



**IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETÀ DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.**

Registered office: Via Agro Pontino 13, Ravenna  
Headquarters: Via Trattati Comunitari Europei 1957-2007, n. 13, Bologna  
Share capital fully subscribed and paid-in: EUR 366,028,239.08  
B into n. 348,001,715 ordinary shares  
Ravenna Companies Register and tax identification no. 00397420399  
Ravenna Chamber of Commerce (R.E.A.) no.: 88573  
Company subject to the direction and control of Coop Adriatica S.c.a.r.l.

ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A.

15 APRIL 2014, 10:00 A.M. IN FIRST CALL

AT THE HEADQUARTERS OF IGD SIIQ S.P.A. IN BOLOGNA, VIA TRATTATI COMUNITARI EUROPEI 1957-2007 N.13,  
AND, IN SECOND CALL, ON 16 APRIL 2014, SAME PLACE AND TIME

REPORT OF THE BOARD OF DIRECTORS FOR THE AGENDA OF THE ORDINARY GENERAL MEETING OF  
IGD SIIQ S.P.A.

PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 125-TER AND 154-TER OF  
LEGISLATIVE DECREE N. 58/1998 AS WELL AS ART. 73 OF THE CONSOB REGULATION ADOPTED IN  
RESOLUTION N. 11971/1999

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**AGENDA OF THE ORDINARY GENERAL MEETING**

1. Separate financial statements at 31.12.2013; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2013; Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions;
2. Report on compensation in accordance with Art. 123-ter, paragraph 6, of Legislative Decree n. 58/98; related and consequent resolutions;
3. Authorization to buy and sell treasury shares; related and consequent resolutions;

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Item 1 of the Agenda of the Ordinary General Meeting - Separate financial statements for the year ended 31 December 2013; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements for the year ended 31 December 2013; Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions.

Dear Shareholders,

The separate financial statements for the year ended on 31 December 2013 which are being submitted to you for your approval show a net profit of €13.8 million. Total revenue amounted to €87.8 million, a decrease of 2.4% with respect to the €89.9 million posted in the prior year, mainly due to a higher average vacancy rate, partly instrumental for fit-out works, and to the continuation of the policy of tenants support. EBIT amounted to €46.9 million which, net of the change in fair value and write-downs of assets under construction, came in at €64.3 million, down with respect to 2012 explained primarily by the decrease in revenues reported above.

The IGD Group's total operating revenue at 31 December 2013 amounted to €127.0 million, an increase of 3.0% with respect to the €123.3 million posted in 2012, due to the trading revenue generated by the sales of assets of the Porta a Mare project. Core business revenue reached €120.7 million, a decrease of 2.0% with respect to the €123.3 million recorded in 2012. More in detail, rental income at 31 December 2013 was down by 1.9% with respect to 2012, mainly due to a higher average vacancy rate, partly instrumental for fit-out works, and to the continuation of the policy of tenants support.

Total EBITDA in 2013 amounted to €82.9 million, a decrease of 3.3% versus the €85.7 million posted in the prior year. The IGD Group's core business EBITDA at 31 December 2013 amounted to €82.8 million, a decrease of 3.5% with respect to the €85.8 million recorded at 31 December 2012.

Direct costs, pertaining to the core business and including personnel expenses, amounted to €28.0 million at 31 December 2013, a slight increase of 1.0% with respect to the prior year. This increase is primarily attributable to the increase in costs relating to IMU, as well as the increase in services costs charged to the property due to a higher average vacancy. There has also been a decrease in costs related to the provision, to technical consulting and maintenance work.

General expenses for the core business, including payroll costs at headquarters, amounted to €9.9 million, increasing compared to € 9.7 million posted at 31 December 2012 and with a percentage of revenue at 8.2%.

The EBITDA margin for the core business amounted to 68.6%, down by one percentage point with respect to 2012, when it was 69.6%. The IGD Group's EBIT at 31 December 2013 amounted to €48.0 million, a decrease of 10.2% with respect to the €53.4 million recorded at 31 December 2012 due to the impact of fair value adjustments of €33.5 million. The Group's portion of net profit at 31 December 2013 amounted to €5 million, with respect to Euro 11.3 million posted in 2012. The core business Funds from Operations (FFO) changed from €37.3 million at 31 December 2012 to €35.5 million at 31 December 2013, with a decrease of 4.8%.

