



Results as at 30 June 2017
Conference call 4 August 2017



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Highlights 1H2017

 **€ 71.6 mn**
Core business revenues
+ 6.0%

 **€ 48.9 mn**
Group Net Profit
+ 84.6%

 **€ 2,210.4 mn**
Portfolio Market Value
+1.5% (LFL +0.7%)

 **€ 50.0 mn**
Core business Ebitda
+ 6.9%
Margin 69.8% (+60 bps)
Margin from Freehold 79.5% (+90bps)

 **€ 31.9 mn**
FFO
+ 17.8%
FFO per share € 0.039

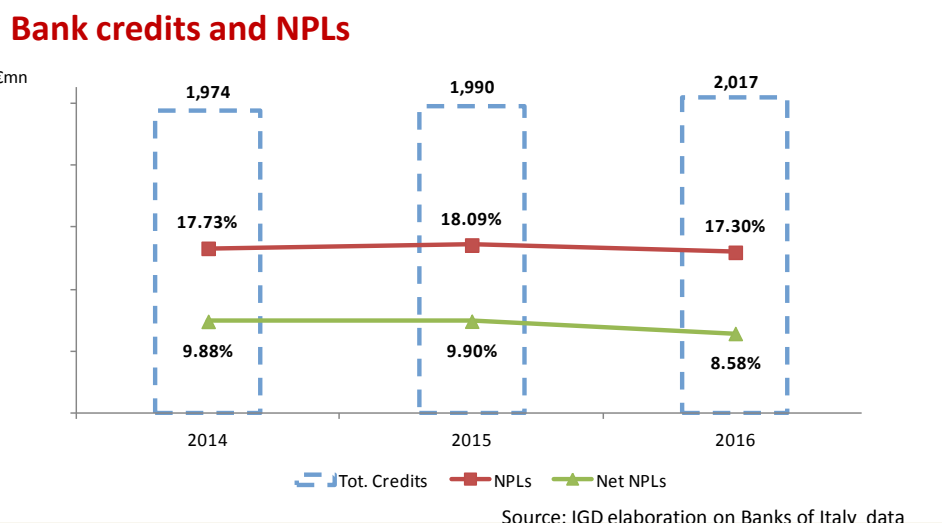
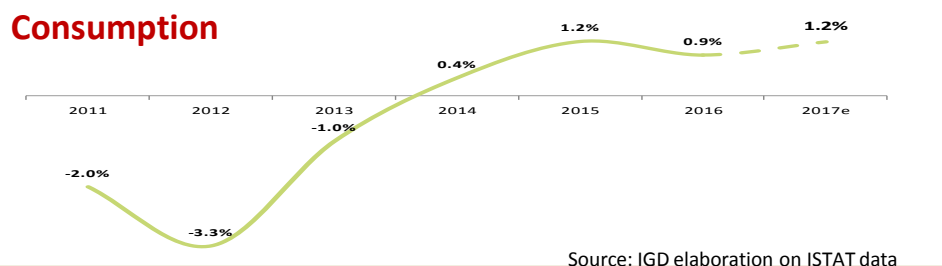
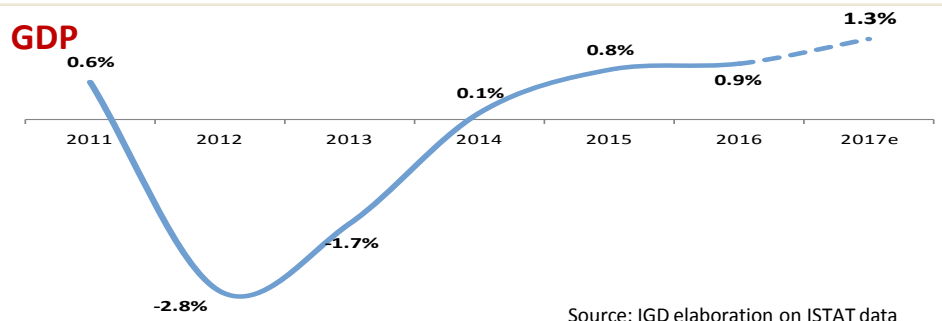
 **€ 1.31 per share**
Epra NNNNAV 30/06/2017
+1.6% vs 1.29 FY2016



Operating Performance

Good news from the macro perspective...

ITALY



1. Projections of the Italian economy are improving...

- **The Italian economy accelerated** in the first half of 2017. Forecasts for 2017 have been revised upwards and **GDP is expected at about 1.3%/1.4% this year.**
- Main **growth drivers** are **investments, exports and private consumption.**
- The **inflation rate** returned positive and it is expected to be around +1.3% at the end of 2017.
- In June **unemployment** fell to 11.1%, returning to the level of 2012.

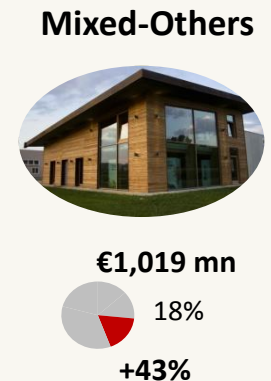
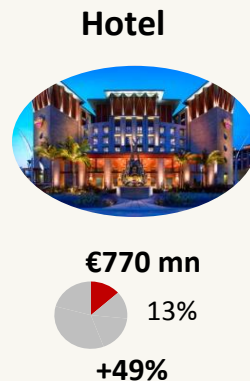
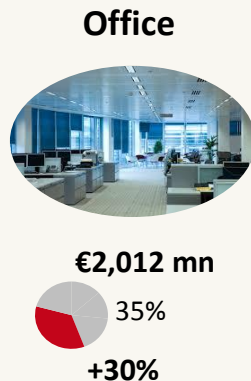
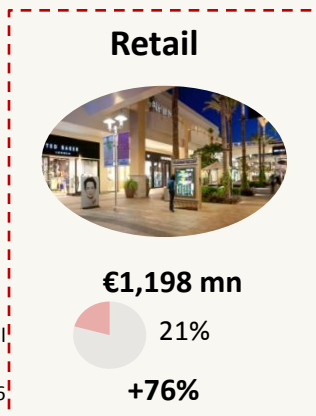
2. ... and the perceived risks decreased

- **The impact of NPLs of the Italian Banks is decreasing**
- **NPLs sales increased:** €42 bn sold or announced in June for an expected total amount at year end of about €100 bn.
- The **political risk** decreased:
 - in Europe, due to the recent election results
 - in Italy, where the elections will be held in 2018 as previously planned.

...and the Italian real estate is continuing to grow

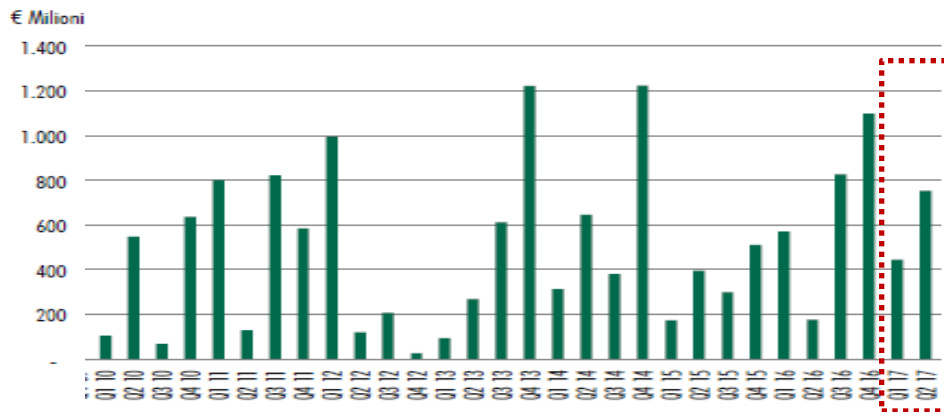
Total Italian Real Estate
1H 2017:
€5.8 bn
+58% vs 1H2016

