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

Ravenna Chamber of Commerce no. 88573,

Share capital approved: EUR 350,082,219.02

Share capital subscribed and paid-in: EUR 350,082,219.02

Half-Year Financial Report at **30/06/2014**

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 2014

CORE BUSINESS REVENUES	60,310 €/000
CORE BUSINESS EBITDA	39,874 €/000
CORE BUSINESS EBITDA MARGIN	66.1%
CONSOLIDATED NET PROFIT	4,454 €/000
CONSOLIDATED FFO	17,174 €/000
NET DEBT	1,034,231 €/000
GEARING RATIO	1,30x
LOAN TO VALUE	55.92%
AVERGAE COST OF DEBT	4.31%
ADJUSTED AVERAGE COST OF DEBT (*)	4.26%
HEDGING ON LONG TERM DEBT + BOND	84.0%

(*)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 2014 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 2014 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

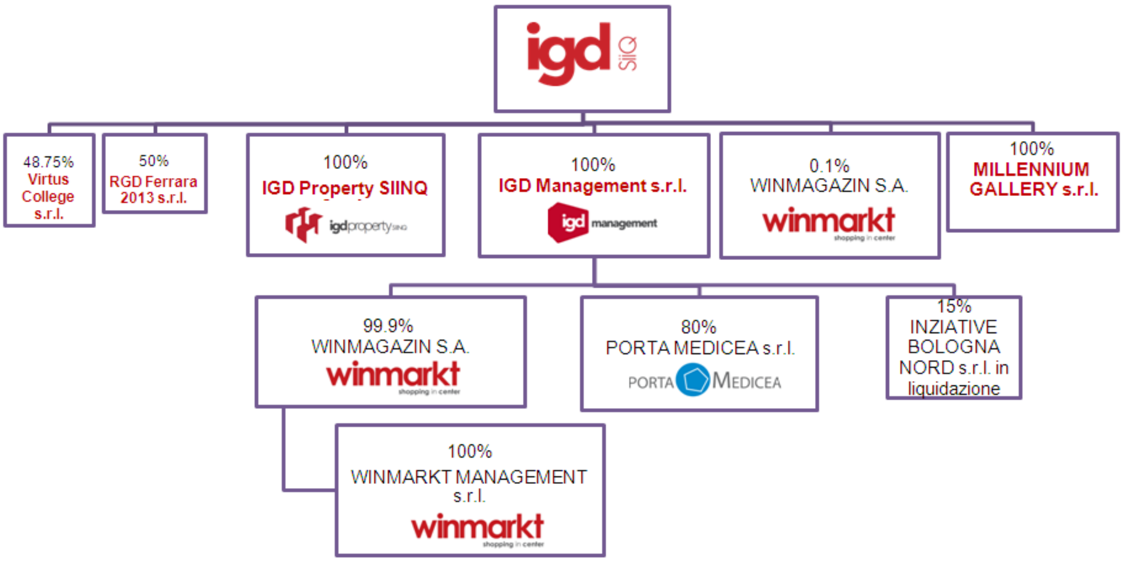
IGD is one of Italy's two SIIQs (Società di Investimento Immobiliari Quotate or real estate investment trust) and is the only one focused on the retail sector.

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 not 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 SA, through which it controls WinMarktManagement, the company responsible for the team of Romanian managers;
    - 80% of Porta Medicea srl, the requalification and real estate development project of Livorno's waterfront;
    - 15% of Iniziative Bologna Nord srl, 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.
4. 50% of RGD Ferrara 2013, formed on 30 September 2013, to manage a business division in the Darsena City Shopping Center in Ferrara.

The organizational chart below reflects the Group's structure at 30 June 2014.


igd SIIQ
48.75% Virtus College s.r.l.
50% RGD Ferrara 2013 s.r.l.
100% IGD Property SIINQ
100% IGD Management s.r.l.
0.1% WINMAGAZIN S.A.
100% MILLENNIUM GALLERY s.r.l.
99.9% WINMAGAZIN S.A.
80% PORTA MEDICEA s.r.l.
15% INZIATIVE BOLOGNA NORD s.r.l. in liquidazione
100% WINMARKT MANAGEMENT s.r.l.

INCOME STATEMENT REVIEW

The general sentiment regarding the Italian economy fluctuated in the first six months of the year, as the positive signals were contradicted by the negative ones.

More in detail, above all in the spring months, consumer and business[1] confidence improved; investments in machinery and equipment by businesses increased (which reflects a more positive view of the trend in demand)[2], as did manufacturing in the first half (+0.2% versus 2013[3]). Family spending also increased, albeit marginally, for the first time since 2011[4]. The latter figure is the most significant one for the Group's business which, in fact, posted a performance in line with this improving environment: at 30 June sales for tenants in the Italian malls were up by approximately 2.7% against the same period of the prior year.

Despite these favorable signals it's not yet possible, however, to talk about growth. GDP was, in fact, down for the second quarter in a row (-0.3%[5] in 2014). With regard to consumption, the heightened fiscal pressure, unemployment (which has stabilized, but was still 12.6% in June[6]) and the general uncertainty about the economy moving forward preclude any improved forecasts for the rest of the year while waiting to see more consistent growth in 2015. These factors are reflected in the rate of inflation which fell even further (in June it reached +0.3%[7]); this is another variable that directly influences the Group's results as most leases are indexed to inflation.

With regard to the retail real estate market, specifically, the positive trend in investments and the renewed interest of institutional investors (such as Italian pension funds and, above all, foreign institutional investors) were confirmed in the period.

The improvement with respect to the prior year continued with investments reaching almost €1 billion in first half 2014, more than double the figure recorded in the same period 2013.

In Romania, where the macroeconomic indicators are more positive than in Italy (GDP rose approximately +3% and unemployment is 7.1%[8]), consumption grew at a faster pace (+3.0%[9]).

The figures posted at the end of the half, therefore, should be read taking into account this volatile environment, but also in light of the many steps taken by the Group to follow and adhere to the guidelines that distinguish its strategy.

The Company continued to work on its marketing campaigns and on improving the tenant/merchandise mix by, for example, introducing new personal services (such as medical and dental centers, fitness centers). These activities are also supported by the work being done to revise the lay out of the shopping centers at, for example, the "Tiburtino" (Guidonia) shopping center and the mall in Mondovi' where the mix of small and mid-size stores is being changed. The occupancy rate at 30 June 2014 (above 96%) confirms the high averages (between hypermarkets and malls) achieved by the Group in Italy.

With regard to the enhancement of the existing portfolio and the development pipeline, the Company continued with programmed investments. In addition, it also sold the mall in the "Fonti del Corallo" shopping center for €47 million, in line with book value (with a view to optimizing invested capital and reducing leverage over time).

Lastly, in order to maintain a balanced and sustainable financial structure, the Group completed several transactions including the sale of its treasury shares (in February 2014), the issue of €150,000,000 in unsecured senior notes maturing in January 2019 with an annual fixed coupon of 3.875% (May 2014); a

[1] Source: ISTAT – Business Confidence, July 2014 and Consumer Confidence, July 2014
[2] Source: Bank of Italy, Economic Bulletin n.3, July 2014
[3] Source: ISTATA, August 2014
[4] Source: Bank of Italy, Economic Bulletin n.3, July 2014
[5] Source: ISTAT, Preliminary GDP estimates, August 2014
[6] Source: ISTAT, Employed and unemployed, June 2014
[7] Source: ISTAT , Consumer prices, July 2014
[8] Source: Raiffeisen research – Issue 6/2014
[9] Source: Raiffeisen research – Issue 6/2014

dividend reinvestment option offered to 2013 dividend recipients with subscriptions reaching 77.8% of the shares offered (on 30 May 2014).

The combination of these factors, both exogenous and endogenous to the Group, impacted the results recorded at 30 June 2014; more in detail, and as examined more closely later in this report, the Group posted a consolidated net profit of €4,454 thousand, an increase of 9.82% against 30 June 2013, including as a result of lower writedowns and negative fair value adjustments.