In 2013 the gearing ratio was equal to 1.38 unchanged with respect to 31 December 2012; the IGD Group's net financial debt at 31 December 2013 amounted to €1,084.9 million, an improvement with respect to €1,089.6 million recorded at 31 December 2012.

### **The Real Estate Portfolio at 31 December 2013**

Based on CB Richard Ellis's and Reag's independent appraisals, the market value at 31 December 2013 of the Igd Group's real estate portfolio reached €1,891.3 million, decreasing compared to €1,906.6 million recorded at 31 December 2012.

The Board of Directors proposes to pay shareholders a dividend equal to €0.065 per ordinary outstanding IGD SIIQ SpA share. The dividend will be payable as of 22 May 2014, going ex-div on 19 May 2014. Pursuant to Art. 83-*terdecies* of Legislative Decree n.58 of 24 February 1998 n. 58, as amended, the shareholders of IGD based on the records of the intermediary, pursuant to Art. 83-*quater*, par. 3, of TUF at the end of the record date (21 May 2014) will be entitled to receive the dividend.

€889,245 will be allocated to the legal reserve pursuant to Art. 2430 of the Italian Civil Code.

In light of the above, the Board of Directors submits the following proposal to you for approval:

*“The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,*

- *having seen the Board of Directors' report on operations;*
- *having seen the Board of Statutory Auditors' report;*
- *having examined the Company's financial statements for the year ended 31 December 2013;*
- *having acknowledged the report prepared by the external auditors PricewaterhouseCooper S.p.A.;*
- *as the total maximum number of ordinary shares with dividend rights at the proposed ex-div date amounts to 348,001,715;*

*resolve*

1. *to approve the Board of Directors' report on operations and the financial statements of IGD SIIQ*

*S.p.A. for the year ended 31 December 2013;*

2. *to approve the Board of Directors' proposal to allocate the profit for the year of €13,808,913 as follows:*

- a) €690,446 to the legal reserve;*
- b) €13,118,467 to the shareholders as dividend.*

*The dividends to be distributed derive entirely from exempt operations and represent not less than 85% of the income generated by these operations in accordance with the norms and regulations governing the SIIQ regime.*

*The Board of Directors also, in light of the fact that the writedowns of the real estate investments recognized in the year resulted in - pursuant to Art. 6, par. 3, of Legislative Decree n. 38 of 28 February 2005 – the reduction of the Fair Value Reserve by €3,975,979, proposes to allocate this amount:*

- c) 5% or €198,799 to the legal reserve*
- d) €3,777,180 to the shareholders as a dividend*

*In this instance, as well, the dividends to be distributed derive entirely from exempt operations and represent not less than 85% of the income generated by these operations in accordance with the norms and regulations governing the SIIQ regime.*

*Lastly, the Board of Directors propose to distribute the following to shareholders as dividends:*

- e) €5,724,465 using the reserve for retained earnings from exempt operations*

*Each outstanding share, excluding treasury shares, therefore, shall receive a dividend of €0.065 for a total of €22,620,112 calculated on the number of outstanding shares as at 27 February 2014.*

*The dividend will be payable as of 19 May 2014 with coupon n. 12, with shares going ex-div on 20 May 2013. In accordance with Art. 83-terdecies of Legislative Decree n.58 of 24 February 1998, the shareholders of IGD at the record date (21 May 2014) as per the records of the intermediary, pursuant to Art. 83-quater, par. 3 of Legislative Decree n.58 of 24 February 1998, will be entitled to receive the dividend.*

3. *to grant the Chairman and the Chief Executive Officer, jointly or severally, the power to determine the exact number of shares with dividend rights, the net income distributed;*

*\* \* \**

paragraph 6, of Legislative Decree 58/98; related and consequent resolutions.

Dear Shareholders,

as you are well aware, pursuant to art. 123-ter of TUF listed companies are required to prepare a Remuneration Report and make it available to the general public.

