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PRESS RELEASE

RESULTS AT 30 SEPTEMBER 2019

- FFO: € 62.9 million (+5.6%);
- Rental income: €116.0 million, +2.7% (LFL Italy flat, Romania +2.7%)
- Net rental income: €102.2 million, +10.7% (+2.5% adj. ex IFRS16¹)
- Average cost of debt 2.4%; Loan to Value 47.8%

Bologna, 7 November 2019. Today the **Board of Directors of IGD - Immobiliare Grande Distribuzione SIQ S.p.A.** (“IGD” or the “Company”), one of the main players in Italy’s retail real estate market and listed on the STAR segment of the Italian Stock Exchange, **examined and approved the interim financial report at 30 September 2019** during a meeting chaired by **Elio Gasperoni**.

OPERATING PERFORMANCE

Italy

Retailers’ 2019 sales in the Group’s Italian malls **showed further improvement in the third quarter of the year (+0.4%)**, in line with the trend begun in the second quarter; the figure was consistent with the same period of the prior year, while footfalls were down (-2.3%) and the average ticket was up. This performance reflects a particularly difficult first quarter, linked to unfavorable weather conditions which weren’t in line with seasonal averages (above all in February and in May). The operating performance of the malls was also affected by the work being done in a number of shopping centers, particularly those where remodeling and restyling work are underway.

In terms of merchandise, growth was recorded by Electronics, Services and Restaurants/Food; clothing also recovered in the third quarter.

During the year 180 leases (103 renewals and 77 new leases) were signed with an average upside of 1.5%².

Occupancy was maintained at a high level (96.4%), which was basically in line with the prior period.

Romania

In Romania, the economy continues to perform brilliantly with GDP and consumption on the rise; these factors, along with careful and effective asset management, had a positive impact on the operating performance

¹Adj ex IFRS16: for the sake of comparability, the 2019 figure was restated excluding the impact of IFRS 16 application.

² Excluding the lease for the multiplex cinema at Centro Sarca.

recorded in the first nine months: the **occupancy rate (97.5%)** was confirmed at a high, growing level and the average **upside on renewals** (152 leases) reached **+3.3%**.

FINANCIAL – ECONOMIC RESULTS (FFO +5.6%)

Rental income rose 2.7% to €116.0 million explained by:

- for around €3 million, higher revenue not like-for-like;
- for around €0.2 million, higher revenue like-for-like in Romania (+2.7%);
- for around -€0.1 million, revenue like-for-like in Italy which was basically flat (-0.1%). Malls were down (-0.4% due mainly to the vacancies created in a few midsize retail areas which the company is currently re-marketing and an increase in temporary discounts), while hypermarkets were higher than in the prior year (+0.5%).

Net rental income amounted to €102.2 million, an increase of 10.7% (+ 2.5% adj. ex IFRS16) against the same period of the prior year.

Net revenue from services came to €0.8 million, unchanged with respect to the prior year.

Core business Ebitda amounted to €94.4 million (€86.7 million adj. ex IFRS16), **an increase of 11.0%** (+ 2.0% adj. ex IFRS16) compared to 30 September 2018. **The core business Ebitda Margin amounted to 78.1%**, while the **core business freehold Ebitda margin** (relative to freehold properties) **reached 80.0%**.

Financial expense adj. ex IFRS16 at 30 September 2019 fell (-4.1%) to €23.3 million, despite the higher average net financial position recorded in the period. The downward trend in the **average cost of debt**, therefore, continued, **coming in at 2.4%** (vs 2.67% in September 2018).

The Group's portion of net profit amounted to €22.4 million in the reporting period, lower than in the same period 2018, due mainly to the change in writedowns and fair value adjustments.

Funds from Operations (FFO) rose 5.6% compared to 30 September 2018 **to €62.9 million**.

ASSET MANAGEMENT AND DEVELOPMENT PIPELINE

Restyling at the **Casilino di Roma** Shopping Center was completed and the restyled center was inaugurated on the 25-26 October weekend during which a 11.4% increase in footfalls was recorded.

Work was also basically finished at the **Fonti del Corallo** Shopping Center in **Livorno**.