Transactions value (€ mn)
% out of the total
Δ vs 1H2016



Source: CBRE

Retail investment evolution in Italy



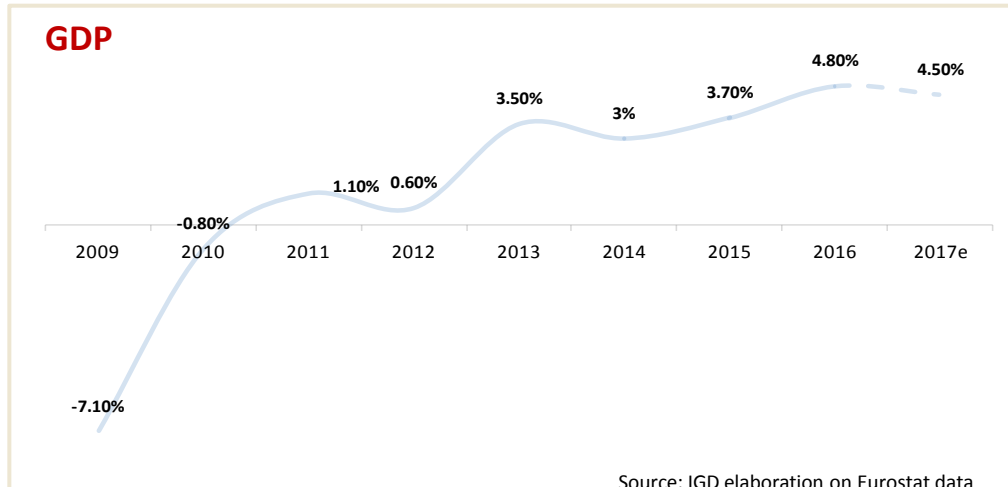
Fonte: CBRE Research, Q2 2017.

• Retail investments 1H 2017: **approx. €1.2 bn, +76% vs 1H 2016.**

- Most important retail transaction: **disposal of “Le Befane” shopping center** in Rimini (€300mn).
- **80% of the invested capital came from foreign investors** (there was a significant increase in the contribution of European investors, particularly the German, French and UK ones).
- Outlook substantially stable for the second half of the year in terms of yields and rents.

Romania, a rapidly expanding economy

ROMANIA



- GDP is expected at the end of 2017 to be over 4% .

- Growth will be driven by a strong domestic demand supported by a new set of fiscal measures adopted by the Government (1% cut in VAT and increase of the minimum wage).



- Prime shopping center yields decreased.

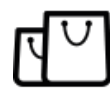


- Romania confirmed to be a **very attractive market** for **international retailers** which are very interested in expanding into this country.



- **Investments** in quality refurbishment and/or development activities also in secondary and tertiary cities.

Operating performance



+0.5%

+1.3% including Esp extension

Malls tenant sales



-0.8%

Footfalls

Strongly affected by the first 2 months of the year and calendar effect



✓ Further increase compared to an already good 2016



-1.8%

Footfalls

Affected by the competition of new shopping malls, fit-outs and calendar effect

Commercial performances: Italy



74 signed contracts
of which 25 turnover and 49 renewals



+4.7% upside



2% rotation rate



97.2% occupancy
Stable vs 97.2% 1Q17



ESP (Ravenna)

Commercial performances: Romania



237 signed contracts
Of which 136 turnover and
renewals and 101 new contracts



+2.5% upside



17.4% rotation rate

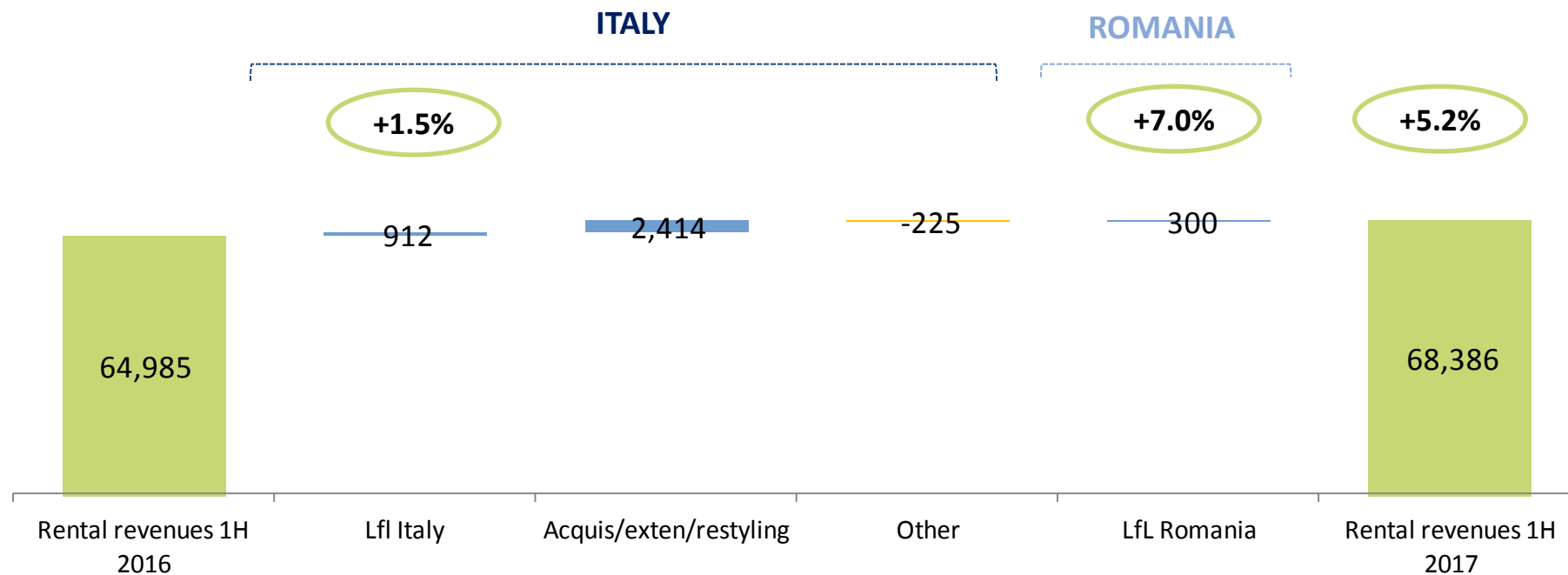


96.9% occupancy
Increasing vs 96.0% 1Q17



Ploiesti Grand Center

Results: rental revenues +5.2%



↗ **Like for like Italy +1.5%:** malls (+2.1%) and slight increase in hypermarkets (+0.6%); inflation had a marginal contribution over the period (approx. 25 bps)

↗ **Like for like Romania +7.0%** due to marketing and re-negotiation activities carried out in the period

Spaces to be lived in

Focus on **QUALITY** of shopping center and **SERVICES** offered to visitors and tenants

NEW FOOD COURT



NEW SERVICES



PET SHOP



**ESP - extension
FOOD COURT
2,200 sqm
(11.6% gla new
malls)**



CHILDREN AREA

**ESP - extension
SERVICE 800 sqm**

New brands to...