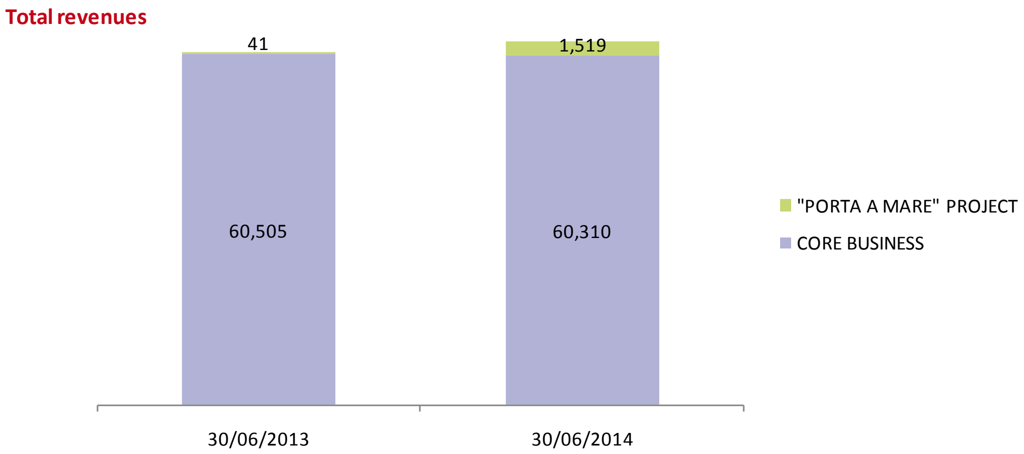
The consolidated operating income statement is shown below:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/06/2013	30/06/2014	%	30/06/2013	30/06/2014	%	30/06/2013	30/06/2014	%
Revenues from freehold real estate and rental activities	52,972	51,541	(2.70)%	52,931	51,407	(2.88)%	41	134	n.a.
Revenues from leasehold real estate and rental activities	5,060	6,193	22.40%	5,060	6,193	22.40%	0	0	n.a.
Total revenues from real estate and rental activities	**58,032**	**57,734**	**(0.51)%**	**57,991**	**57,600**	**(0.67)%**	**41**	**134**	**n.a.**
Revenues from services	2,514	2,710	7.82%	2,514	2,710	7.82%	0	0	n.a.
Revenues from trading	0	1,385	n.a.	0	0	n.a.	0	1,385	n.a.
OPERATING REVENUES	60,546	61,829	2.12%	60,505	60,310	(0.32)%	41	1,519	n.a.
INCREASES, COST OF SALES AND OTHER COSTS	0	(1,133)	n.a.	0	0	n.a.	0	(1,133)	n.a.
Rents and payable leases	(4,290)	(5,444)	26.90%	(4,290)	(5,444)	26.90%	0	0	n.a.
Personnel expenses	(1,816)	(1,875)	3.28%	(1,816)	(1,875)	3.28%	0	0	n.a.
Direct costs	(8,150)	(8,389)	2.93%	(7,942)	(8,168)	2.85%	(209)	(221)	5.80%
DIRECT COSTS	(14,257)	(15,708)	10.18%	(14,048)	(15,487)	10.25%	(209)	(221)	5.80%
GROSS MARGIN	**46,289**	**44,988**	**(2.81)%**	**46,457**	**44,823**	**(3.52)%**	**(168)**	**165**	**n.a.**
Headquarters personnel	(3,015)	(3,082)	2.20%	(2,967)	(3,029)	2.10%	(49)	(53)	8.45%
G&A expenses	(2,056)	(2,180)	6.04%	(1,848)	(1,920)	3.90%	(209)	(260)	24.45%
G&A EXPENSES	(5,072)	(5,262)	3.76%	(4,814)	(4,949)	2.81%	(257)	(313)	21.43%
EBITDA	**41,218**	**39,726**	**(3.62)%**	**41,644**	**39,874**	**(4.25)%**	**(426)**	**(148)**	**(65.38)%**
Ebitda Margin	*68.1%*	*64.3%*		*68.8%*	*66.1%*				
Other provisions	(63)	(63)	0.00%						
Impairments and fair value adjustment	(16,331)	(13,755)	(15.77)%						
Depretiation	(660)	(693)	4.99%						
DEPRETIATION AND IMPAIRMENTS	(17,053)	(14,511)	(14.91)%						
EBIT	**24,164**	**25,215**	**4.35%**						
FINANCIAL MANAGEMENT	(22,939)	(22,887)	(0.23)%						
EXTRAORDINARY MANAGEMENT	(490)	120	n.a.						
PRE-TAX INCOME	**735**	**2,448**	**n.a.**						
Taxes	3,017	1,672	(44.56)%						
NET PROFIT	**3,752**	**4,120**	**9.80%**						
* (Profit)/Losses for the period related to third parties	304	334	9.68%						
GROUP NET PROFIT	**4,056**	**4,454**	**9.82%**						

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).

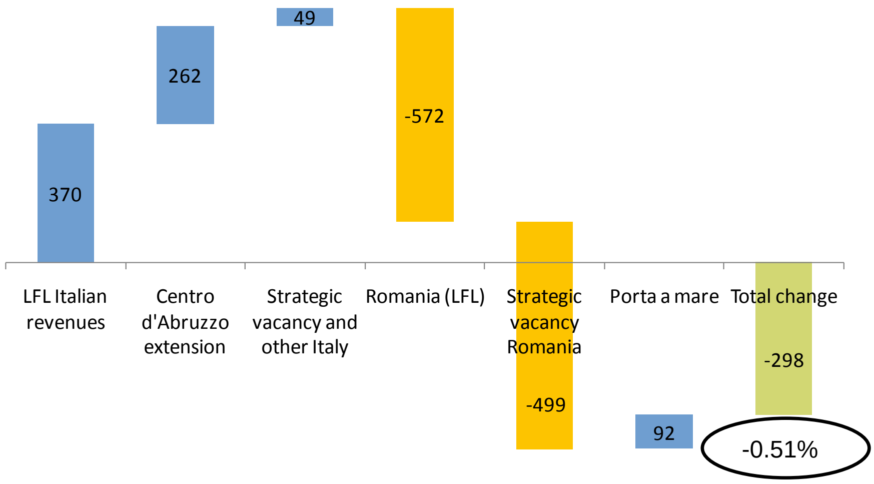
Revenue

Consolidated operating revenue amounted to €61,829 thousand, an increase of 2.12% with respect to the same period of the prior year. The core business rental income included the €134 thousand generated by the Porta a Mare Project (3 units in Palazzo Orlando were rented) and trading revenue of €1,385 thousand relative to the sale of 4 residential units, as well as 3 garages, and other less material trading revenue.



More in detail, revenue can be broken down as follows:

✓ **The revenue from the rental business** fell by 0.51% with respect to the same period in 2013.



The decline of €298 thousand is attributable to:

- for €370 thousand, like-for-like revenue in Italy which, net of planned or strategic vacancies, rose 0.7%. The positive trend for hypermarkets was confirmed (+1.7%) due to indexing and the step-ups that took full effect at the most recently opened hypermarkets; malls also posted growth (+0.1%), particularly the Tiburtino, Millennium, ESP and Le Maioliche centers. The average downside in the period reached -4.7% (on 138 contracts, renewals and turnover) due largely to the turnover of two midsize stores (net of which the downside reached -1.5%);

- for €262 thousand, revenue generated at the expanded Centro d'Abruzzo;

- for €49 thousand, other increases, primarily the increase in revenue generated at the Darsena City mall (following the acquisition of the business division and the subsequent direct management of the mall), which were higher than the decline in revenue linked to the strategic vacancies affecting the rest of the like-for-like Italian perimeter (vacant locations which have already been pre-let and where new layouts are being completed);

- for €572 thousand, a drop in like-for-like revenue in Romania, due to the residual downside of the 2013 and 1Q 2014 contracts, higher average vacancies in the period and the re-commercialization underway of the office building (the bank tenant left in 3Q 2013). The planned vacancies, needed to proceed with the investment plan, also caused a further decrease in revenue of €499 thousand;

- for €93 thousand, an increase in rental income generated by the Porta a Mare project following the rental of office units.

✓ **Revenue from services** increased with respect to first half 2013 (+7.83%). Most of this revenue comes from the facility management business (85% of the total which amounted to €2,316 thousand) which was down with respect to the prior year (-3.34%) due to the expiration of a management mandate and the decrease recorded in Romania. **Revenue from Pilotage** increased significantly (by approximately €264 thousand) explained primarily by the expansion of Centro d'Abruzzo.

✓ **Revenue from trading generated by the Porta a Mare project** amounted to €1,385 thousand and reflects the sale of 4 residential units and 3 garages for €1,278 thousand, as well as €107 thousand in other revenue.

Direct Costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €15,487 thousand, an increase of 10.25% with respect to the same period of the prior year. This change is largely due to:

✓ an increase in rents and leases payable (of €1,154 thousand or 26.90%), following the sale of the Le Fonti del Corallo mall in Livorno which is now under management based on a long-term lease agreement entered into with the buyer; at 30 June 2014 this item represented approximately 35% of total direct costs.

✓ higher condominium fees (€258 thousand) as a result of the increased vacancies in the period, as well as the vacancies linked to the refurbishing of a few properties (particularly the reduction of the surface area of the hypermarket found in the Le Porte di Napoli shopping center).

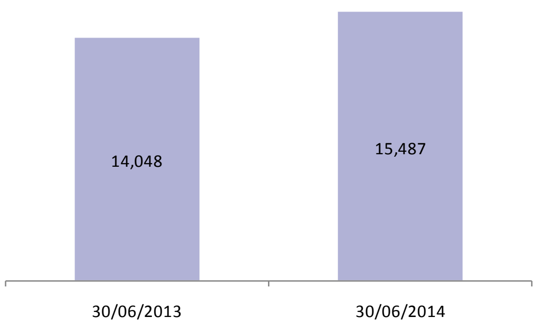
✓ an increase in property taxes (€115 thousand) attributable, in Italy, to the increased rates recorded in a few municipalities. At 30 June 2014 this item amounted to €3,906 thousand or approximately 25% of total direct costs.

✓ increased pilotage costs, linked to the increase in service revenue.

✓ a drop in provisions for doubtful accounts (€410 thousand).

The costs pertaining to the core business represent 25.7% of revenue, an increase with respect to the prior year.

Core business direct costs



The direct costs for the Porta a Mare project, which amounted to €221 thousand, consist primarily in the IMU property tax (€143 thousand) and condominium fees.

