 Highlights 1/2

REVENUES

• Core business revenues

€67.5 mn
(+8.1% vs 30/06/2015)



EBITDA

• EBITDA (core business)

€46.7 mn
(+12.4% vs 30/06/2015)

• EBITDA margin (core business)

69.2%
(+2.6 p.ts vs 30/06/2015)

• EBITDA margin from Freehold

78.6%



• Group net profit

€ 26.5 mn
(€ 20.4mn at 30/06/2015)



Core business Funds From Operations (FFO)

€27.1 mn
(+26.6% vs 30/06/2015)

Core business FFO *per share*

€0.033



5 Highlights 2/2

EPRA FINANCIAL OCCUPANCY as at 30/06/2016

•ITALY

97.3%
96.8% al 31/12/2015

•ROMANIA

95.1%
93.9% al 31/03/2015



Total portfolio Market Value

2,093.6 €mn

Loan to Value

48.2%
(vs 47.3% al 31/12/2015)

Gearing (D/E)

0.96
(vs 0.93 al 31/12/2015)

 EPRA NNAV

€1.22
(vs 1.25€ al 31/12/2015)

ECONOMIC CONTEXT



7 | Macroeconomic context



Even though economic forecasts were revised downwards, **the Italian economy should continue to expand: GDP expected at +0.9% in 2016.** *

Growth will be mainly driven by **consumption, which is expected to increase** in 2016 (+1.3% at year end) thanks to an **increase in household disposable income.** *

The slow but steady **growth in employment** is set to continue; this increase regards especially the permanent employment thanks to the tax reduction set by the Government. *



Economy is expected to maintain a strong growth rate in 2016 (**GDP +4.2%.****

Growth will be mainly driven by **private consumption, which is expected to grow significantly (+6.9% in 2016)** thanks to an increase in household disposable income due to the tax reduction set by the Government. **



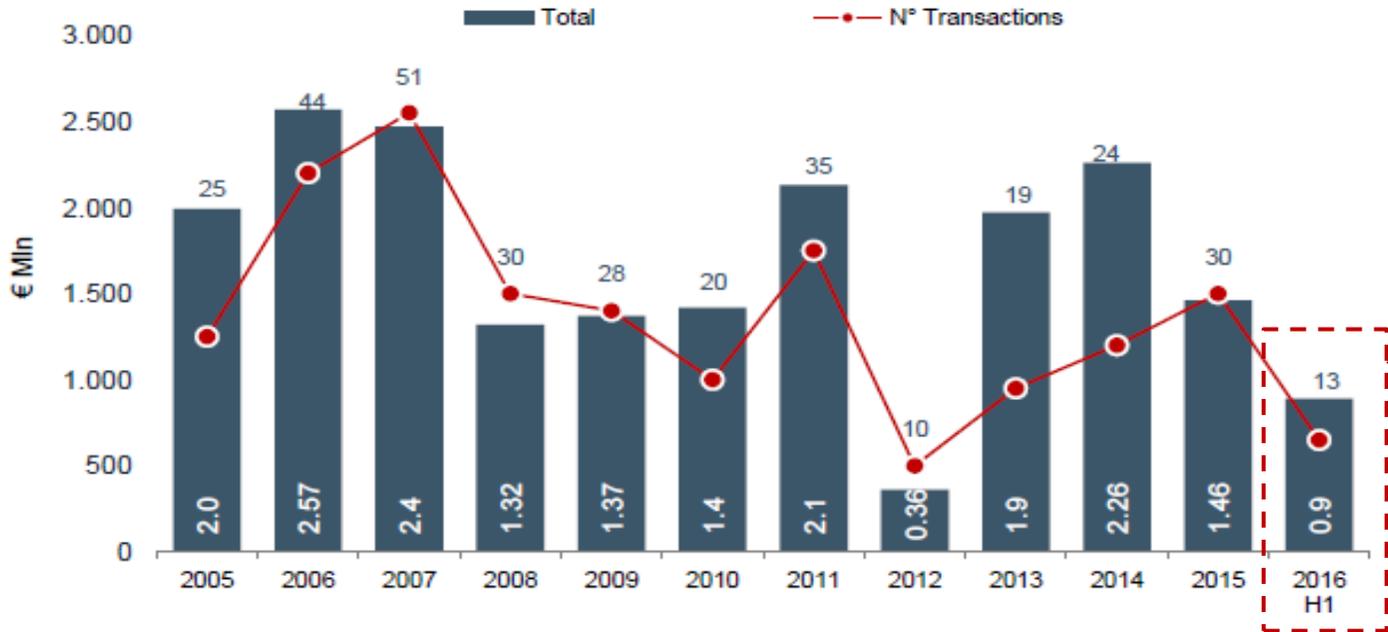
Although after the BREXIT referendum results, the international context has worsened and the uncertainty and instability on financial markets has increased, **currently there are no visible major impacts on the Group's business**, which remains strong.

*Sources: Confindustria, *Scenari Economici n.26*, June 2016; Banca d'Italia, *Bollettino Economico 2/2016*, June 2016

** Sources: Raiffeisen Research, *Economic Overview Romania*, July 2016; EU Commission, *European Economic Forecast*, May 2016

8 The retail real estate

Retail investments evolution in Italy



Total retail investments in 1H2016: **approx. €900 mn** +40% vs 1H2015

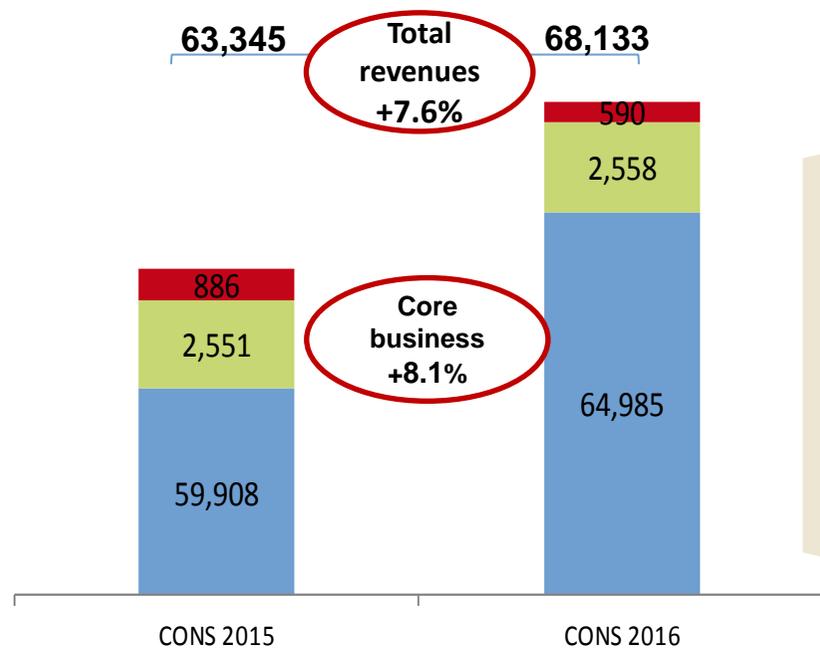
- The retail real estate sector in Italy recorded positive results in 1H2016 with a total investment of approx. 900 million of Euro, +40% compared to the same period last year.
- Yield compression is continuing; this trend is mainly due to the growing demand of retail assets from investors together with the small number of these assets currently available.
- Rents were stable over the period but demand from retailers continued to be strong and therefore the outlook remains positive.