Both projects called for the restyling of the centers' interior and exterior. In the case of Fonti del Corallo the pre-letting of the new spaces created by downsizing the hypermarket is being completed, including by introducing personal services which will increase the shopping centers' appeal for both returning and new visitors.

Consistent with the Business Plan 2019-2021, work continued on the remodeling of a few hypermarkets, specifically the **Le Maioliche**, **Conè** and **Porto Grande** shopping centers. At Maioliche and Conè work is being done on reducing the size of the hypermarket and creating new spaces inside the malls. In both cases the work is expected to be completed by February 2020. At Porto Grande, in addition to downsizing the hypermarket, a complete restyling of the center, along with further earthquake proofing, will be carried out; the work is expected to be completed by September 2020.

With regard to the Porta a Mare project, work on the Piazza Mazzini section is basically finished: on 30 September definitive sales agreements were signed for the sale by IGD of Palazzo Orlando (an office building included in this section) and, at the same time, the purchase of 50% of the Darsena City Shopping Mall in Ferrara. As for the Officine Storiche section, work continued and is expected to be completed by the end of 2020. Leasing of the retail spaces continued (more than 60% of the space has already been let/pre-let) while, even though the work will not be completed for about another year, 2 preliminary sales agreements for 2 apartments have already been signed.

RETAIL NEWS AND SUSTAINABILITY

The Company continues to change the merchandise mix at its shopping centers in order to better meet visitors' needs and demands by adding new brands, services and entertainment areas. Toward this end, on 19 September the Cinema Notorius Experience, which covers more than 5,500 m² with 10 IMAX theaters and lounge areas, was inaugurated. The structure was completely renovated, even though it never closed, based on an innovative cinema format which focuses on high audio-video standards, comfort, digitalization and environmental sustainability.

On 14 October a new communication campaign was launched in 7 shopping centers (Centro Sarca, Le Porte di Napoli, Centro D'Abruzzo, Le Maioliche, Tiburtino, Katanè and ESP); the purpose of this campaign is to create a new image positioning for these 7 shopping centers.

The main pay-off of the communication campaign, which has a strong focus on emotional engagement, is **"I'm possible, the place where everything is possible"**: the claim, combined with compelling graphics, gives new strength and meaning to the IGD brand and aims to create a new brand fantasy of a space where individuals can dedicate special time to themselves, family and friends in a shopping center which becomes a veritable "space to be lived in".

FINANCIAL STRUCTURE

On 22 October the rating agency Fitch Ratings assigned IGD a rating of “BBB-” with a stable outlook. The rating reflects a stable rental income profile that benefits from high occupancy rates and leverage metrics that have improved over the past four years. The Group, therefore, now has two investment grade ratings (Fitch and S&P). The **Interest Cover Ratio** came to **3.8x** (3.7x adj. ex IFRS16), in line with 30 June 2019.

The **IGD Group’s net financial debt** was **€1,174.4 million at 30 September 2019**, (€1,118.2 million adj. ex IFRS16), down slightly with respect to June 2019 (€1,184.9 million). The **loan-to-value** came to **47.8%** (46.7% adj. ex IFRS16), while the **gearing ratio** was **0.95x** (0.91x adj. ex IFRS16).