Margins

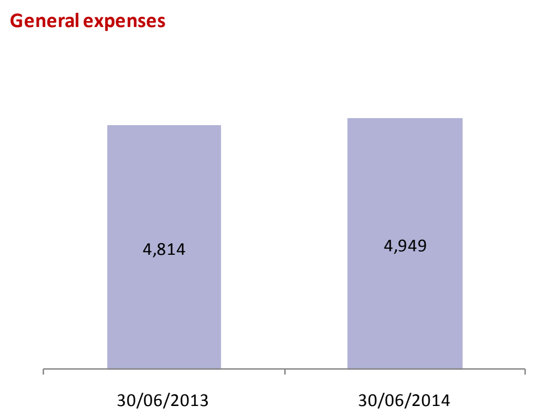
The divisional gross margin fell by 2.81%, dropping from the €46,289 thousand posted at 30 June 2013 to €44,988 thousand at 30 June 2014. The table below shows the income statement highlights and the trend in margins by business segment:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/06/2013	30/06/2014	%	30/06/2013	30/06/2014	%	30/06/2013	30/06/2014	%
Margin from freehold properties	45,785	44,334	(3.17)%	45,754	44,200	(3.40)%	31	134	n.a.
Margin from leasehold properties	380	408	7.22%	380	408	7.22%	0	0	n.a.
Margin from services	323	216	(33.18)%	323	216	(33.18)%	0	0	n.a.
Margin from trading	(199)	31	n.a.	0	0	n.a.	(199)	31	n.a.
Gross margin	**46,289**	**44,988**	**(2.81)%**	**46,457**	**44,823**	**(3.52)%**	**(168)**	**165**	**n.a.**

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €44,334 thousand versus €45,785 thousand in the same period of the prior year due to the reclassification of the Fonte del Corallo mall under leasehold properties. In percentage terms, this activity continues to feature a significant margin of 86.02%, a drop with respect to 86.43% of the prior year due primarily to a decrease in revenue (primarily in Romania and as a result of strategic vacancies) and the increase in direct costs (increase in property taxes and condominium fees).
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €408 thousand. As a percentage of revenue the margin came to 6.58% (7.51% in 2013); the slight decline is due primarily to the increase in direct costs.
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services amounted to €216 thousand and represents 7.96% of revenue. The drop in this margin with respect to 2013 (33.18%) is explained by the decrease in Facility revenue (less pre-letting activity and lack of mandate renewals) and increased direct costs
- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the "Porta a Mare" project reached €31 thousand; revenue from property sales was registered this semester, contrary to the same period of the prior year.

General expenses

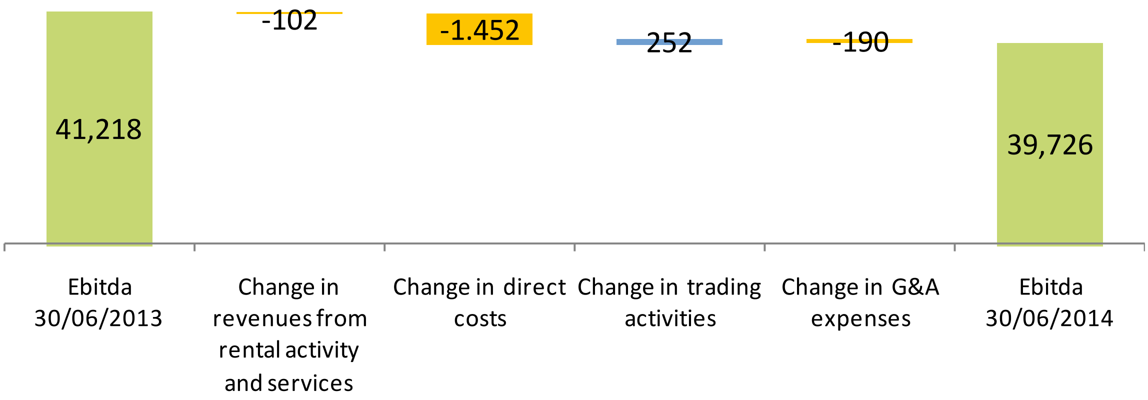
General expenses for the core business, including payroll costs at headquarters, amounted to €4,949 thousand, an increase of 2.81% with respect to the €4,814 thousand posted in first half 2013; this figure was impacted by a slight increase in payroll costs as a result of a few contractual adjustments. These costs represent 8.21% of core business revenue.



General expenses for the Porta a Mare project, amounted to €313 thousand (including payroll costs), an increase of 21.4% with respect to the same period of the prior year explained by higher advertising costs and consulting fees.

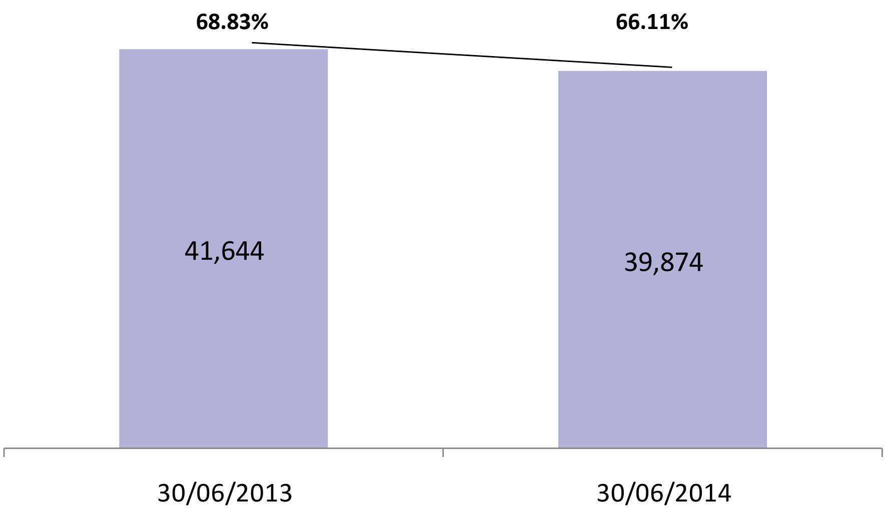
EBITDA

Core business **EBITDA** amounted to €39,874 thousand in first half 2014, a decrease of 4.25% with respect to the same period of the prior year, while total EBITDA fell by 3.62% to €39,726 thousand. The changes in the components of total EBITDA during the first six months of 2014 are shown below.



As mentioned above, the EBITDA margin was impacted noticeably by the drop in core business revenue (particularly in Romania and due to strategic vacancies) and an increase in costs (including as a result of higher rents payable relating to the mall in the Le Fonti del Corallo shopping center).
The core business **EBITDA MARGIN** came in at 66.11%, down with respect to the same period of the prior year due to the two factors described above.

Core business Ebitda and Ebitda Margin



EBIT

EBIT amounted to €25,215 thousand, an increase of 4.35% against the same period of the prior year due primarily to lower writedowns and negative fair value adjustments (-15.8%).

Net financial income (charges)

Financial charges fell €52 thousand from the €22,939 thousand posted at 30 June 2013 to €22.887 thousand at 30 June 2014.

Net of the interest capitalized (€410 thousand), financial charges increased by approximately €358 thousand due to the higher average cost of debt, which rose from the 4.13% recorded in first half 2013 to 4.31% (from 3.79% to 4.26%, respectively, net of the pro-forma charges for the convertible bond).

The main changes are attributable primarily to: *(i)* an increase in interest payable on the mortgage loans following the stipulation of new loan agreements last year with Iccrea Banca for €6 million and with BNP PARIBAS for €135 million, partially offset by a drop in interest payable on the convertible bond that expired year-end 2013; *(ii)* the increased Euribor, which rose from 0.21 (average 3m 365 Euribor in first half 2013) to 0.29 (average 3m 365 Euribor in first half 2014) while the spread applied to short term borrowing, rather, decreased; *(iii)* the recognition in the income statement, following termination of a mortgage loan facility granted by Intesa San Paolo in 2012, of the ancillary costs for the financial transaction which had not been fully amortized amounting to approximately €297 thousand; *(iv)* the charges relating to the €150 million bond loan issued on 7 May 2014 and *(v)* lower fees following the extinction of mortgage loans (Intesa San Paolo and Monte dei Paschi) and fewer drawdowns of short-term credit lines.

Net financial income/(charges)	30/06/2014	30/06/2013	*Changes*
(Financial income)	(58)	(66)	8
Financial charges	23,261	22,933	328
Exchange (gains)/losses	(25)	(17)	(8)
Capitalized interests	(410)	0	(410)
Commissions	119	89	30
Net financial income/(charges)	**22,887**	**22,939**	**(52)**

Capital gains/(losses) from disposals

A capital gain of €120 thousand, net of ancillary sales costs, was generated in first half 2014 as a result of the sale of the mall in the Fonti del Corallo shopping center in Livorno on 26 February 2014 for €47 million.

Tax

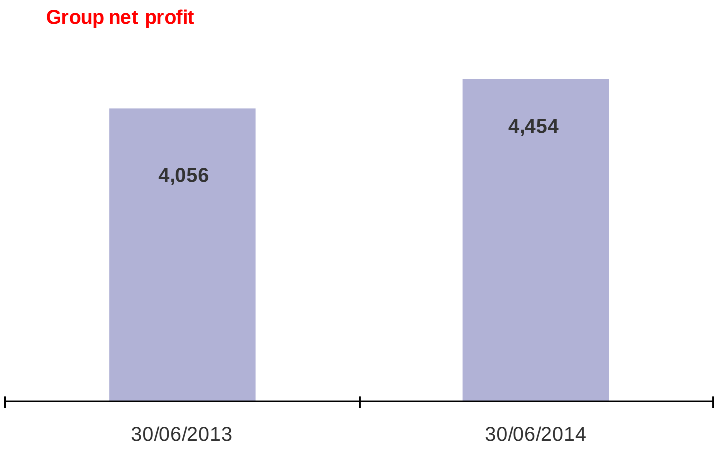
The tax burden, current and deferred, amounted to €1,672 thousand and is explained primarily by the effect of the fair value adjustments which resulted in the recognition of deferred tax assets.

The tax rate was also impacted by the property sales completed in the first quarter which were not present in the same period of the prior year.