- ✓ Increase the attractiveness of the shopping malls
- ✓ Diversify the shopping malls from their competitors

SERVICES



ESP
(Ravenna)

PET SHOP



ESP
(Ravenna)

HEALTHCARE



PORTE DI NAPOLI
(Afragola)

ELECTRONICS



ESP
(Ravenna)



CLOTHING



ESP
(Ravenna)



ESP
(Ravenna)



TIBURTINO
(Guidonia)



LA TORRE
(Palermo)



CITTA' DELLE STELLE
(Ascoli)

FOOD COURT



ESP
(Ravenna)



PUNTA DI FERRO
(Forlì)



ESP
(Ravenna)



SARCA
(Milano)



ESP
(Ravenna)



ESP
(Ravenna)

Marketing and Innovation in the Shopping Centers

INNOVATION



Digital communication and interactive marketing

- ✓ Digital totems installed in 9 shopping centers;
- ✓ Roll-out plan, in all IGD shopping centers by September



Phone and electric bicycle battery chargers

- ✓ Digital box created *ad-hoc* for IGD and installed in 17 shopping centers

MARKETING

- ✓ A new procedure to create annual Marketing Plans for the shopping centers has been defined and circulated.
- ✓ This new procedure focuses on the fine tuning of initiatives with specific monitoring and improvement tools

Sustainability: two specific projects



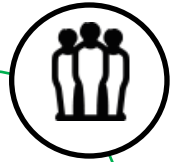
WASTE VALUE

Circular economy innovative project on the issue of food which aims to re-use in the shopping center the food waste it produced by giving it a new form of life therefore avoiding wastage

When: June 2017- March 2018

Where: pilot project in Centro Nova

Awards: INNOVATION AWARD SMAU R2B 2017



Happy Hand

An event aimed at the organisation of sports and artistic activities inside the shopping centers bringing together individuals with and without disabilities

When: June 2017 - February 2018

Where: all the shopping centers

Awards: CERTIFICATE OF MERIT AT THE CNCC AWARDS 2016

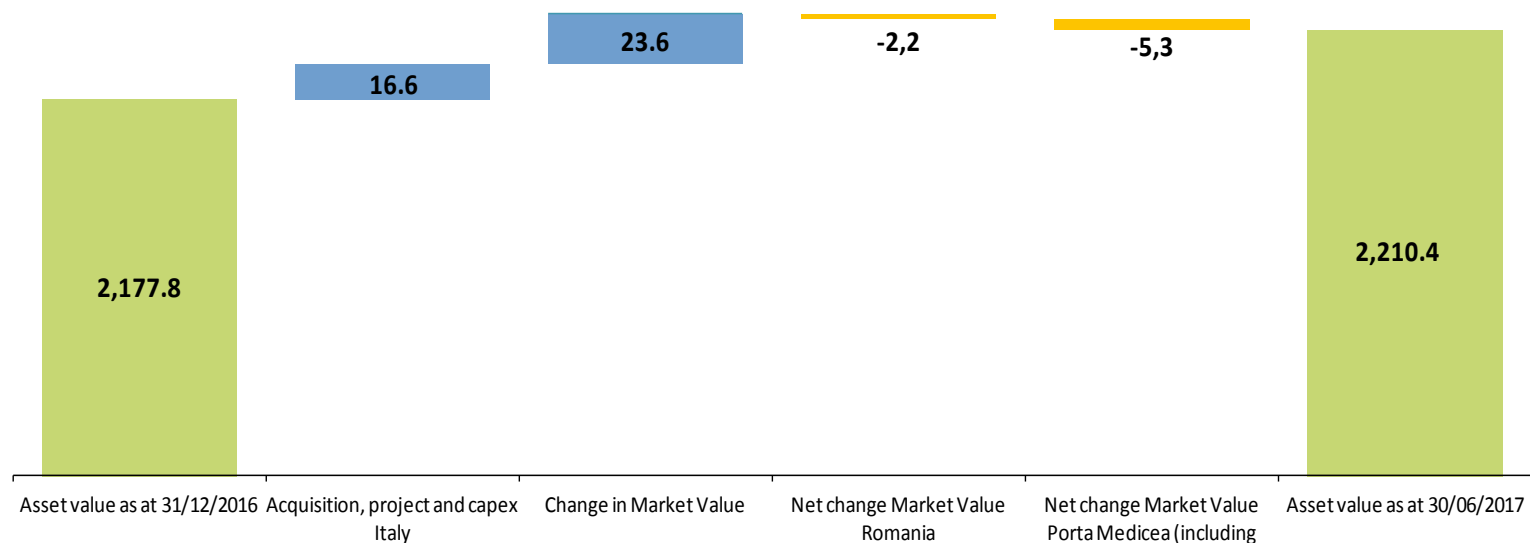




Portfolio

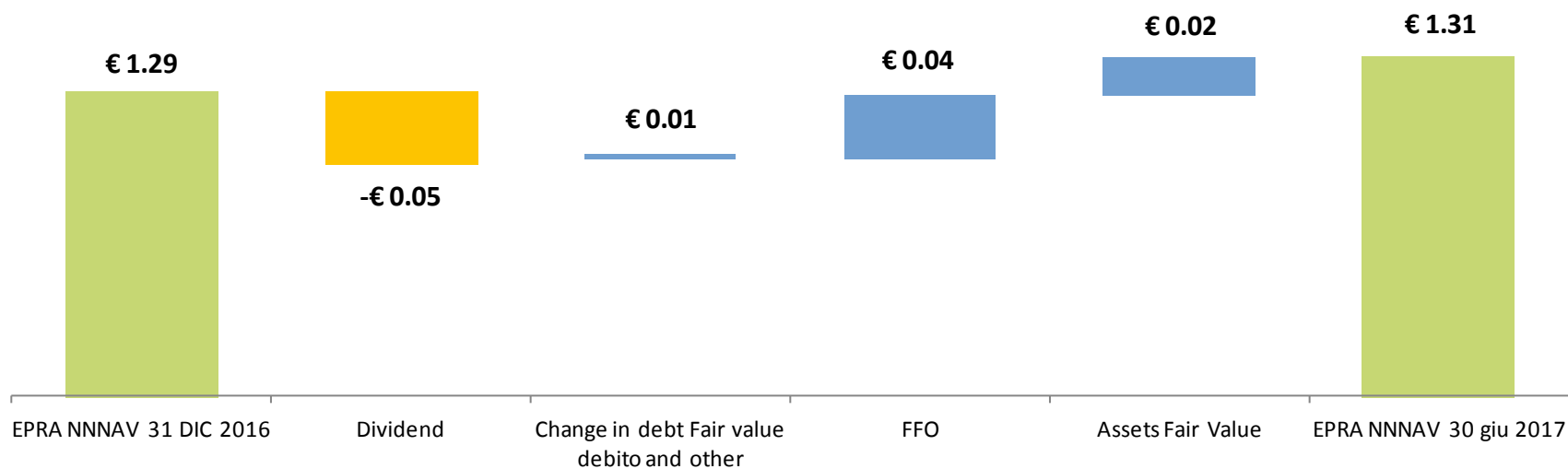
IGD Portfolio is growing...

