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 Europei 1957-2007 n.13,

Tax ID, VAT and Ravenna Company Register no: 00397420399 and Ravenna Chamber of Commerce: 88573

Share capital approved: EUR 417,506,954.94

Share capital subscribed and paid-in: EUR 336,028,239.08

Half-Year Financial Report

at 30/06/2013

CONTENTS

Corporate Officers

Board of Directors:

1. Gilberto Coffari – Chairman
2. Sergio Costalli – Vice Chairman
3. Claudio Albertini – Chief Executive Officer
4. Roberto Zamboni – Director
5. Aristide Canosani – Director
6. Leonardo Caporioni – Director
7. Fernando Pellegrini – Director
8. Fabio Carpanelli – Director (independent)
9. Elisabetta Gualandri – Director (independent)
10. Tamara Magalotti – Director (independent)
11. Livia Salvini – Director (independent)
12. Andrea Parenti – Director (independent)
13. Riccardo Sabadini – Director (independent)
14. Giorgio Boldreghini – Director (independent)
15. Massimo Franzoni – Director (independent)

Board of Statutory Auditors:

1. Romano Conti - Chairman
2. Roberto Chiusoli – Standing Auditor
3. Franco Gargani – Standing Auditor
4. Isabella Landi – Alternate Auditor
5. Monica Manzini – Alternate Auditor

Internal Control Committee:

1. Elisabetta Gualandri
2. Livia Salvini
3. Massimo Franzoni

Compensation and Nominations Committee:

1. Andrea Parenti
2. Fabio Carpanelli
3. Tamara Magalotti

Committee for Related Party Transactions

1. Riccardo Sabadini
2. Giorgio Boldreghini
3. Andrea Parenti

Supervisory Board:

1. Fabio Carpanelli
2. Livia Salvini
3. Aristide Canosani

External auditors: PricewaterhouseCoopers S.p.A.

The IGD Group’s Interim Management Statement

Financial and Economic Highlights at 30 June 2013

REVENUES FROM CORE BUSINESS	60,505 €/000
CORE BUSINESS EBITDA	41,644 €/000
CORE BUSINESS EBITDA MARGIN	68.8%
CONSOLIDATED NET PROFIT	4,056 €/000
CONSOLIDATED FFO	17,627 €/000
NET DEBT	1,086,188 €/000
GEARING RATIO	1.38x
LOAN TO VALUE	57.3%
AVERAGE COST OF DEBT	4.1%
ADJUSTED AVERAGE COST OF DEBT (*)	3.8%
HEDGING ON LONG TERM DEBT + BOND	76.9%

(*)The adjusted average cost of debt does not include the effect of the convertible bond loan.

Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2013 was prepared pursuant to Art. 154 *ter* of Legislative Decree 58/1998 and in accordance with the valuation criteria and measurements established by the IFRS (International Financial Reporting Standards) adopted by the European Commission as per the procedure established in Art. 6 of EC Regulation n°1606/2002 issued by the European Parliament and the Council on 19 July 2002, and in particular with IAS 34 – Interim Financial Reporting. The Half-Year Financial Report, along with the notes to the accounts, consolidates the income statements and statements of financial position at 30 June 2013 of IGD Siiq S.p.a., IGD Property SIINQ S.p.A., IGD Management s.r.l., Millennium Gallery s.r.l., Porta Medicea s.r.l., as well as the companies Società WinMagazin SA e Winmarkt Management S.r.l..

This report contains alternative performance indicators with respect to the conventional indicators required of audited financial statements which comply with IAS/IFRS. The alternative performance indicators do stem from financial statements prepared on an IAS/IFRS-compliant basis, but have also been calculated using other sources or alternative methods.

Please refer to the Glossary for more information about these indicators.

The Group

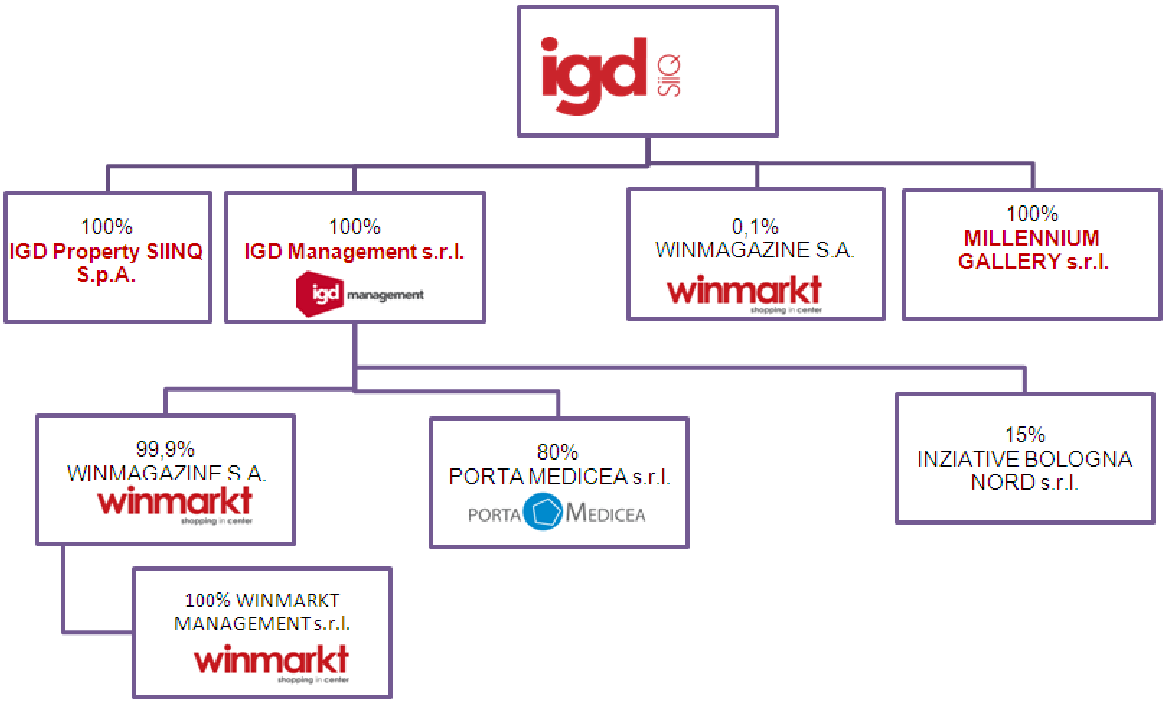
IGD is one of Italy's two SIIQs (Società di Investimento Immobiliari Quotate or real estate investment trust) and is the only one focused on the retail sector.

The IGD Group, focused primarily on the Italian retail real estate sector, is also present in Romania where, through its subsidiary WinMagazine SA (acquired in April 2008), it controls the country's largest chain of Winmarkt brand department stores and is active in 13 different midsize cities.

IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy. The Parent Company also controls:

1. 100% of Millennium Gallery (owner of part of the Rovereto shopping mall and a business division in the shopping center in Crema);
2. 100% of IGD Property SIINQ SpA, formed on 13 December 2012, a real estate company which is listed on regulated markets;
3. 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, through which it controls WinMarktManagement, the company responsible for the team of Romanian managers;
    - 80% of Porta Medicea, the requalification and real estate development project of Livorno's waterfront;
    - 15% of Iniziative Bologna Nord, a real estate development company;
    - management of the leasehold properties Centro Nova and Centro Piave;
    - service activities which include mandates for the management of freehold and leasehold properties.

The organizational chart below reflects the Group's structure at 30 June 2013.

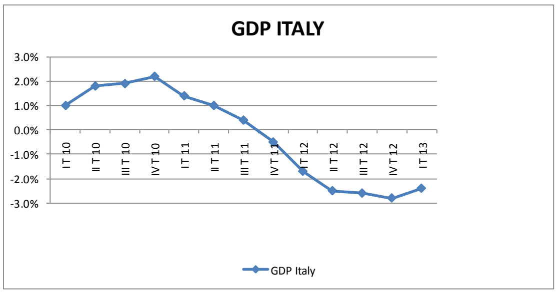


The Market Scenario

The Macroeconomic Scenario

The main trends in first half 2013 included the stabilization of global economic growth, though weak in the Euro zone, and a substantial slowdown in the growth of the emerging markets.

In Italy, the GDP continued to fall in the first quarter of 2013 (-2.4% with respect to the prior quarter), but the decline is expected to slow in the second quarter and become positive once again beginning in 2014. The Bank of Italy revised its estimate for average GDP growth downward for 2013 (-1.9% with respect to the prior year) with a moderate recovery in 2014 (+0.7%). (Source: Bank of Italy Bulletin 73).



(Source: ISTAT).

Table 8 shows Bank of Italy's forecasts for the main macroeconomic indicators in Italy for 2013 and 2014.

Tavola 8

Scenario macroeconomico in Italia
(variazioni percentuali sull'anno precedente, salvo diversa indicazione)

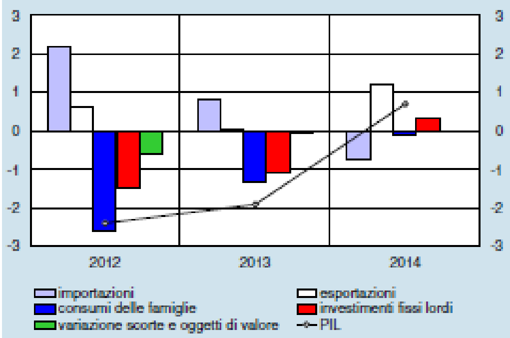
VOCI	2012	2013	2014
PIL (1)	-2,4	-1,9	0,7
Consumi delle famiglie	-4,3	-2,3	-0,1
Consumi collettivi	-2,9	-1,4	-0,2
Investimenti fissi lordi	-8,0	-6,2	2,1
Esportazioni totali	2,2	0,2	3,9
Importazioni totali	-7,8	-3,1	2,8
Variazioni delle scorte (2)	-0,6	-0,1	0,0
IPCA (3)	3,3	1,5	1,5
Competitività all'export (4)	3,5	-2,2	-0,4

Fonte: elaborazioni su dati Banca d'Italia e Istat.
(1) Per il PIL e le sue componenti: quantità a prezzi concatenati; variazioni stimate sulla base di dati trimestrali destagionalizzati e corretti per il numero di giornate lavorative. – (2) Contributi alla crescita del PIL; valori percentuali. – (3) Indice armonizzato dei prezzi al consumo. – (4) Calcolata confrontando il prezzo dei manufatti esteri con il deflatore delle esportazioni italiane di beni (esclusi quelli energetici e agricoli); valori positivi indicano guadagni di competitività.

The Bank of Italy's forecasts are based on the assumption that in 2014 foreign demand will increase, above all in economies outside the Euro zone, and that, again beginning in 2014, businesses will start investing once more following payment by public administrations of trade payables.

Figura 29

PIL e contributi alla crescita delle principali componenti di domanda e delle importazioni (1)
(valori percentuali)



Fonte: elaborazioni su dati Banca d'Italia e Istat.
(1) Dati destagionalizzati e corretti per le giornate lavorative.

The Bank of Italy's forecasts are in line with those of other worldwide organizations.

Tavola 9

Previsioni di altre organizzazioni
(variazioni percentuali sul periodo precedente)

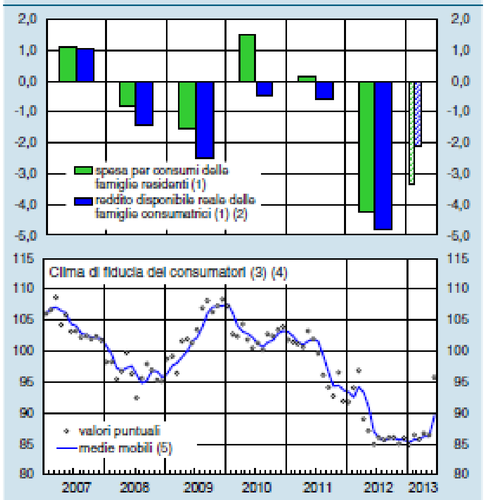
VOCI	PIL (1)		Inflazione (2)	
	2013	2014	2013	2014
OCSE (maggio)	-1,8	0,4	1,6	1,2
Commissione europea (maggio)	-1,3	0,7	1,6	1,5
FMI (luglio)	-1,8	0,7	2,0	1,4
Consensus Economics (luglio)	-1,8	0,4	1,5	1,6

Fonte: OCSE, *Economic Outlook*, n. 93, maggio 2013; Commissione europea, *European Economic Forecast Spring 2013*, maggio 2013; FMI, *World Economic Outlook Update*, luglio 2013 per il PIL e *World Economic Outlook*, aprile 2013 per l'inflazione; Consensus Economics, *Consensus Forecasts*, luglio 2013.
(1) I tassi di crescita indicati nelle previsioni dell'OCSE sono corretti per il numero di giornate lavorative, diversamente da quelli riportati dalla Commissione europea e dall'FMI. – (2) Misurata sull'IPCA.

There were a few weak signs of recovery in the second quarter of 2013; the decline in family spending slowed and consumer confidence rose in the first half, albeit in comparison to a dismal 2012. (see chart 19, Bank of Italy Bulletin)

Figura 19

Consumi, reddito e clima di fiducia dei consumatori in Italia
(variazioni percentuali e numeri indice)



Fonte: elaborazioni su dati Istat.

(Source: Bank of Italy Bulletin 73).

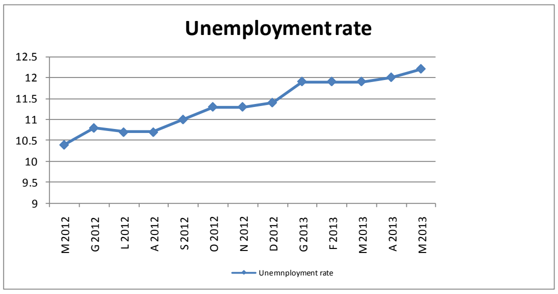
During the first two quarters of 2013 the consumer price index fell well below 2%, coming in at 1.4% at June 2013 (Source: ISTAT).

The persistently weak internal demand, cost monitoring and, above all, the drop of energy prices in the first half are the main factors behind the decline in inflation which the Bank of Italy estimates will remain, on average, at around 1.5% in 2013 and 2014.

These estimates are based on the assumption that there will be a 1% increase in VAT as of the second half of 2013.

With regard to the labor market, the unemployment rate in the first half of the year rose to +12.1% at June 2013 (Source: ISTAT).

The regions in Southern Italy reported the highest unemployment rates.



(Source: ISTAT).

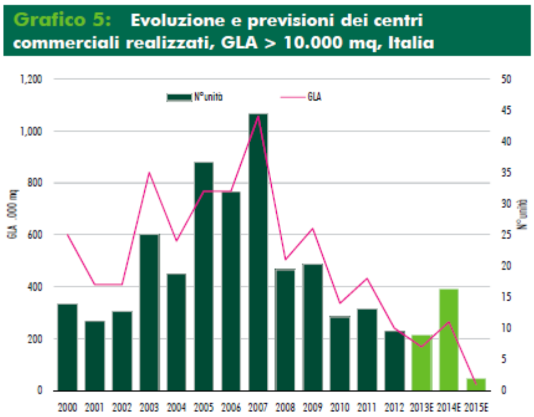
The Real Estate Market

The Stock and the Pipeline

There were four new openings in the first half of 2013 for a total GLA of approximately 61,000 m^2.

The most significant opening was of the Castel Romano Outlet.

At the end of June 2013 projects under construction reached a total of 736,000 m^2 (shopping centers and FOC with a GLA of more than 10,000 m^2) which should be completed in the next three years. Traditional shopping centers, which continue to be the most popular retail format despite the drop in consumption, make up 88% of this surface area.



(Source: CBRE)

Investments

Investments increased in first half 2013 with respect to second half 2012. A total of approximately €360 million was invested in the retail sector. The most important transaction in the first quarter was the company Passarella srl's sale of the building occupied by Vodafone and H&M on corso Vittorio Emanuele in Milan to the closed-end fund Crono for approximately €68 milllion. The most significant transaction in the second quarter was H&M's purchase of the building on via del Corso in Rome from the Benetton Group for €180 million.

Investments of approximately €1 billion are currently in the pipeline.

A closer look at the pipeline shows that interest is picking up also for retail market niches such as retail parks and FOC.

With regard to the first category, three transactions are currently in advance stages of negotiation due most likely to the expected yield for this asset class which today is around 8%.

With regard to the FOC, by the end of the year the purchase of Franciacorta outlet village (Brescia) should close and, in June, the Simon Property Group and McArthur Glenn entered into a joint venture, along with the investor SPG, which owns six outlets, several of which in Italy. The management and development will be shared with McArthur Glenn.

The Retailers and Yields

Retailers continue to want prime locations, both HS and in shopping centers.

Yields fell slightly with the yield for prime shopping centers coming in at 7% and 8.5% for good secondary.

The yield for prime high street reached 5.75% and 7.75% for secondary.

Yields for retail parks reached 8% and 9.25% for prime and secondary, respectively.

Rents continue to be stable with a slowdown in development activity.

ROMANIA

The Macroeconomic Scenario

The Romanian GDP rose slightly in the first quarter of 2013 by +0.6% with respect to the fourth quarter of 2012. There is expected to be a slowdown in the second quarter of 2013 with GDP rising by +0.3% due to weak internal demand.

Inflation increased reaching +5.4% at May 2013 due to rising food prices.

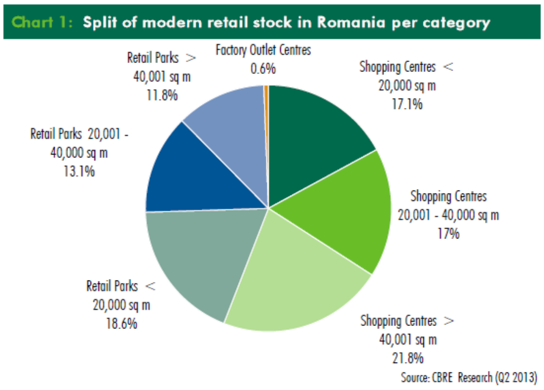
The exchange rate at 30 June 2013 reached 4.46 Ron/Euro.

Unemployment increased reaching 7.6% at June 2013 (European average at June 2013: 12.1%) (Source: Eurostat).

Consumer Trends and the Real Estate Market

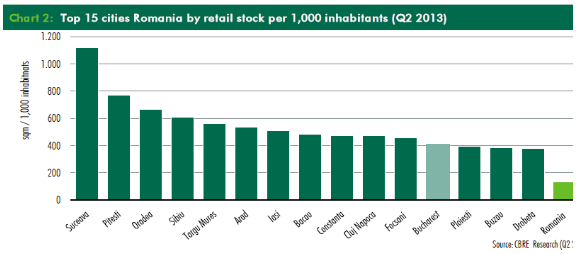
In first half 2013 the stock of shopping centers (including retail parks and outlets) was stable reaching a GLA of more than 2.7 ML/m^2, 30% of which in the capital of Bucharest.

The shopping center Uvertura Mall Botosani, with a GLA of approximately 15,000 m^2 , was opened in the first half.



At the end of first half 2013 the pipeline under construction amounted to approximately 140,000 m^2 and stock is expected to reach a GLA of approximately 2.85 million m^2 by year-end 2013.
Openings likely to take place in the second half of 2013 include Galati Shopping City (Galati), AFI Palace (Ploiesti), Promenada Mall (Bucharest), Cora (Constanza) and Vulcan Value Centre (Bucharest).
Construction projects over the next few years will be concentrated in the capital Bucharest and the cities of Brasov, Craiova, Timisoara, Sibiu and Arad (Source: CBRE).

The average density of retail formats in Romania reached 127 m^2/1,000 inhabitants.



In first half 2013 the prime rents for shopping centers were largely unchanged with respect to the prior year (€600/m^2), while prime yields dropped 0.25% to 8.50%.
The yields were higher, but in line with the end of the prior year, for the on-street spaces in Bucharest where prime yields reached 10.25% and the rents per m^2 €840.
Retailers in Romania continue, however, to be quite active. In first quarter 2013 food retailers like Kaufland, Mega image, Profi and Carrefour Express were the most active; the chain Intimissimi opened its first local branch and international retailers like H&M, Inditex brands, Takko, and Deichmann continued with their development campaigns.
Conversely international brands like Debenhams, Springfield, La Senza and Nine west, active in Romania through franchisees, exited the market.

The Real Estate Portfolio

FREEHOLD ASSETS

At 30 June 2013 the IGD Group's real estate portfolio consisted primarily of commercial (retail) properties located throughout Italy and Romania and of assets under construction which are part of real estate development initiatives underway in Italy.

As has been the case for the last five halves, the IGD SIIQ SPA Group's real estate portfolio was appraised by two independent experts, CBRE and REAG Advisory.

The market value of the IGD Group's real estate portfolio at 30 June 2013 came to €1,895,925.00 and includes the following classes of property:

- "Hyper and super", 19 properties with a total GLA of 227, 800 m^2, found in 8 regions in Italy;
- "Malls and retail parks", 19 properties with a total GLA of 252,500 m^2, found in 11 regions in Italy;
- City center", commercial properties located along the main shopping streets of urban centers. At 30 June 2013 this class of property comprises a single real estate complex located in downtown Bologna with a GLA of 2,350 m^2;
- "Other", seven properties pertaining to freehold shopping centers or office units with a total GLA of 3,140 m^2;
- "Assets held for trading", a real estate complex under construction which involves a multi-purpose project covering an area of approximately 70,000 m^2 located near Livorno's waterfront;
- Development and plots of land", 4 areas found throughout Italy which are to be used for future expansion and/or new retail projects with a future total GLA or approximately 49,750 m^2;
- "Winmarkt" – a portfolio of 16 properties used primarily for retail purposes found throughout Romania, but not in Bucharest, with a total GLA of approximately 87,300 m^2 .

The appraisals of IGD SIIQ SPA's portfolio split between CBRE and REAG and broken down by percentage of FV and fees paid at 30 June are shown below:

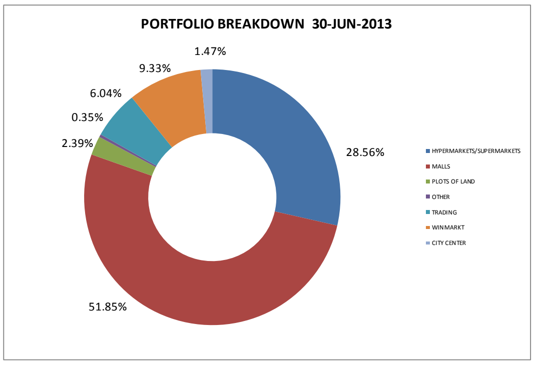
Property cathegory	% portfolio	Appraiser
Hypermarkets and supermarkets	13.37%	CBRE
	15.20%	REAG
Shopping malls and retail park	28.83%	CBRE
	23.03%	REAG
City center	1.47%	CBRE
Other	0.33%	CBRE
	0.02%	REAG
Asset held for trading	6.04%	CBRE
Development and plots of land	1.73%	CBRE
	0.66%	REAG
Winmarkt (Romania)	9.33%	CBRE
	100.00%	
Total	61.09%	CBRE
	38.91%	REAG
	100.00%	

Fees at 30 June 2013		€/000
CBRE Valuation Spa	Fees for appraisals	99
	Total compensation	99
REAG Advisory Group Spa	Fees for appraisals	70
	Other compensation	47.1
	Total compensation	117.1

ANALYSIS OF THE FREEHOLD ASSETS

GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

The IGD Group's real estate portfolio at 30 June 2013 is unchanged with respect to 31 December 2012 and, based on fair value, can be broken down as follows:

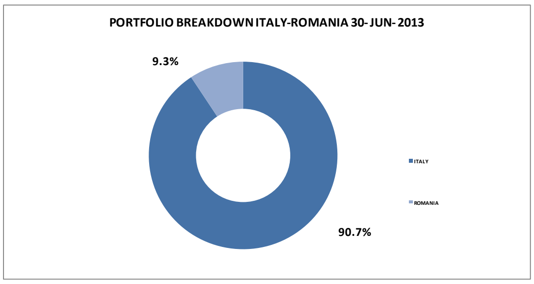


IGD's properties in Italy total 51 (including the 50% of the "Darsena" Shopping Center) and can be broken down by class of property as follows:

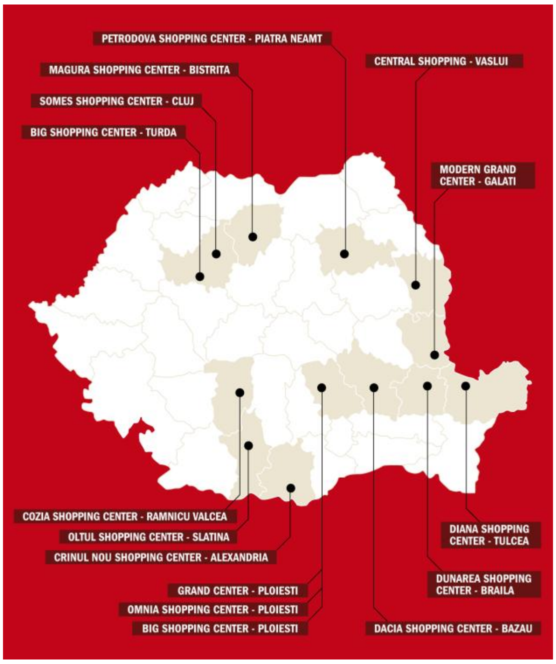
- 19 shopping malls and retail parks
- 19 hypermarkets and supermarkets
- 1 city center
- 4 plots of land for development
- 1 asset held for trading
- 7 other

The breakdown of the properties by region and geographical area is shown below:

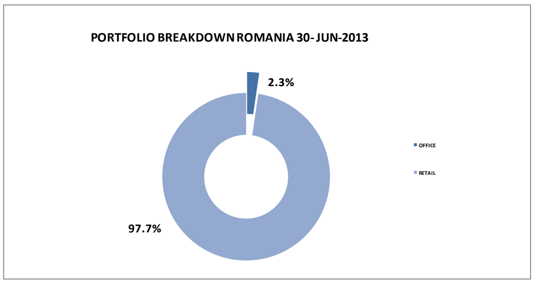
E.Romagna: 5 malls, 8 Hyper-Super, 1 plot of land, 5 other, 1 city center
Piedmont:1 mall + 1 mall and retail park
Lombardy: 2 malls,
Trentino: 1 mall
Veneto: 1 plot of land, 1 mall and retail park, 1 hyper
Marche: 1 mall, 3 hyper, 2 other, 1 plot of land
Abruzzo: 1 mall, 1 hyper, 1 plot of land
Campania: 1 mall, 1 hyper
Lazio: 2 malls; 2 hyper
Tuscany: 1mall, 1 hyper, 1 asset held for trading

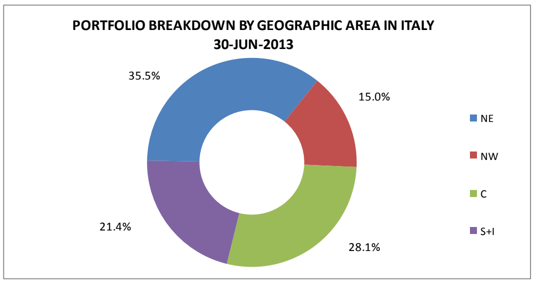


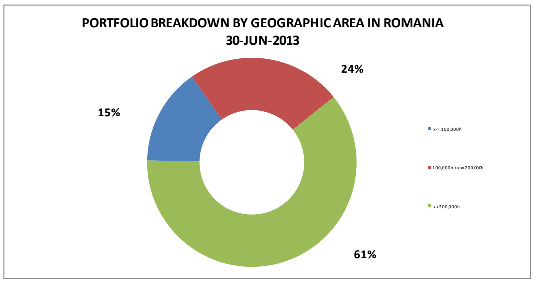
IGD's real estate assets in Romania total 16, broken down as follows:



- 15 shopping centers
- 1 office building







ITALY

ANALYSIS BY PROPERTY CLASS

Inflation dropped in the first half of 2013, with cap and discount rates for "Malls and Retail Parks" rising and largely unchanged for "Hyper and Super" as appraisers view this class as having more visible and stable yields.