ECONOMIC AND FINANCIAL RESULTS



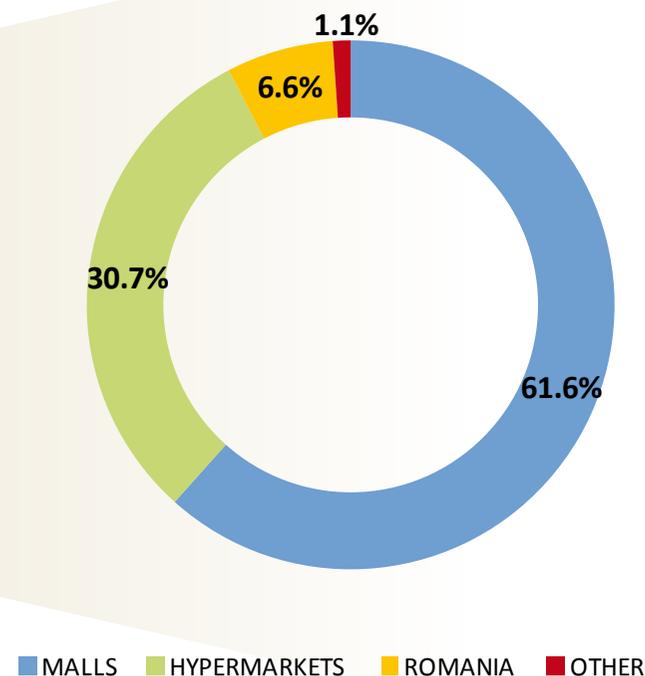
10 Revenues

TOTAL REVENUES (€/000)



- Core business revenues from rental activities
- Revenues from services
- Revenues from trading

BREAKDOWN OF RENTAL REVENUES BY TYPE OF ASSETS

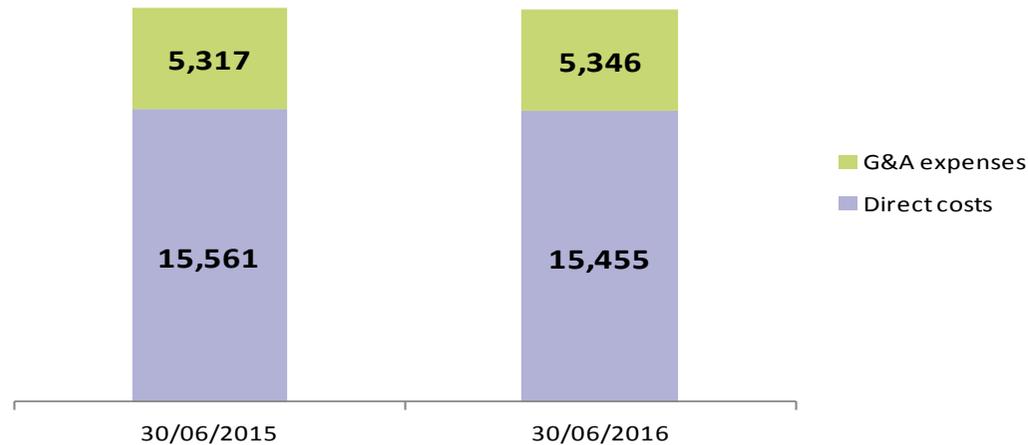


- MALLS
- HYPERMARKETS
- ROMANIA
- OTHER

Starting from this quarter revenues and costs of Palazzo Orlando, that is located in Piazza Mazzini an area of the Porta a Mare project in Livorno, have been classified as core business revenues and costs. Costs and Revenues at 30 June 2015 have been re-classified accordingly

12 Operating costs and financial management

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

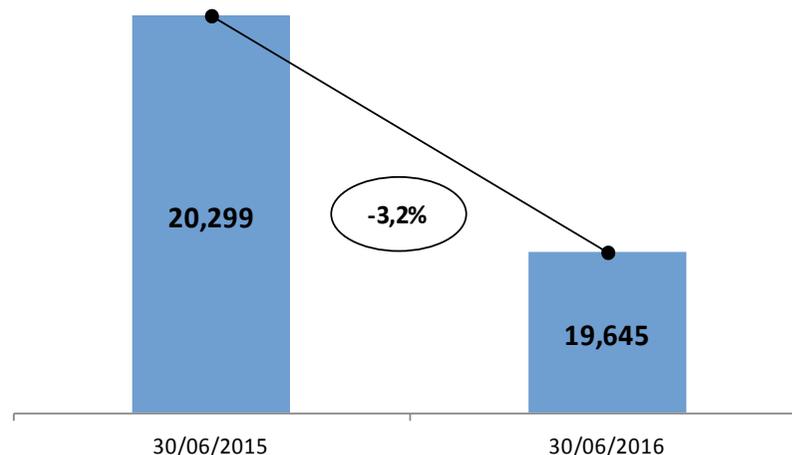


Lower weight of operating cost on Revenues

Core business Ebitda margin (69.2%) is growing: + 260bps

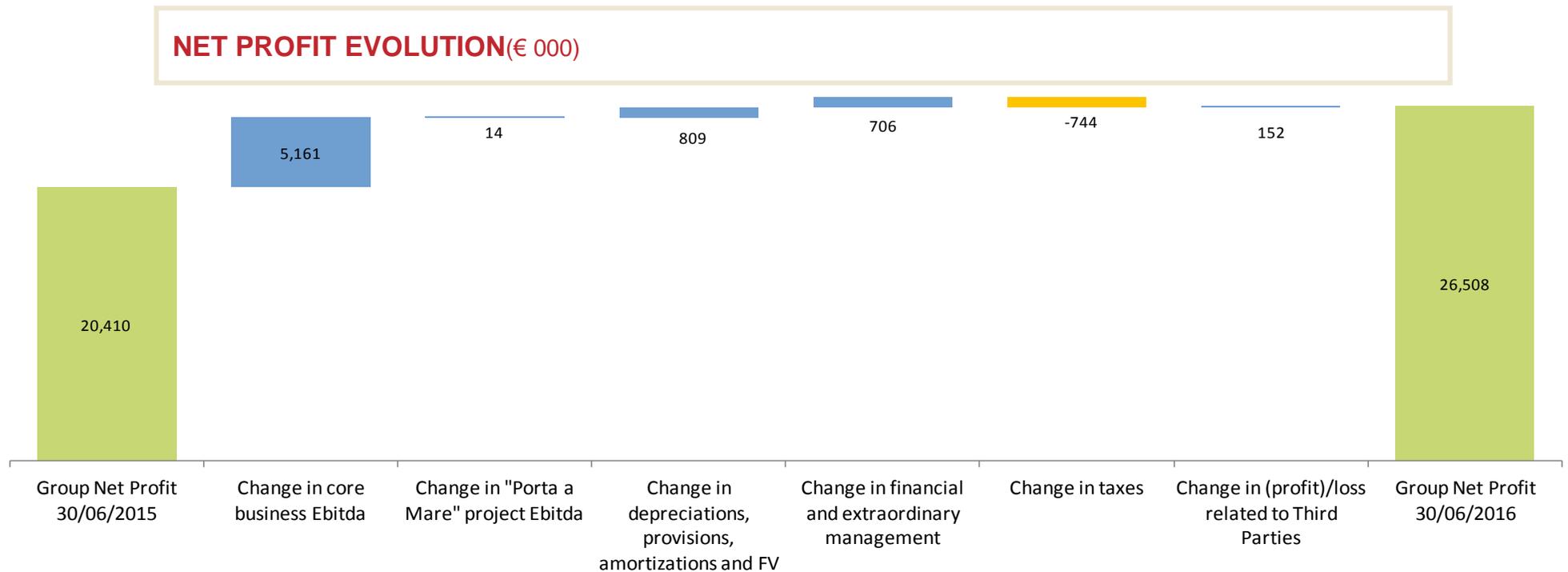
Ebitda margin Freehold: 78.6%

FINANCIAL MANAGEMENT (€ 000)



Savings in financial management (- €0.7mn) despite growing net debt because of dividends and investments

13 Group Net Profit: €26.5 mn



THE PERFORMANCE OF GROUP NET PROFIT, EQUAL TO €26.5 MN, REFLECTS:

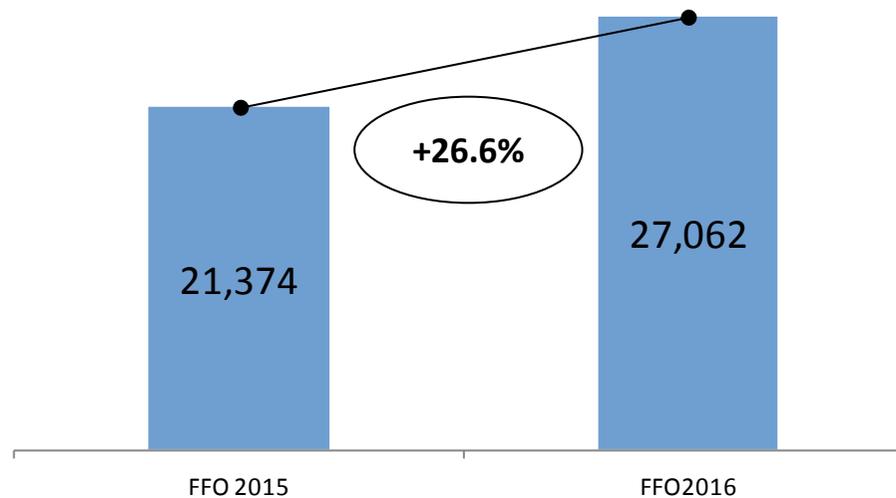
- Gross margin improvement (€ 5.2mn)
- positive change (€0.8 mn) in depreciations and fair value adjustments
- financial and extraordinary management improvement for + €0.7 mn
- taxes negative change (- €0.7 mn) on deferred tax liabilities