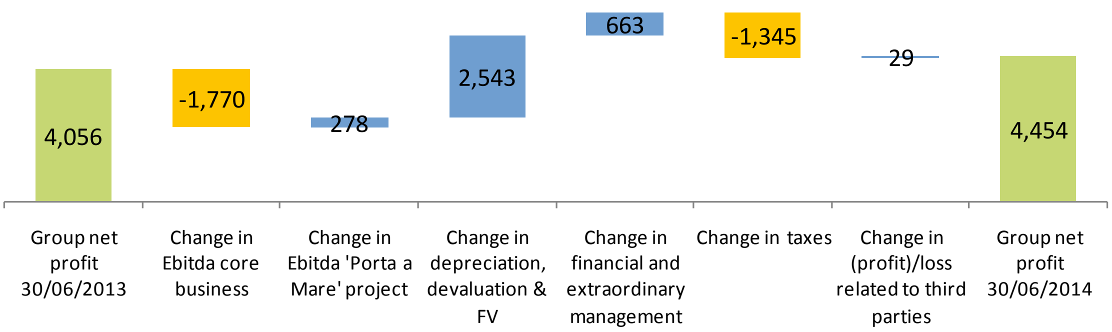
Income taxes	30/06/2014	30/06/2013	*Changes*
Current taxes	652	652	0
Deferred tax liabilities	995	(1,675)	2,670
Deferred tax assets	(3,319)	(1,997)	(1,322)
Contingent assets/liabilities	0	3	(3)
Total	**(1,672)**	**(3,017)**	**1,345**

Group net profit

As a result of the above the Group's net profit increased by 9.82% against 30 June 2013 to €4,454 thousand.

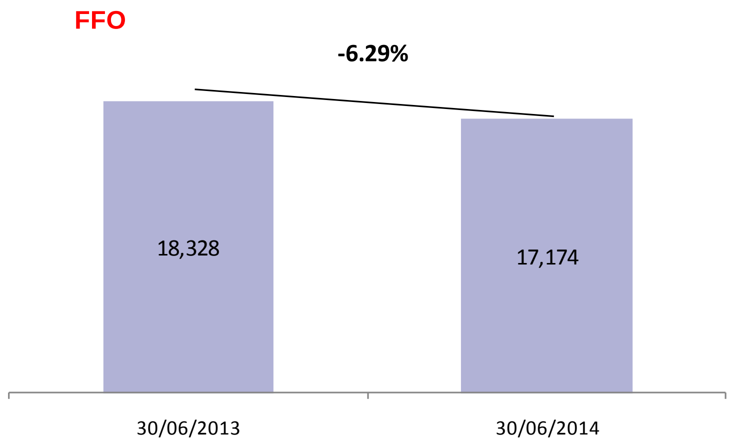


The change in net profit with respect to the same period in the prior year is shown below.



CORE BUSINESS FFO

More significant than the comparison with net profit is the trend in FFO (Funds From Operations), 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 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 and which, therefore, better represents the trend in the Group's core business. The figure posted at 30 June 2014 shows a decrease of 6.29% against 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 2014 can be summarized as follows:

SOURCES/USE OF FUNDS	30/06/2014	31/12/2013	Δ	%
Fixed assets	1,848,270	1,879,129	(30,859)	(1.64%)
NWC	61,319	71,271	(9,952)	(13.96%)
Other consolidated liabilities	(68,747)	(68,519)	(228)	0.33%
TOTAL USE OF FUNDS	**1,840,842**	**1,881,881**	**(41,039)**	**(2.18%)**
Net debt	764,808	763,692	1,116	0.15%
Net (assets) and liabilities fo	41,803	33,302	8,501	25.53%
Shareholders' equity	1,034,231	1,084,887	(50,656)	(4.67%)
TOTAL SOURCES	**1,840,842**	**1,881,881**	**(41,039)**	**(2.18%)**

The principal changes in first half 2014, compared to 31 December 2013, are summarized below:

- ✓ **Non-current assets** fell from the €1,879,129 thousand recorded at 31 December 2013 to €1,848,270 thousand at 30 June 2014; the change of -€30,859 thousand is explained by increases and decreases in:
  - ✓ **Investment property** (-€33,049 thousand). The change refers to:
    - ➢ the sale of the mall at Fonti del Corallo shopping center in Livorno to the real estate fund managed by BNP Paribas REIM Sgr, for a decrease of €46,700 thousand. Consequently, €1,300 thousand pertaining to the business division that operates the mall no longer owned was reclassified under "Goodwill" ;
    - ➢ an increase of €9,628 thousand for extraordinary maintenance work, mostly on the Mondovì, Centro d'Abruzzo, Casilino, Tiburtino, Esp and Centro Sarca shopping centers, the hypermarket at Le Porte di Napoli, and a few Romanian shopping centers, as well as the completion of the Centro d'Abruzzo mall expansion;
    - ➢ transfers from assets under construction, mostly for the opening of the newly expanded Centro d'Abruzzo mall in April 2014 (some €14,400 thousand), in addition to the completion of works at various shopping centers listed as under construction the previous year;
    - ➢ fair value adjustment at 30 June 2014, leading to writedowns in excess of revaluations, for a net amount of €12,082 thousand.
  - ✓ **Assets under construction** (-€3.801 thousand). The change is explained primarily by:

- for about €971 thousand, progress on the retail portion of the Porta a Mare project in Livorno; the fair value adjustment at 30 June reached +€2,339 thousand for Piastra Mazzini and -€190 thousand for the other areas.
- for about €5,711 thousand, progress on the urbanization infrastructure and construction relative to the future retail park in Chioggia;
- for about €195 thousand, the urbanization expenses resulting from the Zoning Agreement and ancillary charges relating to the ESP expansion project, in addition to interest capitalized of €410 thousand;
- for about €1,230 thousand, work on improvements at the Afragola and Lugo shopping centers and the continued remodeling at the Palermo shopping center;
- for about €508 thousand, the restyling of the interior of the Centro Sarca mall (lot 2);
- for about €1,313 thousand, unfinished extraordinary maintenance at a few Romanian shopping centers.

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 about €16 thousand to adjust their carrying amounts to the lower of cost and appraised fair value.

The decrease is explained primarily by:

- for about €3,315 thousand, the completion of work on the basement level (lot 1) of the Centro Sarca shopping center and at a few Romanian shopping centers, as well as the completion of the Centro d'Abruzzo expansion and the subsequent reclassification under property, plant and equipment.

✓ **Deferred tax assets** (+€5,546 thousand). The change is due primarily to:

- the recognition of deferred taxes on mortgage hedging instruments (IRS);
- the recognition of deferred tax assets on the writedown of Porta a Mare inventory;
- the recognition of deferred tax assets on the fair value adjustment of investment property.

✓ **Miscellaneous receivables and other non-current assets** (-€951 thousand). The change is due primarily to the decrease of the beneficial interest on the mall at the Città delle Stelle shopping center recognized in the income statement.

✓ **Net working capital** (-€9,952 thousand). The change is due primarily to:

- for -€4,421 thousand, the inventories for construction in progress and down payments. The change is attributable to the progress made on the Piazza Mazzini area in Livorno and the elimination of inventory as a result of the sale of residential units finalized in the first quarter and the writedown of the non-retail section to reflect the lower appraised fair value;
- for +€1,632 thousand, the increase in third party and related party trade receivables, net of the provisions for doubtful accounts increased to reflect recovery estimates on problem credits;
- for -€5,019 thousand, the net increase in third party and related party trade payables pertaining primarily to the work and construction done in the half;
- for -€2,364 thousand, the increase in tax liabilities due primarily to the recognition of the withholding on the dividends paid by the Parent Company in July;
- for -€518 thousand, other current liabilities which increased due primarily to the receipt of security deposits relative to the opening of the expanded Abruzzo shopping center in April 2014.

- **Other non-current liabilities.** (-€228 thousand). The change is explained primarily by:
  - for -€306 thousand, provisions for future charges relating largely to variable compensation;

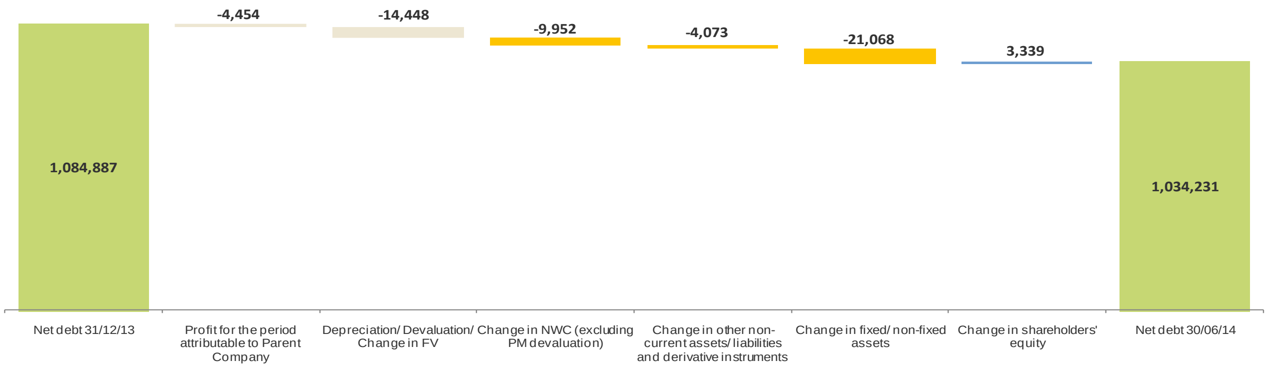
- for +€807 thousand, the change in deferred tax liabilities linked primarily to the fair value adjustments of investment property and the effect of the adjustments made to the financial statements of subsidiaries in order to comply with ias/ifrs standards;
- for -€107 thousand, the increase in the employee severance reserve (TFR).