Operating income statement at 30 September 2019

GROUP CONSOLIDATED	(a)	(b)	(c)	Δ (b)/(a)	Δ (c)/(a)
	9M_CONS_2018	9M_CONS_2019	9M_CONS_Adj_2019*		
Revenues from freehold rental activities	103.6	106.7	106.7	3.0%	3.0%
Revenues from leasehold rental activities	9.4	9.4	9.4	-0.3%	-0.3%
Total income from rental activities	113.0	116.0	116.0	2.7%	2.7%
Rents and payable leases	-7.7	-0.1	-7.7	-98.8%	0.4%
Direct costs from rental activities	-13.0	-13.8	-13.8	6.1%	6.1%
Net rental income	92.3	102.2	94.6	10.7%	2.5%
Revenues from services	4.6	4.8	4.8	2.5%	2.5%
Direct costs from services	-3.8	-4.0	-4.0	4.1%	4.1%
Net services income	0.8	0.8	0.8	-5.4%	-5.3%
HQ Personnel expenses	-4.9	-5.0	-5.0	0.9%	0.9%
G&A expenses	-3.1	-3.6	-3.6	15.7%	15.7%
CORE BUSINESS EBITDA (Operating income)	85.1	94.4	86.7	11.0%	2.0%
<i>Core business Ebitda Margin</i>	<i>72.3%</i>	<i>78.1%</i>	<i>71.8%</i>		
Revenues from trading	4.1	0.4	0.4	-90.7%	-90.7%
Cost of sale and other costs from trading	-5.0	-0.8	-0.8	-84.4%	-84.5%
Operating result from trading	-0.9	-0.4	-0.4	-56.8%	-56.8%
EBITDA	84.1	94.0	86.3	11.7%	2.6%
<i>Ebitda Margin</i>	<i>69.2%</i>	<i>77.6%</i>	<i>71.3%</i>		
Impairment and Fair Value adjustments	-4.8	-46.3	-38.6	n.a.	n.a.
Depreciations and provisions	-0.7	-0.8	-1.0	5.4%	37.0%
EBIT	78.6	46.9	46.8	-40.4%	-40.5%
FINANCIAL MANAGEMENT	-24.3	-24.7	-23.3	1.9%	-4.1%
EXTRAORDINARY MANAGEMENT	0.0	0.0	0.0	n.a.	n.a.
PRE-TAX PROFIT	54.4	22.2	23.5	-59.2%	-56.8%
PRE-TAX PROFIT	-2.0	0.2	-0.3	n.a.	-83.4%
PROFIT FOR THE PERIOD	52.4	22.4	23.2	-57.3%	-55.7%
(Profit/Loss) for the period related to third parties	0.0	0.0	0.0	n.a.	n.a.
GROUP NET PROFIT	52.4	22.4	23.2	-57.3%	-55.7%

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements. There may be some immaterial differences in the numeric sums reported linked to rounding.

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



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

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

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

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €2,388.3 million at 30 June 2019, comprised of, in Italy, 25 hypermarkets and supermarkets, 27 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and an additional 5 real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, leadership in the retail real estate sector: these qualities summarize IGD's strong points.

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The press release is available on the website www.gruppoigd.it, in the Investor Relations section, and on the website www.imagebuilding.it, in the Press Room section.



Please find attached the IGD Group's income statement, statement of financial position, statement of cash flows and consolidated net financial position at 30 September 2019³.

³ The Interim Management Statement and the financial statements of Gruppo Immobiliare Grande Distribuzione at 30 September 2019 are unaudited.

Consolidated income statement at 30 September 2019

(in thousands of Euros)	30/09/2019 (A)	30/09/2018 (B)	Change (A)-(B)	3° Q 2019 (C)	3° Q 2018 (D)	Change (C)-(D)
Revenue	116,043	112,958	3,085	38,699	38,859	(160)
Other revenue	4,754	4,639	115	1,566	1,519	47
Revenue from property sales	379	4,073	(3,694)	379	1,352	(973)
Total revenue and operating income	121,176	121,670	(494)	40,644	41,730	(1,086)
Change in inventory	425	(4,038)	4,463	123	(1,483)	1,606
Total revenue and change in inventory	121,601	117,632	3,969	40,767	40,247	520
Cost of work in progress	832	501	331	509	162	347
Material and service costs	11,217	17,207	(5,990)	3,873	5,732	(1,859)
Cost of labour	7,446	7,218	228	2,345	2,260	85
Other operating costs	8,108	7,694	414	2,667	2,677	(10)
Total operating costs	27,603	32,620	(5,017)	9,394	10,831	(1,437)
(Depreciation, amortization and provisions)	(461)	(927)	466	(158)	(442)	284
Writedown of receivables	(325)	(674)	349	(162)	(231)	69
(Impairment losses)/Reversals on work in progress and inventories	(141)	(288)	147	-	-	-
Change in fair value - increases / (decreases)	(46,176)	(17,343)	(28,833)	(7,501)	(2,193)	(5,308)
Net revaluation acquisition	-	12,857	(12,857)	-	(20)	20
Total depreciation, amortization, provisions, impairment and change in fair value	(47,103)	(6,375)	(40,728)	(7,821)	(2,886)	(4,935)
EBIT	46,895	78,637	(31,742)	23,552	26,530	(2,978)
Income/(loss) from equity investments and property sales	11	5	6	8	25	(17)
Financial income	51	73	(22)	25	48	(23)
Financial charges	24,782	24,354	428	8,341	8,286	55
Net financial income (charges)	(24,731)	(24,281)	(450)	(8,316)	(8,238)	(78)
PRE-TAX PROFIT	22,175	54,361	(32,186)	15,244	18,317	(3,073)
Income taxes	(210)	1,991	(2,201)	(42)	752	(794)
NET PROFIT FOR THE PERIOD	22,385	52,370	(29,985)	15,286	17,565	(2,279)
Non-controlling interests in net (profit)/loss	-	-	-	-	-	-
Parent Company's portion of net profit	22,385	52,370	(29,985)	15,286	17,565	(2,279)