14 Core business Funds From Operations

Funds from Operations	30/06/2015	30/06/2016	Δ	Δ%
Pre-tax profit	20,952	28,731	7,779	37.1%
Depreciations and other provisions	702	653	-50	-7.0%
Change in FV and devaluation	-333	-2,369	-2,037	611.9%
Extraordinary management	370	54	-315	-85.5%
Gross margin from trading activities	0	0	0	n.a.
Financial management adjustments	87	461	374	429.5%
Current taxes of the period	-403	-466	-63	15.5%
FFO	21,374	27,062	5,688	26.6%

Of which:

- **+ €5.2 mn** due to Ebitda increase
- **+ €0.9 mn** due to financial management improvement (net of non-recurrent charges)
- **- €0.4 mn** Other minor changes



FFO per share*
0.033

*Calculated on the shares number at year end

**OPERATING
PERFORMANCE**



16 Commercial Highlights

Tenants sales in Italian Shopping Malls

+4.6% yoy



Footfalls in IGD Italian Shopping Malls

+1.3%



Footfalls in Italian Shopping Malls



+0.7%

Footfalls in Romanian shopping malls
(growth especially due to the reduction of the building activities)

+ 4% L4L



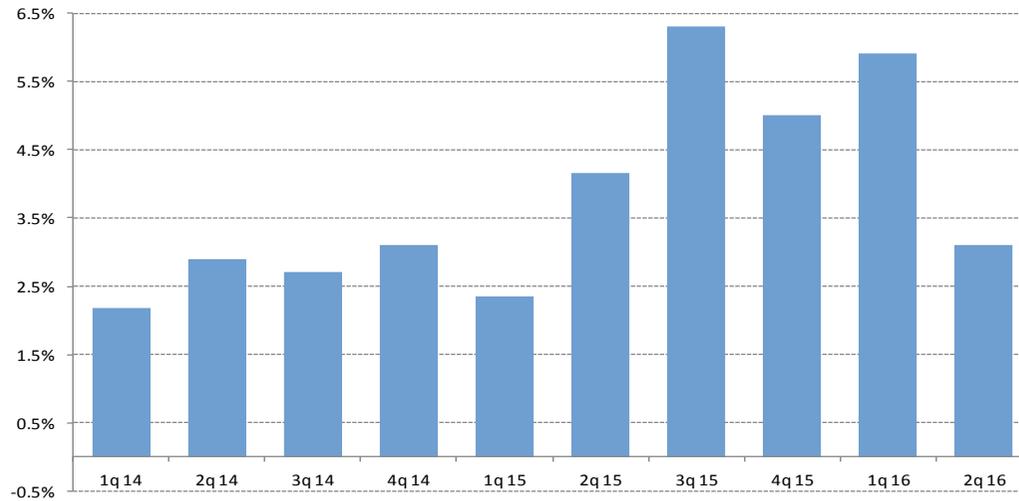
 Hypermarket (in our Shopping Centers) sales

-2.2% yoy*

*The figure does not include Casilino (due to the reduction of sales area sqm compared to the first half of 2015) and Centro Sarca (due to internal renovations carried out in April)

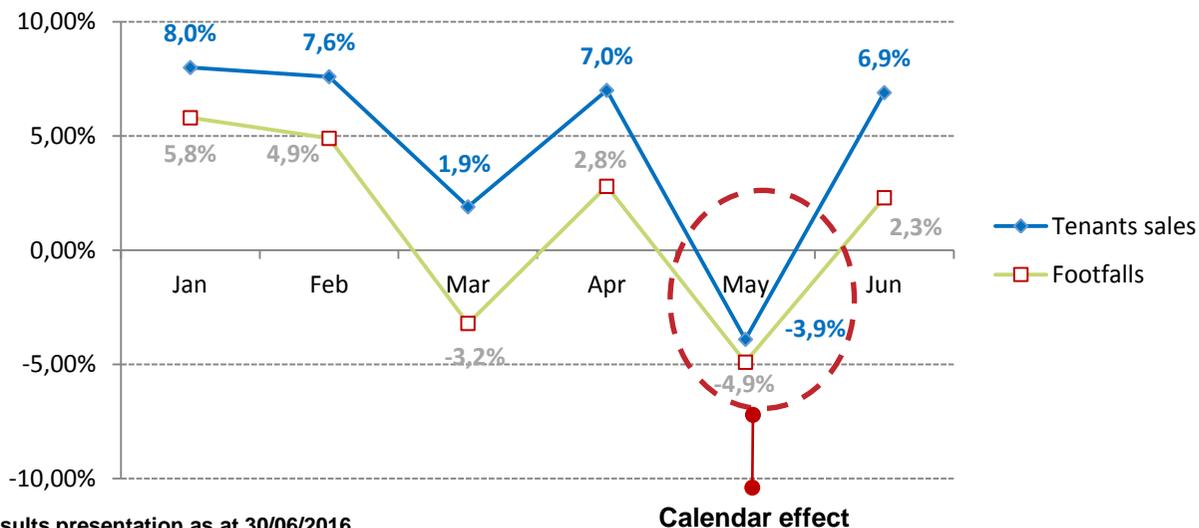
17 Operating performance

Retail sales quarterly trend



TENTH positive quarter in a row

Retail sales and footfalls monthly trend (change 2016/2015)



Trends of retail sales and footfalls are aligned with significant increases in January/February and positive results also in June

18 Asset management activities (1/2)

Effective restyling and remodeling activities in shopping center's areas, with works on the merchandising mix (**new food court concept and focus on personal services**) and the liveability of the spaces in the *mall* to make it *more and more attractive*

centro**o**borgo

Bologna

Internal/external restyling and new tenants with a focus on personal services

Total sales +23.0%
(2016 vs 2015)



centrosarca 

Sesto San Giovanni (MI)

Restyling and new brands with a focus on the food court

Total sales +21.7%
Food court sales +25.9%
(2016 vs 2015)



19 Asset management activities (2/2)



Palermo

Space remodeling and insertion of a multiplex

Total sales +11.7%
(2016 vs 2015)



Afragola (NA)

Hypermarkets remodeling and new tenants

Total sales +12.6%
(2016 vs 2015)



20 Sustainability: centrosarca BREEAM certified



In addition to the ISO14001 certification obtained in 2013, in June the Sarca Shopping Center has obtained the **BREEAM** environmental certification. It is the **FIRST** and the **ONLY** center in Italy to **HAVE** a double environmental certification.

Main activities:

Building site:
particular attention
paid to waste
recycling and waste
disposal

Structure: led lighting,
inverter on the
escalators, wood from
recycled material has
been used to cover the
entrance

Accessibility: cycle
path connected existing
paths in the area,
software with public
transport timetables and
traffic situation



PORTFOLIO



22 Market Value evolution

€ mn	Mkt Value 31/12/2015	Mkt Value 30/06/2016
Malls + Hypermarkets + Other Italy	1,775.73	1,784.25
City Center (Piazza Mazzini)	23,70	23.70
Total income related portfolio ITALY	1,799.43	1,807.95
Total income related portofolio Romania	170.60	166.05
TOTAL IGD'S INCOME RELATED PORTFOLIO	1,970.03	1,974.00
Porta a Mare + Plots of land*	111.99	119.66
TOTAL IGD'S PORTFOLIO	2,082.02	2,093.65



HYPERMARKETS change in FV on a link-for-like basis equal to **+ €4.7 mn (+0.7%** compared to 31/12/2015)

MALLS and RETAIL PARK FV like-for-like **+ €4,3 mn (+0.4%** compared to 31/12/2015)

CITY CENTER (Mazzini retail portion in Porta a Mare project in Livorno) **stable** compared to 31/12/2015

ROMANIANS MALLS: FV declined by **- 2.7% (- €4.5 mn** compared to 31/12/2015)

Net of capex and other changes, the effect in P&L is €0.4 mn

23 Portfolio characteristics

		<i>ITALY</i>			<i>ROMANIA</i>
		HYPERMARKET	MALLS	AVERAGE	MALLS
 EPRA	Financial Occupancy	100%	95.99%	97.34%	95.13%
Market value as at 30 June 2016 €mn		638.31	1,141.08		163.45
Weight on the total value of the portfolio		30.5%	54.5%		7.8%
Gla smq		269,623	317,187		79,703

	31-Dec-15		30-Jun-16		Δ%
	€'000	€ p.s.	€'000	€ p.s.	
Total number of shares	813,045,631		813,045,631		
1) Group's shareholders equity	1,022,053	1.26	1,014,010	1.25	-0.8%
<i>Excludes:</i>					
Fair Value of financial instruments	34,990		35,417		1.2%
Deferred taxes	19,917		19,382		-2.7%
Goodwill as a results of deferred taxes					
2) EPRA NAV	1,076,960	1.32	1,068,809	1.31	-0.8%
<i>Includes:</i>					
Fair Value of financial instruments	(34,990)		(35,417)		1.2%
Deferred taxes	(9,560)		(19,719)		106.3%
Goodwill as a results of deferred taxes	(19,917)		(19,382)		-2.7%
3) EPRA NNAV	1,012,492	1.25	994,291	1.22	-1.8%

At 30 June 2016 the EPRA NNAV per share is €1.22.