This report was approved by the Board of Directors on 27 February 2014, subject to approval by the Nominations and Compensation Committee, and made available to the public at the Company's registered office, on the Company's website <http://eng.gruppoigd.it/Governance/Shareholders-Meetings> in accordance with the law.

The first part of the remuneration report, submitted to the shareholders for approval, describes the Company's remuneration policy with respect to the directors, general managers and managers with strategic responsibilities, as well as the procedures used to adopt and implement this policy.

Pursuant to art. 123-ter, paragraph 6, of TUF, you are being asked to resolve either in favor or against the first section of the Remuneration Report, called for in paragraph 3 of art. 123-ter, which describes the Company's policies relating to remuneration of the Board of Directors, the general managers and executives with strategic responsibilities, as well as the procedures used to adopt and implement said policies.

We remind also that, pursuant to art. 123-ter, paragraph 6, of TUF, the resolution that you are requested to approve will not, in any case, be binding in nature.

In light of the above, the Board of Directors submits the following proposal to you for approval:

*“The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,*

- *having examined and discussed the section of the Remuneration Report called for under art. 123-ter, paragraph 3, of Legislative Decree n. 58 dated 24 February 1998, prepared by the Board of Directors based on the recommendations of the Remuneration and Nominations Committee, which describes the Company's policies relating to remuneration of the Board of Directors, the general managers and executives with strategic responsibilities, as well as the procedures used to adopt and implement said policies, and made available to the public in accordance with the law;*

*resolves*

*to approve the first section of the Remuneration Report adopted by the Board of Directors on 27 February 2014 pursuant to art. 123-ter of Legislative Decree n. 58 dated 24 February 1998.”*

\* \* \*

Item 3 of the Agenda of the Ordinary General Meeting – Authorization to buy and sell treasury shares; related and consequent resolutions.

Dear Shareholders,

On 18 April 2013 shareholders granted the Board of Directors the authorization to buy and sell treasury shares pursuant to Art. 2357, second paragraph, of the Italian Civil Code. The authorization to purchase treasury shares was effective for eighteen months as from the date of the shareholder's resolution, while the authorization to dispose of treasury shares was without a time limit. The authorization to purchase treasury shares, therefore, will expire on 18 October 2014.

We propose that the shareholders renew the authorization granted the Board, revoking the authorization which is about to expire and granting a new authorization for a period of 18 months. The authorization we propose to grant to the Board will be in line with the one granted on 18 April 2013.

#### Reasons underlying the proposed authorization

The authorization to buy and sell treasury shares is deemed opportune in order to pursue the Company's aims as allowed by regulations and market practices recognized by Consob, which include:

- i) trading and hedging transactions;
- ii) to invest liquidity;
- iii) to allow for the use of treasury shares in transactions related to current operations and business projects in accordance with the strategic guidelines pursued by the Company, in relation to which opportunities arise to exchange, swap, contribute or otherwise dispose of said shares.

#### Maximum number of shares subject to authorization

At the date of this report the share capital is equal to €336,028,239.08 entirely subscribed and paid-in, broken down in 348,001,715 ordinary shares without a stated par value.

In this regard, we propose that the shareholders authorize the purchase of treasury shares on one or more occasions of up to the maximum permitted by law.

The purchases may be made using distributable income and available reserves as of the last annual report approved.

The authorization includes the ability to dispose, including before the maximum amount has been purchased, and repurchase the shares held to the extent that the total treasury shares held by the Company

does not exceed the limit established in this authorization.

Useful valuation information provided pursuant to Art. 2357, paragraph 3 of the Italian Civil Code.

As of the date of this report neither the Company nor its subsidiaries hold any shares in the Company. The subsidiaries are required to advise of any purchases made in a timely manner in accordance with and pursuant to Art. 2359-*bis* of the Italian Civil Code.

Duration of the authorization

The authorization to purchase treasury shares will be effective for eighteen months as from the date of the shareholder's resolution.

There is no time limit on the authorization to dispose of the shares.