	FV 2016	FV 1H2017	Δ %	Δ % <i>Like for Like</i>	Gross Initial Yield	Financial occupancy	
Malls Italy	1,211.60	1,287.91	+ 6.3%	+ 1.1%	6.30%	95.93%	97.22% average malls + hyper
Hyper Italy	646.09	649.60	+ 0.5%	+ 0.5%	6.19%	100.0%	
Romania	164.91	162.67	-1.4%	-1.4%	6.55%	96.91%	
Porta a Mare + development + other	155.17	110.20					
Total IGD portfolio	2,177.77	2,210.38	+ 1.5%				

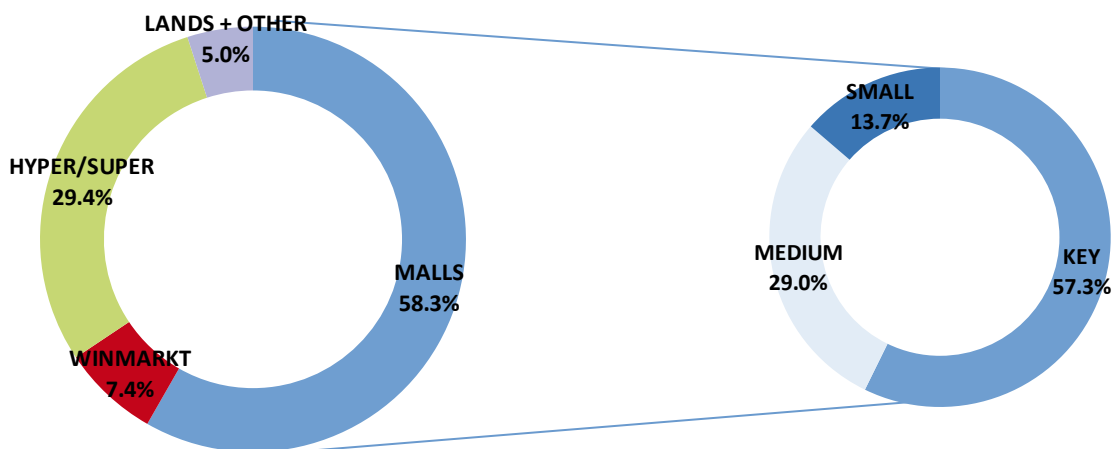


...and so is the value created

€ per share	31-Dec-16	30-Jun-17	Δ%
EPRA NAV	1.37	1.38	+1.0%
EPRA NNAV	1.29	1.31	+1.6%



Malls continue to grow



- 1 % of malls is continuing to grow (58.3% vs 55.6% as at 1Q17)
- 2 Large malls are growing the most (57.3% vs 55.1% as at 1Q17)

Key Malls

<p>C. Sarca</p> 	<p>Conè</p> 	<p>puntadiferro</p> 	<p>ESP</p> 	<p>Tiburtino</p> 	<p>Porte di Napoli</p> 	<p>Katanè</p> 
<p>Mall gla 23,773 sqm No. of shops 72 +8 ms 1 Multiplex</p>	<p>Mall gla 18,162 sqm No. of shops 59 +9 ms Gla hyper 9,498 sqm</p>	<p>Mall gla 21,223 sqm No. of shops 94 +3 ms</p>	<p>Mall gla 30,072 sqm No. of shops 82 +16 ms Gla hyper 16,536 sqm</p>	<p>Mall gla 33,496 sqm No. of shops 99 + 13 ms Gla hyper 7,663 sqm</p>	<p>Mall gla 16,983 sqm No. of shops 66 +8 ms Gla hyper 9,570 sqm</p>	<p>Mall gla 14,912 sqm No. of shops 64 + 6 ms Gla hyper 13,663 sqm</p>

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



Esp: 1 June 2017 extension opening

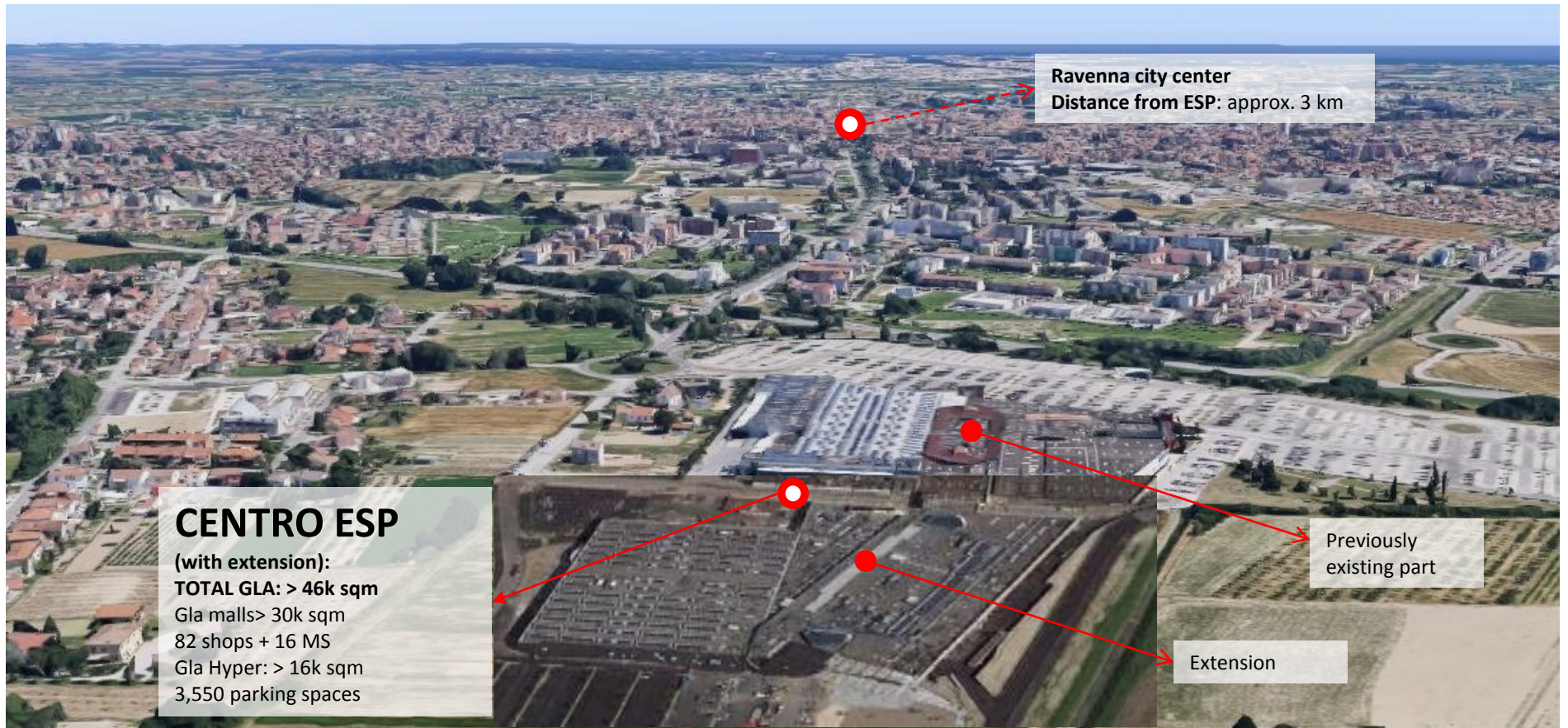


ESP: a perfect example of the IGD portfolio

Leading center in a rich area (Ravenna)

Catchment area: > 130k (20 mins) and > 300k (30 mins)

Disposable income per-capita 2015: > €22k (+7.1% vs Italian average)



ESP: a new success for IGD following the opening of Maremà in Grosseto



Footfalls in the first month: approx 510,000

Total investment approx. €51 mn

Yield on cost >8%

Important brands:

Bershka

H&M

JACK & JONES

bag STORE

MAISONS DU MONDE

PULL&BEAR

Apple
Premium Reseller

Timberland

OVS

PIAZZA ITALIA

SCARPE & SCARPE



Città delle Stelle remodeling



✓ HYPERMARKET
REDUCTION AND
RETYLING

Openend on 24 March 2017
Gla hyper from 14,400 sqm to
9,350 sqm



✓ NEW GLA IN THE MALLS
Approx. 4,150 sqm (shops,
stands)

Preletting: > 90%

IGD investment: € 1.4 mn

End of work: 2H2017

Pipeline update:

Gran Rondò (Crema)



New medium surface (+ 2,850 m² GLA) **already rented**
Total restyling of the outside of the shopping malls
End of work: 1H 2018
Total expected investment: approx €7 mn

Officine Storiche (Livorno)



Redevelopment of the former Cantier Navali Orlando, a modern retail concept with personalcare services (fitness, leisure, food court)
Preletting: significant interests collected
Expected opening: end of 2018
Total expected investment: approx €52 mn