The property tax IMU was also raised for large retail properties in the first half which had the biggest impact on "Hyper and Super".

HYPERMARKETS AND SUPERMARKETS

IGD's hypermarkets and supermarkets are leased on a long-term basis to Coop Adriatic Scrl and Unicoop Tirreno Scrl and Ipercoop Sicilia. Rent is indexed to 75% of the ISTAT index. Tenants are responsible for all routine and extraordinary maintenance on plants and the interiors of the buildings.

The hypermarkets and supermarkets were valued at 30 June 2013 by the appraisers CBRE and REAG based on the following percentages of FV:

Property cathegory	% portfolio	Appraiser
Hypermarkets and supermarkets	46.80%	CBRE
	53.20%	REAG

The DCF method was used by both appraisers for this property class. In CBRE's DCF model a standard duration of 10 years was used for all asset classes; Reag used a duration of between 15 and 25 years depending on the expiration of the lease held by the retailer.

The total value of this class of property at 30 June 2013 reached €541,570,000, an increase of +0.59% with respect to 31 December 2012.

The increase in market value is explained primarily by the different way, with respect to the prior year, IMU was applied to the hyper and mall found in the Tiburtino Shopping Center in Guidonia.

Net of this effect, FV fell by -0.1% with respect to the prior half due to the change in IMU rates.

The average yield reached 6.64%, an increase of 0.05% with respect to 31 December 2012 due to the expiration of a few step-up clauses relative to newly opened hypermarkets (Iper La Torre in Palermo and Iper Coné in Conegliano Veneto) which offset the increase in FV.

The occupancy rate reached 100%.

SHOPPING MALLS AND RETAIL PARKS

The IGD Group's shopping malls and retail parks are leased on average for five years to businesses. Rent is indexed to 100% of the ISTAT index.

Leases of six + six years, with rent indexed to 75% of the ISTAT index, are reserved for services like newsstands, tobacco shops, hair salons and beauty centers.

Shopping malls and retail parks were valued at 30 June 2013 by the appraisers CBRE and REAG based on the following percentages of FV:

Property cathegory	% portfolio	Appraiser
Shopping malls and retail park	55.59%	CBRE
	44.41%	REAG

The DCF method was used by both appraisers for this property class. In CBRE's DCF model a standard duration of 10 years was used for all asset classes; Reag used a duration of 18 years for all the assets.

The market value of this class of property, the perimeter of which did not change in the half, reached €983,115,000 at 30 June 2013, a decrease of 2.06% with respect to 31 December 2012, to which the investments made during the year to complete restyling and extraordinary maintenance should be added.

Approximately 17% of the decrease in FV recorded in the half is explained by the different way in which IMU was applied to the hyper and mall found in the Tiburtino Shopping Center in Guidonia. Net of this effect, in fact, FV for this asset class would have dropped 1.71% with respect to 31.12.2012.

The remaining 83% of the decrease is attributable to the drop in projected revenue growth over the coming years, the higher IMU rates, as well as the higher cap rates used in the DCF models. The discount rates were raised slightly.

The gross exit cap rate[1] used in the DCF models at 30.06.2013 reached 6.92%.

The average yield at 30 June 2013 was 6.59%, a decrease of 0.02% with respect to 31 December 2012.

The result was impacted by reduced revenue forecasts due to the drop in rents for new spaces, increased and longer vacancies, as well as the drop in the estimates for market rents.

At 30 June 2013 the financial occupancy rate, the GLA rented, calculated at market rates and expressed as a percentage of the market value of the total GLA rented at market rates, reached 95.41%, a drop of 0.88% with respect to 31 December 2012, due to the increase in vacant space primarily at the Sarca and Borgo centers, as well as the centers in Palermo and Mondovì. Restyling of the Sarca center is currently being contracted and the tender for the restyling of Borgo is currently underway. The vacancy in Guidonia is necessary in order to group spaces in preparation for the opening, in November 2013, of a well-known apparel brand.

CITY CENTER

This class of property comprises a complex of properties which are adjacent and connected to one another located in downtown Bologna.

The City Center property was appraised at 30 June 2013 100% by CBRE based on the DCF method with a standard duration of 10 years. The market value of this class of property at 30 June 2013 amounted to €27,800,000, an increase of 0.36% with respect to 31 December 2012 due to the increase in revenue following expiration of the last step-up and the indexing to 75% of the ISTAT index.

The yield at 30 June 2013 reached 5.56%. The occupancy rate is 100%.

[1] gross exit cap rate calculated as the ratio of gross revenue (rents, temporary excluding discounts) in the last year of DCF and the terminal value.

DIRECT DEVELOPMENT PROJECTS (PLOTS OF LAND)

At 30 June 2013 the class of property "Plots of Land for Development" consisted of four plots of land on which the following retail projects are underway:

- Chioggia Retail park (VE): retail park with a GLA of 16,907 m^2 which should be opened in second half 2014.
- Expansion of ESP: extension of the mall in the ESP Shopping Center in Ravenna by a GLA of 23,400 m^2 for which the planning phase and authorization procedure are currently being completed and which should be opened in second half 2015.
- Expansion of Abruzzo: extension of the mall in the Abruzzo Shopping Center in San Giovanni Teatino (CH) by a GLA of 3,300 m^2. Work began in December 2012 and is currently close to completion. It is expected to be opened in first half 2014.
- Expansion of P.to Grande: extension of the Porto Grande Shopping Center in P.rto d'Ascoli (AP) following the construction of two midsize stores with a GLA of 5,000 m^2 . Planning has been completed for this project and all the permits obtained. Work should begin in the second half of 2013 with the opening expected to take place in the second half of 2014.

Development projects were valued at 30 June 2013 by the appraisers CBRE and REAG based on the following percentages of FV:

Property cathegory	% portfolio	Appraiser
Development and plots of land	72.39%	CBRE
	27.61%	REAG

Both appraisers used the conversion method to value this asset class.

The total market value of this class of property at 30 June 2013 amounted to €45,310,000, an increase of 5.59% with respect to 31 December 2012 due primarily to the progress made on the expansion of Centro d'Abruzzo.

ASSETS HELD FOR TRADING

The assets of Porta Medicea at 30 June 2013, the developer of the multipurpose project in Livorno, were valued entirely by the independent appraiser CBRE using the conversion method.

The project can be broken down into the following areas:

- ✓ Piazza Mazzini (retail, residential and offices) which is expected to open in first half 2014
- ✓ Officine storiche (retail, residential) which is expected to open in 2015
- ✓ Molo Mediceo (retail) where work is expected to begin after 2015
- ✓ Lips (retail, tourist services, and accommodations) where work is expected to begin after 2015.
- ✓ Arsenale (retail and offices) where work is expected to begin after 2015.

The value of this class of assets at 30 June 2013 reached €114,500,000, an increase of 4.95% with respect to the prior year due to the progression of the work on the Mazzini, in the final phase of construction, and Officine storiche areas.

The plans for this project are currently being revised which could result in a change in the use of the properties and the timing of the construction.

OTHER

At 30 June 2013 the class of property “Other” consisted of one store near the supermarket on via Aquileia in Ravenna and offices found inside the P.to Grande hypermarket in Porto D'Ascoli (Ascoli Piceno), an office next to the Miralfiore hypermarket, plus a wholesale zone and a fitness area pertaining to the Malatesta Shopping Center in Rimini.

This class of property includes the offices located on the second floor of the Centro Direzionale Bologna Business Park office building, where the IGD Group's headquarters are located, leased to the Hera Group, as well as the offices located on the third and last floor which are leased to Librerie Coop.

In December 2012 the store in via Aquileia - Ravenna and in the store in Pesaro were spun-off to the newly constituted IGD Property SIINQ SPA, owned 100% by IGD SIIQ SPA.

The class of assets was valued at 30 June 2013 by the appraisers CBRE and REAG based on the following percentages of FV:

Property cathegory	% portfolio	Appraiser
Other	93.02%	CBRE
	6.98%	REAG

Both appraisers used the DCF method to value this asset class.

The market value of this class of property at 30 June 2013 amounted to €6,730,000, a decrease of 0.37% with respect to 31 December 2012.

ROMANIA

The real estate portfolio of the Romanian company Winmarkt is comprised of 15 shopping centers and an office building for a total GLA of 87,300 m^2. The properties are located in 13 cities in Romania (excluding the country's capital, Bucharest).

Winmarkt was valued at 30 June 2013 entirely by the appraiser CBRE using the DCF method with a standard duration of 10 years.

The total market value of the 16 properties at 30 June 2013 was €176,900,000, down 0.56% with respect to 31 December 2012.

The 15 shopping malls were valued at 30 June 2013 at €172,800,000, a drop of 0.46% with respect to 31 December 2012 due to the impact of the lower inflation rates used in the DCF model and the increased investments budgeted for the Piatra Neamt and Plojesti Grand Centers.

The yield of the 15 malls reached 7.14%, an increase of 0.43% with respect to the prior half due primarily to the reduced FV and the valuation of the H&M leases which will become fully effective over the next few years. The first H&M store was opened during the first half of 2013.

The market value at 30 June 2013 of the office building Junior in Ploiesti reached €4,100,000, a drop of 4.65% with respect to 31 December 2012 due primarily to the lower rate of inflation used in the DCF model.

The yield for the asset reached 10.36%, an increase of +0.78% with respect to 31 December 2012.

The financial occupancy rate[2] reached 88.31%, a decrease of 1.09% with respect to 31 December 2012.

The most important real estate investments and development projects, as well as the accounting method used, are shown in the following table:

[2] Winmark's financial occupancy rate was calculated based on the net selling area.

Real Estate Investments

Class of property	Book value at 30/06/2013	Accounting method	Market value at 30/06/2013	Date of last appraisal
IGD Group - Investment property				
Hypermarkets and supermarkets	541.57	fair value	541.57	Jul-13
Shopping malls Italy	983.12	fair value	983.12	Jul-13
City Center	27.80	fair value	27.80	Jul-13
Other	6.73	fair value	6.73	Jul-13
Total Italy	**1,559.22**		**1,559.22**	
Shopping malls Romania	172.80	fair value	172.80	Jul-13
Other Romania	4.10	fair value	4.10	Jul-13
Total Romania	**176.90**		**176.90**	
Total IGD Group	**1,736.12**		**1,736.12**	

Class of property	Book value at 30/06/2013	Accounting method	Market value at 30/06/2013	Date of last appraisal
Direct development initiatives				
Projects in advanced stage of construction	8.80	Fair value	8.80	Jul-13
Plots of land and ancillary costs	36.51	adjusted cost	36.51	Jul-13
Total direct development initiatives	**45.31**		**45.31**	

Class of property	Book value at 30/06/2013	Accounting method	Market value at 30/06/2013	Date of last appraisal
Assets held for trading*	**114.00**	**adjusted cost**	**114.50**	Jul-13

	Investment property, plots of land, development initiatives, assets held for trading		Market value freehold property, plots of land, direct development initiatives, assets held for trading	Difference
Total	**1,895.43**		**1,895.93**	**0.50**

* The figure includes the portion of the retail units included in preliminary sales agreements with IGD SIIQ S.p.A. classified in the financial statements as works in progress and down payments.

The details of ongoing projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	ESTIMATED INVESTMENT	INVESTMENT AT 30.06.2013	% HELD	STATUS
ESP	Extension	Ravenna	23.400 mq	II° half 2015	ca. 51 MN/€	16.4 MN/€	100%	Advanced stage of planning and finalization of building permits
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5.000 mq	II° half 2014	ca. 9,9 MN/€	3.7 MN/€	100%	Design stage completed. All building permits have been released.
CENTRO D'ABRUZZO	Extension	S.Giovanni Teatino (CH)	3.300 mq	I° half 2014	ca. 16 MN/€	8.8 MN/€	100%	work in progress: advanced stage (over 30%)
CHIOGGIA RETAIL PARK	New retail park	Chioggia (VE)	16.907 mq	II° half 2014	ca. 39MN/€	16.4 MN/€	100%	work in progress

The SIIQ Regulatory Environment

The special SIIQ regime was introduced under Art. 1, paragraphs 119 - 141, of Law n. 296 dated 27 December 2006 (the 2007 budget law).
The regulatory framework was completed when the Ministry of Economics and Finance issued the **Founding Law** as Regulation n. 174/2007 which was subsequently interpreted by the Tax Office in Bulletin n. 8/E issued on 31 January 2008.
Subsequently, pursuant to Art. 12 of Legislative Decree n. 135 dated 25 September 2009 a new paragraph, 141-*bis,* of Art. 1 of Law n. 296 dated 27 December 2006, was introduced eliminating the Italian residency requirement for the companies that intend to participate in the SIIQ regime. Further reference was made in this regard in the Tax Board's Resolution n. 136 of 27 December 2010.
Based on the above mentioned norms and regulations and common practice, the requirements for eligibility under the special regime, to date, are the following:

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes or, with regard to companies with stable real estate businesses in Italy, in one of the countries member of the European Union and party to the agreement to create a single European economic zone as indicated in the list appended to the decree issued by the Ministry of Treasury and Finance as per paragraph 1 of Art. 168-*bis* of the Uniform Income Tax Act
- shares must be traded on a regulated market

Statutory requirements

- rules must be adopted which regulate investments
- limits on the concentration of investment and counterparty risk must be provided for
- limits on the maximum financial leverage permitted must be provided for

Ownership requirements

- a single shareholder may not hold more than 51% of the company, the so-called **"Control limit"**
- at least 35% of the float must be held by shareholders who hold less than 2% of the voting rights exercisable in ordinary Shareholders' Meetings and less 2% of the dividend rights, the so called "**Float requisite**"

Objective requirements

- freehold rental properties must make up 80% of the real estate assets, the so-called **"Asset Test"**
- revenues from rental activities must total at least 80% of the positive entries in the income statement, the so-called **"Profit Test"**

The primary characteristic of this special regime is the possibility, after having satisfied certain legal requirements, to be eligible for a tax regime under which income is subject to income tax only when distributed to shareholders rather than when generated by the company itself.
Given the fact that income generated by the SIIQ is subject to income tax solely when distributed to shareholders, the law requires that at least 85% of the rental income must be distributed.
With regard to the verification of eligibility, based on the Founding Law the subjective, statutory and ownership requisites must be met before the option is exercised while the verification of the objective requisites is done after the close of the financial statements for the year in which the option was exercised.
In April 2008, once it was clear that all the subjective, statutory and ownership requisites had been satisfied, IGD exercised the option to be treated under the special regime effective 1 January 2008.

Furthermore, for the purposes of SIIQ status, the total capital gains, net any losses, resulting from the difference between the normal value of the rental assets, the real property rights on same, the plots of land and the value for tax purposes at the end of the fiscal year, are subject to IRES (corporate income tax) and IRAP (regional business tax) at a tax rate of 20 per cent (**the Entry Tax**).

Pursuant to paragraph 128, Art. 1 of the Founding Law, IGD opted to pay the Entry Tax of €30,797,217 in five yearly installments.

The payment of each installment coincides with the deadline for IRES payments related to the prior tax period. The installments subsequent to the payment of the first installment will be paid with the interest matured calculated based on the discount rate plus one percentage point.

As mentioned above, pursuant to the law the income generated by rental activities is exempt from IRES and IRAP as long as the company distributes at least 85% of same. In this regard, on 18 April 2013 the Shareholders' Meeting approved payment of a dividend totalling €22,333,408 for 2012 and the earnings distributed were generated entirely by exempt operations and amounted to not less than 85% of the earnings from these operations that were distributable.

Based on the parent company's financial statements at 30.06.2013 both the asset test, based on which the value of freehold rental properties must represent more than 80% of the total value of the real estate assets, and the profit test, based on which revenues from the rental of freehold properties or other property rights rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

DISCLOSURE REGARDING COMPLIANCE WITH CORPORATE BY-LAW REQUIREMENTS (ART. 3, P. 2, MINISTERIAL DECREE N. 174 OF 7 JULY 2007)

With regard to the requirements related to corporate by-laws, please note the following.

With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's by-laws that:

- *the Company shall not, either directly or through its subsidiaries, invest more than 30 percent of its assets in a single property with urban and functional characteristics, except in the case of development plans covered by a single planning scheme, where portions of the property are covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services;*

The Company did not invest, either directly or through its subsidiaries, more than 30% of its assets in a single property with urban and functional characteristics.

With regard to the limits on the concentration of investment and counterparty risk, it is expressly provided in Art. 4.3 lett. ii) of the Company's by-laws that:

- "*income from a single tenant or from tenants belonging to a single group may not exceed 60 percent of total rental income"*.

The income from a single tenant or tenants belonging to a single group did not exceed 60% of total rental income.

With regard to limits on the maximum financial leverage permitted, it is expressly provided in Art. 4.3 lett. ii) of the Company's by-laws that:

- *"the maximum permitted financial leverage, at a company or group level, is 85 percent of equity".*

Financial leverage, either at the group or single level, never exceeded 85% of equity.

The Stock

IGD's shares are traded on the Italian Stock Exchange's STAR segment as part of the real estate sector. The minimum lot is €1.00 and its specialist is Intermonte.

IGD ticker symbols:
RIC: IGD.MI
BLOOM: IGD IM
ISIN: IT0003745889

IGD SIIQ SpA 's share capital subscribed and paid-in amounted to €336,028,239.08 at 30 June 2013 comprised of 348,001,715 shares without a stated par value.

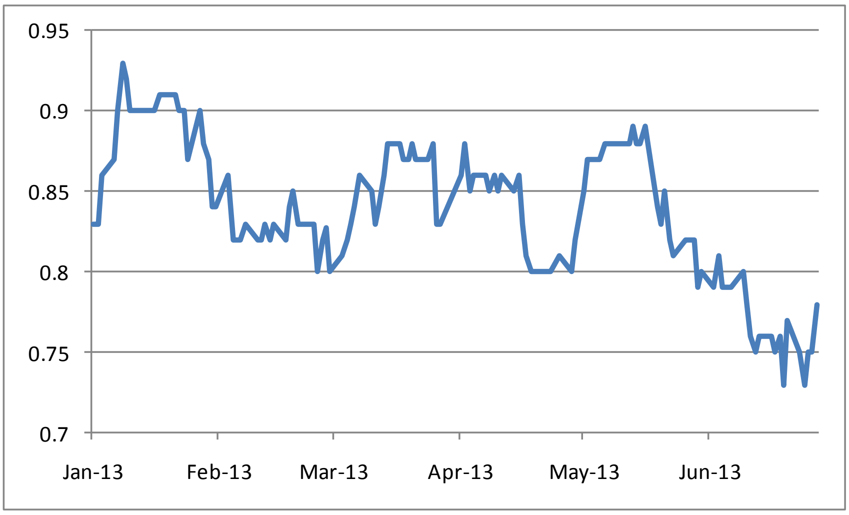
Share price at year-end 2012: €0.82
Share price at the end of first half 2013: € 0.78
Capitalization at the end of first half 2013: €271.44 million
Stock's highest price in first half 2013: €0.93 (9 January)
Stock's lowest price in first half 2013: €0.73 (20 and 25 June)

Indices in which IGD is included:

FTSE All-Share Capped, FTSE Italia All-Share, FTSE Italia STAR, FTSE Italia Small Cap, FTSE Italia Finanza, FTSE Italia Beni Immobili
FTSE EPRA/NAREIT Global Real Estate Index;
EPRA: European Public Real Estate Association
Euronext IEIF REIT Europe
IEIF: Institut de l'Epargne Immobilière et Foncière
FTSE ECPI Italia SRI Benchmark

IGD's Stock Price Performance and Volumes – Comparison with Reference Indices

Adjusted closing price of IGD's stock as of 2 January 2013 and 28 June 2013

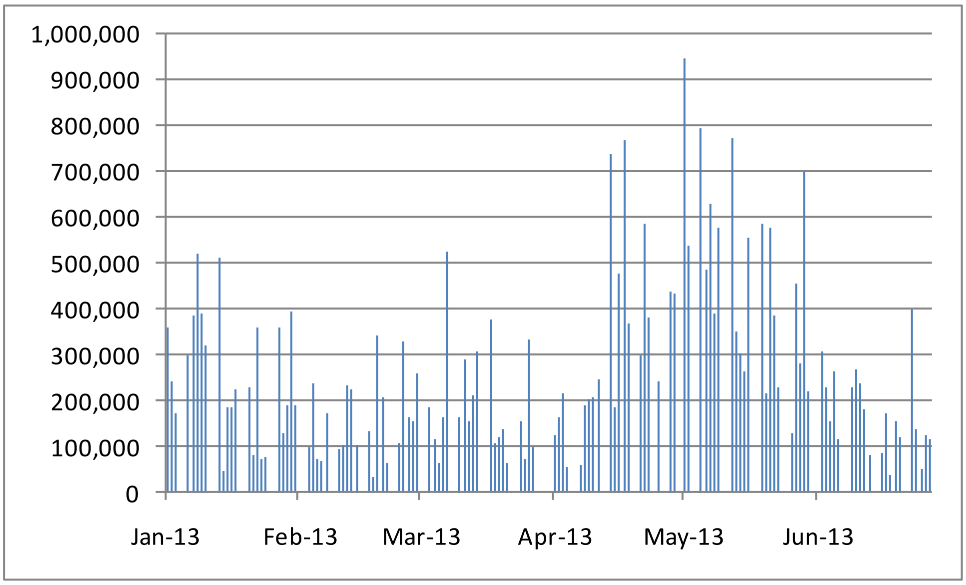


Source: Borsa Italiana

In the first six months of 2013 IGD's stock price fell by 4.9% from the €0.82 recorded at 28.12.2012 to €0.78 at 28 June 2013. During the half the stock was very volatile, reaching its period high of €0.93 on 9 January. At the beginning of the year IGD's stock, in fact, had benefited from reallocation of assets by many international portfolios who switched from high rated bonds, with limited yields, to equities with good growth prospects sustainable over time and high dividend yields. From the high of €0.93, the stock fell to a first low of €0.8 at the end of February and the beginning of March explained, given the lack of new information regarding the Company's fundamentals, by the uncertain political and global market environment. The subsequent recovery, driven by the publication of the Company's positive annual results on 28 February, was followed by a new, rapid decline which began on 17 April during which the price once again hit 0.8. A period during which the offer to exchange IGD's convertible bonds with newly issued senior notes was underway. The stock rallied in subsequent weeks when the first quarter results were announced on 9 May reaching a new period high of €0.89 mid-May. The stock then hit the 2013 low of €0.73 twice, on 20 and 25 June, during the time when 2012 dividend recipients were exercising the Dividend Reinvestment Option, to then rebound to levels closer to the beginning of the year at the end of June.

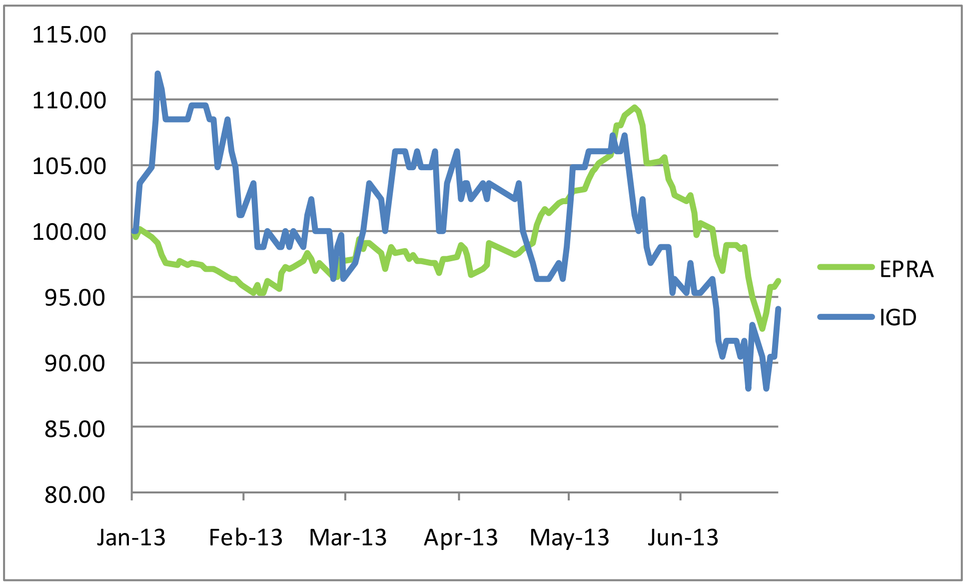
In the first six months of 2013 an average of approximately 266,000 IGD shares were traded each day, a significant decline with respect to the average of 570,000 shares per day recorded in first half 2012. Significant volumes, of more than 500,000 shares, were recorded during the early May 2013 rally, peaking at 950,000 shares on 2 May.

Daily volumes of IGD's stock as of 2 January 2013



Source: Borsa Italiana

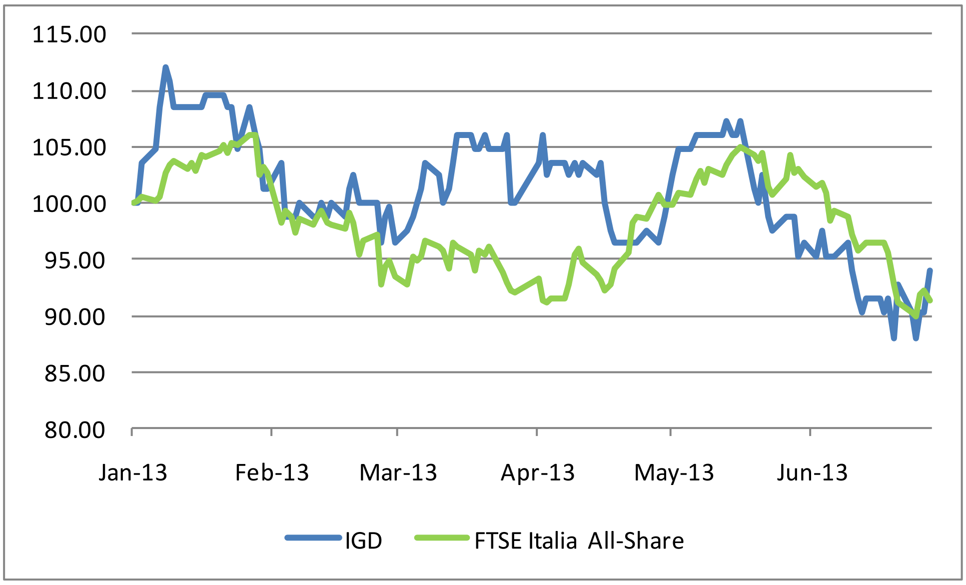
IGD's stock price compared with the European Real Estate Index (base 2.1.2013 = 100)



Source: EPRA data processed by IGD

Through mid-April IGD's stock consistently outperformed the European sector index; even though beginning mid-May the situation changed with the EPRA NAREIT Europe Developed index consistently outperformaing IGD the difference HoH at 28 June was limited to approximately 2%. First half 2013 was very volatile, not only for IGD's stock, but also for the European real estate sector which showed a great degree of correlation with the changing expectations with regard to interest rates in an environment characterized by disappointing results from European real estate companies due to the difficulties encountered by tenants in markets plagued by weak consumption, albeit not as weak as in Italy. The first half for UK companies, in fact, was quite positive in terms of both fundamentals, given the retailers' strong demand for rental spaces, and stock performance, taking account that over time UK equities have shown a stronger correlation with economic growth and inflation than with interest rates. The European sector index was impacted by the significant selloffs of many large caps with good quality European tenant portfolios, penalized by the unfavorable indicators regarding economic conditions, the changing interest rate expectations, as well as the renewed concerns regarding the future of the sovereign debt of peripheral Euro zone countries.