The decrease compared to 31 December 2015, equal to -1.8%, is mainly due to:

- dividends distributed in the period for a total amount of approx. - €32.5 million (- €0.04 p.s.)
- Group's net profit of the period equal to + €26.5 million (+ €0.03 p.s.)
- worsening of the cash flow hedge reserve of about - €2 million (- €0.00 p.s.)
- change of debt fair value for approx. - €10 million (- €0.02 p.s.)

FINANCIAL STRUCTURE



26 | Achieved new important results



- **Rating Baa(3) Stable Outlook assigned by Moody's: entry into a small Group of Italian companies with Investment Grade rating***



- **First public issue of an unsecured senior Bond (€ 300 mn; 5 years) at the lowest cost of the Group's history (coupon 2.50%)**



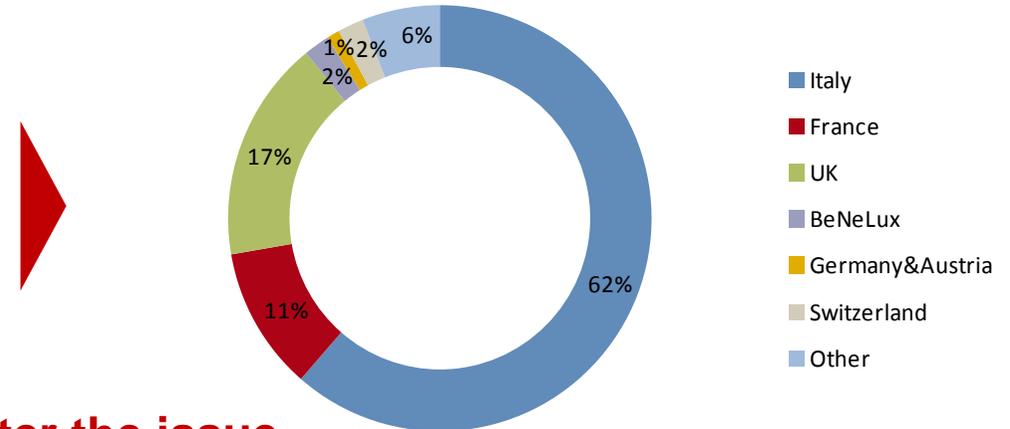
- **Extension of the debt maturity and reduction of the bank loans**

* In June 2016 Moody's assigned Investment grade rating to 20 Italian listed companies (excluding banks); source Moody's Investors Service

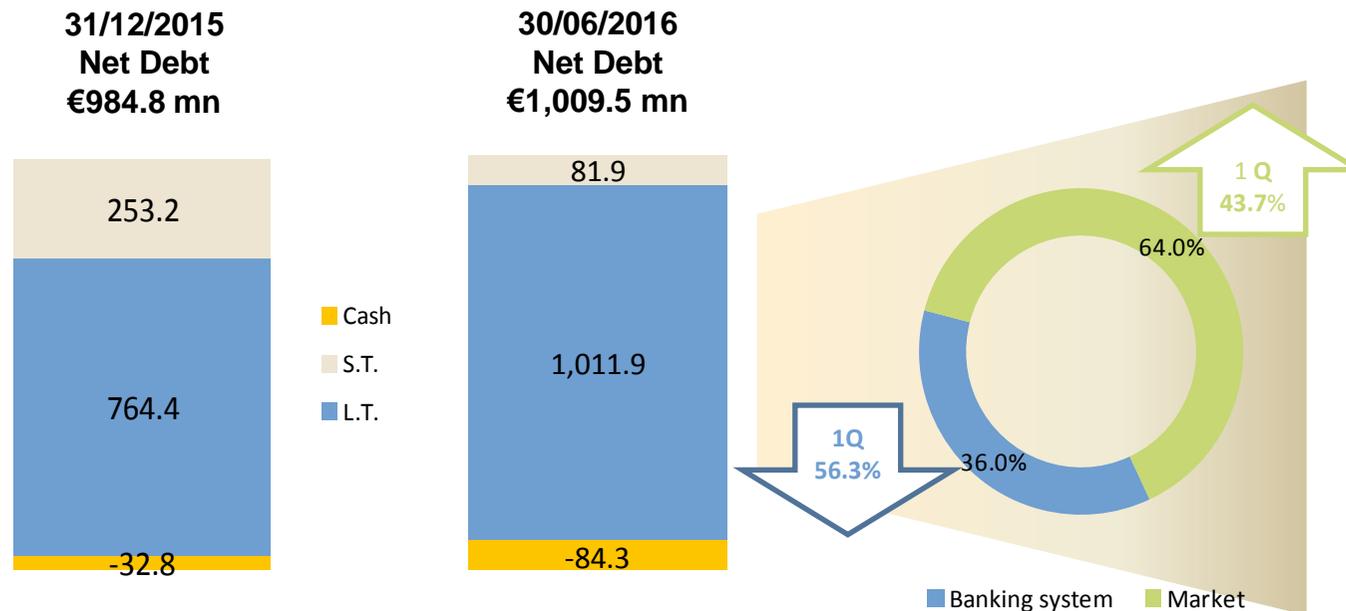
27 Effective and well-timed financial management (1/2)

Bond issue	
Type	Eurobond Senior Unsecured
Size	€300 mln
Coupon	2.50%
Expiry Date	May 2021
Demand	2 x, #100 orders

Placement by geographical area



Debt structure after the issue



The debt breakdown after the last bond issue has been **fully reversed**

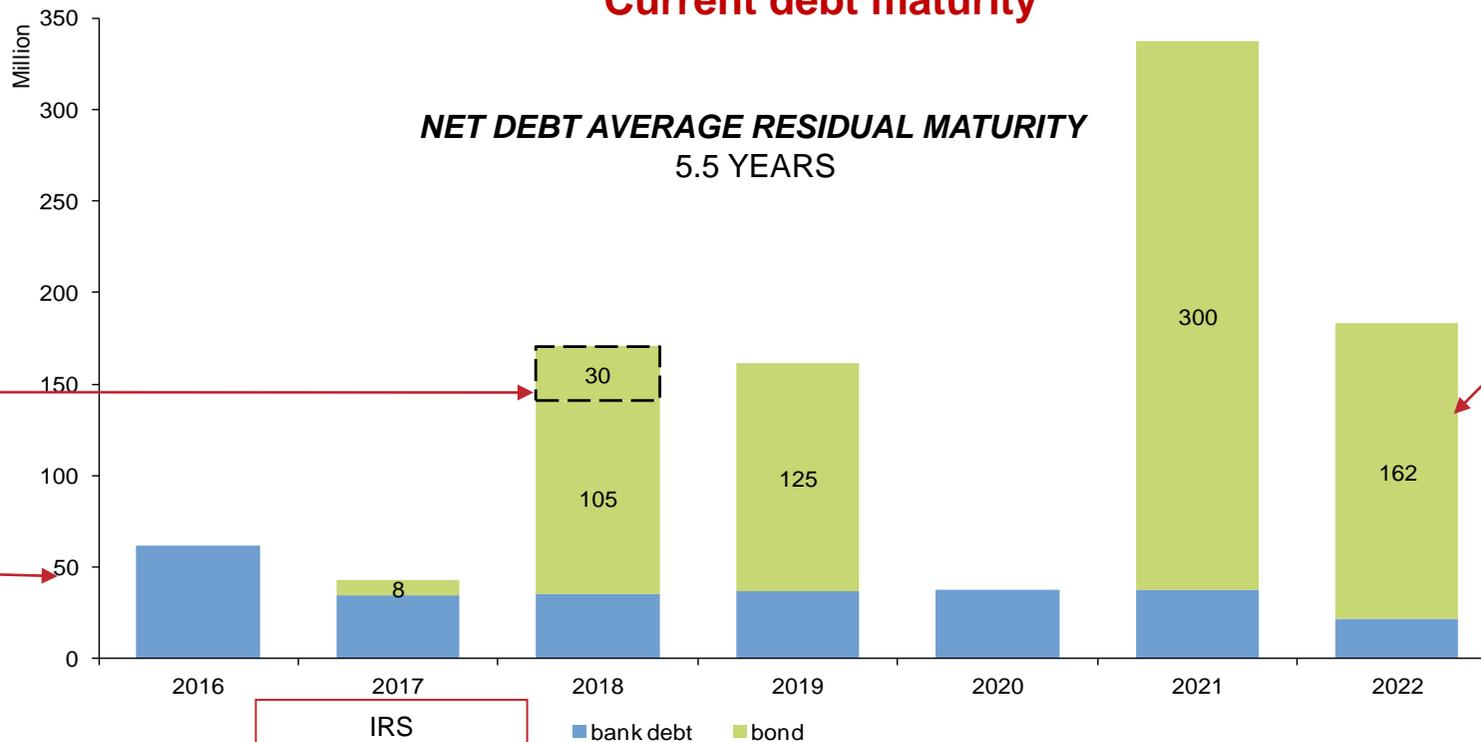
28 Effective and well-timed financial management (2/2)