Porta a Mare project

The heart of the initiative will be completed shortly

TOTAL OWNERSHIP OF THE INITIATIVE

following the repurchase of CMB's stake

SALE of PIAZZA MAZZINI RESIDENTIAL AREA ALMOST COMPLETED

60 flats sold/reserved out of 73

Total sold/reserved: **78%**

PALAZZO ORLANDO:

1 office sold and 5 rented

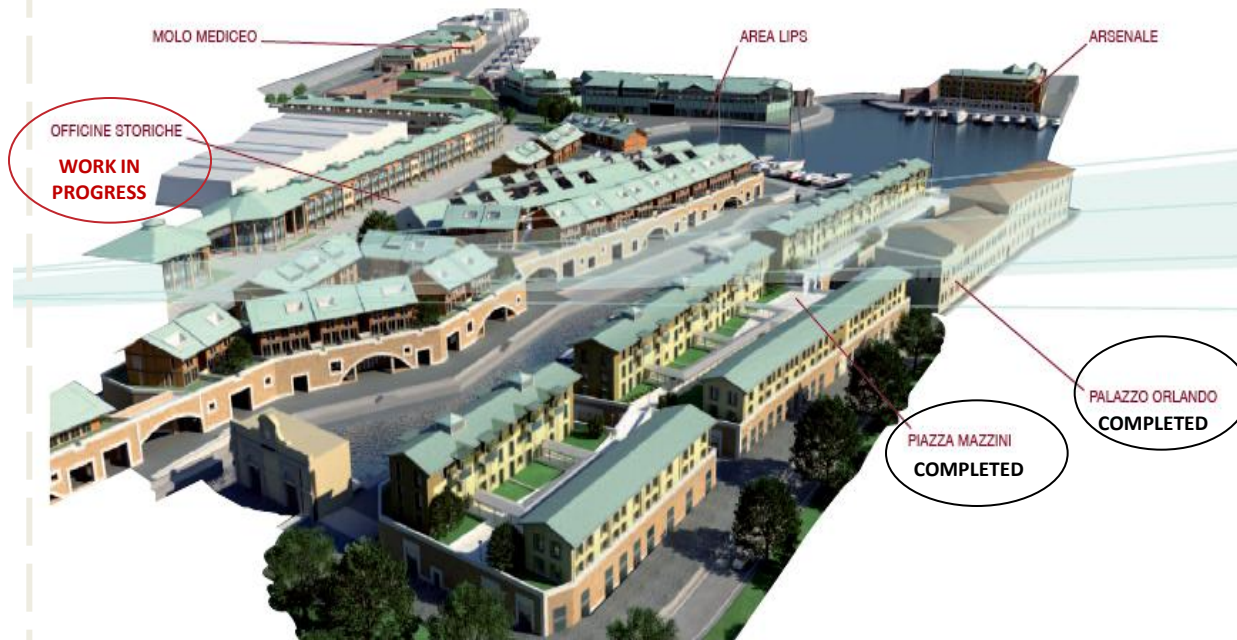
Total sold/ rented: **53.4%**

WORK IN PROGRESS IN OFFICINE STORICHE *the heart of the retail initiative*

End of work: **end of 2018**

Sqm devoted to retail: > 15,000 sqm

42 seafront flats





Financial results

IGD's financial structure even stronger

✓ Creditworthiness confirmed by:

1
Rating Baa3
Outlook Stable
confirmed by
Moody's
(December 2016)

2
USPP Bond
€100mn
(2.25% 7 years)
entirely
subscribed by
Pricoa
(January 2017)

3
Public Bond
€300mn
Trading @105,14
Implied yield to
maturity (3.5y)
1.147%*

✓ IRS expired in April 2017 cost 4.38% (notional €70.7mn; total cost 4.933%) replaced with two IRS, duration 10 years, cost 0.59% (notional €69.25mn; total cost 1.142%)

✓ An agreement was signed with Kepler Chevreux aimed at support the liquidity of IGD shares with effect from 4 September 2017

*Source: Bloomberg data on 30/06/2017

Financial Highlights

 **48.5%**

Loan to Value

Fy 2016: 48.3%

 **0.98**

Gearing ratio

Fy 2016: 0.97

 **2.9%**

Cost of Debt

Fy 2016: 3.3%

 **2.8X**

Interest Cover Ratio

Fy 2016: 2.2 X

 **5.2 years**

**Average residual maturity of
long-term debt**

Fy 2016: 5.5 years

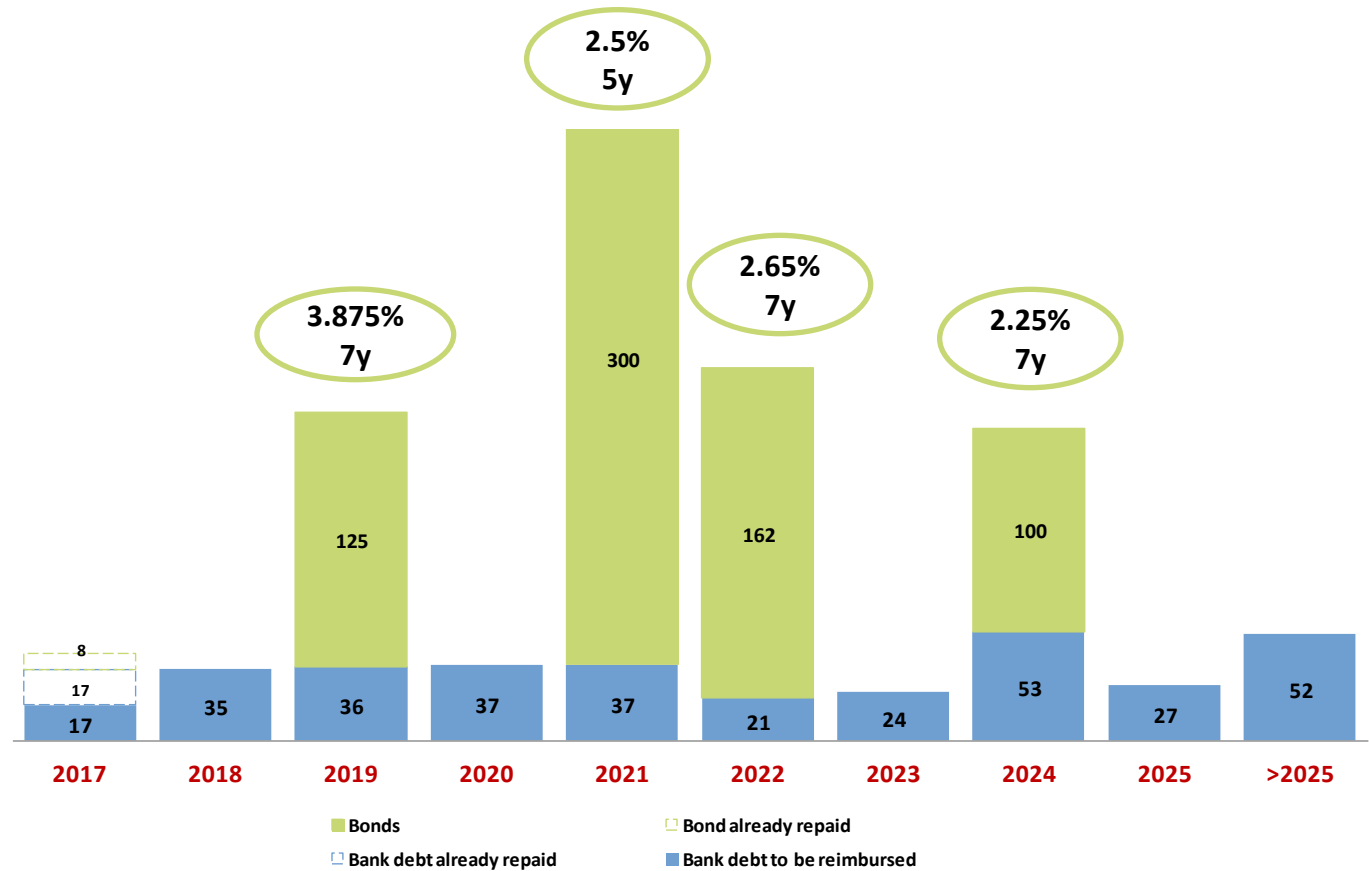
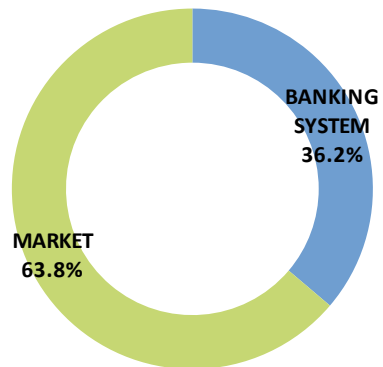
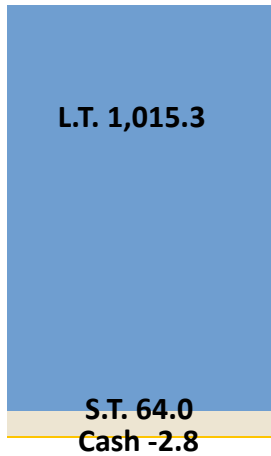
 **94.5%**