✓ **Net equity:** at 30 June 2014 amounted to €764,808 thousand. The change of +€1,116 is explained primarily by:

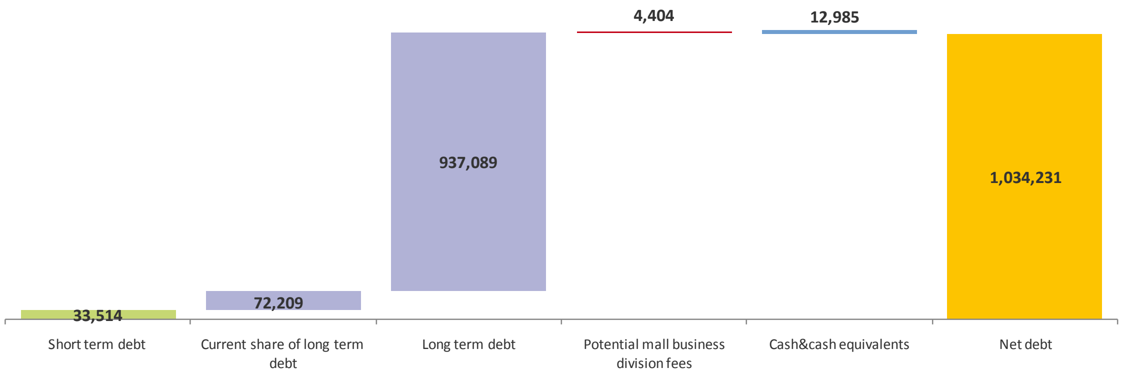
- for €14,054 thousand, the capital increase;
- a decrease for transaction costs relating to the capital increase, net of tax effects, and the sale of treasury sales in the amount of €385 thousand;
- for +€12,074 thousand, the sale of treasury shares;
- for €22,620 thousand, the distribution of the 2013 profit;
- a decrease for derivatives accounted for using the cash flow hedge method, -€6,227 thousand for the parent company and -€45 thousand for subsidiaries;
- movements in the translation reserve for the translation of foreign currency financial statements in the amount of approximately +€145 thousand;
- the profit for the period allocable to the Parent Company (€4,455 thousand) and the profit allocable to non-controlling interests (€334 thousand).

✓ **Net assets/(liabilities) for derivatives:** the fair value measurement of hedging instruments at 30 June 2014 dropped by €8,501 thousand with respect to the prior year.

✓ **Net financial position** at 30 June 2014 improved noticeably with respect to the prior year by +€50,656 thousand. The changes are shown below:

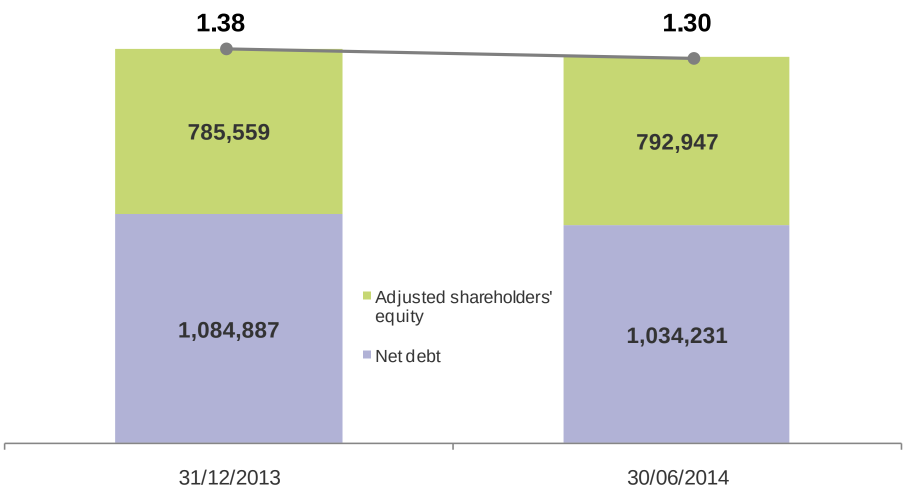


The item “Short term portions of long term debt” shown in the net financial position includes the short term portion of mortgages, leasing company loans and bond debt.



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The ratio came to 1.30 at 30 June 2014, down with respect to the figure posted at 31 December 2013.

Gearing ratio



NNAV

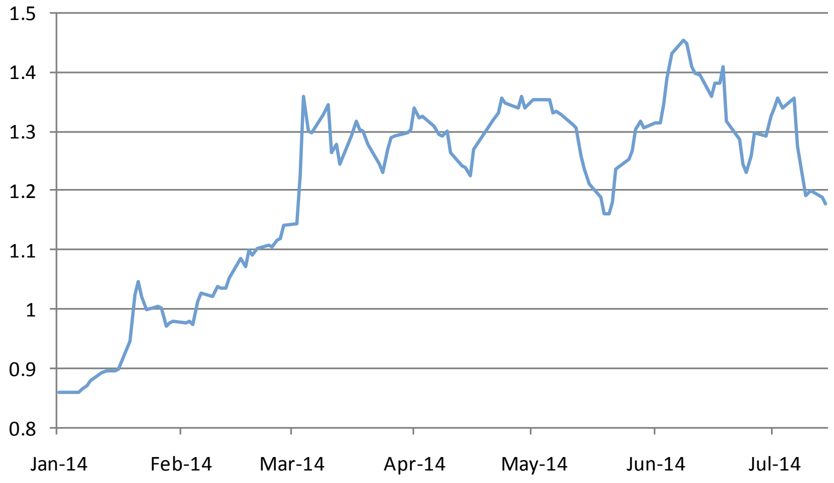
		30/06/2014	31/12/2013
Market value owned properties, lands and direct development initiatives and assets held for trading	a	1,849.53	1,891.28
Investment properties, lands and development initiatives, assets held for trading	b	1,848.51	1,890.86
Potential capital gain	**c=a-b**	**1.02**	**0.42**
Shareholders' equity (incl. Third parties)		764.81	763.69
Treasury shares value (incl. Commissions)		0.00	22.25
Adjusted shareholders' equity	**h**	**764.81**	**785.94**
Present IGD stock price		**0.00**	**0.87**
Potential gain/(loss) on treasury shares	**d**	**0.00**	**(12.59)**
Total capital gain/(loss)	**e=c+d**	**1.02**	**(12.17)**
NAV	**f=e+h**	**765.83**	**773.78**
Number of shares	g	360.17	348.00
NAV per share	**f/g**	**2.13**	**2.22**
Tax rate on asset gain/(loss)		27.6%	27.6%
Total net capital gain/(loss)	**i**	**0.74**	**(12.29)**
NNAV	**l=h+i**	**765.55**	**773.66**
NNAV per share	**m=l/g**	**2.13**	**2.22**

The decrease in the NNAV is primarily attributable to the capital increase servicing the 2014 Dividend Reinvestment Option as a result of which the number of shares outstanding increased by 12,167,948 rising from 348,001,715 to 360,169,663. This effect was partially offset by the increase in the potential gain on the ESP expansion project and the lower capital loss (€10.178 million) on the sale of treasury shares with respect to the loss assumed at 31 December 2013 based on a share price of €0.87 (€12.59 million).

The Stock

IGD's shares are traded on the *Mercato Telematico Azionario* (MTA - screen-based stock market) managed by Borsa Italiana as part of the Super Sector Beni Immobili; IGD is also part of the STAR segment.
The minimum lot is €1.00 and its specialist is Intermonte.
IGD SIIQ SpA 's share capital subscribed and paid-in at 30 June 2014 amounted to €350,082,219.02, comprised of 360,169,663 shares without a stated par value.

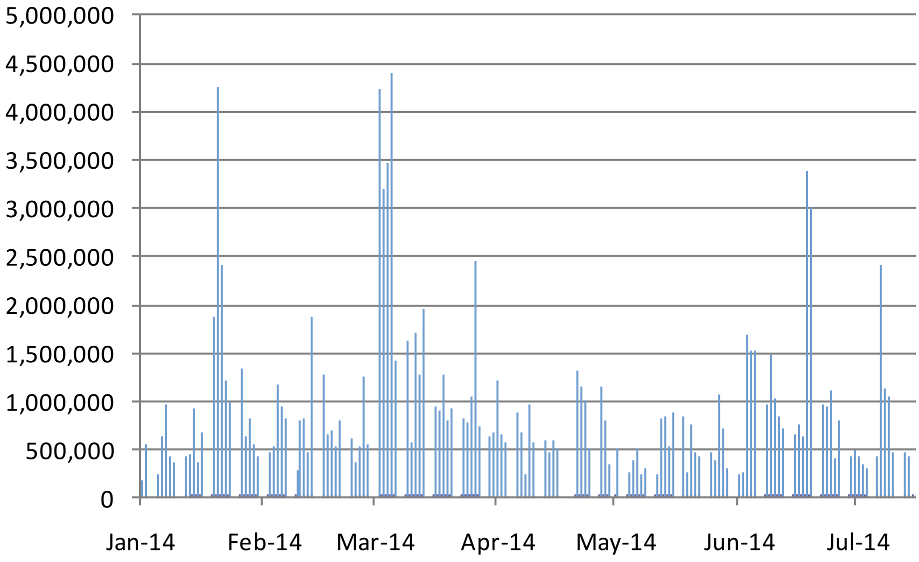
IGD' stock price from 2 January 2014 through 15 July 2014



Source: Italian Stock Exchange data compiled by IGD

In 2014 IGD's stock posted a brilliant performance: with respect to the €0.86 recorded at 2 January, the price rose by 50.12% and 36.7% at 30 June and 15 July, respectively.
The stock price posted gains from the beginning of the year through 11 March when it hit a period high of €1.35; it then traded in a range between this high and a low of €1.24. Subsequently, after the stock went ex-div on 19 May and the dividend of €0.065 was paid, it re-engaged an upward movement which led to the level of €1.19 to reach the high for the year of €1.55 (intraday) on 9 June 2014. Recently the price has returned to pre-dividend levels.