IGD's stock price compared with the Italian stock exchange index (FTSE Italia All-Share) as of 2 January 2013



Source: dati Borsa Italiana

In first half 2013 IGD's stock outperformed the Italian index by 3%. More in detail, while the delay in forming a new government impacted the index's performance through at least the first part of April, IGD's stock benefitted from the good results posted for FY 2012. Subsequently, and through the end of June, the performance of IGD's stock has been more in line with the Italian index, testimony to the fact that both are influenced by the persistent political uncertainty, the recessionary impact of the "Save Italy Decree" enacted by the prior government, in addition to the other global market factors which generate uncertainty with regard to interest rates going forward; factors which, as noted before, also had an impact on the European real estate sector index.

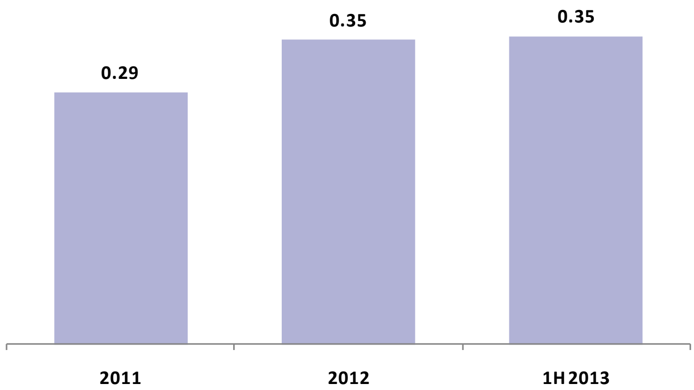
THE NAV

		30/06/2013	31/12/2012
Market value owned properties, lands, direct development initiatives, assets held for trading	a	1,895.93	1,906.56
Investment properties, lands and development initiatives, assets held for trading	b	1,895.43	1,905.78
Potential capital gain	**c=a-b**	**0.50**	**0.78**
Shareholders' equity (incl. third parties)		758.11	753.57
Treasury shares value (incl. commissions)		22.25	22.25
Adjusted shareholders' equity	**h**	**780.36**	**775.82**
Present IGD stock price	28-giu-13	**0.78**	**0.82**
Potential gain/(loss) on treasury shares	**d**	**(13.58)**	**(13.14)**
Total capital gain/(loss)	**e=c+d**	**(13.08)**	**(12.36)**
NAV	**f=e+h**	**767.28**	**763.45**
N. of shares	g	348.00	330.03
NAV per share	**f/g**	**2.20**	**2.31**
Tax rate on asset gain/loss		27.6%	27.6%
Total net capital gain/(loss)	**i**	**(13.22)**	**(12.58)**
NNAV	**l=h+i**	**767.14**	**763.24**
NNAV per share	**m=l/g**	**2.20**	**2.31**

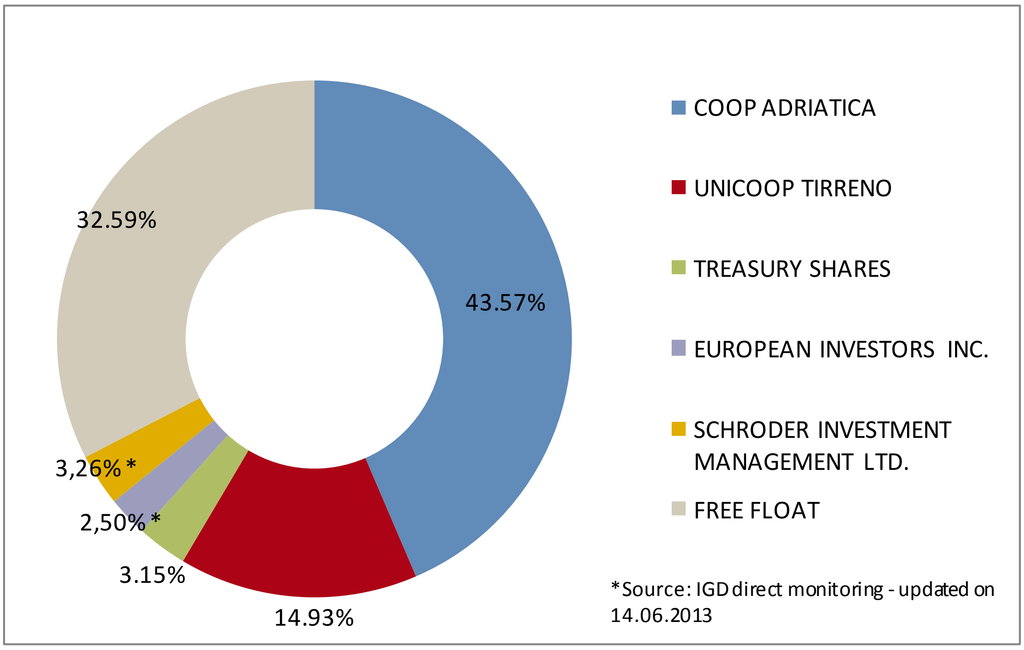
Both the NAV and the NNAV fell with respect to 31 December 2012. This decrease, though partially offset by the increase in net equity of €4.54 million, is explained by:

1) the lower potential capital gain generated by the difference of the market value and real estate investments which fell from €0.78 to €0.50 million;
2) the capital loss on treasury shares;
3) the drop in total equity;
4) the increase in the number of treasury shares following the Dividend Reinvestment Option transaction which resulted in an increase in share capital of €13,482,324 and an increase in the total number of shares of 17,976,432. As a result of the increase share capital now amounts to €336,028,239.08 and the number of shares to 348,001,715.

The following graph shows the stock price (as of the last day of the year or the half)/NNAV ratio from 2011 through 30 June 2013.



The Main Shareholders



Source: IGD SIIQ SPA's shareholder register and Consob filings.

* These two holdings were monitored directly by IGD and updated through 14 June 2013.

Shareholders' Agreements

On 12 June 2013 Coop Adriatica and Unicoop Tirreno updated the shareholders' agreement, following exercise of the Dividend Reinvestment Option.

The current agreement, which expires on 31 December 2013, involves 203,585,151.00 ordinary shares or 58.50% of the Company's share capital; of which 177,480,875.00 or 51% of the share capital are bound by a voting block; the remaining shares are considered free shares.

Investor Relations

Despite the recent downsizing of the equity research sector, IGD continues to be covered by a number of brokers, 4 domestic and 4 international, with an average target price at the end of June 2013 of €0.99.

At 28 June 2013 the stock was trading at 0.78 or approximately 27% below the average target price as a result of which 3 brokers have a "buy" on IGD. Three other brokers have neutral recommendations and only one broker recommends underweighting the stock.

In first half 2013 the standard conference calls were held, when the results for FY 2012 and 1Q 2013 were announced.

In January 2013 IGD participated in the JPMorgan Real Estate PanEuropean Conference held in London, while in March the Company took part in the STAR Conference organized by Borsa Italiana in Milan.

In February a roadshow was held in Frankfurt.

Significant Events

Corporate Events

On 28 February 2013 the Board of Directors approved the draft separate and consolidated financial statements for FY 2012 and resolved to submit a proposed dividend of €0.07 per outstanding share to the AGM for approval. With a view to strengthening the Company's capital structure, similar to last year, the Board of Directors also decided to propose that the shareholders approve a capital increase excluding pre-emption rights which will give those shareholders, coupon holders entitled to receive the 2012 dividend, the possibility to reinvest a part, not to exceed 80%, of their dividend in IGD (the Dividend Reinvestment Option). This transaction, in line with the widespread practice adopted by a number of European REITs, gives dividend recipients the possibility to reinvest in IGD and IGD to recapitalize itself.

IGD's Board of Directors also resolved to propose that the shareholders grant the financial audit assignment for the period 2013-2021 to PricewaterhouseCoopers S.p.A. (PwC) as per the Board of Statutory Auditors' motivated opinion.

Lastly, IGD's Board of Directors also approved the Annual Report on Corporate Governance and Ownership Structure, as well as the Board of Director's Compensation Report, which are included in the annual report.

On 18/03/2013 the Board of Directors resolved to propose the following amendments to the terms and conditions of the €230 million convertible bond loan issued by IGD Siiq S.p.A, as per the original resolution dated 25 June 2007, subsequently amended in 2010, to the Company's Annual General Meeting of Bondholders for approval:

(a) an amendment of the negative pledge clause based on which the Company may issue bonds in the future secured by assets pertaining to the company or subsidiaries;

(b) the introduction of a put option that bondholders may exercise in the event the Company resolves to issue secured bonds.

The purpose of the amendments to the terms and conditions of the convertible bond is to grant the Company greater flexibility in refinancing debt as it matures in the future and in gathering the resources needed to make new investments.

On 18 April 2013 during the AGM, IGD's shareholders approved the financial statements for FY 2012, as approved by the Board of Directors on 28 February 2013, and also approved the payment of a dividend of €0.07 per share.

The shareholders, meeting in ordinary session, also renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasions for up to the maximum permitted by law, in order to undertake trading and hedging transactions and 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; the authorization to purchase treasury shares will be effective for eighteen months as from the date of the shareholders' resolution of 18 April 2013; there is no time limit on the authorization to dispose of the shares. The shares must be purchased in accordance with Art. 132 of Legislative Decree 58/1998, Art. 144-*bis* of the Regulations for Issuers, and any other applicable regulation, as well as the market practices recognized by Consob and must be done in accordance with Art. 5, par. 1 of the European Commission's Regulation n. 2273/2003 of 22 December 2003.

IGD's shareholders also approved the granting of the financial audit assignment for the period 2013-2021 to PricewaterhouseCoopers S.p.A. (PwC).

IGD's shareholders, meeting in extraordinary session, approved the proposal to increase share capital for cash, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, excluding pre-emption rights, by up to 10% of the Company's pre-existing share capital. The capital increase is reserved exclusively for 2012 dividend recipients.

The Dividend Reinvestment Option calls for:

- an increase in the share capital of up to a maximum of 80% of the 2012 dividend and, therefore, equal to €17,866,726, through the issue of ordinary shares without any stated nominal value with dividend rights;
- the capital increase may be subscribed exclusively by 2012 dividend recipients who may reinvest up to 80% of their gross dividend;
- the subscription price of the new shares will be set by the Board of Directors closer to the offer launch date based on the criteria established by the shareholders and will be equal to the average stock price recorded during the eight trading sessions prior to the launch date adjusted by (i) subtracting the amount of the 2012 cash dividend and (ii) applying a discount of a maximum of 10% and will not, at any rate, be less than €0.61 (arithmetic average of the stock's official closing price recorded in the six month period prior to 28 February 2013 adjusted by subtracting the 2012 dividend payment and applying a discount of 15%).

The purpose of this transaction, which is in line with the best practices adopted by a number of European REITs, is to give 2012 dividend recipients the possibility to reinvest in IGD and IGD to recapitalize itself. The Company intends to launch the capital increase, subject to approval by the relative authorities, when the 2012 dividend is paid.

The shareholders, in extraordinary session, also approved amendments to Articles 16 (Board of Directors), 26 (Board of Statutory Auditors) and 31 (General Provisions) of the corporate by-laws in order to comply with Law n. 120 of 12 July 2011 relating to equal gender opportunities within the administrative and control bodies of listed companies.

On 18 April 2013 the Board of Directors approved:

- the issue of €230,000,000 million new senior unsecured fixed rate notes expiring May 2017;
- the Exchange Offer to be made to holders of the outstanding convertible bonds issued by IGD as part of the *"€ 230,000,000 3.50 per cent. Convertible Bonds due 2013*". The Exchange Offer was presented exclusively to holders of the convertible bonds in Italy and abroad (with the exception of the United States of America, pursuant to Regulation S of the 1933 United States Securities Act, as subsequently amended) who under the applicable law are deemed qualified investors.

During the Annual General Meeting of Bondholders held on 22 April 2013 bondholders approved the following amendments to the terms and conditions of the "€230.000.000 3,50 per cent. Convertible Bonds due 2013" convertible in ordinary shares of IGD, originally issued by the Company pursuant to a resolution dated 25 June 2007 and subsequently amended in 2010.

More in detail, the amendments approved during the Annual General Meeting of Bondholders include:

- an amendment of the negative pledge clause based on which the Company may issue bonds in the future secured by assets pertaining to the company or subsidiaries;
- the introduction of a put option that bondholders may exercise in the event the Company resolves to issue secured bonds;
- amendments to the bond loan regulations and the Trust Deed.

The purpose of the amendments to the terms and conditions of the convertible bond issue is to grant the Company greater flexibility in refinancing debt as it matures in the future and in gathering the resources needed to make new investments.

On 29 April 2013 the definitive results of the offer made to holders of the "€230.000.000 3,50 per cent. Convertible Bonds due 2013" to exchange convertible bonds with newly issued senior notes were published. Upon expiration of the Exchange Offer, the Company had received acceptances for a total nominal amount of convertible bonds equal to €122,900,000. Therefore, based on the acceptances received, IGD issued New Notes for a total nominal amount of €122,900,000. The Company also placed residual New Notes with investors deemed qualified under the law in Italy and abroad for a total nominal amount of Euro 22,000,000. On 7 May IGD issued New Notes with nominal unit value of €100,000 for a total nominal amount €144,900,000.

The New Notes will be governed by English law and will have the following characteristics:

- maturity: four years from the issue date;
- issue price equal to 100% of the nominal amount;
- fixed rate coupon of 4.335%, calculated based on the 4-year mid-swap rate as of 29 April plus a spread of 375 bps, to be paid annually in arrears on 7 May of each year;
- redemption at maturity at par, plus accrued and unpaid interest, provided that the Company has not exercised the early redemption option provided in the Terms and Conditions of the New Notes;
- early redemption provisions in certain instances of change of control as per the Terms and Conditions of the New Notes;
- listed on the regulated market of the Luxembourg Stock Exchange.

IGD paid the holders of Convertible Bonds accepted for exchange pursuant to the Exchange Offer accrued interest equal to the unpaid interest matured on the Convertible Bonds as of the prior payment date (included) through 7 May (excluded).

Investments, commercial agreements and financing

Worked continued on the **Centro d'Abruzzo** mall, in the province of Chieti. According to the schedule, the restyled areas should be completed between August and October 2013 while the expansion of thirty some stores – already authorized – should be completed in first half 2014 bringing the total GLA to approximately 3,300 m^2. More than 30% of the work is already completed and the pre-letting activities have generated positive results.

The construction permits were received for the midsize stores that will increase the size of the **Porto Grande** center, in the province of Ascoli Piceno. The total GLA will be increased from 23,387 to 28,387 m^2. The work will begin in the second half of 2013 and should be completed by the second half of 2014.

Through the subsidiary **Porta Medicea**, work also continued in first half 2013 on the **Piazza Mazzini area** (residential and commercial) for total investments in the period of some €6 million. A total of 21 residential units were pre-let which should be completed and sales closed by year-end 2013. The work on the commercial area of the lower Mazzini section should also be completed and opened in first half 2014. This area consists of a supermarket and 30 stores, all located on the ground floor above which apartments have been built. The initial pre-letting activities are generating positive results.

Lastly in **Chioggia** a revised plan was filed reducing the GLA from 18,343 m^2 to the 16,907 and eliminating the first floor which was originally supposed to be above the midsize stores. The opening is scheduled for the second half of 2014.

The Company intends to finance these investments through the use of new long term mortgage loans, in line with the financial strategy calling for debt to be primarily long term.

More in detail, these investments will be financed by:

- with regard to the Porta a Mare Project, through a mortgage loan to be used as work progresses granted by Banca Popolare di Verona for a total of €17.6 million and drawn down, at 30 June 2013, by approximately €9.6 million.
- with regard to the Chioggia and Abruzzo projects, through the use of short term lines of credit and, once construction of the properties is complete, through the use of long/medium term mortgage loans.

In 2013 extraordinary maintenance amounting to approximately €1.6 million was completed in Romania relating to the construction of a pedestrian bridge connecting the two malls in Grand Center Ploiesti, as well as restructuring of the facades and refurbishment of the interiors.

In the first half the first of five H&M stores was opened in Buzau, a freehold shopping center, located in the city's main square. The two story store covers a total surface area 1,510 m^2.

On 25 March 2013 IGD SIIQ SpA and the subsidiary IGD MANAGEMENT Srl obtained ISO14001 Certification from DNV Business Assurance, accredited by the Italian Certification Body or *ACCREDIA*. IGD SIIQ received the ISO14001 environmental certificates for the activities relating to the management of its real estate portfolio and rental assets, as well as the marketing of shopping centers, while IGD MANAGEMENT received them for the management of shopping centers – more specifically, the shopping centers "CentroSarca" in Sesto San Giovanni (MI), "I Bricchi"di Isola d'Asti (AT); "Gran Rondò" in Crema (CR) and "Mondovicino" in Mondovì (CN) were certified.

A roll out plan which calls for the certification over the next five years of the majority of the freehold real estate portfolio has been drafted.

At the end of March the loan granted by Cassa di Risparmio di Bologna was extended for two more years.

In June the loan granted by Centrobanca (merged with UBI Banca as of 6 May 2013), with a bullet repayment owed on 15 June 2013, was extended through 15 June 2015 at 3M Euribor plus a spread of 300 basis points.

INCOME STATEMENT REVIEW

The long recessionary phase of the Italian economy continued in the second quarter of 2013, as shown by the significant drop in all the GDP components (with the exception of public spending), which exacerbated the 2012 decline. The lack of disposable income and the uncertain labor market impacted family spending which fell even further. In light of these factors, as well as the weakness of the real estate sector, the stability of the IGD Group's half-year results appears even more significant.

If, on the one hand, the consolidated net profit fell by 51.08% with respect to 30 June 2012 to €4,056 thousand due primarily to the change in the properties' fair value, on the other hand the core business, net of nonmonetary items and one-offs (represented by the FFO) was largely unchanged at €17. 6 million (-2.35%). In terms of operations, revenue fell by approximately -1.7% while direct costs rose due primarily to a further increase in category D property taxes (IMU).

The operating income statement is shown below:

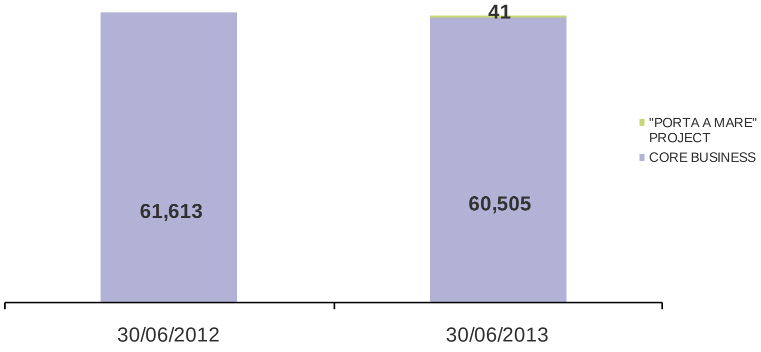
	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%
Revenues from freehold properties	54,731	53,831	(1.64)%	54,731	53,790	(1.72)%	0	41	n.a.
Revenues from leasehold properties	4,262	4,201	(1.42)%	4,262	4,201	(1.42)%	0	0	n.a.
Revenues from services	2,620	2,514	(4.04)%	2,620	2,514	(4.04)%	0	0	n.a.
Revenues from trading	0	0	n.a.	0	0	n.a.	0	0	n.a.
Operating revenues	**61,613**	**60,546**	**(1.73)%**	**61,613**	**60,505**	**(1.80)%**	**0**	**41**	**n.a.**
Direct costs	(12,077)	(12,441)	3.01%	(11,948)	(12,231)	2.37%	(129)	(209)	62.01%
Personnel expenses	(1,818)	(1,816)	(0.11)%	(1,818)	(1,816)	(0.11)%	0	0	n.a.
Increases, cost of sales and other costs	367	0	(100.00)%	0	0	n.a.	367	0	(100.00)%
Gross Margin	**48,085**	**46,289**	(3.74)%	**47,847**	**46,457**	**(2.91)%**	**238**	**(168)**	**(170.60)%**
G&A expenses	(2,039)	(2,072)	1.63%	(1,866)	(1,848)	(1.00)%	(173)	(225)	30.16%
Headquarters personnel costs	(2,859)	(2,999)	4.92%	(2,848)	(2,966)	4.13%	(11)	(33)	205.84%
EBITDA	**43,187**	**41,218**	**(4.56)%**	**43,133**	**41,644**	**(3.45)%**	**54**	**(426)**	**n.a.**
Ebitda Margin				***70.01%***	***68.83%***				
Depreciation	(651)	(660)	1.30%						
Devaluation/restores work in progress and inventor	(771)	(316)	(59.02)%						
Change in FV	(10,923)	(16,015)	46.61%						
Other provisions	0	(63)	n.a.						
EBIT	**30,842**	**24,164**	**(21.65)%**						
Financial income	227	262	15.29%						
Financial charges	(24,252)	(23,201)	(4.33)%						
Net financial income	**(24,025)**	**(22,939)**	**(4.52)%**						
Income from equity investments	**(367)**	**(490)**	**33.29%**						
PRE-TAX INCOME	**6,450**	**735**	**(88.60)%**						
Income tax for the period	1,735	3,017	73.85%						
NET PROFIT	**8,185**	**3,752**	**(54.16)%**						
(Profit)/losses related to third parties	107	304	185.13%						
NET GROUP PROFIT	**8,292**	**4,056**	**(51.08)%**						

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).

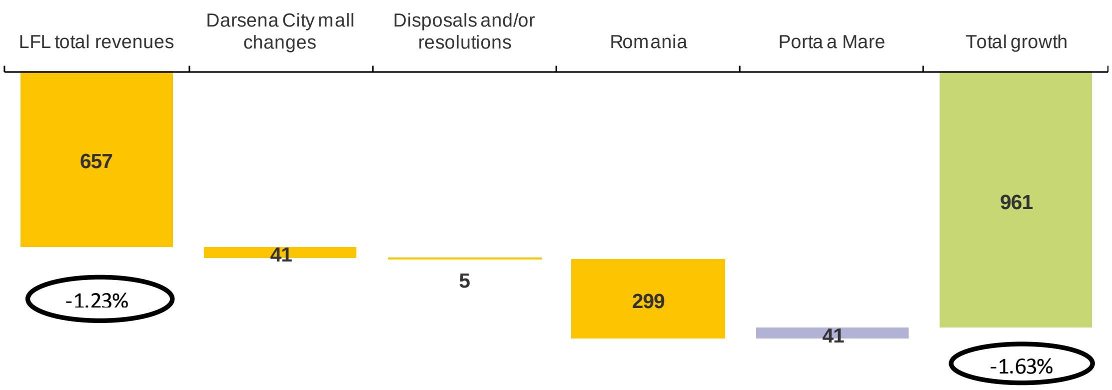
Revenue

Consolidated operating revenue amounted to €60,546 thousand, a drop of 1.73% with respect to the same period of the prior year. The core business rental income was accompanied by €41 thousand in rental income generated by the Porta a Mare Project thanks to the rental of a unit in Palazzo Orlando.

Total revenues



✓ The **revenue from the rental business** fell with respect to the same period of 2012 by 1.63%.



The decrease of €961 thousand is attributable to:

- for €657 thousand to like-for-like revenue which dropped by 1.23%. The positive performance of the hypermarkets continued (+3% due to indexing and post start-up rents that gradually took effect). Malls were the hardest hit by the general crisis (-3.7%) which resulted in increased vacancies particularly in Mondovì, La Torre and Tiburtino (in the latter the vacancies are also explained by the new openings scheduled for the second half of 2013). More temporary reductions were also granted in order to limit additional vacancies. 102 contracts were signed in the period between renewals and turnover with rents stable (+0.7%).
- for €41 thousand to a decrease in revenue at the Darsena City mall (the provisions were increased as a result of the bankruptcy proceedings underway);
- for €5 thousand to the termination of several leases for the rental of temporary spaces in small centers;
- for €299 thousand to the drop in revenue posted in Romania (-5.36%), due to the impact of the renewal downside recorded in second half 2012 and the programmed vacancies (approximately 1,500 m^2 of which pertains to the H&M store opened in the second quarter in Buzau) needed to attract other international brands in the medium term.

✓ **Revenue from services** fell with respect to first half 2012 (-4.04%). Most of this revenue comes from the facility management business (95% of the total which amounted to €2,396 thousand) which was down with respect to the prior year (-2.60%) due to the expiration of two management mandates (Centro Sesto and Vibo Valentia). Revenue from Pilotage and Agency also fell due to a drop in third party mandates with respect to the prior year.

- ✓ **Rental income generated by the Porta a Mare project** amounted to €41 thousand as a result of the rental of office units at the end of 2012.

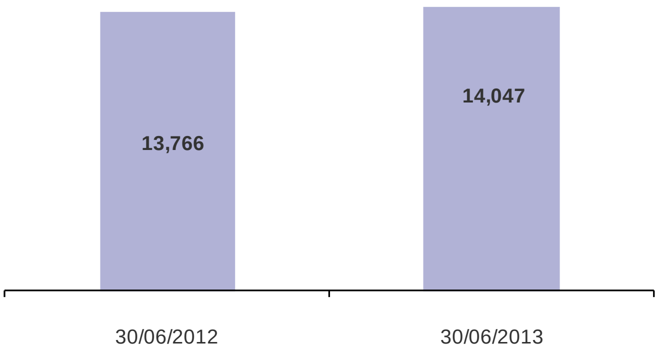
Direct Costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €14,047 thousand, an increase of 2.04% with respect to the same period of the prior year. This change is largely due to:

- ✓ the increase in property tax (IMU), following the increase in the rates applied to large retail areas (the D8 category), which at 30 June 2013 amounted €3,791 thousand or approximately 27% of the total direct costs for the core business (versus approximately 24% in first half 2012);
- ✓ the increase in condominium charges as a result of the increased average vacancies in the period.