Rating	
Agency	Moody's Investors Service
Rating	Baa3
Outlook	Stable



- ✓ Improved access to debt capital at more favourable conditions
- ✓ Certified the debt quality and the financial risk of the Group

Current debt maturity



2016
CMBS early closure option:
✓ May ≈ €30mn already repaid
• Nov/Dic ≈ €105mn

Limited financial maturities in the coming years

IRS
cost 4.3%
notional €70.7 mn
expiry date 04/2017

Better access to financial market, post rating, for refinancing

29 Financial highlights 1/2

	31/12/2015	30/06/2016
GEARING RATIO (D/E)	0.93x	0.96x
LOAN TO VALUE	47.3%	48.2%
AVERAGE COST OF DEBT*	3.67%	3.23%
*Net of charges on loans (both recurrent and not)		
INTEREST COVER RATIO	2.15X	2.37X
LONG TERM DEBT AVERAGE RESIDUAL MATURITY (bond included)	6.3 years	5.7 years

30 Financial highlights

	31/12/2015	30/06/2016
SHARE OF MEDIUM/LONG TERM DEBT	77.6%	92.5%
HEDGING ON LONG TERM DEBT+ BOND	91.6%	95.3%
UNCOMMITTED CREDIT LINES	€302.5 mn	€301.5 mn
UNCOMMITTED CREDIT LINES - AVAILABLE	€120 mn	€275 mn
COMMITTED CREDIT LINES - GRANTED AND AVAILABLE	-	€60.0 mn
UNENCUMBERED ASSETS	867,6 € mn	€952.7 mn

OUTLOOK



Outlook stated in March 2016

FFO expected at year end

≈ + 13/15 %

August 2016:

FFO 2016 outlook reviewed

≈ +15/16%

ATTACHMENTS



34 Consolidated income statement

€/000	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	30/06/2015	30/06/2016	Δ%	30/06/2015	30/06/2016	Δ%	30/06/2015	30/06/2016	Δ%
Revenues from freehold real estate and rental activities	53,829	58,838	9.3%	53,829	58,838	9.3%	0	0	n.a.
Revenues from leasehold real estate rental activities	6,078	6,146	1.1%	6,078	6,146	1.1%	0	0	n.a.
Total revenues from real estate and rental activities	59,908	64,985	8.5%	59,908	64,985	8.5%	0	0	n.a.
Revenues from services	2,551	2,558	0.3%	2,551	2,558	0.3%	0	0	n.a.
Revenues from trading	886	590	(33.4)%	0	0	n.a.	886	590	(33.4)%
OPERATING REVENUES	63,345	68,133	7.6%	62,459	67,542	8.1%	886	590	(33.4)%
COST OF SALES AND OTHER COSTS	(804)	(577)	(28.3)%	0	0	n.a.	(804)	(577)	(28.3)%
Rents and payable leases	(5,034)	(5,060)	0.5%	(5,034)	(5,060)	0.5%	0	0	n.a.
Personnel expenses	(1,922)	(1,940)	1.0%	(1,922)	(1,940)	1.0%	0	0	n.a.
Direct costs	(8,783)	(8,568)	(2.5)%	(8,605)	(8,454)	(1.8)%	(178)	(113)	(36.1)%
DIRECT COSTS	(15,739)	(15,568)	(1.1)%	(15,561)	(15,455)	(0.7)%	(178)	(113)	(36.1)%
GROSS MARGIN	46,802	51,987	11.1%	46,897	52,087	11.1%	(95)	(100)	5.2%
Headquarters personnel	(3,141)	(3,297)	5.0%	(3,103)	(3,261)	5.1%	(39)	(37)	(5.5)%
G&A expenses	(2,407)	(2,261)	(6.0)%	(2,214)	(2,085)	(5.8)%	(193)	(176)	(8.6)%
G&A EXPENSES	(5,548)	(5,559)	0.2%	(5,317)	(5,346)	0.6%	(231)	(213)	(8.1)%
EBITDA	41,254	46,429	12.5%	41,581	46,742	12.4%	(327)	(313)	(4.2)%
<i>Ebitda Margin</i>	<i>65.1%</i>	<i>68.1%</i>		<i>66.6%</i>	<i>69.2%</i>				
Other provisions	(82)	(97)	19.2%						
Impairment and FV adjustments	(403)	358	n.a.						
Depreciations	(621)	(558)	(10.2)%						
DEPRECIATIONS AND IMPAIRMENTS	(1,105)	(297)	(73.2)%						
EBIT	40,149	46,132	14.9%						
FINANCIAL MANAGEMENT	(20,299)	(19,645)	(3.2)%						
EXTRAORDINARY MANAGEMENT	(231)	(179)	(22.7)%						
PRE-TAX PROFIT	19,619	26,308	34.1%						
Taxes	606	(138)	n.a.						
NET PROFIT FOR THE PERIOD	20,224	26,170	29.4%						
(Profit)/Loss for the period related to Third Parties	186	338	82.1%						
GROUP NET PROFIT	20,410	26,508	29.9%						

Total revenues from rental activities:

€65.0 mn

From Shopping Malls: €44.6 mn of which:

Italian malls €40.3mn

Winmarkt mall €4.3 mn

From Hypermarkets: €19.9mn

From City Center Project: €0.3mn

From Other: €0.2mn

35 Margin from activities

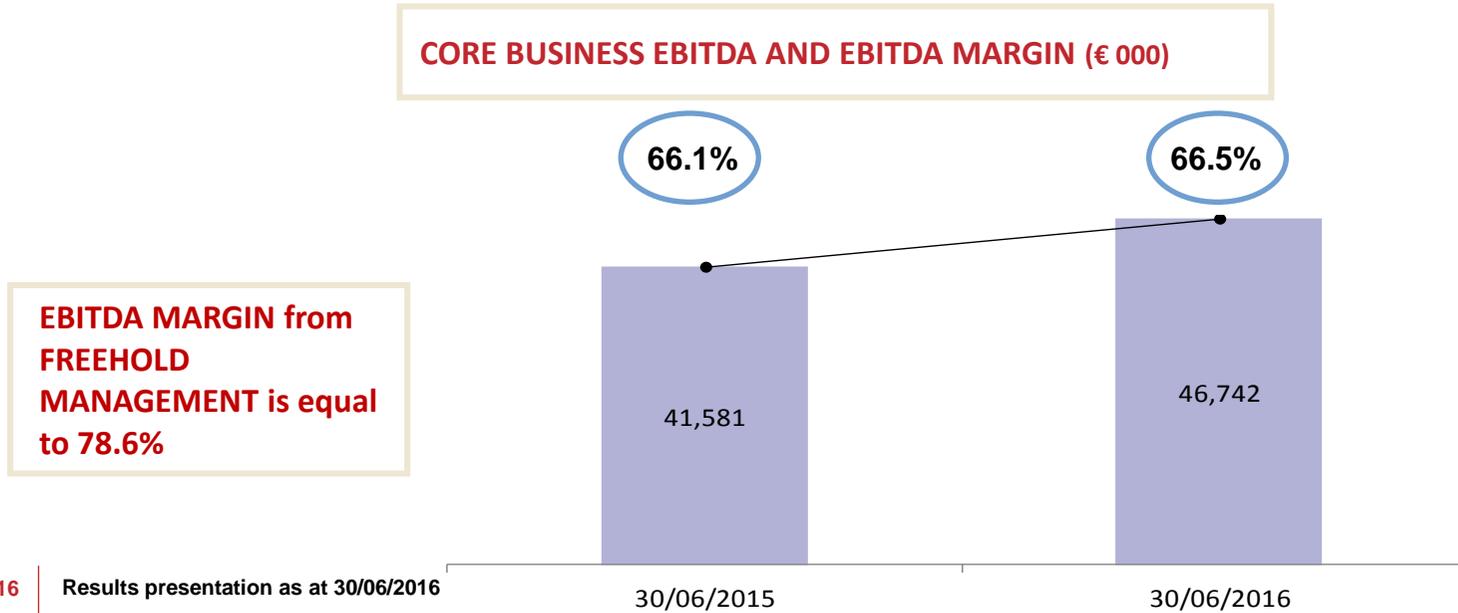
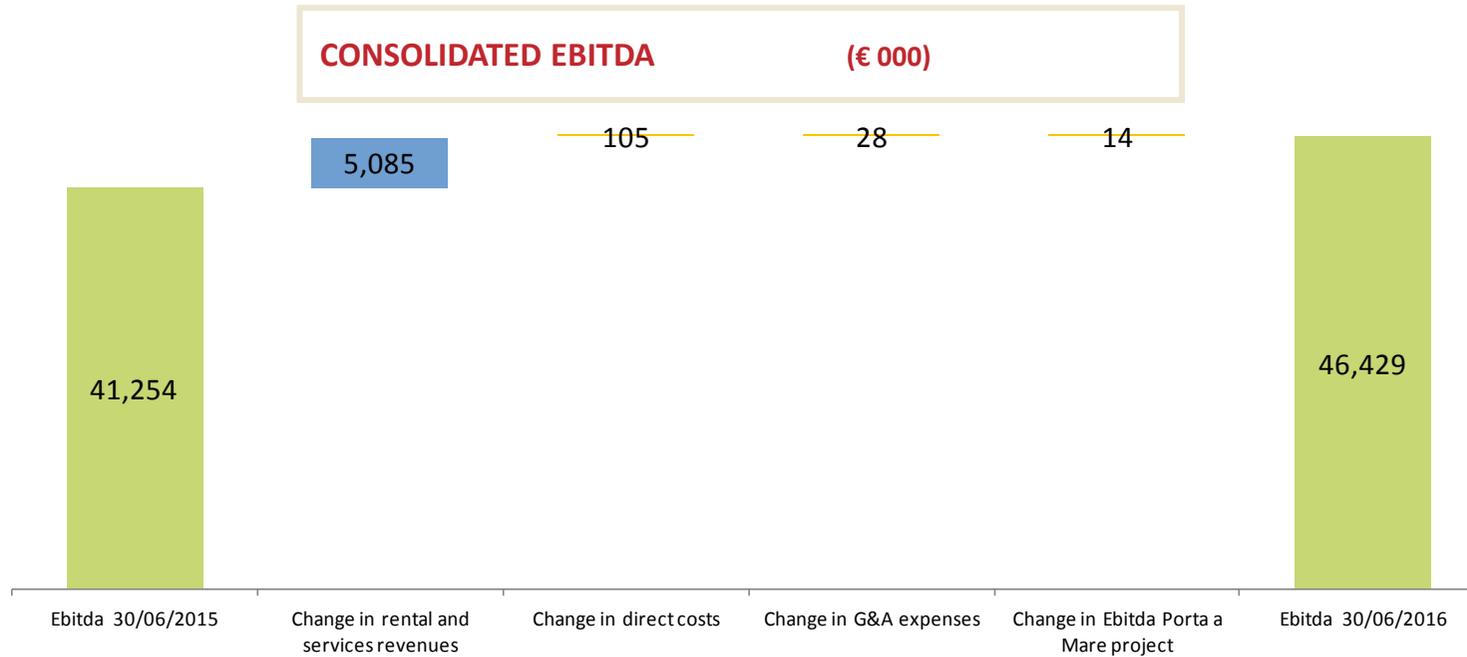
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	30/06/2015	30/06/2016	%	30/06/2015	30/06/2016	%	30/06/2015	30/06/2016	%
Margin from freehold properties	45,874	50,905	11.0%	45,874	50,905	11.0%	0	0	n.a.
Margin from leasehold properties	959	1,030	7.4%	959	1,030	7.4%	0	0	n.a.
Margin from services	64	152	n.a.	64	152	n.a.	0	(0)	n.a.
Margin from trading	(95)	(100)	4.8%	0	0	n.a.	(95)	(100)	4.8%
Gross Margin	46,802	51,987	11.1%	46,897	52,087	11.1%	(95)	(100)	5.2%

Margin from freehold properties: 86.5% increased compared to the previous year because off increase of revenues and stability of the related costs

Margin from leasehold properties: 16.8% increased compared to the previous year because off increase of revenues and stability of the related costs

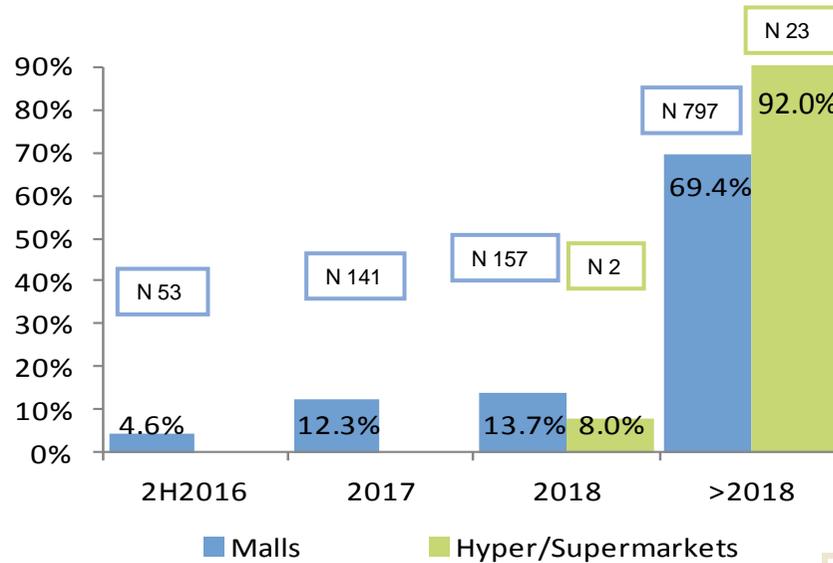
36

Total consolidated Ebitda: €46.4 mn
 Ebitda (core business): €46.7 mn (+12.4%)



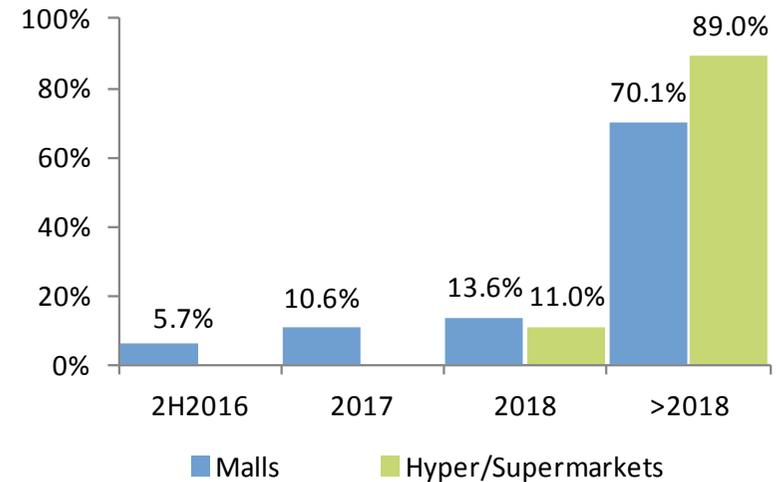
37 Contracts in Italy and Romania

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



Average residual maturity
Hyper 8.3 years
Malls 4.5 years

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



ITALY

(total MALLS CONTRACTS 1,148; HYPERMARKETS CONTRACT 25)

In 1H 2016 134 contracts were signed, of which 39 were turnover and 95 renewals.