Consolidated statement of financial position at 30 September 2019

(in thousands of Euros)	30/09/2019 (A)	30/06/2019 (B)	31/12/2018 (C)	Change (A)-(B)	Change (A)-(C)
NON-CURRENT ASSETS					
Intangible assets					
Intangible assets with finite useful lives	40	39	34	1	6
Goodwill	12,484	12,362	12,662	122	(178)
	12,524	12,401	12,696	123	(172)
Property, plant, and equipment					
Investment property	2,381,122	2,370,089	2,346,527	11,033	34,595
Buildings	7,705	7,767	7,887	(62)	(182)
Plant and machinery	168	74	213	94	(45)
Equipment and other assets	1,111	1,157	968	(46)	143
Leasehold improvements	46	41	547	5	(501)
Assets under construction and advances	40,846	36,619	36,563	4,227	4,283
	2,430,998	2,415,747	2,392,705	15,251	38,293
Other non-current assets					
Deferred tax assets	-	-	-	-	-
Sundry receivables and other non-current assets	121	113	111	8	10
Equity investments	223	280	277	(57)	(54)
Non-current financial assets	174	174	243	-	(69)
	518	567	631	(49)	(113)
TOTAL NON-CURRENT ASSETS (A)	2,444,040	2,428,715	2,406,032	15,325	38,008
CURRENT ASSETS:					
Inventory	33,576	33,424	33,213	152	363
Trade and other receivables	12,013	11,648	12,916	365	(903)
Related party trade and other receivables	831	991	2,024	(160)	(1,193)
Other current assets	3,834	3,637	5,438	197	(1,604)
Related party financial receivables and other current financial assets	-	96	96	(96)	(96)
Cash and cash equivalents	5,955	2,764	2,472	3,191	3,483
TOTAL CURRENT ASSETS (B)	56,209	52,560	56,159	3,649	50
Non-current assets held for sale	-	12,770	-	(12,770)	-
TOTAL ASSETS (A+B+C)	2,500,249	2,494,045	2,462,191	6,204	38,058
NET EQUITY:					
Share capital	749,738	749,738	749,738	-	-
Share premium reserve	30,058	30,058	31,504	-	(1,446)
Treasury share reserve	(346)	(332)	(492)	(14)	146
Other reserves	413,063	413,312	410,601	(249)	2,462
Group profit	24,947	9,661	60,987	15,286	(36,040)
Total Group net equity	1,217,460	1,202,437	1,252,338	15,023	(34,878)
Portion pertaining to non-controlling interests	-	-	-	-	-
TOTAL NET EQUITY (C)	1,217,460	1,202,437	1,252,338	15,023	(34,878)
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	21,941	21,204	17,364	737	4,577
Non-current financial liabilities	1,096,241	1,108,296	884,197	(12,055)	212,044
Provision for employee severance indemnities	2,700	2,620	2,567	80	133
Deferred tax liabilities	24,376	25,008	26,340	(632)	(1,964)
Provisions for risks and future charges	2,950	6,278	5,597	(3,328)	(2,647)
Sundry payables and other non-current liabilities	8,149	8,141	7,850	8	299
Related party sundry payables and other non-current liabilities	13,655	13,655	11,892	-	1,763
TOTAL NON-CURRENT LIABILITIES (D):	1,170,012	1,185,202	955,807	(15,190)	214,205
CURRENT LIABILITIES:					
Current financial liabilities	84,262	79,626	226,475	4,636	(142,213)
Trade and other payables	12,124	9,441	14,301	2,683	(2,177)
Related party trade and other payables	1,008	1,384	736	(376)	272
Current tax liabilities	4,494	5,688	2,373	(1,194)	2,121
Other current liabilities	10,889	10,267	10,161	622	728
TOTAL CURRENT LIABILITIES (F)	112,777	106,406	254,046	6,371	(141,269)
TOTAL LIABILITIES (F=D + E)	1,282,789	1,291,608	1,209,853	(8,819)	72,936
TOTAL NET EQUITY AND LIABILITIES (C + F)	2,500,249	2,494,045	2,462,191	6,204	38,058