These costs as a percentage of core business revenue reached 23.22%, an increase with respect to the 22.34% reported in the prior year.

Core business direct costs



Margins

The divisional gross margin fell by 3.74%, dropping from the €48,085 thousand posted at 30 June 2012 to €46,289 thousand at 30 June 2013. The table below shows the income statement highlights and the trend in margins by business segment:

	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
€/000	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%	30/06/2012	30/06/2013	%
Margin from freehold properties	46,705	45,511	(2.56)%	46,705	45,480	(2.62)%	0	31	n.a.
Margin from leasehold properties	766	654	(14.55)%	766	654	(14.55)%			n.a.
Margin from services	376	323	(14.08)%	376	323	(14.08)%			n.a.
Margin from trading	238	(199)	(183.47)%				238	(199)	(183.47)%
Gross Margin	**48,085**	**46,289**	**(3.74)%**	**47,847**	**46,457**	**(2.91)%**	**238**	**(168)**	**(170.60)%**

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €45,511 thousand versus €46,705 thousand in the prior year. In percentage terms, this activity continues to feature a significant margin of 84.54%, a slight drop with respect to the 85.34% recorded in the prior year due primarily to an increase in direct costs (increase in IMU +14.07%).
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €654 thousand reaching 15.57% of revenue (versus 17.96% in 2012). The decrease is due primarily to an increase in direct costs (condominium charges and provisions for doubtful accounts had the largest impact).
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services reached €323 thousand and represents 12.85% of the revenue generated by services. The decline with respect to

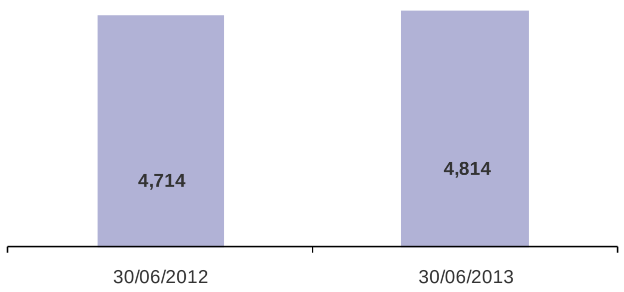
2012 (14.35%) is explained by a drop in revenue from Agency and Facility (less marketing and mandates which were not renewed).

✓ **SBU 3 – Development and trading – margin from trading:** the margin from the Porta a Mare project in Livorno reached a negative €199 thousand versus a positive €238 thousand in the same period as direct costs increased and interest payable was not capitalized in order to bring the project's carrying value in line with the lower of cost and the appraised fair value.

General expenses

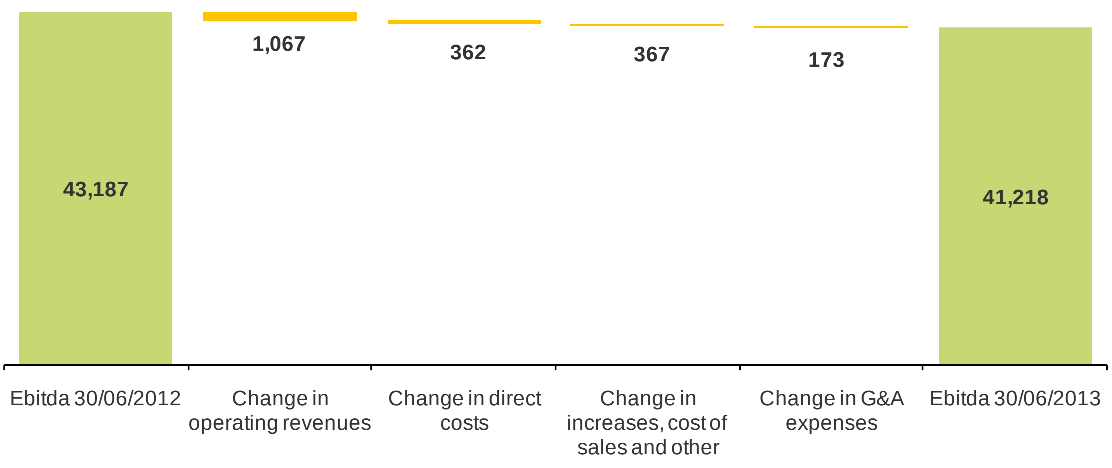
General expenses for the core business, including payroll costs at headquarters, amounted to €4,814 thousand and increase of 2.12% with respect to the €4,714 thousand posted in first half 2012. These costs represent 7.95% of core business revenue.

Core business G&A expenses



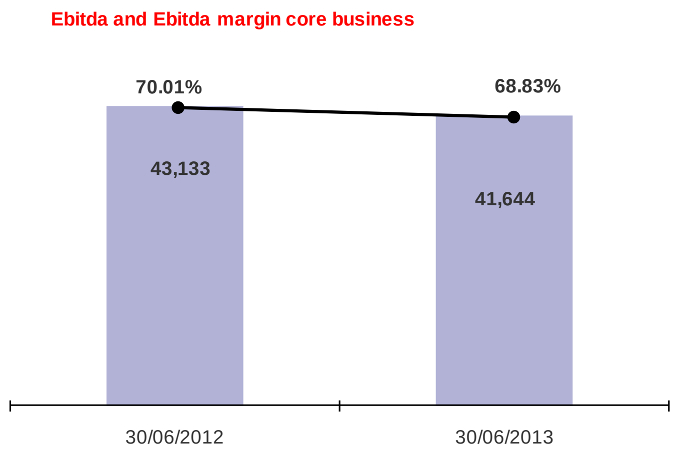
EBITDA

Core business **EBITDA** amounted to €41,644 thousand in first half 2013, a decrease of 3.45% with respect to the same period of the prior year, while total EBITDA fell by 4.56% to €41,218 thousand. The changes in the components of total EBITDA during the first six months of 2013 are shown below.



As mentioned above, the EBITDA margin was impacted by the drop in revenue as well as direct taxes (IMU in Italy) and the increase in condominium charges (due to an increase in the average vacancies in the period).

The core business **EBITDA MARGIN** came in at 68.83%, down with respect to the same period of the prior year due to the drop in revenue and the increase in direct costs.



EBIT

EBIT fell by 21.65% to €24,164 thousand due to the drop in EBITDA described above but, above all, to the negative impact of the change in fair value (+46.61%). For the sake of clarity, the impairment loss – which reduces carrying value to the lower of cost and fair value – has been recognized under "(Impairment losses)/reversals on works in progress and inventories" at 30 June for both periods.

Net financial income (charges)

The **net financial charges** fell from the €24,025 thousand recorded at the end of June 2012 by approximately to €22,939 thousand at 30 June 2013. Financial charges dropped by approximately €1,086 thousand. This decrease is attributable to the lower average cost of debt which fell from the 4.33% recorded at 30 June 2012 to 4.13% or from 3.96% to 3.79% net of figurative interest on the convertible bond loan .

Most of the change on the previous year is due to:

- the decrease in Euribor which fell sharply from the 0.89 (monthly average) recorded in first half 2012 to 0.21 (monthly average) in first half 2013, which was partially offset by a slight increase in the spread on short- term borrowings and renegotiated mortgage loans;
- the lack of the charges relating to the call option on the 20% interest in Porta Medicea which was exercised in April 2012.

As mentioned in the "Corporate Events" section above, as part of the Public Exchange Offer, on 7 May 2013 the company issued senior notes amounting to €122,900,000 maturing on 7 May 2017 with a coupon of 4.335%.

Residual new bonds amounting to €22,000.000, also expiring on 7 May 2017 and with a coupon of 4.335%, were also placed with third party investors.

The transaction costs for the bond issues amounted to approximately €1.5 million and will be expensed over the duration of the issues using the amortized cost method.

Pursuant to IAS 39 (par. 40) and AG 62, the contractual terms of the new issues were checked to make sure that they did not differ substantially from the terms and conditions of the convertible bond loan and €122.9 million of the transaction was recognized as restructured debt. The difference, therefore, between the carrying value of the convertible loan at the exchange date and the redemption amount at maturity, of €1,891 thousand, was included, along with the new transaction costs, in the amortized cost calculation.

The 2 bond loans have the following characteristics:

- ✓ Convertible bond, nominal value €107.1 million, all-in rate 6.05%, maturity 28 December 2013;
- ✓ Exchanged bond, nominal value €122.9 million, all-in rate 5.06%, maturity 7 May 2017 plus additional bonds for a nominal €22 million, all-in rate 4.62%, maturity 7 May 2017.

Net financial income/(charges)	30/06/2013	30/06/2012	*Change*
(Financial income)	(66)	(85)	19
Financial charges	22,933	24,151	(1,218)
Exchange (gains)/losses	(17)	(117)	100
Commissions	89	76	13
Net financial income/(charges)	**22,939**	**24,025**	**(1,086)**

Income tax

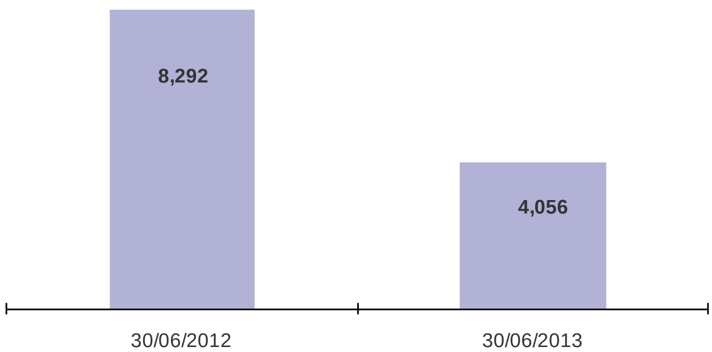
The tax burden, current and deferred, at 30 June 2013 amounted to €3,017 thousand and is primarily attributable to the effect of the fair value adjustments which resulted in the recognition of deferred tax assets and the reversal of deferred tax liabilities and which had a positive impact on the overall tax rate of 27.56%. Net of the fair value effect, the tax rate comes to 8.68%, basically in line with the 8.29% reported in the same period of the prior year.

Income taxes	30/06/2013	30/06/2012	*Change*
Current taxes	652	744	(92)
Deferred tax liabilities	(1,675)	(1,189)	(486)
Deferred tax assets	(1,997)	(1,288)	(709)
Out-of-period income/charges	3	-2	5
Total	**(3,017)**	**(1,735)**	**(1,282)**

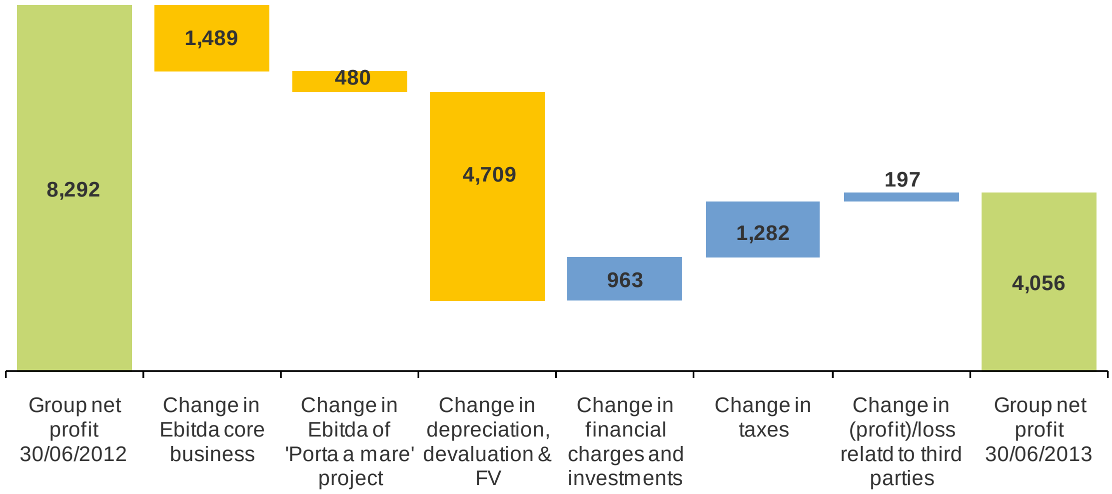
Net profit

The combined effect of decreased revenue and higher costs resulted in a decrease in the Group's net profit (-51.08% with respect to 30 June 2012) which amounted to €4,056 thousand.

Group net profit

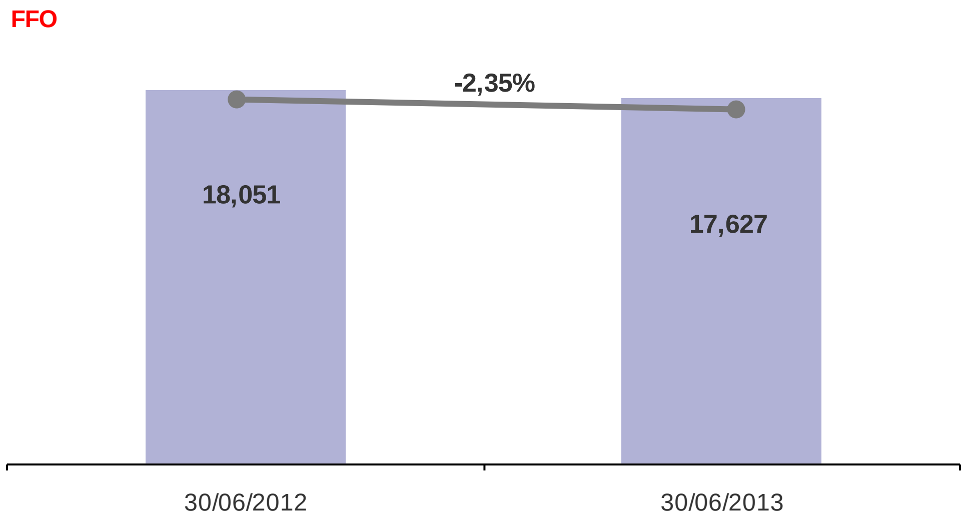


The change in net profit with respect to the same period of the prior year is shown below.



FFO

More significant than the comparison with net profit is the trend in Funds From Operations (FFO), an indicator used widely in the real estate sector (REITs), which defines the cash flow generated by a company's core business by adjusting pre-tax profit by nonmonetary items (deferred tax, writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of income from equity investments and revenue from property sales and which, therefore, better represents the trend in the Group's core business. The figure recorded at 30 June 2013 fell slightly by 2.35% with respect to the first half of the prior year.



STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 30 June 2013 can be summarized as follows:

SOURCE/USE OF FUNDS	30/06/2013	31-dic-12	Δ	%
Fixed assets	1,875,227	1,889,979	(14,752)	(0.78%)
NWC	76,181	75,713	468	0.62%
Other long term liabilities	(66,947)	(68,520)	1,573	(2.30%)
TOTAL USE OF FUNDS	**1,884,461**	**1,897,172**	**(12,711)**	**-0.67%**
Net debt	758,109	753,566	4,543	0.60%
Net (assets) and liabilities for instruments	40,164	53,975	(13,811)	(25.59%)
Shareholders' equity	1,086,188	1,089,631	-3,443	-0.32%
TOTAL SOURCES	**1,884,461**	**1,897,172**	**(12,711)**	**-0.67%**

The principal changes in first half 2013, compared to 31 December 2012, are summarized below:

- **Non-current assets** fell from the €1,889,979 thousand recorded at 31 December 2012 to €1,875,227 thousand at 30 June 2013; the change of -€14,752 thousand is explained by increases and decreases in:
- ✓ **Investment property** (-€18,435 thousand). The net change is primarily attributable to:
  - the increase, of €396 thousand, in extraordinary maintenance relating mainly to the Casilino, Guidonia and Ravenna shopping centers.
  - the reclassification of work completed in a few shopping centers recognized under assets under construction in the previous year of +€1,052 thousand, the most significant of which is explained by the fit-out work completed prior to the opening of the H&M store in Buzau, Romania.
  - the fair value adjustment of the investment property which at 30 June 2013 reached a net total of €16,015 thousand.

- **Assets under construction** (+€6,561 thousand). The change is attributable primarily to an increase in the assets under construction explained by:
  - for about €2,887 thousand, progress with the investment in the multipurpose center in Livorno (the retail portion only);
  - for about €110 thousand, progress on the urban infrastructure of the future retail park in Chioggia;
  - for about €103 thousand, progress on the expansion of the ESP shopping center;
  - for about €1,773 thousand, progress on the expansion of the Abruzzo shopping center;
  - for about €182 thousand, progress on the restyling of the Sarca shopping center;
  - for about €1,616 thousand, extraordinary maintenance of a few shopping centers in Romania;
  - for about +€369 thousand to construction in progress (Chioggia, Portogrande and Esp), recognized at adjusted cost, and the reversal of the impairment losses charged in previous years to adjust their carrying amounts to the lower of cost and appraised fair value, and for about +€506 as at 30 June 2013 thousand to the fair value adjustment of the expansion of Centro d'Abruzzo, accounted for at fair value as the construction is now well underway.

As well as a decrease due primarily to:

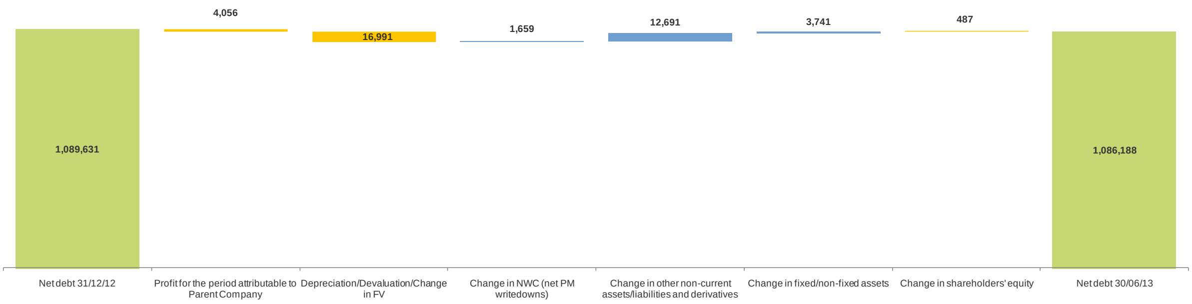
  - for about €1,055 thousand to the completion of the fit-out works and refurbishment of the facade needed to open the H&M store in Buzau and the consequent reclassification to investment property.

- **Deferred tax assets** (-€1,766 thousand). The change is attributable primarily to:
  - for -€3,845 thousand to the elimination of deferred taxes on mortgage hedging instruments (IRS) as a result of the positive change in fair value;
  - for approximately +€1,808 thousand to the recognition of deferred taxes on the fair value adjustment of investment property, assets under construction and inventories .

  For more information see note 18.
- **Miscellaneous receivables and other non-current assets** (-€929 thousand). The change is due primarily to:
  - the decrease of the beneficial interest, on the mall at the Città delle Stelle Shopping Center, by the amount recognized for the period in the income statement.
- **Net working capital** (+€468 thousand). The change is explained primarily by:
  - for +€2,083 thousand, the work in progress inventory and advances relating primarily to the Piazza Mazzini area in Livorno and the impairment loss charged to adjust the carrying amount to the lower of cost and fair value, as expressed in the appraisal, for the handling see note 22.
  - for +€296 thousand to the increase in third party and related party trade receivables, net of the provisions for doubtful accounts;
  - for +€300 thousand to the other current assets; this change is explained primarily by a VAT credit and the accrual of costs recorded during first half 2013 but pertaining to the full year;
  - for -€508 thousand to the increase in the payables for construction and contract work done, excluding the transaction costs for the bond issues
  - for -€2,003 thousand to the increase in tax liabilities due primarily to the recognition of the withholding on the dividends paid by the Parent Company in July;
  - for -€535 thousand to other current liabilities, which increased primarily as a result of the security deposits received under the preliminary sales agreements for property units in Livorno.
- **Other non-current liabilities.** (+€1,573 thousand). The increase is due primarily to:
  - the change in deferred tax liabilities attributable mainly to the fair value adjustment of investment property; see note 18 for more information.
- **Net equity** at 30 June 2013 amounted to €758,109 thousand. The change of +€4,583 is explained primarily by:
  - for €13,482 thousand, the increase in share capital;
  - for €381 thousand, the decrease following recognition of transaction costs relating to the capital increase, net of tax effects;
  - for €22,333 thousand, the allocation of the 2012 profit;
  - for +€8,342 thousand and +€1,796 thousand, the increase in the derivatives accounted for using the cash flow hedge method relative to, respectively, the Parent Company and its subsidiary;
  - for +€117 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - for €4,056 thousand, the Parent Company's portion of net profit, and the minorities' loss of €304 thousand;
  - for about +€1 thousand, adjustment of the deferred tax relative to the convertible bond.

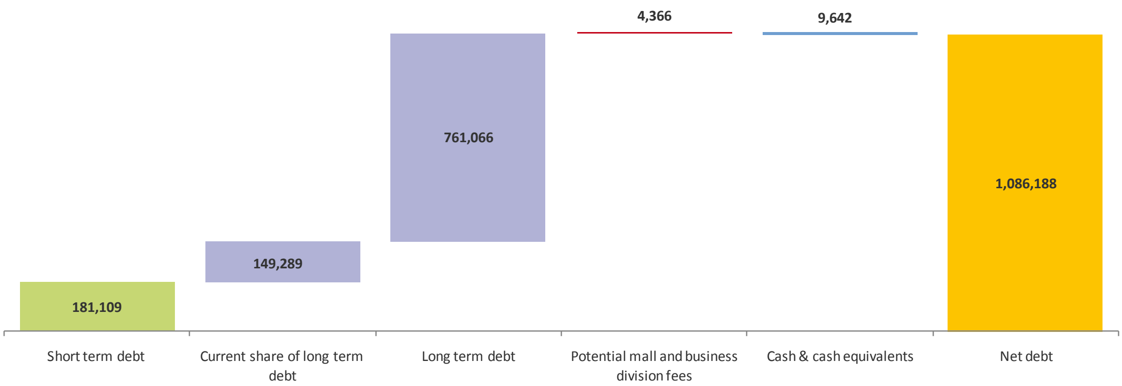
✓ **Net assets/(liabilities) for derivatives:** the fair value measurement of hedging instruments at 30/06/2013 showed a positive difference of €13,811 thousand with respect to the prior year.

✓ **Net financial position:** the net financial position at 30/06/2013 amounted to €1,086,188 thousand, an improvement of €3,443 thousand with respect to the prior year, as shown below:



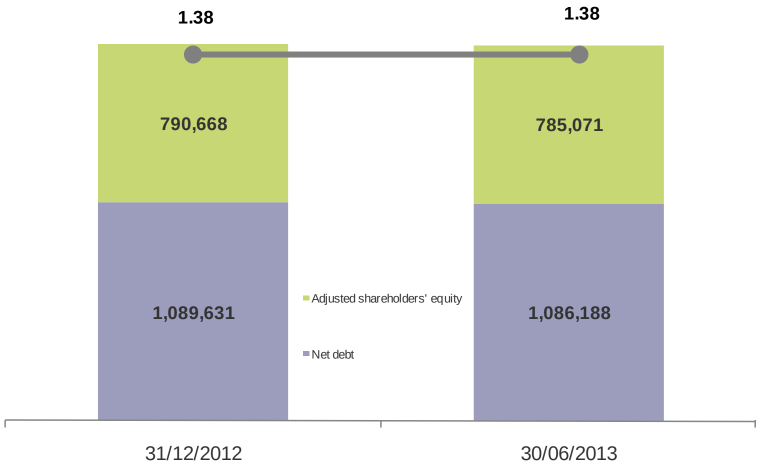
NET FINANCIAL POSITION	30/06/2013	31/12/2012
Cash and cash equivalents	(9,289)	(7,545)
Financial receivables and other current financial assets vs. related parties	(260)	(734)
Financial receivables and other current financial assets	(93)	(41)
LIQUIDITY	**(9,642)**	**(8,320)**
Current financial liabilities vs. related parties	3,480	21,783
Current financial liabilities	177,629	160,038
Mortgage loans - current portion	42,236	116,836
Leasing - current portion	279	275
Convertible bond loan - current portion	106,774	224,685
CURRENT DEBT	**330,398**	**523,617**
CURRENT NET DEBT	**320,756**	**515,297**
Non-current financial assets	(793)	(25)
Non-current financial liabilities due to other sources of finance	4,366	8,081
Leasing- non-current portion	5,303	5,444
Non-current financial liabilities	599,932	545,834
Non-current financial liabilities vs. related parties	15,000	15,000
Convertible bond loan	141,624	0
NON-CURRENT DEBT	**765,432**	**574,334**
NET FINANCIAL POSITION	**1,086,188**	**1,089,631**

The item "Short term portions of long term debt" shown in the net financial position includes the short term portion of mortgages, leasing company loans and bond debt.



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The 1.38 recorded at 30 June is unchanged with respect to the figure reported at 31 December 2012.

Gearing ratio



The Group's financial policy is guided by the principles outlined in the 2012-2015 Business Plan in terms of:
- a balanced capital structure: with a Debt/Equity ratio which is not expected to exceed 1.4 over the life of the plan;
- financial balance: with funding and the relative hedging primarily long term, in line with the loan expirations.

At 30 June 2013 the debt/equity ratio was in line with the figure reported at 31 December 2012.

Currently 76.89% of the long term debt (including the bond) is hedged against interest rate risk while 64.22% of the net debt is covered, in line with the 2012-2015 Business Plan which calls for hedging of up to 65% of the net financial position, to the extent allowed by the reference parameters and the spreads.

The bank credit facilities amounted to €278.5 million at 30/06/2013 and the unutilized portion to €98.65 million.

SUBSEQUENT EVENTS

No significant events took place after the close of the reporting period.

OUTLOOK

In what is still a difficult market environment characterized by a persistent situation of generalized crisis, the IGD Group managed to maintain its economic-financial fundamentals intact, with core business cash flow generation in line with the prior year. IGD will continue to support its tenants, in line with the idea of sustainability engendered in the Group's business model. We do not expect to see significant changes with respect to the results posted in the first half. Development will continue solely of the investment properties that are already part of the portfolio, while seeking to keep financial expense under control and further strengthen the financial structure, as demonstrated by the financial transactions completed in the first half.

Related Party Transactions

All transactions with related parties, including intercompany transactions, fall within the Group's ordinary sphere of operations and take place under arm's-length conditions. For more information regarding the transactions that took place during the first half please refer to Note 42 of the Notes to the Consolidated Condensed Interim Financial Statements.

Treasury Shares

At 30 June 2013 the company possessed 10,976,592 ordinary shares or 3.15 % of the share capital for a total of €22,141,778.

Research and Development

The IGD Group does not perform research and development activities.

Significant Transactions

During the period ended 30 June 2013, no significant non-recurring transactions or atypical/unusual transactions, as defined in CONSOB's notice of 28 July 2006, were carried out with third parties or between companies in the Group.