**Hedging on long-term debt +
bond**

Fy 2016: 93.8%

Debt structure

Net Debt 1H2017
€1,076.8 mn





FFO and Outlook

Fund from Operations (FFO) €31.9 mn (+17.8%)

Funds from Operations	1H_2016	1H_2017	Δ vs 2016	Δ%
Core business EBITDA	46,743	49,982	3,240	6.9%
Adj Financial Management	-19,088	-17,548	1,540	-8.1%
Adj Extraordinary Management	-125	0	125	n.a.
Adj current taxes of the period	-466	-563	-97	20.9%
FFO	27,063	31,871	4,808	17.8%

- + €3.2 mn due to Ebitda increase
- + €1.5 mn financial management (net of liability management)

Further increase compared to 1Q (+10.2%)

Target communicated in February FFO FY2017:

+18/19% vs 2016



FFO FY2017 OUTLOOK REVIEWED :

+20% vs 2016



Attachments

Consolidated Income Statement

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	30/06/2016	30/06/2017	Δ%	30/06/2016	30/06/2017	Δ%	30/06/2016	30/06/2017	Δ%
Revenues from freehold real estate and rental activities	58,838	62,068	5.5%	58,838	62,068	5.5%	0	0	n.a.
Revenues from leasehold real estate and rental activities	6,147	6,318	2.8%	6,147	6,318	2.8%	0	0	n.a.
Total revenues from real estate and rental activities	64,985	68,386	5.2%	64,985	68,386	5.2%	0	0	n.a.
Revenues from services	2,558	3,226	26.1%	2,558	3,226	26.1%	0	0	n.a.
Revenues from trading	590	4,048	n.a.	0	0	n.a.	590	4,048	n.a.
OPERATING REVENUES	68,133	75,660	11.0%	67,543	71,612	6.0%	590	4,048	n.a.
COST OF SALE AND OTHER COSTS	(577)	(4,043)	n.a.	0	(0)	n.a.	(577)	(4,043)	n.a.
Rents and payable leases	(5,060)	(5,101)	0.8%	(5,060)	(5,101)	0.8%	0	0	n.a.
Personnel expenses	(1,940)	(2,199)	13.3%	(1,940)	(2,199)	13.3%	0	0	n.a.
Direct costs	(8,568)	(9,010)	5.2%	(8,454)	(8,875)	5.0%	(113)	(135)	19.1%
DIRECT COSTS	(15,568)	(16,310)	4.8%	(15,455)	(16,175)	4.7%	(113)	(135)	19.1%
GROSS MARGIN	51,987	55,307	6.4%	52,087	55,437	6.4%	(100)	(130)	29.6%
Headquarters personnel	(3,297)	(3,414)	3.5%	(3,260)	(3,379)	3.7%	(37)	(35)	(4.5)%
G&A Expenses	(2,261)	(2,204)	(2.5)%	(2,085)	(2,076)	(0.5)%	(176)	(128)	(27.1)%
G&A EXPENSES	(5,559)	(5,618)	1.1%	(5,346)	(5,455)	2.0%	(213)	(163)	(23.2)%
EBITDA	46,429	49,689	7.0%	46,742	49,982	6.9%	(313)	(293)	(6.3)%
<i>Ebitda Margin</i>	<i>68.1%</i>	<i>65.7%</i>		<i>69.2%</i>	<i>69.8%</i>				
Other provisions	(97)	(108)	10.9%						
Impairment and Fair Value Adjustments	358	18,933	n.a.						
Depreciation	(558)	(513)	(8.0)%						
DEPRECIATION AND IMPAIRMENTS	(297)	18,312	n.a.						
EBIT	46,132	68,001	47.4%						
FINANCIAL MANAGEMENT	(19,645)	(17,544)	(10.7)%						
EXTRAORDINARY MANAGEMENT	(179)	(63)	(64.9)%						
PRE-TAX PROFIT	26,308	50,394	91.6%						
Taxes	(503)	(656)	30.3%						
Other taxes	367	(794)	n.a.						
PROFIT FOR THE PERIOD	26,170	48,944	87.0%						
(Profit)/Loss for the period related to Third parties	338	0	n.a.						
GROUP NET PROFIT	26,508	48,944	84.6%						

Total revenues from rental activities:

€68.4 mn

From Shopping Malls: €47.7mn of which:

Italian malls €43.1 mn

Winmarkt malls: €4.6 mn

From Hypermarkets: €20.0 mn

From City Center Project – P.za Mazzini : €0.3 mn

From Porta a Mare: €0.4 mn

Margin from activities

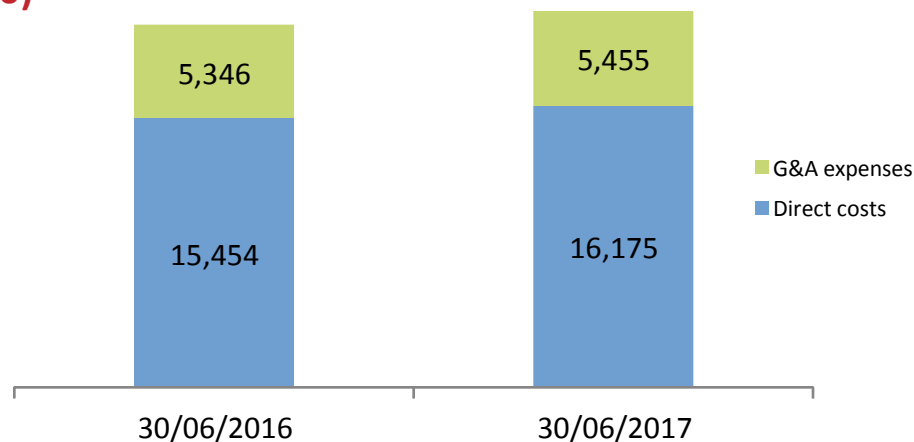
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT			
	€/000	30/06/2016	30/06/2017	Δ%	30/06/2016	30/06/2017	Δ%	30/06/2016	30/06/2017	Δ%
Margin from freehold properties		50,870	54,056	6.3%	50,870	54,056	6.3%	0	0	n.a.
Margin from leasehold properties		1,030	1,184	14.9%	1,030	1,184	14.9%	0	0	n.a.
Margin from services		187	197	5.0%	187	197	5.0%	0	0	n.a.
Margin from trading		(100)	(130)	30.0%	0	0	n.a.	(100)	(130)	30.0%
Gross margin		51,987	55,307	6.4%	52,087	55,437	6.4%	(100)	(130)	30.0%