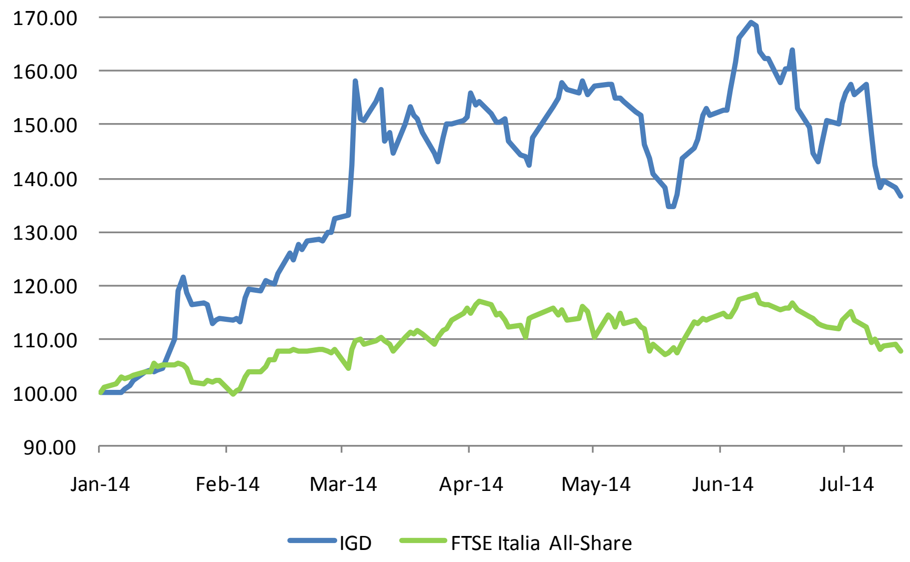
Volumes of IGD shares traded between 2 January 2014 and 15 July 2014



Source:Investis data compiled by IGD

The liquidity of IGD's shares improved markedly in 2014. In the first six months of 2014 an average of approximately 967,000 IGD shares were traded each day, significantly higher than both the average of 266,000 shares traded in first half 2013 and the average of 325,000 shares traded in FY 2013.

IGD's stock vs. the Italian stock market index (FTSE Italia All-Share) since 2 January 2014



Source: Italian Stock Exchange data compiled by IGD

In the first part of 2014, IGD's stock consistently outperformed the Italian stock market index by, on certain occasions (the high reached on 11 March and 9 June), almost 50%.

In 2014 international investors continued to seek out interesting returns. The low returns on core Euro zone securities resulted in strong inflows of capital into peripheral markets, including Italy.

The stock market, in particular, benefited from improved valuations. Target prices were raised as a result of the significantly lower discount rates with respect to year-end 2013.

The ECB's accommodative monetary policy, confirmed on more than one occasion in 2014, fueled the conviction that interest rates will continue to be low.

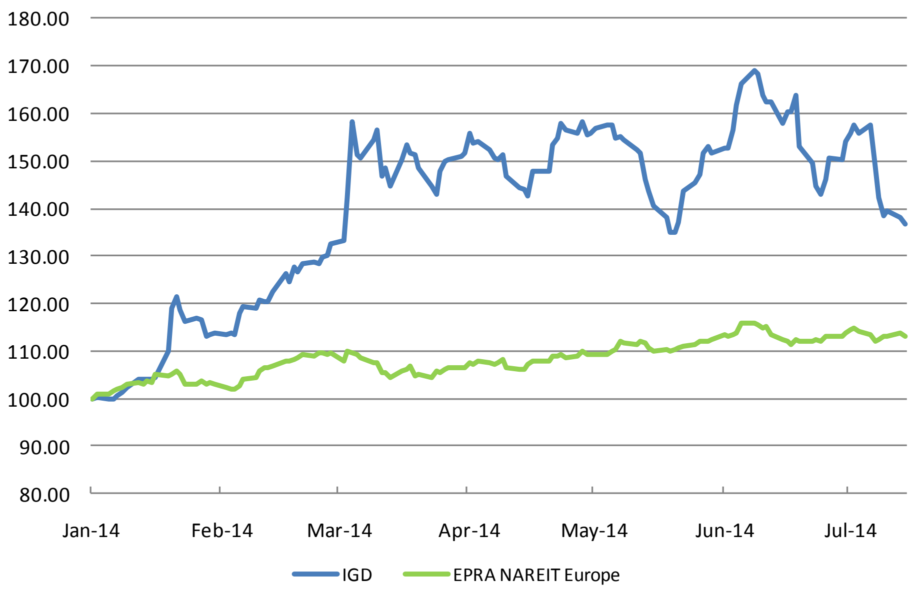
The consistent rise of IGD's stock in the first two and a half months of 2014 should be read in light of the above. The performance of the Company's shares was also supported by the understanding of the 2014-2016 Business Plan that gradually increased following the presentation on 19 December 2013, the positive results for FY 2013 published on 27 February 2014, as well as the arrival of a new shareholder, the fund Quantum Strategic Partners Ltd., with an interest equal to 5% of IGD's capital.

More recently, the stock market, which has continued to be sustained by the expansive monetary policy of the ECB, has exhibited a certain amount of volatility linked to the crisis in the Ukraine and the unstable situation in the Middle East, as well as the news published daily about the recovery of the real economy which continues to appear very weak.

With regard specifically to IGD, more recently the stock price has reflected the success of the capital increase linked to the Dividend Reinvestment Option which was completed on 30 May with subscriptions reaching 77.8% for total proceeds of €14.05 million.

The announcement on 8 July 2014 of the acquisition of a strategic property portfolio and a capital increase of €200 million coincided with a correction of the Italian stock market. From that date through 15 July 2014 the target price of the analysts covering IGD's stock has not changed significantly, falling from €1.32 to €1.30.

IGD's stock price vs. the European real estate sector index (base 2.1.2014 = 100)



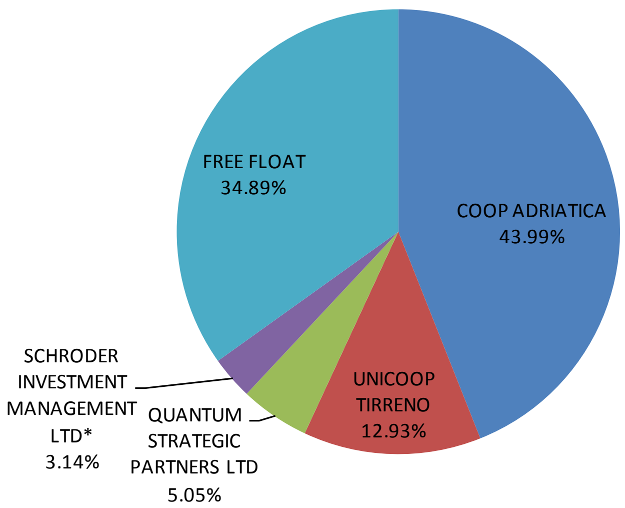
Source: EPRA data compiled by IGD

Thanks to the factors described above, in the first part of 2014 IGD's stock also significantly outperformed the European sector index, EPRA NAREIT Europe. When IGD's stock reached its high for the period, on 9 June, the outperformance with respect to the reference European index exceeded 50%.

In the first part of 2014 the European real estate sector performed well, thanks specifically to the gains posted by equities in Continental Europe, fueled by the persistently low interest rates.

In the first week of July several sector equities began to trade at the highest multiples recorded since 2008, reaching a premium to NAV of around 20%. This is testimony to investors' continuous preference for the real estate sector with respect to more cyclical sectors in an environment in which clear signs of an economic recovery have yet to materialize: in addition to benefiting from low interest rates, real estate stocks offer interesting dividend payouts with prospects for value creation as a result of M&A transactions.

Main shareholders



Source: IGD SIIQ SPA's shareholder register and Consob filings.
** Monitored directly by IGD – updated through 23 June 2014*

Investor Relations

In 2014 IGD continued to work on financial communication in order to foster open and transparent communication with analysts and investors.
At 30 June 2014 IGD's stock was covered by an independent research firm and 6 brokers, three domestic and three international.
In 2014 IGD organized three conference call presentations:

- 27 February, to discuss the FY 2013 results;
- 8 May, to discuss the results for first quarter 2014;
- 8 July, to discuss the acquisition of a strategic property portfolio and the launch of a €200 million capital increase.

Thanks to the collaboration of four different brokers, roadshows were organized in six financial centers: Paris, Brussels, Amsterdam, London, Milan and New York. On 25 March 2014 the Company also participated in the STAR Conference organized by Borsa Italiana in Milan.

Significant events

Corporate events

On 27 February 2014 the Board of Directors approved the draft separate and consolidated financial statements for FY 2013 and resolved to submit a proposed dividend of €0.065 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 2013 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 recipients of the 2013 dividend the possibility to reinvest in IGD and IGD to recapitalize itself.
Lastly, IGD's Board of Directors also approved the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, as well as the Board of Director's Compensation Report.

On 10 April 2014, the Board of Directors approved the issue of unsecured senior bonds amounting to €150,000,000. The bonds were issued with a nominal value of €100,000 in multiples of €1,000 for up to a maximum of €199,000, and mature January 2019, with a fixed coupon of 3.875% per annum payable in arrears on 7 January of each year. The bonds were placed exclusively with qualified investors in Italy and abroad with the exception of those jurisdictions in which the offer or sale of the securities would be prohibited by law. The issue and settlement of the bonds took place on 7 May 2014. The bonds are listed and traded on the Irish Stock Exchange.

During the Annual General Meeting held on 15 April 2014, IGD's shareholders approved the FY 2013 financial statements, as presented during the Board of Directors' meeting held on 27 February 2014, and resolved to pay a dividend equal to € 0.065 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.
The 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 2013 dividend recipients. Shareholders who exercise the option may reinvest up to 80% of the gross dividend received for 2013.