IGD GROUP

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2013

Consolidated income statement

Consolidated income statement (in thousands of Euro)	Notes	30/06/2013 (A)	30/06/2012 (B)	Change (A-B)
Revenue:	**1**	**58,032**	**58,993**	**(961)**
- from third parties		39,571	41,044	(1,473)
- from related parties		18,461	17,949	512
Other revenue:	**2**	**2,514**	**2,620**	**(106)**
- other income		1,765	1,874	(109)
- from related parties		749	746	3
Total revenue and operating income		**60,546**	**61,613**	**(1,067)**
Change in w ork in progress inventory	3	3,501	3,903	(402)
Total revenue and change in inventory		**64,047**	**65,516**	**(1,469)**
Cost of w ork in progress	3	3,501	3,536	(35)
Material and service costs	4	9,459	9,596	(137)
- third parties		7,833	7,920	(87)
- related parties		1,626	1,676	(50)
Cost of labour	5	4,237	4,027	210
Other operating costs	6	4,538	4,009	529
Total operating costs		**21,735**	**21,168**	**567**
(Depreciation, amortization and provisions)		(1,906)	(1,888)	(18)
(Impairment losses)/Reversals on w ork in progress and goodw ill		(316)	(771)	455
Change in fair value - increases / (decreases)		(16,015)	(10,923)	(5,092)
Total depreciation, amortization, provisions, impairment and change in fair value	**7**	**(18,237)**	**(13,582)**	**(4,655)**
EBIT		**24,075**	**30,766**	**(6,691)**
Income/(loss) from equity investments	**8**	**(490)**	**(367)**	**(123)**
Income/(loss) from equity investments		(490)	(367)	(123)
Financial income:	**9**	**262**	**227**	**35**
- third parties		262	219	43
- related parties		0	8	(8)
Financial charges:	**9**	**23,112**	**24,176**	**(1,064)**
- third parties		22,436	22,938	(502)
- related parties		676	1,238	(562)
Net financial income (charges)		**(22,850)**	**(23,949)**	**1,099**
PRE-TAX PROFIT		**735**	**6,450**	**(5,715)**
Income taxes	10	(3,017)	(1,735)	(1,282)
NET PROFIT FOR THE PERIOD		**3,752**	**8,185**	**(4,433)**
Minority interests in net (profit)/loss		304	107	197
Parent Company's portion of net profit		**4,056**	**8,292**	**(4,236)**
- basic earnings per share	11	0.013	0.028	
- diluted earnings per share	11	0.024	0.038	

Consolidated statement of comprehensive income

Consolidated Statement of comprehensive income (in €/000)	30/06/2013	30/06/2012
NET PROFIT	**3,752**	**8,185**
Other components of comprehensive income that will not be subsequently reclassified as profit/(loss) for the year, net of tax effects		
Transaction costs - capital increase	(381)	(577)
Total components of comprehensive income that will not be subsequently reclassified as profit/(loss) for the year, net of tax effects	**(381)**	**(577)**
Other components of comprehensive income that will be subsequently reclassified as profit/(loss) for the year:		
Impact of hedge derivatives on equity	13,983	(10,422)
Tax effect of hedge derivatives on equity	(3,845)	2,866
Other effects on income statement components	(116)	(387)
Total components of comprehensive income that will be subsequently reclassified as profit/(loss) for the year, net of tax effects	**10,022**	**(7,943)**
Total comprehensive income	**13,393**	**(335)**
Non-controlling interests in net (profit)/loss	**304**	**107**
IGD SIIQ S.p.A. share of net profit	**13,697**	**(228)**

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of Euro)	Note	30/06/2013 (A)	31/12/2012 (B)	Change (A-B)
NON-CURRENT ASSETS				
Intangible assets				
Intangible assets with finite useful lives	12	102	98	4
Goodwill	13	11,427	11,427	0
		11,529	**11,525**	**4**
Property, plant, and equipment				
Investment property	15	1,736,115	1,754,550	(18,435)
Buildings	14	9,228	9,349	(121)
Plant and machinery	16	1,353	1,271	82
Equipment and other assets	16	1,947	2,179	(232)
Leasehold improvements	16	1,399	1,317	82
Assets under construction	17	82,937	76,376	6,561
		1,832,979	**1,845,042**	**(12,063)**
Other non-current assets				
Deferred tax assets	18	27,514	29,280	(1,766)
Sundry receivables and other non-current assets	19	2,899	3,828	(929)
Equity investments	20	306	304	2
Non-current financial assets	21	793	25	768
Derivatives - assets	44	125	150	(25)
		31,637	**33,587**	**(1,950)**
TOTAL NON-CURRENT ASSETS (A)		**1,876,145**	**1,890,154**	**(14,009)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	80,122	78,039	2,083
Trade and other receivables	23	14,437	14,441	(4)
Related party trade and other receivables	24	831	531	300
Other current assets	25	4,279	3,144	1,135
Related party financial receivables and other current financial assets	26	260	734	(474)
Financial receivables and other current financial assets	26	93	41	52
Cash and cash equivalents	27	9,289	7,545	1,744
TOTAL CURRENT ASSETS (B)		**109,311**	**104,475**	**4,836**
TOTAL ASSETS (A + B)		**1,985,456**	**1,994,629**	**(9,173)**
NET EQUITY:				
Share capital		325,052	311,569	13,483
Share premium reserve		147,730	147,730	0
Other reserves		241,744	240,938	806
Group profit		32,211	41,653	(9,442)
Total Group net equity		**746,737**	**741,890**	**4,847**
Portion pertaining to minorities		11,372	11,676	(304)
TOTAL NET EQUITY (C)	28	**758,109**	**753,566**	**4,543**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	44	40,289	54,125	(13,836)
Non-current financial liabilities	29	751,225	559,359	191,866
Related party non-current financial liabilities	29	15,000	15,000	0
Provision for employee severance indemnities	30	1,322	1,191	131
Deferred tax liabilities	18	43,797	45,422	(1,625)
Provisions for risks and future charges	31	1,373	1,667	(294)
Sundry payables and other non-current liabilities	32	7,577	7,398	179
Related party sundry payables and other non-current liabilities	33	12,878	12,842	36
TOTAL NON-CURRENT LIABILITIES (D)		**873,461**	**697,004**	**176,457**
CURRENT LIABILITIES:				
Current financial liabilities	34	326,918	501,834	(174,916)
Related party current financial liabilities	34	3,480	21,783	(18,303)
Trade and other payables	36	9,537	8,287	1,250
Related party trade and other payables	37	3,617	4,359	(742)
Current tax liabilities	38	2,839	836	2,003
Other current liabilities	39	7,481	6,946	535
Related party other current liabilities	40	14	14	0
TOTAL CURRENT LIABILITIES (E)		**353,886**	**544,059**	**(190,173)**
TOTAL LIABILITIES (F=D + E)		**1,227,347**	**1,241,063**	**(13,716)**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**1,985,456**	**1,994,629**	**(9,173)**

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non controlling interests	Total net equity
Balance at 01/01/2012	**298,273**	**147,730**	**252,347**	**56,891**	**755,241**	**11,812**	**767,053**
Profit for the year				8,292	8,292	(107)	8,185
Valuation of cash flow hedge derivatives			(7,556)		(7,556)		(7,556)
Other comprehensive income (losses)			(964)		(964)		(964)
Total comprehensive income (losses)	**0**	**0**	**(8,520)**	**8,292**	**(228)**	**(107)**	**(335)**
Allocation of 2011 profit							
- to dividends paid				(23,862)	(23,862)		(23,862)
- to share capital increase	13,296				13,296		13,296
- to legal reserve			1,437	(1,437)	0		0
- to other reserves			1,227	(1,227)	0		0
Balance at 30/06/2012	**311,569**	**147,730**	**246,491**	**38,657**	**744,447**	**11,705**	**756,152**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non controlling interests	Total net equity
Balance at 01/01/2013	**311,569**	**147,730**	**240,938**	**41,653**	**741,890**	**11,676**	**753,566**
Profit for the year	0	0		4,056	4,056	(304)	3,752
Valuation of cash flow hedge derivatives			10,138	0	10,138	0	10,138
Other comprehensive income (losses)	0	0	(497)	0	(497)		(497)
Total comprehensive income (losses)	**0**	**0**	**9,641**	**4,056**	**13,697**	**(304)**	**13,393**
Allocation of 2012 profit							
- to dividends paid	0	0	0	(22,333)	(22,333)		(22,333)
- to share capital increase	13,483	0	0	0	13,483		13,483
- to allocation to retained earnings reserve	0	0	0	0	0		0
- to legal reserve	0	0	1,019	(1,019)	0		0
- to other reserves	0	0	(9,854)	9,854	0		0
Balance at 30/06/2013	**325,052**	**147,730**	**241,744**	**32,211**	**746,737**	**11,372**	**758,109**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2013	30/06/2012
(In thousands of Euro)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	**735**	**6,450**
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-cash items	4,431	3,425
Depreciation, amortization and provisions	1,906	1,888
(Impairment)/reversal of assets under construction and inventories	316	771
Change in fair value of investment property	16,015	10,923
Equity investments	3	8
CASH FLOW FROM OPERATING ACTIVITIES	**23,406**	**23,465**
Income tax	(655)	(742)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**22,751**	**22,723**
Change in inventories	(3,274)	(3,578)
Net change in current assets and liabilities w. third parties	340	(1,825)
Net change in current assets and liabilities w. related parties	(1,043)	(735)
Net change in non-current assets and liabilities w. third parties	895	714
Net change in non-current assets and liabilities w. related parties	36	35
CASH FLOW FROM OPERATING ACTIVITIES	**19,705**	**17,335**
Investments in non-current assets	(7,638)	(6,000)
Divestments of non-current assets	0	240
Equity investments in subsidiaries	(5)	(108)
CASH FLOW FROM INVESTING ACTIVITIES (b)	**(7,643)**	**(5,868)**
Change in non-current financial assets	(768)	16
Change in financial receivables and other current financial assets w. third parties	(52)	(2,625)
Change in financial receivables and other current financial assets w. related parties	474	(68)
Dividend reinvestment option	13,101	12,714
Payment of dividends	(22,333)	(23,862)
Change in current debt w. third parties	(175,799)	31,902
Change in current debt w. related parties	(18,303)	(415)
Change in non-current financial debt w. third parties	193,376	(32,657)
CASH FLOW VROM FINANCING ACTIVITIES (c)	**(10,304)**	**(14,995)**
Difference in translation of liquidity	(14)	(51)
NET INCREASE (DECREASE) IN CASH BALANCE	**1,744**	**(3,579)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**7,545**	**14,433**
CASH BALANCE AT END OF THE PERIOD	**9,289**	**10,854**

Explanatory notes

Form and content of the consolidated condensed interim financial statements

Introduction

The consolidated condensed interim financial statements of Immobiliare Grande Distribuzione at 30 June 2013 were approved and authorized for publication by the Board of Directors on 7 August 2013. IGD SIIQ S.p.A. is a subsidiary of Coop Adriatica Società Cooperativa a.r.l. and is under the management and coordination of that company.
The financial statements, tables and explanatory notes are expressed in thousands of euro (€/000 or €K), unless otherwise specified.

Preparation criteria

The consolidated condensed interim financial statements at 30 June 2013 have been prepared in accordance with IAS 34 (Interim Financial Reporting), with reference to the rules for "condensed" accounts, and on the basis of Art. 154 \i ter \i0 of Legislative Decree 58/1998. They do not include all disclosures required in the annual financial statements, and should be read jointly with the Group's annual report for the year ended 31 December 2012. Nevertheless, the accounting policies for the most significant items in the consolidated financial statements are reported below.

Investment property

Investment property is real estate held in order to earn rent while appreciating in value over time.
Investment property is initially recognized at cost, including transaction expenses (as well as borrowing costs, where applicable), and is subsequently measured at fair value with changes reported in the income statement.
Any work on the properties is added to their carrying value only if it is likely to produce future economic benefits and if the cost can be reliably determined. Other maintenance and repair costs are recognized in the income statement when incurred.
The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this expenditure.
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of investment property in accordance with IFRS 13 must reflect, among other things, rental income from current leases and other reasonable and supportable assumptions that market participants would use when pricing the asset under current market conditions.
As stated in paragraph 27 of IFRS 13, a fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:
- a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property);
- a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property);

- a use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

Highest and best use is determined from the perspective of market participants. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset.

According to IFRS 13, an entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is measured on the basis of observable transactions in an active market, and is adjusted, if necessary, to take account of the specific characteristics of the individual real estate investment. If that information is not available, to determine the fair value of an investment property, the company uses the discounted cash flow method based on the present value of future net rental income from the property (discounted over a variable period of time depending on the duration of outstanding leases). At the end of that period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate for similar investments.

The real estate portfolio is appraised twice a year, at 30 June and 31 December, by independent external firms with acknowledged professional qualifications and recent experience with similar types of properties. To that end, IGD SIIQ S.p.A. has hired CBRE Valuation S.p.A. and REAG S.p.A., specialized in the appraisal of investment property, to prepare a report from which the company can determine the fair value of the currently rented portions of shopping centers, malls, hypermarkets, supermarkets, wholesale and fitness zones, offices, and land.

The periodic appraisals are conducted according to an internal procedure that governs data collection, document transmission, fact checking, coordination of the appraisers, and monitoring of the entire process. Valuation criteria and methods are laid out in the appraisers' contracts.

The market value of properties includes the value of their plant and machinery, as well as goodwill acquired.

Investment property is derecognized on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses from the withdrawal or disposal of investment property are recognized to profit or loss in the period in which the withdrawal or disposal takes place.

Assets under construction

Assets under construction, consisting of deposits and advance payments, are valued at cost. For land and accessory works on which investment property will be developed, once the building permits and commercial licenses are obtained and construction is well underway, fair value can be reliably determined and the fair value method is therefore used as described above. Until that time, the asset is recognized at cost, which is compared with recoverable amount at each reporting date in order to determine any loss in value. When construction or development of an investment property is completed, it is restated to "investment property".

IAS 23 - Borrowing costs (revised)

Borrowing costs directly attributable to the purchase and construction of investment property and inventory, relating to both new constructions and extensions, are added to the carrying value of the property in question. Interest is capitalized provided that the augmented cost of the asset does not increase its *carrying value beyond fair value.*

Fair value hierarchy

One of the changes introduced by IFRS 13 is the fair value hierarchy for non-financial assets and liabilities, which classifies into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). More specifically:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:
    - (a) quoted prices for similar assets or liabilities in active markets;
    - (b) quoted prices for identical or similar assets or liabilities in markets that are not active;
    - (c) inputs other than quoted prices that are observable for the asset or liability, for example:
        - (i) interest rates and yield curves observable at commonly quoted intervals;
        - (ii) implied volatilities; and
        - (iii) credit spreads;
    - (d) market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability.

The IGD Group's real estate portfolio has been measured according to Level 3 fair value models, as the inputs directly and indirectly unobservable in the market are greater than the observable inputs.

	Fair value measurements 30 June 2013		
	Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Investment properties Italy:			
Shopping malls and retail parks			983,115
City Center Project			27,800
Hypermarkets and supermarkets			541,570
Portions of residual properties			6,730
Total investment properties Italy			**1,559,215**
Direct development projects (1)			
Direct development projects (plots of land)			8,800
Total development initiatives			**8,800**
Investment properties Romania:			
Shopping malls			172,800
Junior Ploiesti			4,100
Total Romania			**176,900**
Total IGD Group			**1,744,915**

Notes

(1) This project is measured at fair value given that construction is well underway.

The above table does not include work in progress valued at cost.

The specific valuation policies used, as certified in the appraisal report, were as follows:

- For malls, City Center Project and offices: discounted cash flow projections based on net rental income for the next *n* years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate for similar investments.
- For hypermarkets and supermarkets: discounted cash flow projections based on net rental income for the next *n* years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate for similar investments.
- For other properties: income method (DCF).
- For construction in progress (land), the conversion method was used, based on the discounting of future rental income for the property net of construction costs and other expenses.

The above methods were applied individually to each property, according to their specific features.

Properties were appraised assuming their highest and best use, i.e. by considering among all physically possible, legally permissible and financially feasible uses only those likely to give the properties their greatest value.

The following are taken into account when determining the capitalization and discounting rates used to value individual properties:

- the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
- the division of responsibilities for insurance and maintenance between the lessor and the lessee;
- the remaining economic life of the property.

Inventory, work in progress and advances

Inventory is measured at the lower of cost and fair value. The cost of inventory includes all purchase, transformation and other expenses (including borrowing costs) incurred to bring the inventory to its present location and condition. Given the nature of the Group's inventory, the specific cost method is used.

Significant accounting standards

The accounting standards used to prepare the consolidated condensed interim financial statements are the same as those employed in the Group's annual financial statements for the year ended 31 December 2012, with the exception of the following new standards and interpretations applicable from 1 January 2013.

On 16 June 2011, the IASB issued an amendment to IAS 1 - Presentation of Financial Statements, requiring entities to group all items of other comprehensive income according to whether they might or might not be reclassified to profit or loss in subsequent periods. The amendment is effective for financial years beginning on or after 1 July 2012. The Group has adopted it as from 1 January 2013; this has had no impact on the consolidated financial position or results.

On 16 June 2011, the IASB issued an amendment to IAS 19 – Employee Benefits, which eliminates the option to defer recognition of gains and losses, known as the “corridor approach”, and requires any plan deficit or surplus to be presented in the statement of financial position, the components of cost relating to service and net interest to be recognized in profit or loss, and actuarial gains and losses arising from the remeasurement of liabilities to be recognized in other comprehensive income. In addition, the return on assets included in net interest costs must now be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The Group has adopted this amendment as from 1 January 2013.

On 12 May 2011, the IASB issued IFRS 13 – Fair Value Measurement, clarifying the determination of fair value for the purpose of the financial statements and applying to all IFRS permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The Group has adopted this amendment as from 1 January 2013.

On 16 December 2011, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures. The amendments require disclosure of information on the effect or potential effect on an entity’s financial position of netting arrangements for financial assets and liabilities. They are effective for financial years beginning on or after 1 January 2013. This change has had no impact on the Group.

On 17 May 2012, the IASB issued its "Annual improvements to IFRS—the 2009-2011 cycle", effective retrospectively as from 1 January 2013. The changes most significant to the Group are as follows:

- IAS 1 - Presentation of financial statements: the amendment clarifies the requirements for presenting comparative information when an entity changes accounting policies or makes retrospective restatements or reclassifications, or when it prepares financial statements that include more than the minimum comparative information;
- IAS 16 - Property, plant and equipment: the amendment clarifies that items such as spare parts, stand-by or servicing equipment are required to be capitalized only when they meet the definition of

property, plant and equipment, and are otherwise classified as inventory. The adoption of these changes has not affected the Group's financial position or performance;

- IAS 32 - Financial instruments: Presentation: the amendment eliminates a conflict between IAS 12 – Income taxes and IAS 32 regarding the recognition of taxes on distributions to shareholders, stating that these must be recognized in profit or loss to the extent the distribution refers to income generated by transactions originally accounted for in the income statement. The adoption of these changes has not affected the Group's financial position or performance;
- IAS 34 – Interim financial reporting: the amendment clarifies that in order to improve consistency with the requirements of IFRS 8 - Operating segments, total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

Accounting standards, amendments, and interpretations not yet effective and not applied in advance by the Group

The Group has not opted for the early adoption of any other standard, interpretation or improvement that has been issued but is not yet effective.

Use of estimates

In preparing the consolidated financial statements, management has made estimates and assumptions that affect the carrying values of revenue, costs, assets and liabilities and the disclosures on contingent assets and liabilities as of the balance sheet date. Actual results may differ. Estimates and assumptions are reviewed on a regular basis and any changes are reflected in profit or loss.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 30 June 2013, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group’s IFRS-compliant accounting and classification policies. The scope of consolidation has not changed since the end of 2012. 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	Percent consolidated	Held by	Percent of share capital held	Operations
Parent company								
IGD SIIQ S.p.A.	Ravenna, Via Agro Pontino 13	Italy	336,028,239.08	EUR				Shopping center management
Subsidiaries consolidated on a line-by-line basis								
IGD Management S.r.l.	Ravenna, via Villa Glori 4	Italy	75,071,221.00	EUR	100.00%	IGD SIIQ S.p.A.	100.00%	Shopping center management and services
Millennium Gallery S.r.l.	Ravenna, via Villa Glori 4	Italy	100,000.00	EUR	100.00%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Porta Medicea S.r.l.	Bologna, via Trattati Comunitari Europei 1957-2007	Italy	60,000,000.00	EUR	80%	IGD Management S.r.l.	80.00%	Construction company
IGD Property SIINQ S.p.A.	Ravenna, via Villa Glori 4	Italy	150,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Win Magazin S.A.	Bucharest	Romania	113,715.30	RON	100.00%	IGD Management S.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Shopping center management
Winmarkt Management S.r.l.	Bucharest	Romania	1,001,000	RON	100.00%	Win Magazin S.A.	100.00%	Agency and facility management services
Subsidiaries valued at cost								
Consorzio I Bricchi	Isola d'Asti loc. Molini via Prato Boschiero	Italy	6,000.00	EUR		IGD SIIQ S.p.A.	72.25%	Shopping center promotion and management of common areas
Consorzio Forte di Brondolo	Castenaso (Bologna) Via Villanova 29/7	Italy	67,180	EUR		IGD SIIQ S.p.A.	100%	Urban development consortium
Consorzio Proprietari C.C. Leonardo	Imola (Bologna) via Amendola 129	Italy	100,000.00	EUR		IGD SIIQ S.p.A.	52.00%	Shopping center promotion and management of common areas
Associates valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento), via del Garda 175	Italy	10,000.00	EUR		Millennium Gallery S.r.l.	35.40%	Shopping center promotion and management of common areas
Virtus College S.r.l.	Bologna, via dell'Arcoveggio 49/2	Italy	10,000.00	EUR		IGD SIIQ S.p.A.	40.00%	Sports team promotion
Others valued at cost								
Iniziative Bologna Nord	Casalecchio di Reno (Bologna), Via Isonzo 67	Italy	60,000.00	EUR		IGD Management S.r.l.	15.00%	Real estate development
Fondazione Virtus Pallacanestro Bologna	Bologna, via dell'Arcoveggio 49/2	Italy	1,200,000.00	EUR		IGD SIIQ S.p.A.	8.33%	Sports team promotion

Seasonal trends

The Company's operations do not reflect any seasonal or cyclical trends.

Segment reporting

The income statement and the statement of financial position are broken down below by business segment, followed by a geographical breakdown of revenue from freehold properties.

€/1000	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012
INCOME STATEMENT	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
REVENUE	57,991	58,993	2,514	2,620	41	0			60,546	61,613
CHANGE IN INVENTORY					*3,501*	*3,903*			*3,501*	*3,903*
DIRECT COSTS	*(11,857)*	*(11,523)*	*(2,191)*	*(2,243)*	*(3,710)*	*(3,665)*			*(17,758)*	*(17,431)*
GROSS MARGIN	46,134	47,470	323	377	(168)	238	0	0	46,289	48,085
SHARED COSTS							*(5,161)*	*(4,974)*	*(5,161)*	*(4,974)*
EBITDA	46,134	47,470	323	377	(168)	238	(5,161)	(4,974)	41,129	43,112
IMPAIRMENT/DEP.&AMORT	*(15,657)*	*(11,789)*	*(0)*	*(1)*	*(1,192)*	*(354)*	*(204)*	*(201)*	*(17,054)*	*(12,345)*
EBIT	30,477	35,681	323	376	(1,360)	(116)	(5,365)	(5,175)	24,075	30,766
NET FINANCIAL INCOME (CHARGES)							(22,850)	(23,950)	(22,850)	(23,949)
NET INCOME (LOSS) FROM EQUITY INVESTMENTS							(490)	(367)	(490)	(367)
TAXES							3,017	*1,735*	*3,017*	1,735
NET PROFIT									3,752	8,185
NON-CONTROLLING INTERESTS IN (PROFIT)/LOSS					304	*107*			304	107
GROUP NET PROFIT									*4,056*	*8,292*

€/1000	30/06/2013	2012	30/06/2013	2012	30/06/2013	2012	30/06/2013	2012	30/06/2013 3	2012
STATEMENT OF FINANCIAL POSITION	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
PROPERTY, PLANT AND EQUIPMENT,	*1,740,805*	*1,759,309*			*8*	*8*	*9,228*	*9,349*	*1,750,041*	*1,768,666*
INTANGIBLE ASSETS AND OTHER NON-CURRENT ASSETS					*375*	*1*	*41,874*	*44,936*	*42,249*	*44,937*
CURRENT INVESTMENTS	*82,937*	*76,376*							*82,937*	*76,376*
NET WORKING CAPITAL	*996*	*(3,348)*	*(35)*	*2,953*	*109,684*	*76,108*	*(34,464)*		*76,181*	*75,713*
OTHER NON-CURRENT LIABILITIES	*(36,207)*	*(44,567)*	*(1,951)*	*(734)*	*(28,789)*	*(23,219)*			*(66,947)*	*(68,520)*
TOTAL USE OF FUNDS	1,788,531	1,787,770	(1,986)	2,219	81,278	52,898	16,638	54,285	1,884,461	1,897,172
NET DEBT	*1,046,714*	*1,011,423*	*(1,584)*		*24,420*	*23,923*	*16,638*	*54,285*	*1,086,188*	*1,089,631*
NET DERIVATIVE (ASSETS)/LIABILITIES	*40,164*	*53,975*							*40,164*	*53,975*
EQUITY	*701,653*	*722,372*	*(402)*	*2,219*	*56,858*	*28,975*			*758,109*	*753,566*
TOTAL SOURCES	1,788,531	1,787,770	(1,986)	2,219	81,278	52,898	16,638	54,285	1,884,461	1,897,172

€/1000	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012	30/06/2013	30/06/2012
REVENUE FROM FREEHOLD PROPERTIES	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY & ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	*23,870*	*24,132*	*23,392*	*23,741*	*5,279*	*5,570*	*52,541*	*53,443*
ONE-OFF REVENUE	*56*	*1*	*14*	*13*			*70*	*14*
TEMPORARY LOCATION RENTALS	*677*	*656*	*448*	*463*			*1,125*	*1,119*
OTHER RENTAL INCOME	*79*	*122*	*6*	*14*	*10*	*19*	*95*	*155*
TOTAL	24,682	24,911	23,860	24,231	5,289	5,589	53,831	54,731

Note 1) Revenue

Revenue	30/06/2013	30/06/2012	*Change*
Freehold hypermarkets	**17,387**	**16,875**	***512***
Rent and business lease	**17,387**	**16,875**	***512***
Related parties	17,387	16,875	512
Leasehold hypermarkets	**58**	**56**	***2***
Rent	**58**	**56**	**2**
Related parties	58	56	2
Freehold supermarkets	**193**	**189**	***4***
Rent	**193**	**189**	***4***
Related parties	193	189	4
TOTAL HYPERMARKETS/SUPERMARKETS	**17,638**	**17,120**	**518**
Freehold malls, offices and city center properties	**35,112**	**36,503**	***(1,391)***
Rent	**9,889**	**10,217**	***(328)***
Related parties	182	196	(14)
Third parties	9,707	10,021	(314)
Business lease	**25,223**	**26,286**	***(1,063)***
Related parties	229	223	6
Third parties	24,994	26,063	(1,069)
Leasehold malls	**3,854**	**3,951**	***(97)***
Rent	**164**	**163**	***1***
Related parties	42	41	1
Third parties	122	122	0
Business lease	**3,690**	**3,788**	***(98)***
Related parties	96	95	1
Third parties	3,594	3,693	(99)
Other contracts	**1,428**	**1,419**	**9**
Other contracts and temporary rent at leasehold malls	1,154	1,145	9
Other contracts and temporary rent at leasehold malls - related parties	274	274	0
TOTAL MALLS	**40,394**	**41,873**	**(1,479)**
GRAND TOTAL	**58,032**	**58,993**	**(961)**
of which related parties	18,461	17,949	512
of which third parties	39,571	41,044	(1,473)

For comments, see the relevant section in the interim directors' report.