Renewals with upside equal to + 2.1%

RENEWALS

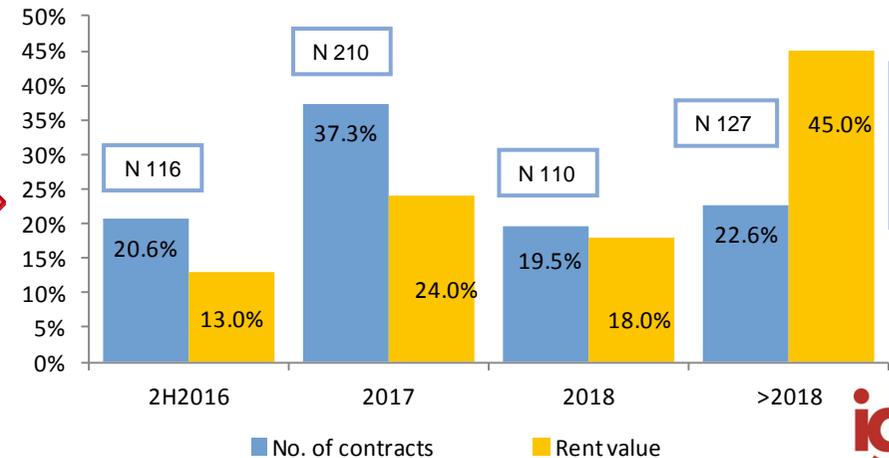
ROMANIA

(Total no. of contracts 563)

In 1H 2016, 125 contracts were renewed (upside + 1.7%) and 121 new contracts were signed.

RENEWALS

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

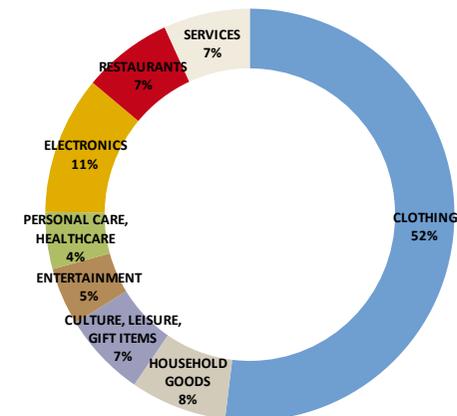


Average residual maturity
3.6 years

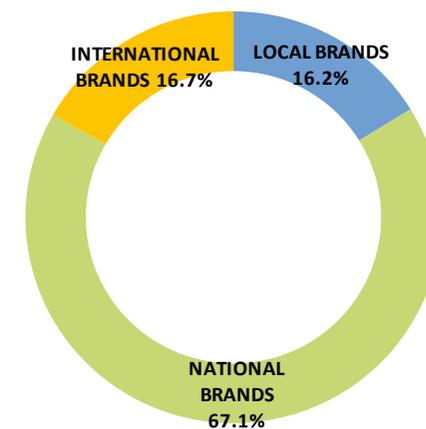
38 Tenants Italy

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.2%	11
Gruppo Miroglio FIORELLA RUBINO mötivi oltre	clothing	3.0%	29
H&M	clothing	2.9%	9
OVS	clothing	2.3%	7
unieuro	electronics	2.1%	6
SCARPE & SCARPE	clothing	2.0%	6
CALZEDONIA	clothing	1.9%	24
KASANOVA	articoli per la casa	1.3%	15
GameStop power to the players	entertainment	1.3%	20
DECATHLON	clothing	1.3%	3
Total		21.3%	130

MALL MERCHANDISING MIX



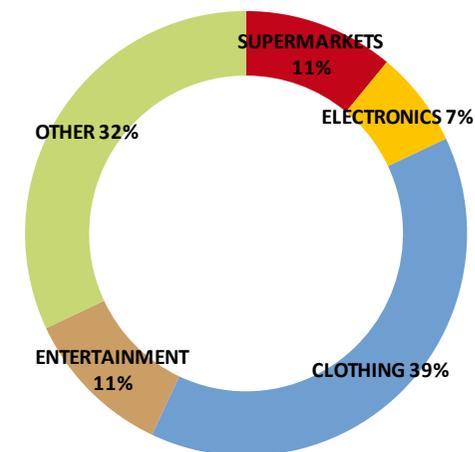
MALL TENANT MIX



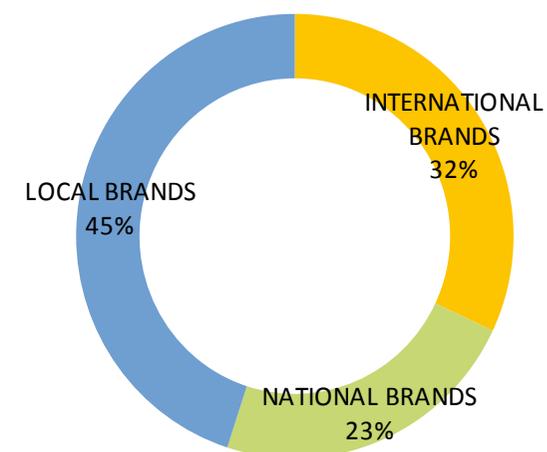
39 Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
 Carrefour market	food	9.6%	9
 H&M	clothing	6.7%	5
 ALTEX	electronics	3.1%	4
 PEPCO	clothing	2.9%	8
 dm	grocery	2.7%	5
 BOB	jewellery	2.6%	6
 SENSI	farmacia	2.3%	4
Oficiul de Cadastru	offices	1.9%	1
 LEONARDO	shoes	1.5%	10
 House of art	clothing	1.5%	5
Total		35.0%	57

MALL MERCHANDISING MIX



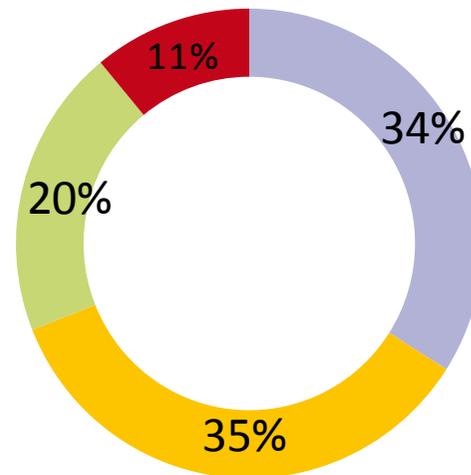
TENANT MIX



40 Market Value evolution

Breakdown of the Portfolio's appraisals

Starting from 1H2016 IGD's Group real estate portfolio will be appraised by the companies **Cbre**, **Reag**, **C&W** and, for the first time, **JLL**.