The Dividend Reinvestment Option calls for:

- an increase in the share capital of up to a maximum of 80% of the dividends paid and, therefore, equal to €18,096,089.60, through the issue of ordinary shares without any stated nominal value with dividend rights;
- the capital increase may be subscribed exclusively by 2013 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 Board of Directors' meeting adjusted by (i) subtracting the amount of the 2013 cash dividend and (ii) applying a discount of a maximum of 10% and will not, at any rate, be less than €0.69 (the average of the stock's official closing price recorded in the six month period prior to 27 February 2014 adjusted by subtracting the 2013 dividend payment and applying a discount of 15%).

The Company launched the capital increase, upon approval by the relative authorities, when the 2013 dividend was paid.

The transaction was completed successfully with 12,167,948 shares or 77.798% of the offering subscribed for a total of €14,053,979.94.

Investments, commercial agreements and financing

During the first half the IGD Group continued with development of new properties, expansion and restyling of existing shopping centers, including the following:

Centro d'Abruzzo (expansion, fit outs and extraordinary maintenance)

Work on the expansion of the mall was completed, along with fit outs and extraordinary maintenance amounting to €5,476 thousand.

The expansion of the shopping center, inaugurated on 10 April, involved the construction of 19 stores with a GLA of approximately 3,300 m^2.

Fit outs and improvements

In first half 2014 work continued on revising the layouts of the La Torre (Palermo) shopping center, a part of which is still underway, with the investment reaching approximately €250 thousand. Approximately €716 thousand was spent to complete the downsizing of the hypermarket in the "Le Porte di Napoli" shopping center, while restructuring of the mall began which called for an investment of approximately €538 thousand. Further work was also done on the improvements at the Lugo center for an investment amounting to about €442 thousand.

The fit out work done in the shopping centers, by grouping and revamping existing points of sale, involved significant renovation (inside the stores) and work on systems (new systems + changes to existing systems).

Centro Sarca (Restyling)

The first part of the restyling, begun in 2013, of the underground parking and stairs leading to the shopping center was completed with the total investment reaching approximately €1.8 million, €469 thousand of which incurred in the first half. Approximately €508 thousand was also spent on the restyling of the mall interior. Work on the mall is expected to be completed in first half 2015.

Piastra Mazzini

In January 2014 IGD purchased the retail and services complex, and relative appurtenances, of the Mazzini area from Porta Medicea for a total of €26.5 million, in addition to the transfer tax and ancillary charges, for which down payments amounting to €19.5 million at 31 December 2013 had already been made.
Work continued on the retail portion of the Mazzini area and is close to completion.

Porta a Mare Project

Work continued in first half 2014 on the **Mazzini area** (residential) with the investment reaching approximately €521 thousand, as well as on the foundation of the underground parking lot in the **Officine area** for an investment of some €710 thousand. The pre-letting of the residential units continued. 4 units were sold, as well as three garages, in the period.
In February 2014 the magazine “Retail&Food” awarded the Porta a Mare Project the first prize, “Prima Pietra”, as the best project in the special category “Innovation Indicators”, dedicated to the retail real estate projects in Italy that stand out for commercial, architectural, urban and social innovation.

Porto Grande (expansion)

The building permits were obtained for the midsize stores that will increase the size of the Porto Grande center, in the province of Ascoli Piceno. The planning phase was also completed. The total GLA will be increased from 23,387 to 28,387 m^2 and will comprise 2 midsize external stores of approximately 5,000 m^2, as well as green zones of 1,700 m^2 and a new parking area of approximately 10,531 m^2.
The beginning of the work was postponed until second half 2014 and should be completed by second half 2015.

Chioggia retail park

The retail park in Chioggia will include an Ipercoop, 7 midsize stores and 8 points of sale, 2 of which will be used for restaurant services. There will be 1,465 parking places.
Contractors for the construction of the buildings were found last year and work continued in the half for an investment of €5,711 thousand. The retail park is expected to open in first half 2015.

ESP Expansion

In June the Zoning Agreement was signed relative to the expansion of the mall in the ESP shopping center in Ravenna, in preparation for the future issuance of the commercial licenses and building permits.
Urbanization expenses of approximately €133 thousand had been paid at the date on which the agreement was signed.

Romania

In first half 2014 extraordinary maintenance which included refurbishment of a façade in Piatra Neamt, in addition to revamping of layouts and fit outs in order to accommodate new tenants (H&M in Galati and in Ramnicu Valcea; Flanco electronics in Cluj; Carrefour in Ramnicu Valcea), amounted to approximately €3.9 million. Some of the work has yet to be completed

The investments made in first half 2014 are shown below:

	2014 Euro/mn
REAL ESTATE INVESTMENTS	9.63
ASSETS UNDER CONSTRUCTION	11.12
OTHER FIXED ASSETS	0.63
TOTAL INVESTMENTS IN FIXED ASSETS	21.38
Work in progress inventory Porta a Mare project	0.52
TOTAL INVESTMENTS	21.90

Disposals

On 26 February 2014, pursuant to the preliminary agreement signed on 14 February 2014, the sale of a mall in the Fonti del Corallo Shopping Center in Livorno to a private real estate fund managed by BNP Paribas REIM Sgr was finalized. Consideration for the sale of the property which covers approximately 7,300 m^2 amounted to €47 million. Post-closing, IGD will continue to own the business division that manages the mall along with the relationships with tenants and will lease the property based on a long term lease. This agreement will make it possible for IGD to keep the network of the shopping centers managed unchanged. Fonti del Corallo in Livorno is of primary importance to this network as it is located in a region of particular interest to the Company's business and also includes a freehold Ipercoop with a sales area of approximately 8,500 m^2.

Loans

On 29 January 2014 an amendment to the agreement for the loan granted by BNP Paribas's Italian branch was executed. As a result of the amendment the floating rate was converted to fixed rate which was set at 5.162% with the conversion taking effect on 31 January 2014. The Company was notified that this loan has been assigned without recourse to Reni SPV s.r.l.

At the same time the "early termination" clause found in the agreement for the Interest Rate Swap stipulated in December 2013 was exercised.

With a view, once again to optimizing the financial structure, on 24 March 2014 Immobiliare Grande Distribuzione SIIQ S.p.A extinguished the mortgage loan taken out in 2012 with Intesa San Paolo.

On 28 March 2014 the loan granted by Cassa di Risparmio di Bologna for the purchase of Centro Commerciale "Tiburtino" (Guidonia) was extended even further, through 27 March 2024, at the 3M Euribor plus a spread of 3.60%.

On the same date an amendment to the agreement for the mortgage loan granted by Cassa di Risparmio del Veneto (falling due 1 May 2014) was signed, which extended the expiration to 1 November 2024 at the 6M Euribor plus a spread of 3.60%.

On 7 May the above mentioned private placement was completed for a total of €150,000,000.

On 15 May 2014 IGD and Beni Stabili S.p.A. SIIQ, extinguished the mortgage loan taken out jointly with MPS.

Sale of treasury shares

On 5 March 2014 IGD finalized the sale of all its treasury shares (10,976,592, approximately 3.154% of the share capital) to the investment fund Quantum Strategic Partners Ltd., managed by Soros Fund Management LLC, for €12.07 million. On the same date Unicoop Tirreno sold 6,423,494 IGD shares, 1.846% of the share capital, to the same buyer. As a result of these transactions Quantum Strategic Partners Ltd. now owns 17,400,086 IGD shares, 5% of the share capital, and is the Company's third largest shareholder.

The Real Estate Portfolio

The Italian real estate market

The interest of foreign investors in the Italian real estate market was confirmed in first half 2014, even though the signs of economic recovery in the country are failing to gain much momentum and the offer of valid properties remains scarce.

The stock and pipeline

The shopping centers Nave De Vero (Venice) with a GLA of approximately 38,800 m^2 owned by Corio and Shopping Brugnato (La Spezia) with a GLA of approximately 22,500 m^2 were completed in first half 2014

The most important retail projects in Italy completed in the first half 2014 or currently under construction include:

Center	Status	Gla m^2	Completion date
Nave De Vero (VE)	**Completed**	**38,800**	**2Q2014**
Shopping Brugnato (SP)	**Completed**	**22,500**	**2Q2014**
CC Maximo RM	**Under construction**	**60,625**	**4Q2014**
CC Cascina Merlata	**Under construction**	**65,000**	**1Q2016**
CC Arese (MI)	**Under construction**	**88,000**	**2Q2015**

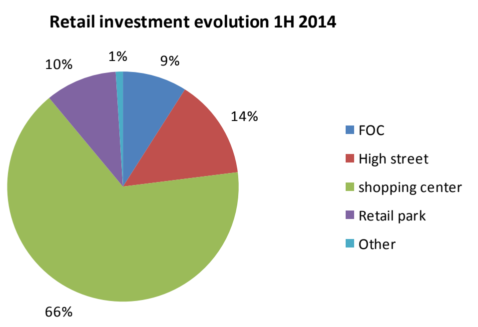
At the end of first half 2014 the stock of retail shopping centers in Italy covering more than 10,000 m^2 GLA reached 14.4 million m^2 GLA, equal to a density of 241 m^2/1,000 inhabitants.

Over the next three years 630,000 m^2 of new space is expected to be constructed, circa 80% of which will be dedicated to shopping centers.

Refurbishment and expansion of existing shopping centers continues. The most significant undertaking, at the moment, is the expansion of Oriocenter .

Investments

Investors continued to prefer the retail sector in first half 2014 which represented 60% of the total amount invested in Italy.



The main transactions recorded in the period include the acquisition by a consortium, led by Carrefour, of a pan-European portfolio of shopping malls (7 of which in Italy) from Klepierre, Blackstone's purchase of two shopping centers and a factory outlet from the funds Degi Global Business and Degi International, and the acquisition of the Fiumara shopping center in Genova by Allianz and Ing insurance.