Note 2) Other income

Other income	30/06/2013	30/06/2012	Change
Insurance refunds	0	4	(4)
Out-of-period income (charges)	0	11	(11)
Facility management revenue	1,695	1,776	(81)
Pilotage and construction revenue	64	59	5
Other	6	24	(18)
Total other income from third parties	**1,765**	**1,874**	**(109)**
Facility management revenue - related parties	701	685	16
Portfolio management and rent management revenue - related parties	31	31	0
Marketing revenue	17	30	(13)
Total other income from related parties	**749**	**746**	**3**
Total	**2,514**	**2,620**	**(106)**

Since the financial statements for the year ended 31 December 2012, costs and revenue from charge-backs have been offset against one another. For the sake of comparison, the figure for the first half of 2012 has been reclassified accordingly.

Other income consists mainly of facility management revenue, which shows a moderate decrease on 2012, as do the other components due in part to a decline in marketing revenue with related parties compared with the first half of last year.

Note 3) Change in work in progress inventory and cost of construction in progress

Change in w ork in progress inventory	30/06/2013	30/06/2012	Change
Construction costs for the year	3,501	3,536	(35)
Interest capitalized		367	(367)
Change in work in progress inventory	**3,501**	**3,903**	**(402)**

The change in work in progress inventory refers to the Porta a Mare project in Livorno, and reflects progress there on Piazza Mazzini and Palazzo Orlando in the amount of €3,501K. At 30 June 2013 no interest expense had been capitalized, so as not to give the project a higher value than that appraised.
Unlike in the first half of 2012, the impairment loss—which reduces carrying value to the lower of cost and fair value—has been recognized under "Impairment losses/reversals on work in progress and goodwill," with last year's figure (€348K) restated for the sake of comparison.

Note 4) Service costs

Service costs	30/06/2013	30/06/2012	*Change*
Service costs	**7,833**	**7,920**	**(87)**
Rent paid	3,448	3,414	34
Rented vehicles	117	102	15
Utilities	88	66	22
Advertisements, listings, advertising & promotions	190	222	(32)
Facility management costs	1,156	958	198
Facility management administration costs	327	326	1
Professional fees	155	113	42
Directors' and statutory auditors' fees	394	405	(11)
External auditing fees	85	81	4
Investor relations, CONSOB, Monte Titoli costs	145	170	(25)
Recruitment, training and other personnel costs	243	240	3
Travel and accommodation	58	69	(11)
Shopping center pilotage and construction costs	10	21	(11)
Consulting	529	543	(14)
Maintenance and repairs	578	819	(241)
Bank fees and commissions	90	76	14
Cleaning, porterage and security	106	109	(3)
Other	114	186	(72)
Service costs with related parties	**1,626**	**1,676**	**(50)**
Rent paid	903	930	(27)
Advertisements, listings, advertising & promotions	25	0	25
Service	127	127	0
Facility management costs	479	502	(23)
Insurance	30	32	(2)
Directors' and statutory auditors' fees	58	59	(1)
Consulting	0	6	(6)
Maintenance and repairs	4	0	4
Other	0	20	(20)
Total	**9,459**	**9,596**	**(137)**

The principal components of this item are rent and usage fees for properties managed by IGD, shopping center management and maintenance costs, and other expenses such as fees paid to the directors, statutory auditors, external auditors and consulting firms. There was a slight decrease in these costs across the board. The most significant change was in maintenance and repair costs, which fell from €819K to €578K due to the larger amount of work that was necessary the previous year. This was partially offset by an increase of €198k in facility management costs, caused mainly by a rise in the average vacancy rate, entailing higher costs to the Group for unlet premises.

Note 5) Cost of labor

Cost of labor	30/06/2013	30/06/2012	*Change*
Wages and salaries	3,103	2,977	126
Social security	889	870	19
Severance pay	173	147	26
Other costs	72	33	39
TOTAL	**4,237**	**4,027**	**210**

The cost of labor went up, due mainly to the hiring of two new employees and to contractual and merit increases in wages and salaries.

Severance pay includes contributions to supplementary funds in the amount of €43K.

Note 6) Other operating costs

Other operating costs	30/06/2013	30/06/2012	*Change*
IMU/Property tax	3,962	3,457	505
Other taxes	28	31	(3)
Contract registration	180	181	(1)
Capital losses	49	0	49
Out-of-period (income)/charges	3	52	(49)
Membership fees	62	41	21
Losses on receivables	37	6	31
Sundry penalties	0	10	(10)
Fuel and tolls	83	84	(1)
Magazine subscriptions, office supplies, forms	18	28	(10)
Other operating costs	116	119	(3)
TOTAL	**4,538**	**4,009**	**529**

The change in other operating costs relates chiefly to the municipal property tax (IMU), which for the first half of the year was recognized on the basis of the advance paid in June 2013, determined taking account of the increase in the calculation coefficients for land registry category D8 (large commercial properties) effective from 1 January 2013.

Note 7) Depreciation, amortization and provisions

Amortization, depreciation, provisions, impairment & changes in fair value	30/06/2013	30/06/2012	*Change*
Amortization	(13)	(11)	(2)
Depreciation	(646)	(641)	(5)
Allocation to provision for doubtful accounts	(1,183)	(1,236)	53
Other provisions	(64)	0	(64)
Total depreciation, amortization and provisions	**(1,906)**	**(1,888)**	**(18)**
(Impairment losses)/reversals on work in progress	(316)	(771)	455
Changes in fair value	(16,015)	(10,923)	(5,092)
Total depreciation, amortization, impairment & changes in fair val	**(18,237)**	**(13,582)**	**(4,655)**

This item includes the adjustment to fair value of the investment property discussed in Note 15 and the impairment losses discussed in Note 17. Net impairment losses for the adjustment of investment property to fair value amounted to €16,015K for the first half of the year.

"(Impairment losses)/reversals on work in progress" cover the following:

- the reversal of impairment charged in previous years, concerning the direct development projects for the expansion of Esp, Porto Grande and Chioggia Retail Park (listed as work in progress), to adjust their cost to fair value in the amount of €369K;
- a positive fair value change (€506K) for the Centro d'Abruzzo expansion project, reflecting a significant start on construction (progress rate more than 30%);
- an impairment loss of €1,191K regarding work in progress inventory for the Porta a Mare project, to bring carrying value in line with the lower of cost and fair value as stated in the appraisal of 30 June 2013.

The allocation to the provision for doubtful accounts (€1,183K, in line with the previous year) was determined by examining each individual account and making the necessary adjustments to estimated realizable value.

Note 8) Income/(loss) from equity investments

Income/(loss) from equity investments	30/06/2013	30/06/2012	*Change*
Impairment of equity investments	(3)	(8)	5
Price adjustment on sale of equity investment	(487)	(359)	(128)
Total income/(loss) from equity investments	**(490)**	**(367)**	**(123)**

The net loss from equity investments in the first half of 2012 stems mainly from the settlement of the price adjustment on the 2010 sale of RGD S.r.l. (now Beni Stabili).

Note 9) Financial income and charges

Financial income	30/06/2013	30/06/2012	*Change*
Bank interest income	28	54	(26)
Other interest income and equivalent	38	9	29
Interest on VAT refund	0	14	(14)
Exchange gains	196	142	54
Total third parties	**262**	**219**	**43**
Interest income from related parties	0	8	(8)
Total related parties	**0**	**8**	**(8)**
Total financial income	**262**	**227**	**35**

Financial income increased due mainly to exchange gains on the Romanian RON, which rose from €142K in the first half of 2012 to €196K this year.

Financial charges	30/06/2013	30/06/2012	*Change*
Interest expense on security deposits	152	152	0
Interest expense on Coop Adriatica account	524	1,086	(562)
Total related parties	**676**	**1,238**	**(562)**
Interest expense to banks	2,370	2,390	(20)
Other interest and charges	262	565	(303)
Exchange losses	179	25	154
Mortgage loan interest	5,918	8,094	(2,176)
Financial charges on leasing	51	97	(46)
Bond interest and charges	6,630	6,527	103
IRS spreads	7,026	5,240	1,786
Total third parties	**22,436**	**22,938**	**(502)**
Total financial charges	**23,112**	**24,176**	**(1,064)**

Financial charges decreased by €1,064K with respect to the previous year.

This is explained by the lower average cost of debt, which went from 4.33% in the first half of 2012 to 4.13%, or from 3.96% to 3.79% net of figurative interest on the convertible bond loan .

Most of the change on the previous year is due to:

- a decrease in interest to Coop Adriatica as a result of lower drawdowns on the credit line;
- a steep reduction in the Euribor, from 0.89 (monthly average) in the first half of 2012 to 0.21 (monthly average) this year, which was partially offset by a slight increase in the spread on short-term borrowings and renegotiated mortgage loans;
- the lack of charges relating to the call option on a 20% interest in Porta Medicea, which was exercised in April 2012.

As mentioned in the "Corporate events" section of the interim directors' report, as part of the public exchange offer, on 7 May 2013 the company issued senior notes for a total nominal amount of €122,900,000, maturing on 7 May 2017 with a coupon of 4.335%.

Residual new bonds amounting to €22,000.000, also expiring on 7 May 2017 and with a coupon of 4.335%, were also placed with third party investors.

The transaction costs for the bond issues amounted to approximately €1.5 million and will be expensed over the duration of the issues using the amortized cost method.

Pursuant to IAS 39 (par. 40) and AG 62, the contractual terms of the new issues were checked to make sure that they did not differ substantially from the terms and conditions of the convertible bond loan and €122.9 million of the transaction was recognized as restructured debt. The difference, therefore, between the carrying value of the convertible loan at the exchange date and the redemption amount at maturity, of €1,891 thousand, was included, along with the new transaction costs, in the amortized cost calculation.

The two outstanding bond loans have the following characteristics:

- ✓ Convertible bond, nominal value €107.1 million, all-in rate 6.05%, maturity 28 December 2013;
- ✓ Exchanged bond, nominal value €122.9 million, all-in rate 5.06%, maturity 7 May 2017 plus additional bonds for a nominal €22 million, all-in rate 4.62%, maturity 7 May 2017.

Note 10) Income taxes

Income taxes	30/06/2013	30/06/2012	*Change*
Current taxes	652	744	(92)
Deferred tax liabilities	(1,675)	(1,189)	(486)
Deferred tax assets	(1,997)	(1,288)	(709)
Out-of-period income/charges	3	(2)	5
Total	**(3,017)**	**(1,735)**	**(1,282)**

Current and deferred tax came to a positive €3,017 thousand for the first half of 2013, significantly higher than the previous year, due primarily to net impairment losses and reversals arising from the fair value adjustment of properties. This led to a provision for deferred tax assets and a reversal of deferred tax liabilities, with a positive impact of 27.56% on the overall tax rate. Net of the fair value effect, the tax rate comes to 8.68% of the pretax profit, basically in line with the 8.29% reported for the first half of 2012.

Note 11) Earnings per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of IGD SIIQ S.p.A. The information is provided on the basis of consolidated figures only, as provided for by IAS 33. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of IGD SIIQ S.p.A. by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing profit or loss (for the computation of diluted profit, the payout reserved to IGD's shareholders was adjusted by the amount of interest related to the bond, net of the tax effect) attributable to ordinary equity holders of IGD by the weighted average number of shares outstanding, in accordance with paragraphs 19 and 26, plus the weighted average number of shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

Earnings per share	30/06/2013	30/06/2012
Net profit attributable to IGD SIIQ S.p.A. shareholders	4,056	8,292
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	9,590	14,753
Weighted average number of ordinary shares for purposes of basic earnings per share	320,836,402	300,109,223
Weighted average number of ordinary shares for purposes of diluted earnings per share	391,817,299	383,811,499
Basic earnings per share	**0.013**	**0.028**
Diluted earnings per share	**0.024**	**0.038**

Note 12) Intangible assets with finite useful lives

Intangible assets with finite useful lives 2012	Balance at 01/01/2012	Increases	Decreases	Amortization	Reclassifications	Balance at 31/12/2012
Intangible assets with finite useful lives	78	8	0	(23)	0	63
Intangible assets with finite useful lives under development	0	35	0	0	0	35
Total intangible assets with finite useful lives	**78**	**43**	**0**	**(23)**	**0**	**98**

Intangible asset with finite useful lives 2013	Balance at 01/01/2013	Increases	Decreases	Amortization	Reclassifications	Balance at 30/06/2013
Intangible assets with finite useful lives	63	17	0	(13)	32	99
Intangible assets with finite useful lives under development	35	0	0	0	(32)	3
Total intangible assets with finite useful lives	**98**	**17**	**0**	**(13)**	**0**	**102**

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of trademarks used by the Company, which are amortized over 10 years.

During the period, no intangible asset impairment was charged to or reversed from either the income statement or net equity.

In the first half of 2013, the plan to acquire software licenses was completed, resulting in the restatement of €32K from assets under development to intangible assets.

Note 13) Goodwill

Goodwill 2012	Balance at 01/01/2012	Increases	Decreases	Reclassifications	(impairment)/losses reversals	Balance at 31/12/2012
Goodwill	11,427					11,427

Goodwill 2013	Balance at 01/01/2013	Increases	Decreases	Reclassifications	(impairment)/losses reversals	Balance at 30/06/2013
Goodwill	11,427					11,427

Goodwill has been allocated to the individual cash generating units (CGUs). Below is the breakdown of goodwill by CGU at 30 June 2013:

Goodwill	31/12/2012	30/06/2013
Millennium s.r.l.	3,952	3,952
Winmagazine S.A.	5,409	5,409
Winmarkt management s.	1	1
Centro Nova	546	546
Città delle Stelle	65	65
San Donà	448	448
Service	1,006	1,006
Total	**11,427**	**11,427**

Goodwill for Millennium and Winmagazine refers to consolidation differences from business combinations. The recoverability of the goodwill allocated to these CGUs has been analyzed on the basis of the property appraisals by CBRE and REAG (see Note 15). Specifically, this goodwill covers the possibility to sell properties owned by the subsidiaries (through the equity investment) without incurring taxes. Therefore, recoverability lies in the tax savings that could be achieved from the investment's sale, and is measured on the basis of the deferred tax provision covering the higher book value of the property with respect to the tax-deductible amount.

Goodwill for the CGUs Centro Nova, Città delle Stelle, San Donà, Service, and Winmarkt Management pertains to business management for properties not owned by the Group, as well as services (facility management) provided at shopping centers owned by the Group and by third parties. For the latter, the Group performs impairment tests every year at 31 December, and whenever circumstances indicate that the recoverable amount of goodwill may have been impaired. For both types mentioned above, there were no quantitative or qualitative signs at 30 June 2013 suggesting the need for fresh impairment testing.

Note 14) Business property

Building 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassification	Balance at 31/12/2012
Historical cost	10,114					10,114
Accumulated depreciation	(522)			(243)		(765)
Net carrying value	**9,592**	**0**	**0**	**(243)**	**0**	**9,349**

Building 2013	Balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassification	Balance at 30/06/2013
Historical cost	10,114					10,114
Accumulated depreciation	(765)			(121)		(886)
Net carrying value	**9,349**	**0**	**0**	**(121)**	**0**	**9,228**

This item refers to the purchase of the building housing IGD SIIQ S.p.A.'s head office. The only movement during the year was depreciation.

Note 15) Investment property

As required by IAS 40, the following table reconciles the opening and closing value of investment property, with increases, decreases, and changes in fair value shown separately.

Investment property 2012	Balance at 01/01/2012	Increases	Decreases	Revaluations	Writedowns	Reclassifications	Balance at 31/12/2012
Investment property	1,779,445	3,332	(896)	6,305	(35,688)	2,052	1,754,550

Investment property 2013	Balance at 01/01/2013	Increases	Decreases	Revaluations	Writedowns	Reclassifications	Balance at 30/06/2013
Investment property	1,754,550	396	(3,868)	9,895	(25,910)	1,052	1,736,115

Increases concern extraordinary maintenance work, carried out primarily on the shopping centers in Casilino, Guidonia and Ravenna.

Decreases consist mainly of the adjustment of contingent consideration regarding a mall.

The heading "Reclassifications" covers work completed at various shopping centers listed as assets under construction the previous year. The largest increase concerns the Buzau shopping center in Romania, subsequent to fit-out works for the opening of an H&M store.

The adjustment to fair value at 30 June 2013 entailed writedowns that exceeded revaluations.

See the section "The real estate portfolio" in the interim directors' report for an analysis of investment properties.

Note 16) Plant and machinery, equipment, and leasehold improvements

Most of the changes in plant and machinery, equipment, and leasehold improvements reflect depreciation for the year and the purchase of plant and equipment. Leasehold improvements consist of structural work on properties not owned by IGD and are amortized over the duration of the lease.

The change, net of depreciation, refers mainly to the upgrade of the cooling system at Ascoli shopping center and the adaptation of premises at the leasehold property Centro Nova.

Movements in plant and machinery in the first half of 2013 and 2012 are shown below:

Plant and machinery 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 31/12/2012
Historical cost	2,947	245	(3)				3,189
Accumulated depreciation	(1,559)			(359)			(1,918)
Net carrying value	**1,388**	**245**	**(3)**	**(359)**	**0**	**0**	**1,271**

Plant and machinery 2013	Balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 30/06/2013
Historical cost	3,189	263	(2)				3,450
Accumulated depreciation	(1,918)		1	(180)			(2,097)
Net carrying value	**1,271**	**263**	**(1)**	**(180)**	**0**	**0**	**1,353**

Equipment 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 31/12/2012
Historical cost	4,049	152	(6)		79	(5)	4,269
Accumulated depreciation	(1,582)		5	(516)		3	(2,090)
Net carrying value	**2,467**	**152**	**(1)**	**(516)**	**79**	**(2)**	**2,179**

Equipment 2013	Balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 30/06/2013
Historical cost	4,269	38	(31)		3		4,279
Accumulated depreciation	(2,090)		9	(251)			(2,332)
Net carrying value	**2,179**	**38**	**(22)**	**(251)**	**3**	**0**	**1,947**

Leasehold improvements 2012	Balance at 01/01/2012	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 31/12/2012
Net carrying value	**1,460**	**2**		**(185)**	**40**		**1,317**

Leaseholdimprovements 2013	Balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	Balance at 30/06/2013
Net carrying value	**1,317**	**176**		**(94)**			**1,399**

Note 17) Assets under construction

Assets under construction 2012	Balance at 01/01/2012	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	Currency translation gain/loss	Balance at 31/12/2012
Assets under construction	69,834	10,166	(581)	(1,803)	(1,211)	(29)	76,376

Assets under construction 2013	Balance at 01/01/2013	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	Currency translation gain/loss	Balance at 30/06/2013
Assets under construction	76,376	7,018	(284)	(1,055)	875	7	82,937

The increase in assets under construction is due primarily to:

- progress with the investment in the Centro Multifunzionale di Livorno (retail portion only), in the amount of €2,887K;
- progress on the urban infrastructure of the future retail park in Chioggia, for €110K;
- progress on the expansion of the Esp shopping center, for €103K;
- progress on the expansion of the Abruzzo shopping center, for €1,773K;
- restyling work at the Sarca shopping center, for €182K;
- unfinished extraordinary maintenance work at some Romanian centers, for €1,616K.
- For construction in progress (Chioggia, Portogrande and Esp), recognized at adjusted cost, the impairment losses charged in previous years were reversed in the amount of €369K to adjust their carrying amounts to the lower of cost and appraised fair value, while

the project to expand Centro d'Abruzzo has been accounted for at fair value considering that construction is now well underway. At 30 June 2013 the fair value adjustment amounted to +€506K.

Decreases are essentially due to:

- the completion of work for €1,055 thousand, referring mostly to the fit-out and facade refurbishment at Buzau shopping center for the opening of an H&M store, and the consequent reclassification to investment property.

See the section "The real estate portfolio" in the interim directors' report for an analysis of investment properties.

Note 18) Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities consist mainly of the tax effect on the fair value adjustment of property investments and interest rate swaps.

Deferred tax assets and deferred tax liabilities	30/06/2013	31/12/2012	change
Deferred tax assets	27,514	29,280	(1,766)
Deferred tax liabilities	(43,797)	(45,422)	1,625

In detail:

Deferred tax assets	30/06/2013	31/12/2012	change
Taxed provisions	163	312	(149)
IAS 40	13,989	12,454	1,535
Higher land value for tax purposes	753	753	0
Interest rate sw aps	10,228	14,073	(3,845)
Impairment losses on land and construction in progress	776	503	273
Effect on investment impairment	193	394	(201)
Loss from tax consolidation	1,347	693	654
Other effects	65	98	(33)
Total deferred tax assets	**27,514**	**29,280**	**(1,766)**

Deferred tax assets mainly originate from:

- ✓ taxed provisions, such as the provision for doubtful accounts and the bonus provision;
- ✓ the effect of the writedown to fair value of certain investment property, construction in progress and inventory;
- ✓ advance payment of the substitute tax on the difference between the fair value and the carrying value (cost) of land;
- ✓ the recognition of deferred tax assets on mortgage hedging instruments (IRS).

The changes compared with the first half of last year primarily concern:

- ✓ the reversal of deferred tax assets on mortgage hedging instruments (IRS) in the amount of €3,845 thousand due to the favorable trend in interest rates, which improved the MtM value of the swaps;
- ✓ the reversal of deferred tax assets arising from the reversal of writedowns charged in previous years on work in progress (€102K), and the recognition of deferred tax assets on the writedown of Porta a Mare inventory (€375K) ;
- ✓ the recognition of deferred tax assets on the fair value adjustment of investment property, in the amount of €1,535K;

- ✓ the reversal of deferred tax assets on provisions for doubtful accounts, as several delinquent payers went into insolvency in the first half of 2013, meaning that the provisions made in prior years are now tax deductible .

There was also an increase in deferred tax assets because first-half taxable income for IRES purposes proved to be negative in the context of the Group-wide tax consolidation. The receivable was adjusted to reflect the likelihood of future positive taxable income that will allow the use of the losses incurred.

Deferred tax liabilities	30/06/2013	31/12/2012	change
Tax effect on fair value of properties	43,437	45,210	(1,773)
Effect on revaluations of project under construction	140	0	140
Tax effect on convertible bond	36	39	(3)
Other effects	184	173	11
Total deferred tax liabilities	**43,797**	**45,422**	**(1,625)**

Deferred tax liabilities mostly concern the difference between the fair value of investment property and its value for tax purposes.

The decrease stems primarily from the impairment of investment property recognized in the first half of the year.

Note 19) Sundry receivables and other non-current assets

Sundry receivables and other non-current assets	30/06/2013	31/12/2012	change
Tax credit	4	4	0
Beneficial interest	2,845	3,767	(922)
Security deposit	50	57	(7)
Total	**2,899**	**3,828**	**(929)**

"Beneficial interest" pertains to the cost incurred in 2012 for the real right of enjoyment of the mall at Città delle Stelle shopping center. This item decreased because the portion pertaining to the first half of 2013 was expensed in the income statement.

Note 20) Equity investments

Details of equity investments and movements during the period are shown below:

Equity investments	31/12/2012	increases	decreases	writedowns	30/06/2013
Equity investments in subsidiaries					
Consorzio Forte di Brondolo	55				55
Consorzio Proprietari C.C.Leonardo	52				52
Consorzio C.C. i Bricchi	4				4
Equity investments in associates					
Consorzio Millennium center	4				4
Virtus College srl		4			4
Equity investments in other companies					
Iniziative Bologna Nord	72			(2)	70
Consorzio business park	15				15
Fondazione Virtus Pallacanestro Bologna	100				100
Other	2				2
Total	**304**	**4**	**0**	**(2)**	**306**

During the half-year the Group acquired a 40% interest in the company Virtus College S.r.l.

Note 21) Non-current financial assets

Non-current financial assets	30/06/2013	31/12/2012	change
Non-current financial assets	793	25	768

This item consists mainly of the non-current portion of interest-free loans granted to the companies Iniziative Bologna Nord and Virtus College.

Note 22) Work in progress inventory and advances

Work in progress inventory and advances	31/12/2012	Increases	Decreases	Writedowns	30/06/2013
Multifunctional complex	77,471	3,501		(1,191)	79,781
Advances	568	124	(351)		341
Total work in progress	**78,039**	**3,625**	**(351)**	**(1,191)**	**80,122**

Work in progress inventory relating to the land, buildings, and urban infrastructure works of the multipurpose complex in Livorno increased by €3,501K due to the advancement of works on Piazza Mazzini and Palazzo Orlando.

The increases in advances reflects advances paid on new contracts for urban infrastructure and construction works, while the decrease refers to work carried out during the period.

The impairment loss of €1,191K was charged to adjust the carrying amount to the lower of cost and fair value, as expressed in the appraisal of 30 June 2013.

Note 23) Trade and other receivables

Trade and other receivables	30/06/2013	31/12/2012	change
Trade and other receivables - third parties	28,798	27,084	1,714
Provision for doubtful accounts	(14,361)	(12,643)	(1,718)
Total	**14,437**	**14,441**	**(4)**

Net trade receivables are in line with the balance at 31 December 2012. They are shown net of the provision for doubtful accounts, which reflects recovery estimates on problem credits. The increase in receivables gross of the doubtful accounts provision is due primarily to the amount accrued in the first half of 2013 from Magazzini Darsena S.p.A. which, in light of the legal action taken for its recovery, has been written off in full. During the half-year there was also a rise in receivables from several customers undergoing insolvency proceedings, most of which were already being sought through litigation.

Movements in the provision for doubtful accounts are shown below:

Movements in provision for doubtful accounts	*31/12/2012*	*Translation effect*	*Utilizations*	*Impairment / (uses) interest on late payments*	*Allocations*	*30/06/2013*
Provision for doubtful accounts	12,643	(16)	(424)	(42)	2,200	14,361
Total provision for doubtful accounts	**12,643**	**(16)**	**(424)**	**(42)**	**2,200**	**14,361**

Note 24) Related party trade and other receivables

Related party trade and other receivables	30/06/2013	31/12/2012	*Change*
Parent	43	52	(9)
Total parent	**43**	**52**	**(9)**
Consorzio dei proprietari Centro Leonardo	0	1	(1)
Consorzio C.C. i Bricchi	5	1	4
Ipercoop Sicilia	0	24	(24)
Viaggia con noi	0	4	(4)
Vignale Comunicazioni srl	140	55	85
Unicoop Tirreno scarl	296	51	245
Ipercoop Tirreno	10	0	10
Librerie Coop spa	28	14	14
Robintur spa	1	1	(0)
Consorzio La Torre	142	164	(22)
Consorzio Crema	32	31	1
Consorzio Forte di Brondolo	2	2	0
Consorzio Katanè	119	119	0
Consorzio Lame	4	1	3
Consorzio Coné	4	1	3
Consorzio Sarca	5	10	(5)
Other related parties	**788**	**479**	**309**
Total related parties	**831**	**531**	**300**

See Note 42 for comments.