**Margin from freehold properties:
87.1%, increased compared to the previous year (+6.3%)**

**Margin from leasehold properties:
18.7% increased, compared to the same period of the previous year (16.8%), mainly thanks to
higher revenues and decrease of the related costs.**

Operating costs and financial management

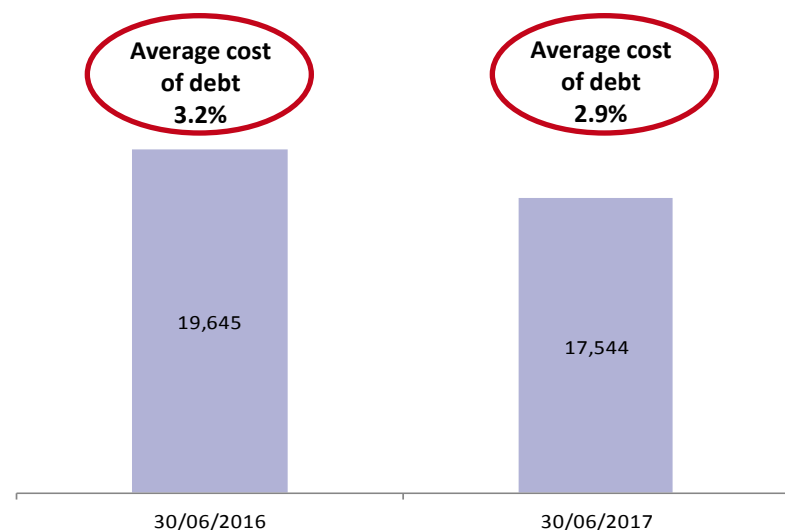
CORE BUSINESS G&A EXPENSES AND DIRECT COSTS (€ 000)



Lower impact of operating costs on revenues
Ebitda margin core business is growing (69.8%): +60 bps

Ebitda margin from Freehold: 79.5% increasing compared to 1H2016

FINANCIAL MANAGEMENT (€ 000)

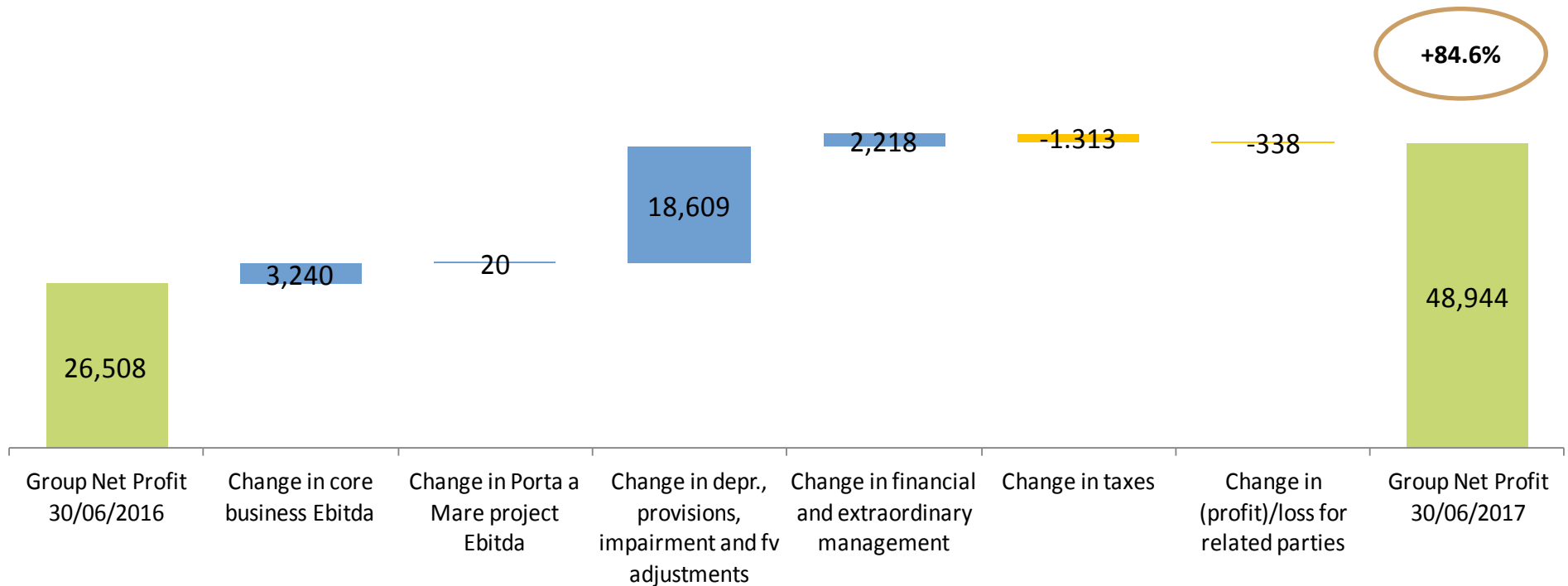


The cost of debt decrease continues

Significant decrease in Financial Management despite the increase in Net Debt :

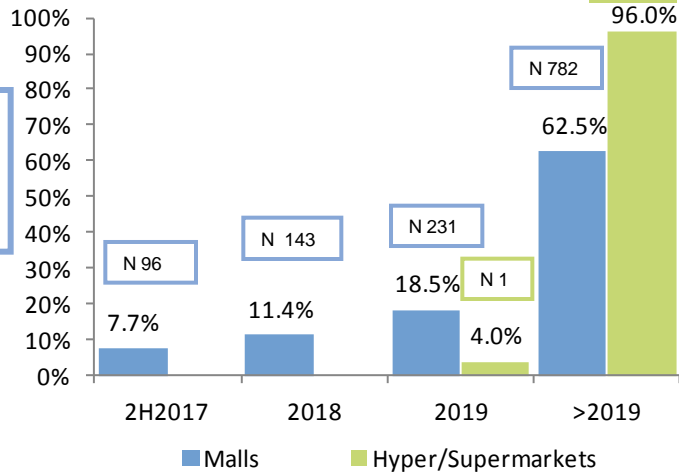
- loans replaced with new cheaper instruments
- IRS expired in April (cost 4.3%) and replaced with two IRS less expensive (cost 0.59%, maturity 2027)