Maximum and minimum prices

The purchases may be made at prices which comply with Art. 5, paragraph 1, of EC Regulation n. 2273/2003 of 22 December 2003. More in detail, based on this article the issuer may not acquire shares at a price that is greater than the highest between the last independent trade and last independent offer made on the stock exchange organized and managed by *Borsa Italiana S.p.A.*

The disposal of treasury shares, as part of cash transactions, may be made at a price that is not 90% lower than the stock's official closing price recorded during the last market session of the stock exchange organized and managed by *Borsa Italiana S.p.A.* prior to each single transaction. This parameter is deemed to adequately reflect when the sale is in the best interest of the Company.

In the event the treasury shares are part of exchanges, swaps, transfers or any other non-cash transaction, the economic terms and conditions of the transaction, including the valuation of the shares exchanged, will be determined on the basis of the type of transaction, as well as the market performance of IGD SIIQ S.p.A.'s shares.

Ways in which the purchases and the disposals will be made.

The purchase of treasury shares must be done in accordance with Art. 132 of Legislative Decree n. 58 dated 24 February 1998 ( "*Testo Unico della Finanza*" or "TUF"), Art. 144-*bis* of CONSOB Resolution n. 11971/99 (the "Regulations for Issuers") and any other applicable regulation, as well as the market practices recognized by Consob.

More in detail, the purchases of treasury shares must be made in accordance with Art. 144-*bis*, para. 1 (b)

and (c) of the Regulations for Issuers. The purchases may be made in ways others than those mentioned above when allowed under Art. 132, para. 3, of TUF or any other legal provisions applicable at the time of the transaction.

The disposals may be made, on one or more occasion, even prior to having completed the purchases. The disposals may be made in accordance with the law and recognized market practices as follows:

- i) as part of cash transactions on regulated and/or non regulated markets (off the market);
- ii) as part of exchanges, swaps, transfers or any other disposals related to business projects or extraordinary financial transactions.

#### Information regarding the purchases and the reduction of share capital

Please note that the authorization requested to purchase treasury shares is not instrumental to reducing share capital.

In light of the above, the Board of Directors submits the following proposal to you for approval:

*“The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. meeting in ordinary session, having acknowledged the proposal submitted by the Board of Directors, resolve*

1. *to revoke the authorization granted by the Ordinary General Meeting on 18 April 2013 to buy and sell treasury shares;*
2. *to authorize the purchase, including through the trading of options and IGD SIIQ S.p.A ordinary stock derivatives on one or more occasions up to the maximum permitted by law, for a period of eighteen months as from the date of the this resolution.*

*The purchases must be made in accordance with Art. 144-bis, par. (b) and (c) of the Regulations for Issuers at prices which comply with Art. 5, par. 1, of EC Regulation n. 2273/2003 of 22 December 2003. More in detail, based on this article the issuer may not acquire shares at a price that is greater than the highest between the last independent trade and last independent offer made on the stock exchange organized and managed by Borsa Italiana S.p.A.*

*The purchase of treasury shares must be done in accordance with Art. 2357 et seq., Art. 132 of Legislative Decree n. 58/98, Art. 144-bis of the Regulations for Issuers and any other applicable regulation, as well as the market practices recognized by Consob.*

3. *to authorize the disposal of treasury shares, on one or more occasion, without a time limit, as deemed in the interest of the Company and in accordance with the law as follows:*
  - i) *as part of cash transactions on regulated and/or non regulated markets (off the market) at a price*



*that is not 90% lower than the stock's official closing price recorded during the last market session of the stock exchange organized and managed by Borsa Italiana S.p.A. prior to each single transaction;*

*ii) as part of exchanges, swaps, transfers or any other disposals related to business projects or extraordinary financial transactions. In this case the economic terms and conditions of the transaction, including the valuation of the shares exchanged, will be determined on the basis of the type of transaction, as well as the shares' market performance.*

*The disposals may be made even prior to having completed the purchases authorized in this resolution;*

4. *to grant the Board of Directors – and on its behalf the Chairman and Chief Executive Officer, severally, the broadest powers to take all other action necessary or useful to implementing the above resolutions and to make the necessary market disclosures in accordance with the law.”*

Bologna, 14 March 2014

On behalf of the Board of Directors

*The Chairman*

Gilberto Coffari