Note 25) Other current assets

Other current assets	30/06/2013	31/12/2012	*change*
Tax credit			
VAT credits	1,842	1,624	218
IRES credits	418	520	(102)
IRAP credits	31	70	(39)
Due from others			
Advances paid to suppliers	14	8	6
Due from insurers	0	0	0
Accrued income and prepayments	1,207	421	786
Deferred costs	283	251	32
Other	484	250	234
Total other current assets	**4,279**	**3,144**	**1,135**

Other current assets increased since the previous year, due mainly to the VAT credit arising from the balance of regular payments and to the accrual for costs recorded during the first six months but pertaining to the entire year.

Note 26) Financial receivables and other current financial assets

Current financial assets	30/06/2013	31/12/2012	change
Other financial assets	93	41	52
Total due from third parties	**93**	**41**	**52**
Other related parties	260	734	(474)
Total due from related parties	**260**	**734**	**(474)**

Financial receivables from related parties refer to the current portion of an interest-free loan granted to Iniziative Bologna Nord.

Note 27) Cash and cash equivalents

Cash and cash equivalents	30/06/2013	31/12/2012	change
Cash and cash equivalents at banks, financial institutions and po	9,105	7,377	1,728
Cash and checks	184	168	16
Total cash and cash equivalents	**9,289**	**7,545**	**1,744**

Cash and cash equivalents at 30 June 2013 consisted mainly of current account balances at banks.

Note 28) Net equity

Consolidated net equity is made up as follows:

Net equity	30/06/2013	31/12/2012	*change*
Share capital	325,052	311,569	13,483
Share premium reserve	147,730	147,730	0
Total other reserves	**241,744**	**240,938**	**806**
Legal reserves	11,459	10,440	1,019
Euro conversion reserve	23	23	0
Merger surplus	13,736	13,736	0
Reserve for treasury shares	(11,276)	(11,276)	0
Cask flow hedge reserve	(19,429)	(27,771)	8,342
Cash flow hedge reserve - subsidiaries	(7,535)	(9,331)	1,796
Bond issue reserve	29,808	29,807	1
Capital increase reserve	(962)	(581)	(381)
Fair Value reserve	230,273	240,127	(9,854)
Translation reserve	(4,353)	(4,236)	(117)
Total group profit	**32,211**	**41,653**	**(9,442)**
Group profit (losses) carried forward	28,155	30,365	(2,210)
Group profit (losses) carried forward for the period	4,056	11,288	(7,232)
Group net equity	**746,737**	**741,890**	**4,847**
Minorities' portion of capital and reserves	11,676	11,812	(136)
Minorities' portion of profit/(loss)	(304)	(136)	(168)
Group net profit	**11,372**	**11,676**	**(304)**
Consolidated net equity	**758,109**	**753,566**	**4,543**

Movements in net equity consisted of:

- an increase in the parent company's share capital of €13,483K, approved by the extraordinary general meeting of 18 April 2013;
- a decrease for derivatives accounted for using the cash flow hedge method (€8,342K for the parent company and €1,796K for the subsidiary IGD Management);
- an increase in the legal reserve by €1,019K, pursuant to the AGM resolution of 18 April 2013;
- a decrease for transaction costs relating to the capital increase, net of tax effects, in the amount of €381K ;
- movements in the translation reserve for the translation of foreign currency financial statements, in the amount of -€117K;
- the allocation of the 2012 profit of €22,333K;
- the profit for the period allocable to owners of IGD SIIQ S.p.A. (€4,056K) and the result allocable to non-controlling interests (-€304K).

Note 29) Non-current financial liabilities

This item mostly includes the non-current portion bank loans, the bond loans , and contingent payables for final price adjustments on the purchase of a mall and a business division.

Non-current financial liabilities	duration	30/06/2013	31/12/2012	change
Mortgage loans with banks		**599,932**	**545,834**	**54,098**
BNL - Rimini mortgage loan	6/9/2006 - 6/10/2016	14,127	15,046	(919)
Interbanca spa	25/9/2006 - 5/10/2021	100,397	106,140	(5,743)
Banca bre Mondovì mortgage loan	23/11/2006 - 10/01/2023	9,780	10,189	(409)
Carisbo Guidonia mortgage loan	27/03/2009 - 27/03/2015	62,165	0	62,165
Unipol lungo savio	31/12/2008 - 31/12/2023	9,598	9,844	(246)
Unipol merchant	10/04/2007 - 06/04/2027	78,809	80,310	(1,501)
Carige	17/12/2008 - 30/03/2024	24,708	25,277	(569)
Cassa risp veneto Mondovi mortgage loan	08/10/2009 - 01/05/2014	24,936	25,756	(820)
Cr siciliano mediocreval catania	23/12/2009 - 30/03/2024	13,731	14,436	(705)
Mediocredito italiano Faenza	05/10/2009 - 30/06/2029	42,103	43,506	(1,403)
Mps palermo	21/12/2010 - 30/11/2025	29,866	30,743	(877)
Carige Palermo Iper	12/07/2011 - 30/06/2027	22,121	22,853	(732)
Centrobanca Conegliano	22/12/2010 - 31/12/2025	40,013	41,324	(1,311)
Centrobanca Conegliano Iper	30/06/2011 - 30/06/2016	13,538	13,928	(390)
Mediocredito Italiano Via Rizzoli (Bo)	05/11/2012 - 30/09/2017	12,405	14,183	(1,778)
Centrobanca Livorno	01/02/2010 - 15/06/2015	10,945	0	10,945
Banca Popolare di Verona	27/07/2011-25/07/2026	8,841	9,209	(368)
Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	39,925	39,914	11
Intesa ipotecario	16/03/2012 - 16/03/2017	25,353	26,646	(1,293)
Mps ipotecario	29/11/2012 - 30/11/2014	16,571	16,530	41
Bond 122,90ML	07/05/2013- 07/05/2017	119,844	0	119,844
Bond 22 ML	07/05/2013- 07/05/2017	21,780	0	21,780
Due to other sources of finance		**9,669**	**13,525**	**(3,856)**
Contingent liability for mall and business division		4,366	8,081	(3,715)
Sardaleasing for Bologna headquarters	30/04/2009 - 30/04/2027	5,303	5,444	(141)
Total financial liabilities with third parties		**751,225**	**559,359**	**191,866**
Coop loan Le Maioliche	31/12/2019	15,000	15,000	0
Total financial liabilities with related parties		**15,000**	**15,000**	**0**

Mortgage loans with banks are secured by properties; the change is due to the restatement to current financial liabilities of the principal falling due within one year. Regarding the Carisbo Guidonia and Centrobanca Livorno loans:

- ✓ At the end of March the loan granted by Cassa di Risparmio di Bologna (Carisbo) was extended for two more years;
- ✓ In June the loan granted by Centrobanca (merged with UBI Banca as of 6 May 2013), with a bullet repayment owed on 15 June 2013, was extended through 15 June 2015 at 3M Euribor plus a spread of 300 basis points.

The change in the "Contingent liability for mall and business division" reflects the new estimate of the potential price adjustment.

As for bond loans, on 7 May 2013 the company launched a public exchange offer allowing participants in the 2007 convertible bond loan to exchange their share of the loan for new, non-convertible bonds. For bondholders who did not accept the offer, the original convertible loan remains effective until its natural maturity of 28 December 2013, while those who did accept the offer have exchanged their "old" bonds for shares of a new bond loan issued by the parent company with a nominal amount of €122.9 million, a duration from 7 May 2013 to 7 May 2017, and an annual coupon of 4.335%.

Once the operation was completed, the parent company placed an additional €22 million bond loan, also valid from 7 May 2013 to 7 May 2017 and paying an annual coupon of 4.335%.

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2013.

Name	Property	Type of product	Counterparty	Start date	End date	Repayment	"Covenant"	Indicator i)	Indicator ii)	Indicator iii)
04 BNL Rimini IGD	MALATESTA - Rimini	Loan	BNL Banca Nazionale del Lavoro	06/09/2006	06/10/2016	Straight-line amortization of principal: €1.9mn p.a.; balloon payment: €10mn	IGD SIIQ S.p.A.: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	1.25		
05 BreBanca IGD	MONDOVICINO (Iper)	Mortgage	Banca Regionale Europea	23/11/2006	10/01/2023	Amortization with increasing principal				
01 Unipol Larice	SARCA (Gall + Iper)	Mortgage	Unipol Merchant	10/04/2007	06/04/2027	Straight-line amortization of principal: €3mn p.a.; balloon payment: €40.7mn	Certified consolidated financial statements: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 2.3	1.49		
12 Coopad Faenza IGD	LE MAIOLICHE - Faenza	Mortgage	Coop Adriatica	01/07/2008	31/12/2019	No amortization of principal; single balloon payment of €15mn				
06 Unipol Lungosavio IGD	LUNGO SAVIO - Cesena	Mortgage	Unipol Merchant	31/12/2008	31/12/2023	Amortization with increasing principal and balloon payment of €3.6mn				
07 Carige Nikefin Asti	I BRICCHI - Isola D'Asti (Gall)	Mortgage	Banca Carige	31/12/2008	31/03/2024	Amortization with increasing principal and balloon payment of €9.5mn				
08 Carisbo Guidonia IGD	TIBURTINO - Guidonia (Gall + Iper)	Mortgage	Cassa di Risparmio di Bologna	27/03/2009	27/03/2015	Straight-line amortization of principal: €4.1mn p.a.; balloon payment: €24mn	IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6 through to maturity	1.49		
09 Interbanca IGD	Iper LUGO - Ravenna, Iper MAESTRALE - Senigallia, Iper MIRALFIORE - Pesaro, CENTRO D'ABRUZZO - Pescara (Gall + Iper), LE PORTE DI NAPOLI - Afragola (Gall + Iper) - PORTOGRANDE (iper+gall), palazzina uffici PORTOGRANDE, iper LEONARDO	Loan	GE Capital	25/09/2006	05/10/2021	Amortization with increasing principal	Consolidated financial statements: ratio of net debt (including derivative assets liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	1.49		
10 Mediocredito Faenza IGD	LE MAIOLICHE - Faenza	Loan contract	Mediocredito banca SPA	05/10/2009	30/06/2029	Straight-line amortization of principal: €2.8mn p.a€	IGD SIIQ S.p.A. financial statements: ratio of external net debt to equity + intercompany loans must not exceed 2.7	1.13		
02 CentroBanca Porta Medicea	Immobile Palazzo Orlando e Piazza Mazzini	Loan	CentroBanca	01/02/2010	15/06/2015	No amortization of principal; single balloon payment of €11mn				
11 MedioCreval Catania IGD	KATANÈ - Catania (Iper)	Loan	Credito Valtellinese	23/12/2009	31/03/2024	Straight-line amortization of principal: €1.4mn p.a.	Consolidated financial statements at 31/12: i) debt/equity ≤ 2.30; ii) loan to value ratio of property ≤ 70%	1.38	38.98%	
14 MPS Palermo	Palermo (Gall)	Mortgage	Monte dei Paschi di Siena	21/12/2010	30/11/2025	Amortization with increasing principal and balloon payment of €6.6mn	Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.7; ii) loan to value ratio for the individual property must not exceed 70%	1.49	51.72%	
15 CentroBanca Cone Gall	Conè (Gall)	Loan Contract	CentroBanca	22/12/2010	31/12/2025	Straight-line amortization of principal: €2.64mn p.a.; balloon payment: €10.5mn	Consolidated financial statements: ratio of net debt (including derivative assets and liabilities) to equity no higher than 2	1.49		
19 CC Ipotecario - Tiraggi	DARSENA (Gall + Iper)	Credit facility secured by mortgage	Monte dei Paschi di Siena	30/12/2010	30/11/2014	Single bullet payment of €16.7mn	IGD SIIQ S.p.A.: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 5	1.25		
13 CR Veneto Mondovi	MONDOVICINO (Retail Park)	Mortgage	Cassa di Risparmio del Veneto	08/10/2009	01/05/2014	Straight-line amortization of principal: €1.65mn p.a.; balloon payment: €8.55mn	Certified consolidated financial statements ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6	1.49		
16 CentroBanca Cone Iper	Conè (Iper)	Loan	CentroBanca	30/06/2011	30/06/2016	Straight-line amortization of principal: €0.8mn p.a.; balloon payment: €12.4mn	Consolidated financial statements: i) net debt (including derivative assets and liabilities) to equity no higher than 2; ii) loan to value ratio no higher than 66.40%	1.49	59.41%	
17 Carige Palermo IGD	Palermo (Iper)	Mortgage	Banca Carige	12/07/2011	30/06/2027	Amortization with increasing principal				
03 BPV Porta Medicea	Porta Medicea	Mortgage	Banca Popolare di Verona	02/08/2011	25/07/2026	Straight-line amortization of principal: €0.74mn p.a€	Porta Medicea s.r.l.: i) debt/equity ≤ 1.0; ii) equity ≥ €55 mn	0.43	€ 56,857,617	
18 CC Ipotecario - Tiraggi	1st mortgage Crema, 1st mortgage Le Fonti del Corallo	Credit facility secured by mortgage	Cassa di Risparmio di Firenze	20/12/2011	19/12/2016	Gradual reduction of available credit by €20 mn p.a., from 2015 to maturity	IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must be less than or equal to 1.6 through to maturity; ii) ratio of EBITDA to financial charges must be greater than 1.5; iii) ratio of net debt to market value must be less than or equal to 0.65.	1.49	1.80	59.41%
20 CC Ipotecario - Tiraggi	2nd mortgage Crema, 2nd mortgage Le Fonti del Corallo	Credit facility secured by mortgage	Intesa Sanpaolo	16/03/2012	16/03/2017	Gradual reduction of available credit by €1.6 mn p.a.; final payment of €22.8 mn	IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must be less than or equal to 1.6 through to maturity; ii) ratio of EBITDA to financial charges must be greater than 1.5; iii) ratio of net debt to market value must be less than or equal to 0.65.	1.49	1.80	59.41%
21 Rizzoli IGD	Immobile Via Rizzoli, Bologna	Loan contract	Mediocredito banca SPA	06/11/2012	30/09/2017	Straight-line amortization of principal: €3.6mn p.a€	Consolidated financial statements: i) Ratio of net debt to equity no higher than 1.60; ii) loan to value ratio no higher than 0.65	1.49	59.41%	

The table below shows the amount of loans directly allocable to investment property at 30 June 2013 and the average maturity:

Project/asset	Carrying value of asset	Direct financial debt	Form	Average maturity
Investment property	1,736,115	524,523	Mortgage loans, finance leases and bullet loans	8.42

Note 30) Provision for employee severance indemnities

Movements in the provision for employee severance indemnities are shown below:

Provision for employee severance indemnities	Balance at 31/12/11	Transfer	Utilization	Allocation	Financial charges IAS 19	Balance at 31/12/2012
Provision for employee severance indemnities	796	0	(53)	408	40	1,191

Provision for employee severance indemnities	Balance at 31/12/12	Transfer	Utilization	Allocation	Financial charges IAS 19	Balance at 30/06/2013
Provision for employee severance indemnities	1,191		(18)	130	19	1,322

Recalculation of employee severance indemnity provision in accordance w ith IAS 19	2013	2012
BALANCE AT 1/01	**1,191**	**796**
Current cost of service	117	185
Financial charges	19	40
Actuarial (gains)/losses	0	194
(Benifits paid)	(5)	(24)
BALANCE	**1,322**	**1,191**

Note 31) - General provisions

General provisions	31/12/2012	Utilizations	Allocations	30/06/2013
Provision for taxation	481	(13)	63	531
Bonus provision	715	(715)	372	372
Other genarl provisions	386			386
Provision for Guidonia penalties	84			84
Total	**1,666**	**(728)**	**435**	**1,373**

Provision for taxation

This provision covers the liabilities likely to arise from assessments pending before the tax commission and from an IMU/ICI (property tax) dispute. The increase concerns the additional allocation to cover the possible outcome of that dispute.

Bonus provision

The bonus provision relates to the variable compensation that will be paid to employees in 2014 on the basis of the Group's 2013 estimated results. The utilization refers to the payment made in 2013.

Other general provisions

This amount covers liabilities deemed likely to arise from disputes with third parties.

Provision for Guidonia penalties

This contains the rest of the funds set aside in 2008 to cover risks and charges stemming from the delayed opening of the Guidonia shopping center.

Note 32) Sundry payables and other non-current liabilities

Sundry payables and other non-current liabilities	30/06/2013	31/12/2012	Changes
Deferred income	7,266	7,266	0
Other liabilities	311	132	179
Total	**7,577**	**7,398**	**179**

This item includes deferred income with the City of Livorno for the sale of future goods (€3,816K) and with Porta a Mare S.p.A. for works to be delivered (€3,450K).

Note 33) Related party sundry payables and other non-current liabilities

Related party sundry payables and other non-current liabilities	30/06/2013	31/12/2012	Change
Parent	**9,322**	**9,322**	**0**
Security deposit from Coop Adriatica	9,322	9,322	0
Other related parties	**3,556**	**3,520**	**36**
Security deposits from Ipercoop Tirreno S.p.A.	1,140	1,128	12
Secutiry deposits from Unicoop Tirreno	2,391	2,367	24
Secutrity deposit from Vignale Comunicazione	25	25	0
Total	**12,878**	**12,842**	**36**

Security deposits are sums advanced for the leasing of hypermarkets and malls. They pay interest at the rates provided for by law.

Note 34) Current financial liabilities

Current financial liabilities	Duration	30/06/2013	31/12/2012	Change
Banca Pop. Emilia Romagna - Hot Money	28/06/2013-29/07/2013	4,000	3,500	500
Banca Pop. Emilia Romagna - Hot Money	07/06/2013-06/09/2013	18,500	0	18,500
Unicredit - Hot Money	29/05/2013-01/07/2013	10,025	10,051	(26)
Carisbo - Hot Money	14/06/2013-15/07/2013	10,013	10,014	(1)
Cassa Risparmio PD RO	14/06/2013-15/07/2013	10,007	10,015	(8)
Cassa Risparmio PD RO	10/06/2013-10/07/2013	3,005	6,520	(3,515)
Cassa Risparmio PD RO	10/06/2013-10/07/2013	3,506	0	3,506
Unipol Banca - Hot Money	17/05/2013 - 17/08/2013	15,063	13,543	1,520
Banca popolare di Verona hot money	28/06/2013-28/07/2013	12,000	0	12,000
Bnl - Bologna	13/06/2013-13/07/2013	24,700	26,000	(1,300)
Cassa risp. Firenze hot money	10/06/2013-10/07/2013	8,013	13,042	(5,029)
Cassa risp. Firenze hot money	10/06/2013-10/07/2013	5,008	2,005	3,003
Cassa risp. Firenze hot money	10/06/2013-10/07/2013	2,004	0	2,004
Cassa risp. Ferrara	05/06/2013-05/09/2013	5,011	0	5,011
Bnl - Bologna	a revoca	5,300	3,700	1,600
Cassa Risparmio del Veneto- Hot Money	10/06/2013-10/07/2013	13,522	13,500	22
Bre Banca C/C 34279		2,494	0	2,494
Banca Regionale Europea		0	6,625	(6,625)
Bnl c/c 36400 Livorno		0	13	(13)
Banco S. Giminiano		886	0	886
Bre Banca C/C		2,243	0	2,243
Mps c/c 195923		0	39,530	(39,530)
Finanz USD 9,9 ML	21/06/2013-21/08/2013	7,577	0	7,577
Finanz USD 18,2 ML	28/06/2013-03/09/2013	13,954	0	13,954
Outright su finanz usd 18,2 ML	28/06/2013-03/09/2013	48	0	48
Total due to banks		**176,879**	**158,058**	**18,821**
BNL - mutuo Rimini	6/9/2006 - 6/10/2016	1,869	1,871	(2)
Banca Bre mutuo Mondovi'	23/11/06 - 10/01/23	865	858	7
Unipol lungo savio	31/12/08 - 31/12/23	488	473	15
Interbanca finanziamento	25/09/06-05/10/2021	11,708	11,508	200
Carisbo Mutuo Guidonia	27/03/2009 - 27/03/2017	4,143	68,498	(64,355)
Unipol Merchant	10/04/2007 - 06/04/2027	3,147	3,144	3
Carige	17/12/2008 - 30/03/2024	1,128	1,092	36
Cassa risp veneto mutuo Mondovi	08/10/2009 - 01/05/2014	1,802	1,810	(8)
Cr siciliano mediocreval catania	23/12/09 - 30/03/24	1,429	1,429	0
Mediocredito italiano Faenza	05/10/2009 - 30/06/2029	2,826	2,821	5
Mps Palermo	21/12/2010 - 30/11/2025	1,807	1,785	22
Carige Palermo Iper	12/07/11 - 30/06/2027	1,455	1,439	16
Centrobanca Conegliano	22/12/2010 - 31/12/2025	2,644	2,640	4
Centrobanca Conegliano Iper	30/06/2011 - 30/06/2016	802	800	2
Mediocredito Italiano Via Rizzoli (Bo)	05/11/2012 - 30/09/2017	3,600	3,710	(110)
Centrobanca Livorno	01/02/2010 - 15/06/2015	13	10,987	(10,974)
Banca Popolare di Verona	27/07/2011-25/07/2026	741	371	370
Intesa ipotecario	16/03/2012 - 16/03/2017	1,769	1,600	169
Total mortgage loans with banks		**42,236**	**116,836**	**(74,600)**
Leasing for IGD HQ	30/04/2009 - 30/04/2027	279	275	4
Other financial liabilities		750	1,980	(1,230)
Convertible Bond	28/6/2007-28/12/2013	105,845	224,685	(118,840)
Bond 122,9 ML	07/05/2013- 07/05/2017	788	0	788
Bond 22 ML	07/05/2013 - 07/05/2017	141	0	141
Total due to other sources of finance		**107,803**	**226,940**	**(119,137)**
Total current financial liabilities to third parties		**326,918**	**501,834**	**(174,916)**
Coop c/c improprio for granted credit facilities		3,480	21,783	(18,303)
Total current financial liabilities with related parties		**3,480**	**21,783**	**(18,303)**

The principal changes in this item concerned:

- ✓ the receipt and reimbursement of ultra-short-term loans;
- ✓ the receipt of two new short-term loans in US dollars, their exchange risk hedged by forward currency purchases;
- ✓ the repayment of principal falling due during the half-year on existing mortgage loans;
- ✓ the restatement between current and non-current financial liabilities of the Carisbo Guidonia and Centrobanca Livorno loans, due to the renegotiation of their terms and conditions (see Note 29);
- ✓ the interest accrued for the period on the bond loan issued on 7 May 2013;
- ✓ the significant decrease in the negative balance of the pooled account between IGD SIIQ S.p.A. and the parent, Coop Adriatica, with respect to the credit line granted.

For information on the convertible bond loan, see Note 29.

Note 35) Net financial position

The table below presents the net financial position at 30 June 2013 and 31 December 2012. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute financial assets or liabilities. Credit lines with banks amount to €278.5 million, of which €98.65 million was unutilized at the close of the period. For comments, see the section "Statement of financial position and financial review" in the interim directors' report.

NET FINANCIAL POSITION	30/06/2013	31/12/2012
Cash and cash equivalents	(9,289)	(7,545)
Financial receivables and other current financial assets vs. related parties	(260)	(734)
Financial receivables and other current financial assets	(93)	(41)
LIQUIDITY	**(9,642)**	**(8,320)**
Current financial liabilities vs. related parties	3,480	21,783
Current financial liabilities	177,629	160,038
Mortgage loans - current portion	42,236	116,836
Leasing - current portion	279	275
Convertible bond loan - current portion	106,774	224,685
CURRENT DEBT	**330,398**	**523,617**
CURRENT NET DEBT	**320,756**	**515,297**
Non-current financial assets	(793)	(25)
Non-current financial liabilities due to other sources of finance	4,366	8,081
Leasing- non-current portion	5,303	5,444
Non-current financial liabilities	599,932	545,834
Non-current financial liabilities vs. related parties	15,000	15,000
Convertible bond loan	141,624	0
NON-CURRENT DEBT	**765,432**	**574,334**
NET FINANCIAL POSITION	**1,086,188**	**1,089,631**

Note 36) Trade and other payables

Trade and other payables	30/06/2013	31/12/2012	Change
Trade payables	9,537	8,287	1,250

The increase in trade payables reflects invoices to be received, mostly for construction and contract work carried out during the half-year, as well as a portion of the transaction costs for the new bond loans.

Note 37) Related party trade and other payables

Related party trade and other payables	30/06/2013	31/12/2012	Change
Parent	3,279	4,144	(865)
Other related parties:	338	215	123
Consorzio Lame	50	38	12
Consorzio La Torre - PA	43	40	3
Consorzio Forte di Brondolo	31	31	0
Consorzio Katanè	90	82	8
Consorzio Proprietari Leonardo	11	9	2
Consorzio I Bricchi	8	0	8
Unicoop Tirreno	50	0	50
Consorzio Crema	15	15	(0)
Consorzio Sarca	40	0	40
Total related parties	**3,617**	**4,359**	**(742)**

See Note 42 for comments.

Note 38) Current tax liabilities

Current tax liabilities	30/06/2013	31/12/2012	Change
IRPEF incl. Regional and municipal surtax	512	485	27
IRAP	5	22	(17)
IRES	232	227	5
VAT	49	92	(43)
Other taxes	64	10	54
Withholding tax on dividends	1,977	0	1,977
Total current tax liabilities	**2,839**	**836**	**2,003**

Most of the change concerns the increase in tax withheld by the parent company on dividends paid, which is due to the Treasury in July.

Note 39) Other current liabilities

Other current liabilities	30/06/2013	31/12/2012	Change
Social security	306	342	(36)
Accrued liabilities and deferred income	701	750	(49)
Insurance	12	16	(4)
Due to employees	783	667	116
Security deposits received	2,818	3,095	(277)
Unclaimed dividends	1	1	0
Advances received, due within one year	2,827	1,882	945
Other liabilities	33	193	(160)
Total other liabilities	**7,481**	**6,946**	**535**

The increase in this item is due mainly to the receipt of advance payments under the preliminary sale agreements for property units in Livorno.

Note 40) Related party other current liabilities

Related party other current liabilities	30/06/2013	31/12/2012	Change
Other payables	14	14	0
Total other liabilities with related parties	**14**	**14**	**0**

See note 42.

Note 41) Dividends

During the half-year, further to the shareholders' resolution of 18 April 2013 (the AGM held to approve the 2012 financial statements), a dividend of €0.07 was paid for each of the 319,048,691 shares outstanding, for a total of € 22,333,408.

Note 42) Related party disclosures

Below is the information required by paragraph 18 of IAS 24.