Consolidated statement of cash flows at 30 September 2019

<i>(in thousands of Euros)</i>	30/09/2019	30/09/2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	22,175	54,361
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Financial expense/(income)	24,731	24,354
Depreciation, amortization and provisions	461	927
Writedown of receivables	325	674
(Impairment losses)/reversals on work in progress	141	288
Changes in fair value - increases / (decreases)	46,176	17,343
Net (Revaluation) of the acquisition of 4 business divisions	0	(12,857)
Gains/losses from equity investments	0	(5)
CASH FLOW FROM OPERATING ACTIVITIES	94,009	85,085
Financial expense paid	(28,815)	(26,174)
Income tax	(1,080)	(1,120)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	64,114	57,790
Change in inventories	(504)	3,955
Net change in current assets and liabilities	4,886	(3,089)
Net change in non-current assets and liabilities	(3,405)	(933)
CASH FLOW FROM OPERATING ACTIVITIES (A)	65,091	57,723
(Investments) in non-current assets	(32,051)	(10,765)
Disposals of non-current assets	13,395	141
(Investment) in 4 business divisions	0	(104,640)
(Investments) in equity interests	(59)	(109)
CASH FLOW FROM INVESTING ACTIVITIES (B)	(18,715)	(115,373)
Change in non-current financial assets	69	100
Change in financial receivables and other current financial assets	0	42
Sale (purchase) of treasury shares	146	(193)
Capital increase net of costs	0	147,311
Distribution of dividends	(55,153)	(55,171)
Change in current debt	(146,392)	(6,771)
Change in non-current debt	158,446	(27,058)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(42,884)	58,260
Exchange differences from translation of financial statements (D)	(87)	(13)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	3,405	597
CASH BALANCE AT BEGINNING OF THE PERIOD	2,472	2,509
CASH BALANCE RGD FERRARA	78	0
CASH BALANCE AT END OF THE PERIOD	5,955	3,106

Consolidated net financial position at 30 September 2019

(in thousands of euros)	30/09/2019	30/06/2019	31/12/2018
Cash and cash equivalents	(5,955)	(2,764)	(2,472)
Financial receivables and other current financial assets w. related parties	-	(96)	(96)
Crediti finanziari e altre attività finanziarie correnti	-	-	-
LIQUIDITY	(5,955)	(2,860)	(2,568)
Passività finanziarie correnti vs. parti correlate	-	-	-
Current financial liabilities	24,500	22,677	42,763
Mortgage loans - current portion	46,002	45,665	45,340
Leasing - current portion	8,870	8,780	334
Bond loan - current portion	4,890	2,504	138,038
CURRENT DEBT	84,262	79,626	226,475
NET CURRENT DEBT	78,307	76,766	223,907
Non-current financial assets	(174)	(174)	(243)
Leasing - non-current portion	50,969	53,210	3,594
Non-current financial liabilities	486,925	497,111	323,298
Bond loan	558,347	557,975	557,304
NON-CURRENT DEBT	1,096,067	1,108,122	883,953
NET FINANCIAL POSITION	1,174,374	1,184,888	1,107,860

Fine Comunicato n.0746-64

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