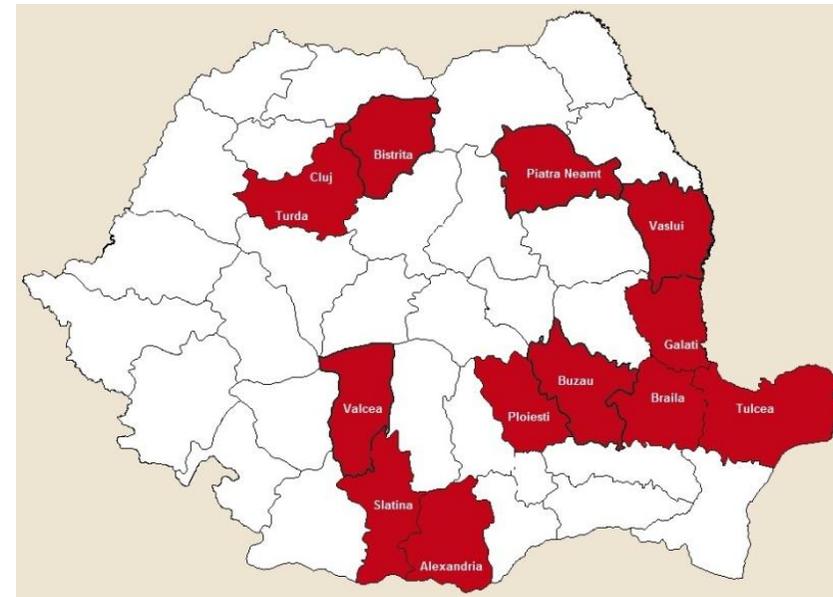
■ CBRE ■ REAG ■ CUSHMAN&WAKEFIELD ■ JLL

41 Italian and Romanian portfolio



56 REAL ESTATE UNITS IN 11 ITALIAN REGIONS :

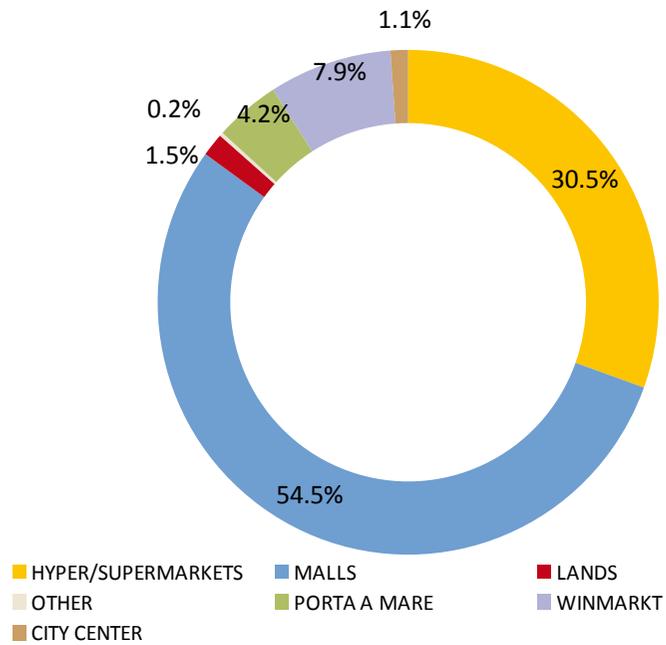
- 21 Malls and hypermarkets**
- 25 Hypermarkets and supermarkets**
- 1 city center**
- 2 plots of land for development**
- 1 property held for trading**
- 6 other**



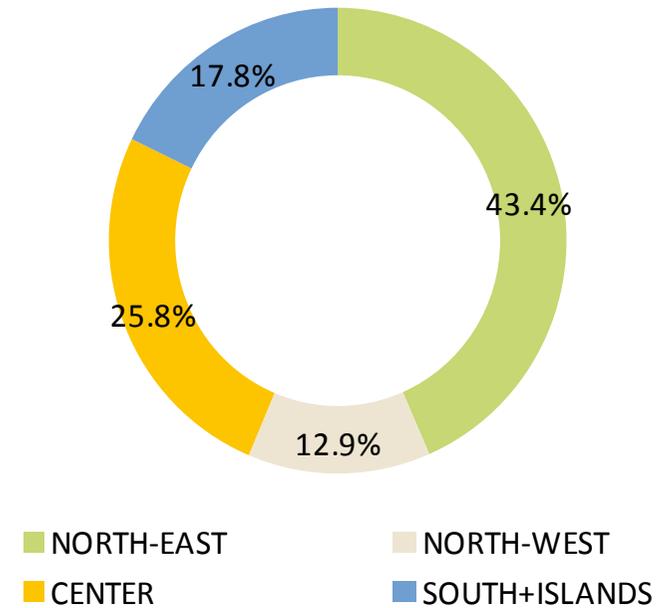
14 SHOPPING CENTERS + 1 OFFICE BUILDING IN 13 DIFFERENT MEDIUM-SIZED CITIES

42 Italian and Romanian portfolio

MARKET VALUE BREAKDOWN OF IGD'S PORTFOLIO BY TYPE OF ASSET

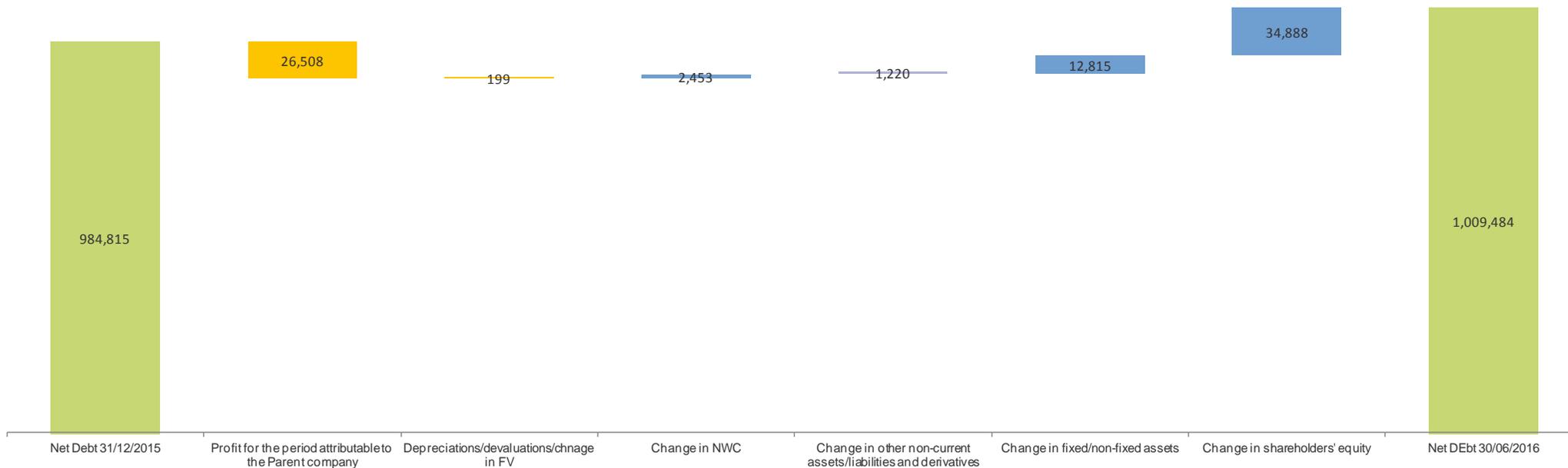


IGD'S ITALIAN PORTFOLIO BREAKDOWN BY GEOGRAPHICAL DISTRIBUTION (mkt value)



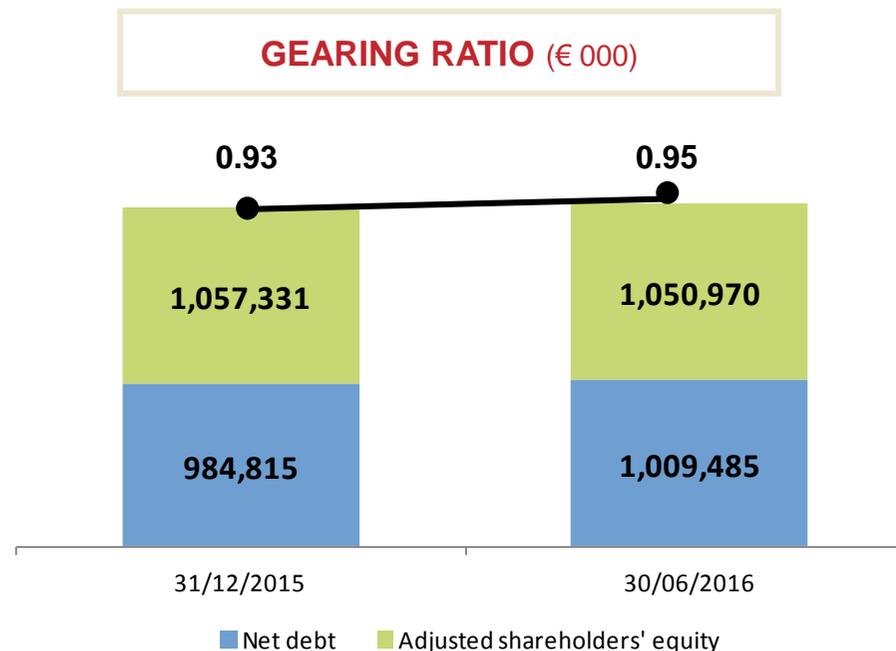
43 Net debt

NET DEBT EVOLUTION (€ 000)



44 Reclassified Balance Sheet

Sources - Use of funds	31/12/2015	30/06/2016	Δ	%
Fixed assets	2,057,039	2,064,466	7,427	0.36%
Non-current assets held for sale	0	4,466	4,466	
NWC	51,797	54,250	2,453	4.74%
Other non-current liabilities	(56,828)	(54,458)	2,370	(4.17%)
TOTAL USE OF FUNDS	2,052,008	2,068,724	16,716	0.81%
Shareholders' equity	1,032,203	1,023,822	(8,381)	(0.81%)
Net (assets)/liabilities for derivative instruments	34,990	35,417	427	1.22%
Net Debt	984,815	1,009,485	24,670	2.51%
TOTAL SOURCES	2,052,008	2,068,724	16,716	0.81%



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