Related party disclosures	Receivables and other current assets	Current and non-current financial receivables	Current payables and other liabilities	Non-current payables and other liabilities	Financial payables	Other non-current assets	Fixed assets increases	Fixed assets decreases
Coop Adriatica scarl	43	0	3,279	9,322	18,480	2,786	3	0
Robintur spa	1	0	0	0	0	0	0	0
Librerie.Coop spa	28	0	0	0	0	0	0	0
Unicoop Tirreno scarl	296	0	64	2,391	0	0	0	0
Vignale Comunicazione srl	140	0	0	25	0	0	0	0
Ipercoop Tirreno spa	10	0	0	1,140	0	0	0	0
Cons.Forte di Brondolo	2	0	31	0	0	0	0	0
Cons. Proprietari Leonardo	0	0	10	0	0	0	9	0
Consorzio Bricchi	5	0	8	0	0	0	0	0
Consorzio Lame	4	0	50	0	0	0	19	0
Consorzio Katanè	120	0	90	0	0	0	0	0
Consorzio Conegliano	5	0	0	0	0	0	0	0
Consorzio Palermo	142	0	43	0	0	0	0	0
Consorzio Crema	32	0	15	0	0	0	1	0
Consorzio Sarca	5	0	40	0	0	0	0	0
Iniziative Bologna Nord	0	712	0	0	0	0	0	0
Virtus College srl	0	316	0	0	0	0	0	0
Total	**831**	**1,028**	**3,631**	**12,878**	**18,480**	**2,786**	**32**	**0**
Amount reported	**99,669**	**1,146**	**20,649**	**20,455**	**1,096,623**	**31,637**		
Total increase/decrease for the year							**7,638**	**0**
% of total	**0.83%**	**89.72%**	**17.58%**	**62.96%**	**1.69%**	**8.81%**	**0.42%**	

Related party disclosure	Revenue - other income	Financial income	Costs	Financial charges
Coop Adriatica scarl	11,567	0	1,042	640
Robintur spa	118	0	0	0
Librerie.Coop spa	356	0	0	0
Unicoop Tirreno scarl	2,721	0	50	24
Vignale Comunicazione srl	246	0	0	0
Ipercoop Tirreno spa	1,080	0	0	12
Ipercoop Sicilia	2,414	0	0	0
Viaggia con noi	8	0	0	0
Cons. Proprietari Leonardo	114	0	0	0
Consorzio Bricchi	56	0	271	0
Consorzio Lame	89	0	4	0
Consorzio Katanè	99	0	75	0
Consorzio Conegliano	81	0	89	0
Consorzio Palermo	97	0	73	0
Consorzio Crema	50	0	22	0
Consorzio Sarca	114	0	0	0
Total	**19,210**	**0**	**1,626**	**676**
Amount reported	**60,546**	**262**	**21,735**	**23,112**
% of total	**31.73%**	**0.00%**	**7.48%**	**2.92%**

IGD SIIQ S.p.A. has financial and economic relationships with its controlling company, Coop Adriatica, with other companies in the Coop Adriatica Group (Robintur S.p.A., Librerie Coop S.p.A. and Viaggia Con Noi S.r.l.), with various companies in the Unicoop Tirreno Group (Vignale Comunicazione, Unicoop Tirreno and Ipercoop Tirreno), and with IperCoop Sicilia. Related party transactions are conducted at arm's length and are recognized at face value.

Transactions with the controlling company Coop Adriatica refer to:

- receivables and income for the leasing of properties used as hypermarkets;
- payables and costs for the rental/use of malls owned by Coop Adriatica;
- payables and costs for Coop Adriatica's supply of services in the areas of equity and EDP;
- capitalized costs for services in connection with various real estate initiatives;
- security deposits received on leases;
- an outstanding loan.

Transactions with Robintur S.p.A. and Viaggia con Noi S.r.l. concern the leasing of store space at malls and the supply of services.

Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers, and the rental of part of the third floor of the building that houses IGD's head office.

Transactions with Ipercoop Sicilia concern receivables and income from the leasing of properties used as hypermarkets.

Transactions with Unicoop Tirreno and Ipercoop Tirreno consist of:

- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets.

Transactions with Vignale Comunicazione concern receivables and income for the rental of premises at shopping centers; During the half-year IGD SIIQ S.p.A. signed six rental agreements with Vignale Comunicazione, for the malls at Le Porte di Napoli, Casilino, Katanè, Fonti del Corallo, Tiburtino and La Torre, all effective from 1 January 2013 to 31 December 2014.

See Notes 21 and 26 regarding financial receivables from Virtus College S.r.l. and Iniziative Bologna Nord.

Transactions with Consorzio Forte di Brondolo (in liquidation) concern payables and costs for construction work on the land in Chioggia.

Transactions with Consorzio Proprietari Leonardo, Consorzio Lame, Consorzio Conè, Consorzio La Torre, Consorzio Katanè, Consorzio Crema, Consorzio Sarca, and Consorzio Bricchi concern receivables and income for facility management services at shopping centers; the costs incurred refer mainly to service charges for vacant units.

Note 43) Management of financial risk

In the course of business, the Group is exposed to various financial risks: interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group has operational and financial policies aimed at reducing the impact of such risks on performance, in part through the use of interest rate derivatives. The Board of Directors reviews and agrees on policies to manage these risks.

Interest rate risk

The main risk factor is the volatility of interest rates and the effect this has on borrowing and on the investment of liquid funds.

The Group borrows mainly through short-term facilities and long-term mortgage loans charging adjustable interest, so it risks an increase in financial charges if interest rates go up. The Finance department monitors interest rate risk constantly, in coordination with top management.

To hedge interest rate risk, the Group has entered into interest rate swaps covering 68.07% of its exposure to rate fluctuations on long-term loans, which allow it to collect the adjustable interest rate in exchange for payment of a fixed rate. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model.

Liquidity risk

This refers to problems with liquidity management, insufficient resources to finance the business, and difficulty keeping up with loans or obtaining new credit.

Liquidity is monitored through cash flow planning, and risk is mitigated by the Group's extensive credit lines.

The Finance department uses a financial forecasting tool to monitor expected cash flows over a one-quarter rolling horizon and makes sure there is enough liquidity to operate the business. Cash flow sensitivity, stress testing and VAR estimation are all used with respect to financial risk.

As for long-term loans, each facility finances a specific project, which minimizes the risk of needing to refinance. Some long-term loans involve covenants; this aspect is monitored constantly by the chief financial officer, who also coordinates with management to gauge the likelihood of violating the covenants as a result of the strategic, operational, compliance and financial risks mapped, using the enterprise risk management system.

Financial commitments are covered by funds confirmed by the banks, and unutilized credit facilities are available.

Liquidity risk is managed prudently to avoid incurring excessive costs in the case of unforeseen events, which could have a further negative impact on market reputation. The Group also has a portfolio of unmortgaged properties worth €547.21 million.

Credit risk

Credit risk takes the form of customer insolvency and difficulty collecting payments. To mitigate this risk, tenants go through a pre-contractual selection process, based on financial standing and earnings prospects. Reviews of potential customers are performed also with the help of external specialists and aim to identify any risk factors for the company.

All customers are asked for bank guarantees and/or security deposits to guarantee fulfillment of their commitments. Throughout the life of the contract, the company monitors compliance on an ongoing basis, and follows internal credit management procedures in the event any problems arise; when the business relationship is secure, measures to assist the tenant may be taken. The IGD Group only deals with well-known, reliable customers and 31.73% of its core revenue is earned from related parties.

Foreign exchange risk

The Group is exposed to foreign exchange risk for its operations in Romania. Fluctuations in the value of the Romanian leu could lead to the writedown of properties held or to the unsustainability of contractual obligations for tenants in Romania, where rent is denominated in lei but anchored to the performance of the Euro.

At the moment, IGD mitigates this risk through constant efforts to optimize the merchandising mix and tenant mix and to support the value of the real estate portfolio, in part by making improvements.

Commercial policies are determined with care and with the utmost attention to local consumption styles and market demands. To that end, the Group employs a specialized team made up of head office and local professionals, to seek the right trade-off between the expertise acquired at the corporate level and knowledge of the local context.

Capital management

The primary objective of the Group's capital management is to make sure it maintains a solid credit rating and sufficient capital indicators to support the business and maximize shareholder value. This is pursued by:

1- keeping the net debt/equity ratio at 1.5 or below (the ratio at 30 June 2013 was 1.38, unchanged since 31 December 2012);

2- keeping the loan-to-value ratio under 60% (it was 57.29% at the close of the half-year).

Note 44) Derivative instruments

The IGD Group has engaged in derivative contracts for the use of structured products called interest rate swaps. These fall under the management of interest rate risk and aim to reduce such risk on outstanding loans. Under these agreements, the parties agree to pay or collect certain amounts on given dates on the basis of various interest rate spreads. The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Fair value hierarchy	30/06/2013	31/12/2012	Change	Level
Derivative assets	125	150	(25)	2
Derivative liabilities	(40,289)	(54,125)	13,836	2
Interest rate swaps - net effect	**(40,164)**	**(53,975)**	**13,811**	

The contracts are detailed below:

In detail contracts	Contratto Monte Paschi Finance 4	Aletti Interbanca	Bnp Interbanca	Mps 10198433 ora Banca CRF	Mps 10201705 ora Banca CRF	Carisbo 902160165	Carisbo 910270202	Contratto BNP Paribas
Nominal amount	16,000,000	18,824,507	18,824,507	18,824,508	18,824,508	10,587,270	18,824,509	82,000,000
Inception date	06/10/2006	10/06/2009	10/06/2009	11/06/2009	12/06/2009	12/02/2009	28/10/2009	06/10/2007
Maturity	06/10/2016	05/10/2021	05/10/2021	05/10/2021	05/10/2021	10/01/2023	05/10/2021	06/10/2017
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor
Customer rate	3.84%	3.42%	3.44%	3.44%	3.42%	3.35%	3.18%	4.38%

In detail contracts	Mps 87065 ora Banca CRF	Aletti Asti	Aletti Guidonia	Carisbo 100540011	Carisbo 1004290251	Mps 92285	Mps Guidonia
Nominal amount	18,824,508	7,781,887	16,664,750	10,375,850	10,106,732	7,781,887	16,664,750
Inception date	28/10/2009	28/04/2010	27/08/2010	28/04/2010	28/04/2010	28/04/2010	27/08/2010
Maturity	05/10/2021	31/03/2024	27/03/2024	28/03/2024	29/12/2023	28/03/2024	27/03/2024
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor
Customer rate	3.18%	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%

In detail contracts	Carisbo Guidonia 1008270304	Carisbo Guidonia 1008300079	MPS 2011 SU MUTUO MEDIOCREDITO N. 2711	CARISBO 2011 SU MUTUO CRVENETO MONDOVI N. 28559790	CARISBO 2011 SU MUTUO CONE' GALLERIA N. 29024749	CARISBO 2011 SU MUTUO CONE' GALLERIA N. 29024753	ALETTI SU UTUO CONE' GALLERIA 2011	CASSA RISP FIRENZA APERT CRED IPOTECARIA
Nominal amount	16,664,750	16,664,750	15,357,143	26,700,000	21,450,000	8,580,000	12,870,000	40,000,000
Inception date	27/08/2010	27/08/2010	12/07/2011	12/07/2011	12/09/2011	12/09/2011	12/09/2011	22/12/2011
Maturity	27/03/2024	27/03/2024	31/03/2024	01/11/2024	31/12/2025	31/12/2025	31/12/2025	30/09/2016
IRS frequency	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor
Customer rate	2.30%	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	2.45%

Note 45) Subsequent events

At the date of approval, no events following the reporting date had occurred that would require the Group to adjust the figures in the financial statements or report elements not previously disclosed.

Note 46) Commitments and risks

At 30 June 2013 the Group had entered into a preliminary agreement for the purchase of land in Ravenna for a total of €381K, and paid a down payment of 10%.

Note 47) Disputes

Darsena

Due to the dissolution of the joint venture with Beni Stabili (resulting in the sale of 50% of RGD S.r.l. by Immobiliare Larice) and the joint purchase of the Darsena City shopping center, the IGD Group has a commitment with RGD S.r.l. (now Beni Stabili SIIQ S.p.A.) to assume its share of all income and costs associated with the definitive and preliminary contracts signed on 15 March 2006 and transferred to RGD S.r.l. (now Beni Stabili) on 29 March 2007, following the property's change of ownership on 9 March 2007.

The companies Partxco S.p.A., Magazzini Darsena S.p.A. and Darsena F.M. S.r.l., the Group's counterparties in the above transaction, are currently facing financial difficulties. Together with RGD S.r.l. (now Beni Stabili), the Group has come up with options to protect the parties' mutual interests given the complexity of the agreements and of the receivables outstanding.

As part of the litigation strategy, also taking account of the insolvency of the Mascellani Group—which has proposed separate creditor composition plans for nearly every company in the Group—the following steps have been taken:

- regarding recovery of the rent due on the building leased to Magazzini Darsena:

i. Beni Stabili (formerly RGD), in the interests of both shareholders, has acted to enforce the rental guarantee on that property in the amount of €3,640K. Likewise, on the entire amount of the unpaid rent, RGD obtained a payment order that was later contested, but reinstated by the court of first instance. The court of appeals then ruled against a challenge to the lower court's ruling and a request to suspend the provisional enforcement of the payment order. On 13 February 2012, Magazzini Darsena announced a new appeal process. Beni Stabili appeared promptly in court and filed a response on 27 July 2012, asking for the rejection of Magazzini Darsena's appeal, confirmation of the first-instance ruling and reimbursement of legal expenses. On 18 January 2013, the Bologna Court of Appeals confirmed the original ruling and ordered MD to pay the sum of €3,343,621.50.

ii. The Court of Ferrara is addressing two additional complaints filed in March 2011 per Art. 447 \i bis \i of the Code of Civil Procedure, aimed at forcing Magazzini Darsena S.p.A. and Darsena F.M. S.r.l. to pay, respectively, the rent and the sublease rent on the Centro di Vicinato Darsena City until transfer of the relevant share of the building to IGD. The first ruling, in June 2012, was favorable: Magazzini Darsena was ordered to pay Beni Stabili the rent accrued from the second quarter of 2010 until 4 April 2012 in the amount of €5,229,122.72 plus VAT, interest and taxes; the second ruling against Darsena F.M. S.r.l. has been postponed until a hearing of 16 October 2013 in order to quantify the sublease rent not paid.

iii. RGD has obtained authorization to seize all of Magazzini Darsena's and Darsena F.M.'s movable property, real estate and receivables, including from third parties. This interim relief was sought as instrumental to the pending action on the merits for the recognition of claims under the related contracts. Magazzini Darsena and Darsena F.M. made an unsuccessful appeal against the seizure ruling, which was confirmed by the Court of Ferrara. The seizure has been carried out on all of the debtors' receivables, movable property and real estate.

iv. IGD has filed a complaint per Art. 447 \i bis \i0 of the Code of Civil Procedure with the Court of Ferrara, demanding payment of unpaid rent accrued from 1 January 2011 to the present (as specified in the notes). The decision is currently pending.

IGD SIIQ S.p.A. and Beni Stabili, given the ongoing insolvency of the sellers Magazzini Darsena and Darsena F.M., petitioned the bankruptcy section of the Court of Ferrara (each with respect to its own credit positions) to declare the bankruptcy of Magazzini Darsena S.p.A. and Darsena F.M. This was ruled to be impossible as the companies had already filed their requests for composition with creditors. Subsequently, on 15 May 2012, the Court of Ferrara declared that the composition proceedings were now in course for both companies, Darsena F.M. and Magazzini Darsena, and set the date of the creditors' meeting.At the creditors' meetings of 9 and 23 July 2013, also in light of the decisions obtained on the ordinary rulings (reported above) and the arbitration ruling of 5 July 2013, discussed below, the bankruptcy commission determined that the composition proceedings were unsustainable, and ordered that they be halted pursuant to Bankruptcy Law Art. 173(1) so that bankruptcy proceedings could begin.

On Friday, 26 July 2013 both debtor companies filed for bankruptcy , which was subsequently declared by the Court of Ferrara.

- regarding the preliminary and definitive contracts left with RGD, due in part to the dissolution of the JV:

RGD, now Beni Stabili SIIQ S.p.A., has resorted to the arbitration process provided for in the related contracts, notifying a request for arbitration against Magazzini Darsena, Darsena F.M. and Partxco S.p.A. on 30 May 2011. The purpose of the arbitration is to determine the legitimacy of the price adjustment clause in the contract for the purchase of the Darsena City shopping center and calculate the amount of said adjustment, and to confirm the obligation of Magazzini Darsena and the joint obligation of Darsena F.M. and the parent company Partxco to pay future rent and the penalty that has accrued for the late delivery of "portion B" of the shopping center. The board of arbitration met on 13 December 2011. On 8 July 2013, the Arbitration Board of Milan decided in favor of Beni Stabili, which also represents the interests of IGD (as shareholder of the former RGD). According to the decision:

1. a penalty shall apply for failure to pay the rent due for building A;
2. MD and Partxco are jointly ordered to indemnify Beni Stabili for the delay in completing building B;
3. MD, DFM and Partxco are jointly ordered to pay the price adjustment (already received in the form of a surety);
4. the set-off defense presented by MD, DFM and Partxco is rejected;
5. MD's request to terminate the preliminary purchase and business lease agreement for building B is rejected;

and MD and DFM are ordered to reimburse Beni Stabili's legal expenses.

- regarding the price adjustment clause for the purchase of the Darsena shopping center, on 16 May 2012, RGD (now Beni Stabili SIIQ S.p.A.) called on the bank guarantee of €2,500K issued by Unicredit to ensure that Magazzini Darsena would pay back any price adjustment due on the basis of the shopping center's profitability. Magazzini Darsena responded by filing a petition pursuant to Art. 700 of the Code of Civil Procedure, to prevent Unicredit from paying the guarantee in favor of Beni Stabili SIIQ S.p.A. Although the injunction was provisionally granted ex parte, after Beni Stabili SIIQ S.p.A. made its appearance, the Court of Verona revoked the injunction and rejected Magazzini Darsena's petition on 3 August 2012. Magazzini Darsena protested that decision. On 22 November 2012, the judge formally rejected Magazzini Darsena's protest and ordered it to pay the guarantee in full and to reimburse all legal expenses.

In 2012 IGD was also summoned to court by Magazzini Darsena and Darsena FM regarding the management agreement of Darsena City shopping center. IGD appeared in court and filed a statement and related pleadings. Because IGD's legal advisors believe that the plaintiff's claims are not supported by sufficient evidence or legal grounds, the Company has recognized no liability in this regard. On 17 July 2013, the Court of Ferrara filed its decision rejecting the plaintiff's demands and ordering Magazzini Darsena, Darsena FM and Partxco to reimburse IGD's legal expenses in the amount of €20,000.00.

VIBO VALENTIA

In May 2013, GAM S.p.A. took IGD to court in Milan concerning the framework agreement signed by those parties in May 2007, whereby IGD was to purchase a 50% share of a new company owning a shopping center in Vibo Valentia to be built by the prospective seller GAM, all by certain deadlines and subject to a positive due diligence report.

In June 2012, as the deadline had elapsed and the due diligence outcome was negative, IGD had notified GAM that the framework agreement was no longer valid for a number of reasons.

The present lawsuit alleges that the framework agreement was terminated for breach of obligation by IGD regarding its promise to buy a share of the new company, and asks for compensation of the damages allegedly suffered by GAM.

IGD's legal advisors have examined the case and found that IGD is on solid ground, given the lapsed deadlines and unfavorable due diligence, which gave IGD the specific right to withdraw from the agreement. Because IGD's legal advisors believe that the plaintiff's claims are not supported by evidence or legal grounds, the Company has recognized no liability in this regard.

The first hearing in the case has been set for 10 December 2013.

Note 48) Tax litigation

Following the tax audit concluded on 11 September 2008, the audit report was delivered without significant findings; as mentioned in earlier reports, one recommendation of the auditors was to revalue closing inventories for about €645K.

With regard to that assessment, claiming that IGD had mistakenly interpreted the type of contract (sale of a future asset rather than a commissioned job) and therefore misclassified inventories, subjecting them to the wrong set of tax rules, the Company's appeal to the Provincial Tax Commission of Ravenna filed in January 2011 was rejected.

In September 2011 the Company appealed the lower commission's decision and requested a public hearing with the Regional Tax Commission, asking it to declare the assessment null and void.

Certification pursuant to Art. 154 *bis* of Legislative Decree 58/98 and Art. 81 *ter* of Consob Regulation 11971 of 14 May 1999 (as amended)

1. We, the undersigned, Claudio Albertini as chief executive officer and Grazia Margherita Piolanti as financial reporting officer of IGD SIIQ SpA, hereby declare, including in accordance with Art. 154-*bis* (3) and (4) of Legislative Decree 58/98:
    - the adequacy of in relation to the characteristics of the business; and
    - the Company's due compliance with

    the administrative and accounting procedures for the preparation of the consolidated condensed interim financial statements for the first half of 2013.

2. We also confirm that:

    2.1 the consolidated condensed interim financial statements:

    a) have been prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;

    b) correspond to the ledgers and accounting entries;

    c) provide fair and truthful disclosure of the financial status and performance of IGD SIIQ S.p.A. and of the companies included in the consolidation;

    2.2 the interim directors' report contains a reliable analysis of the key events that took place during the first six months of the year and their impact on the consolidated condensed interim financial statements, and describes the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of information on related party transactions.

Bologna, 7 August 2013

Claudio Albertini	Grazia Margherita Piolanti
Chief Executive Officer	Financial Reporting Officer

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

1 We have reviewed the consolidated condensed interim financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter also the "Company") and its subsidiaries (hereinafter also "IGD Group") as of 30 June 2013 which comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes. The directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 We conducted our review in accordance with the criteria for a review recommended by CONSOB, the national stock exchange commission, with resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of Company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated condensed interim financial statements. The limited review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike the audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

The comparative data of the consolidated financial statements of the prior period and consolidated condensed interim financial statements of the prior interim period, which are presented for comparative purposes, have been audited and reviewed, respectively, by other auditors and, consequently, reference is made to their reports dated 25 March 2013 and 28 August 2012.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of IGD Group as of 30 June 2013 have not been prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, 8 August 2013

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

GLOSSARY

AGENCY MANAGEMENT

Activities aimed at finding the most profitable tenant mix and negotiating leases for stores at malls.

DEVELOPMENT PIPELINE

Program of investments in development.

DIRECT COSTS

Costs directly attributable to the shopping centers.

DIVIDEND YIELD

The dividend yield, or price/dividend ratio, on a company stock is the company's annual dividend payments made or announced divided by closing price of its ordinary shares at the end of the year.

EBITDA

EBITDA, or Earnings Before Interest, Taxes, Depreciation & Amortization, is the most significant measure of a company's operating performance as it indicates earnings regardless of the company's means of financing, taxes or investment cycle. EBITDA is a proxy for the operating cash flow that the company is capable of generating.

EBIT (operating profit)

EBIT, or Earnings before Interest and Taxes, differs from EBITDA in that it includes information on amortization, depreciation, and changes in the fair value of properties held. In the case of IGD, which follows International Accounting Standards (IAS), amortization and depreciation are not overly significant as the value of the freehold properties is updated every six months, based on an independent appraisal; properties are recognized at market value in the balance sheet, while the difference in fair value is shown in the income statement between EBITDA and EBIT.

EPRA

European Public Real Estate Association.

EPS / EARNINGS PER SHARE

Net profit divided by the average number of shares outstanding in the year.

ESTIMATED RENTAL VALUE / ERV

The estimated value at market rates for rentable space, according to an independent appraisal based on similar properties in comparable areas.

FACILITY MANAGEMENT

Supply of specialized services to shopping centers such as security, cleaning and routine maintenance.

FFO / FUNDS FROM OPERATIONS

Pre-tax profit adjusted by non-monetary items (deferred tax, writedowns, fair value adjustments, amortization, depreciation and other) as well as the impact of income from equity investments and revenue from property sales.. This is the indicator most commonly used to evaluate a REIT's performance.

GENERAL EXPENSES

Corporate costs not attributable to the individual shopping center.

GROSS LEASABLE AREA (GLA)

The total floor area designed for tenant occupancy.

GROSS MARGIN

The result obtained by subtracting direct costs from revenues.

GROSS SURFACE AREA

Floor area which includes outside walls.

HEDGING

The total amount of mortgage loans hedged with interest rate swaps and bonds divided by the total amount of mortgage loans and bonds.

HYPERMARKET

Property with a sales floor in excess of 2,500 m^2, used for the retail sale of food and non-food products.

INITIAL YIELD

The annualized rental income from a property as a percentage of its valuation at the time of purchase.

INTEREST RATE SWAPS / IRS

Financial instrument whereby two parties agree to exchange a certain interest rate stream on a pre-established date. Used to convert floating rate debt into fixed rate debt.

IPD

Investment Property Databank. An index which produces an independent benchmark for real estate investment returns.

LIKE-FOR-LIKE PORTFOLIO

Real estate assets held in the portfolio for the entire year and the entire prior year.

LTV / LOAN TO VALUE

Real estate assets held in the portfolio for the entire year and the entire prior year.

MALL / SHOPPING MALL

Property comprised of many stores plus the common spaces around which they are situated.

MIDSIZE STORE

A property with a sales floor of 250 to 2,500 m^2 used for the retail sale of non-food consumer goods.

NAV / NET ASSET VALUE

Difference between the value of properties (Asset Value) and net debt. The NAV per share indicated in IGD's financial statements is the Triple Net Asset Value (3NAV), which is expressed net of latent capital gains and the tax effect. In the calculation, potential capital gains on freehold property are added to net equity. The tax effect, based on the company's tax rate, is then deducted from this result. This Net NAV (NNAV) figure is then divided by the number of shares issued.

OCCUPANCY RATE

Gross let surface area as a percentage of properties' total surface area.

OVER-RENTED

Space rented for an amount exceeding its ERV.

PRE-LET

Lease signed by a tenant before development of the property has been completed.

REAL ESTATE PORTFOLIO

The portfolio of freehold and leasehold properties rented out by the IGD Group.

REIT

Real Estate Investment Trust. Comparable to a SIIQ in Italy.

RETAIL PARK

Group of three or more complexes with a combined area of more than 4,500 m^2 and shared parking.

REVERSIONARY POTENTIAL YIELD

The net annual rent that a property would generate if it were fully let at going market rates, as a percentage of the property's value.

ROACE / RETURN ON AVERAGE CAPITAL EMPLOYED

Operating income divided by average capital employed in the year.

ROE

Net profit divided by net equity after dividends.

SHOPPING CENTER

Real estate complex comprised of a hypermarket and a shopping mall, featuring common areas and services located in a covered area with heating and air conditioning.

SIIQ

Società di Investimento Immobiliare Quotata. Real estate investment model comparable to a REIT. SIIQ rules allow income tax exemptions for publicly held listed companies whose prevalent activity is the rental of properties and the equivalent, provided they meet a series of earnings and balance sheet requirements.

STORE

Property for the retail sale of non-food consumer goods.

SUPERMARKET

A property with a sales floor of 250 to 2,500 m^2 used for the retail sale of food and non-food products.

TENANT MIX

Set of store operators and brands found within a mall.

UNDER-RENTED

Space rented for an amount less than its ERV.

WACC / WEIGHTED AVERAGE COST OF CAPITAL

The weighted average cost of debt and all other sources of capital, used to calculate the expected return on investments.