Group Net Profit: €48.9 mn



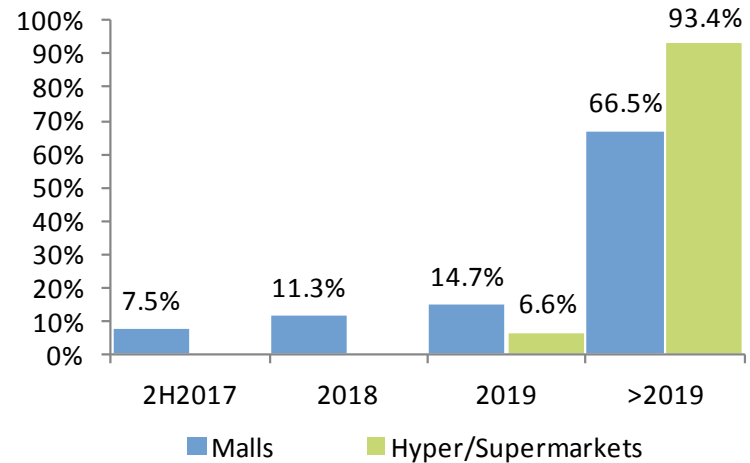
Contracts in Italy and Romania

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



Average residual maturity
Hyper 7.3 years
Malls 4.5 years

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



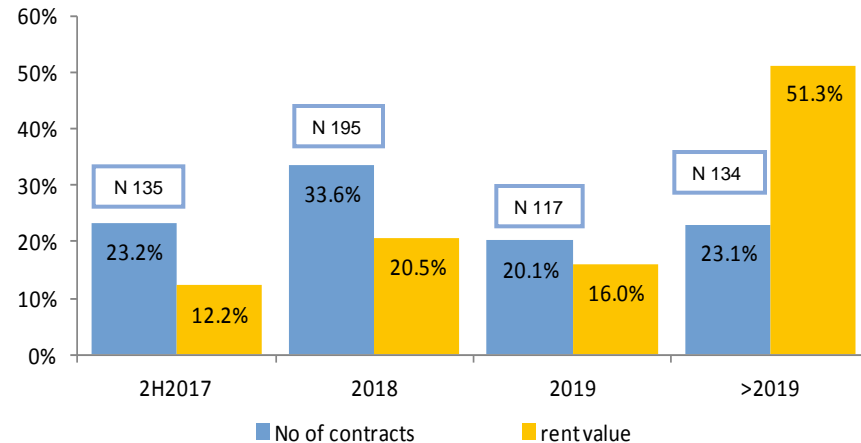
ITALY (total malls contracts 1,252)

In 1H2017 **74 contracts** have been **signed** of which **25** were **turnover** and **49 renewals**. Renewals with **upside +4.7%** mainly thanks to the renewals of contracts of the ESP pre-existing mall.

ROMANIA (total contracts 581)

In 1H2017 **136 contracts were renewed** (upside +2.5%) and **101 contracts were signed**. (Renewals and new contracts of 1H2017 represent the 1.1% and 0.7% of Winmarkt total revenues)

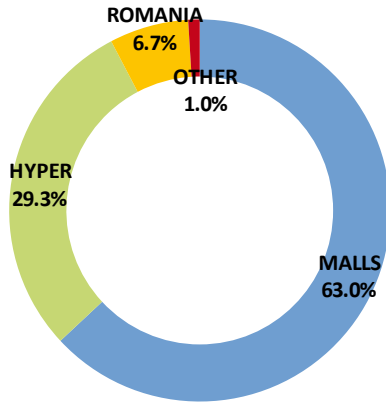
EXPIRY DATE OF MALLS CONTRACTS ROMANIA (no. and % of contracts and % of value)



Average residual maturity
6 years

Key tenants as at 30/06/2017

Breakdown of rental revenues



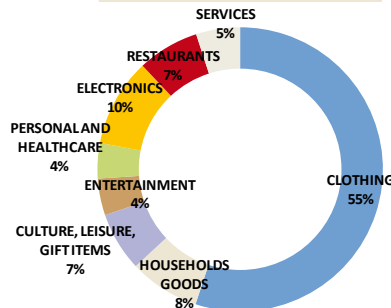
Top 10 Tenants Italy

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
H&M	clothing	3.2%	11
PIAZZA ITALIA	clothing	3.2%	12
FIORELLA RUBINO oltre	clothing	2.6%	28
OVS	clothing	2.4%	8
unieuro	electronics	2.2%	7
SCARPE & CALZATURE	shoes	2.0%	7
CALZEDONIA	clothing	1.7%	25
ALCOTT	clothing	1.5%	11
DECATHLON	clothing	1.5%	4
KASANOVA® l'amante della casa	household goods	1.3%	16
Total		21.6%	129

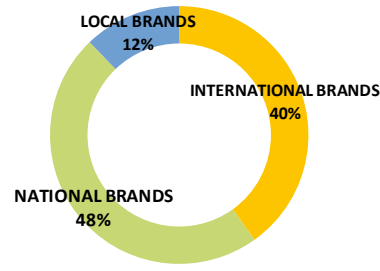
Top 10 Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
Carrefour market	food	9.1%	9
H&M	clothing	8.1%	6
PEPCO	clothing	4.1%	11
ALTEX	electronics	2.8%	4
B.B.	jewellery	2.7%	7
dm	grocery	2.7%	5
SENSA	pharmacy	1.9%	4
OCPI	offices	1.7%	1
BILLA	food	1.3%	2
BANCA BT TRANSILVANIA®	bank	1.2%	2
Total		35.6%	51

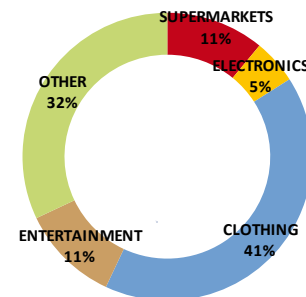
MALLS MERCHANDISING MIX



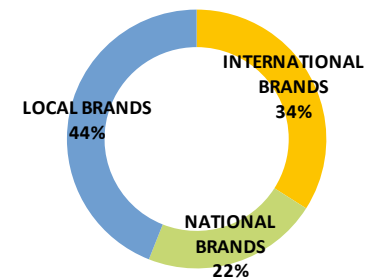
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALLS TENANT MIX



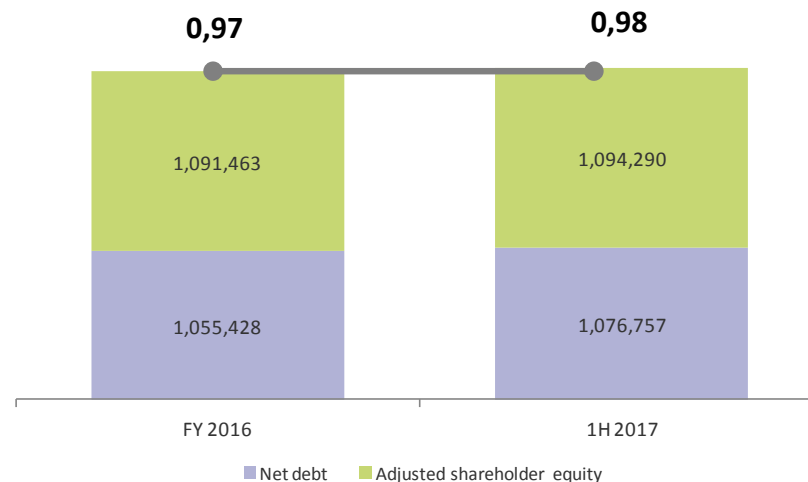
Additional financial highlights

	2016	30/06/2017
SHARE OF MEDIUM/LONG-TERM DEBT	84.6%	90.7%
UNCOMMITTED CREDIT LINED GRANTED	€ 276 mn	€291 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€ 164 mn	€225 mn
COMMITTED CREDIT LINED GRANTED AND AVAILABLE	€ 60 mn	€ 60 mn
UNENCUMBERED ASSETS	€ 1,406.9 mn	€ 1,436.5 mn

Re-classified Balance Sheet

Sources - Uses of funds	31/12/2016	30/06/2017	Δ	Δ%
Fixed assets	2,050,728	2,127,766	77,038	3.8%
Assets under construction	75,004	40,458	-34,546	-46.1%
Other non-current assets	25,543	25,035	-508	-2.0%
Other non-current liabilities	-32,150	-30,473	1,677	-5.2%
NWC	56,378	36,986	-19,392	-34.4%
Net deferred tax (assets)/liabilities	-21,901	-23,985	-2,084	9.5%
TOTAL USE OF FUNDS	2,153,602	2,175,787	22,185	1.0%
Net debt	1,055,428	1,076,757	21,329	2.0%
Shareholders' equity	1,069,426	1,076,359	6,933	0.6%
Net (assets)/liabilities for derivative instruments	28,748	22,671	-6,077	-21.1%
TOTAL SOURCES	2,153,602	2,175,787	22,185	1.0%


GEARING RATIO (€ 000)



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