Retailers and yields

The interest of retailers in prime and good secondary locations in Italy remains high as demonstrated by Gallerie Lafayette's agreement to begin operations in Italy following the development made in the country by the investor Westfield.

In light of this renewed interest, yields fell by approximately 25 bps in the half to 6.75% for prime centers and to 8.25% for good secondary.

These figures were confirmed in current negotiations. The pipeline of potential transactions that could close by year-end is estimated to be worth around €1.2-1.3 billion.

ROMANIA

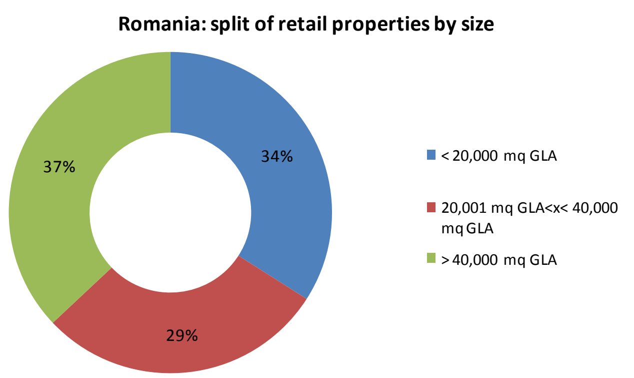
No new shopping centers were opened in Romania in first half 2014.

The retail stock was unchanged with respect to year-end 2013 at a GLA of around 2.8 million m^2. In second half 2014 Vulcan Value Centre (Bucharest) and Targu Jui Shopping City are expected to be opened

57% of the stock is comprised of shopping centers, 42% of retail parks and 1 % of outlets.

50% of the stock is concentrated in Romania's five most important cities, including Bucharest, while the remaining 50% is spread throughout the country.

Romania: split of retail properties by size



The pipeline under construction for the period 2014-2016 amounts to a GLA of approximately 350,000 m^2. The main projects are concentrated in Bucharest (ParkLake, Mega Mall, Ghencea shopping Center), in Timisoara (Timisoara Shopping City) and Brasov (Coresi Shopping City).

Upon completion of these projects, forecast for mid-2016, the stock of retail GLA will reach 3.15 million m^2 with the average density for retail formats coming to 158m^2/1,000 inhabitants.

In first half 2014 prime rents for shopping centers increased reaching €60/m^2/month, while prime yields were unchanged at 8.25%.

The Romanian retail market also witnessed the first restyling initiatives focused on market repositioning (Iris Titan of Bucharest) and plans for significant refurbishments were also announced (Plaza Romania and Bucaresti Mall).

FREEHOLD ASSETS

At 30 June 2014 the IGD SIIQ SPA Group's real estate portfolio continued to comprise primarily commercial (retail) properties and assets under construction which are part of real estate development initiatives.

Beginning this half, the Group's Italian real estate portfolio was appraised by CBRE and REAG Advisory, in addition to the independent expert Cushman & Wakefield. The Italian real estate portfolio was broken down into additional asset classes in order to include a third independent expert and also rotated between the two other experts.

In addition to the Italian real estate portfolio, the IGD SIIQ SPA Group has a portfolio of properties located in Romania comprised primarily of commercial retail assets. Beginning this half the Romanian portfolio was appraised by the independent experts CBRE and Reag Advisory.

The main changes that took place in first half 2014 included:

- in February, the sale of the mall in the Le Fonti del Corallo shopping center for €47 million;
- in April, the opening of the expanded Centro d'Abruzzo mall and the recognition of the "Abruzzo expansion" as one of the mall's assets;
- in May, the completion of the pre-letting of the pedestrian bridge connecting the two Winmarkt shopping centers, Gran Center and Omnia, in Ploiesti;
- in June, the downsizing of the hypermarket found in the "Le Porte di Napoli" shopping center and the expansion of the mall.

Subsequent to the above changes, the market value of the IGD SIIQ SPA Group's real estate portfolio at 30 June 2014 came to €1,849,532,437 and included the following asset classes:

- "Hyper and super", 19 properties with a total GLA of about 223,000 m^2, found in 8 regions in Italy;
- "Malls and retail parks", 18 properties with a total GLA of about 274,000 m^2, found in 10 regions in Italy. In first quarter 2014 the mall in the Le Fonti del Corallo shopping center in Livorno with a GLA of about 7,000 m^2 was sold and is no longer part of this asset class;
- "City center", commercial properties located along the main shopping streets of urban centers.

At 30 June 2014 this asset class comprised a real estate complex located in downtown Bologna with a GLA of about 2,350 m^2;

- "Other", seven properties pertaining to freehold shopping centers or office units with a total GLA of 3,150 m^2;
- Porta a Mare Project, a multipurpose real estate complex under construction covering an area of approximately 62,500 m^2 located near Livorno's waterfront. In first half 2014 the retail portion of the Mazzini area (GLA 7,500 m^2) was reclassified under the asset class "Development projects and plots of land";
- "Development projects 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 of approximately 49,400 m^2. In first half 2014 the perimeter of this asset class changed following the completion of the expansion of the Abruzzo center (about 3,300 m^2 GLA) which was reclassified under "Malls and retail parks" and the inclusion of the asset Piastra Commerciale Mazzini, which is no longer considered part of the Porta a Mare Project as it is close to completion and will be generating income beginning early July 2014;
- "Winmarkt" a portfolio of 14 properties used primarily for retail purposes, and an office building, found throughout Romania with a total GLA of approximately 87,000 m^2. Following completion, in second quarter 2014, of the pre-letting of the tunnel/bridge connecting Grand Center and Omnia in Ploiesti, the two centers are now grouped together in a single shopping center with a GLA of 16,700 m^2. None of the properties that are part of this asset class are found in the capital, Bucharest.

The breakdown by percentage of FV at 30 June 2014 of the appraisals done by CBRE, REAG and Cushman & Wakefield of the IGD SIIQ SPA Group's portfolio is shown below:

IGD SIIQ Group's portfolio	
CBRE	43%
REAG Advisory	39%
Cushman & Wakefield	18%
Total	100%

Fees at 30 June 2014		€/000
CBRE Valuation SPA	Fees for appraisals	44.5
	Other compensation	
	Total compensation	**44.5**
REAG Advisory Group Spa	Fees for appraisals	72.25
	Other compensation	47.40
	Total compensation	**119.65**
Cushman&Wakefield	Fees for appraisals	52.1
	Other compensation	
	Total compensation	**52.1**

ANALYSIS OF THE FREEHOLD ASSETS

GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

The IGD SIIQ SPA Group's real estate portfolio at 30 June 2014 is smaller by around 7,300 m^2 GLA due to the disposal of the Fonti del Corallo shopping mall.

The asset classes comprising IGD's real estate portfolio underwent the following changes:

- the asset class "Development projects and plots of land" increased by approximately 7,500 m^2 GLA as a result of the reclassification of retail property that was part of the Porta a Mare Project;

- the asset class "Development projects and plots of land" decreased by approximately 3,300 m^2 GLA as a result of the recognition of the Abruzzo expansion as a Centro d'Abruzzo mall asset and, therefore, classified under "Malls and Retail Parks";

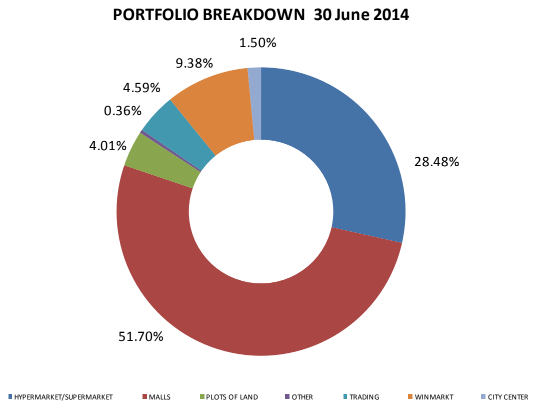
- the asset class "Malls and Retail Parks" increased by approximately 6,000 m^2 following expansion of the Le Porte di Napoli mall as a result of the downsizing of the Le Porte di Napoli hypermarket which is part of the asset class "Hypermarkets and Supermarkets";

- Grand Center and Omnia in Ploiesti were grouped together in a single shopping center following completion of the work on the structures connecting the two centers.

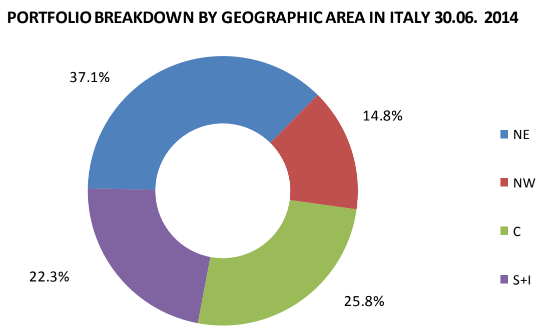
IGD's properties in **Italy** total 50 (including the 50% of the "Darsena" Shopping Center) and can be broken down by asset class as follows:

- 18 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 fair value of the IGD SIIQ Group's real estate portfolio can be broken down as follows:



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

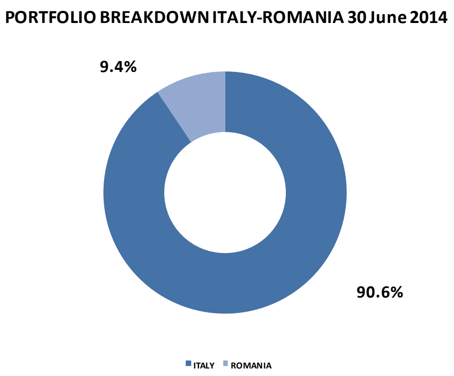
Abruzzo: 1 mall, 1 hyper,

Campania: 1 mall, 1 hyper

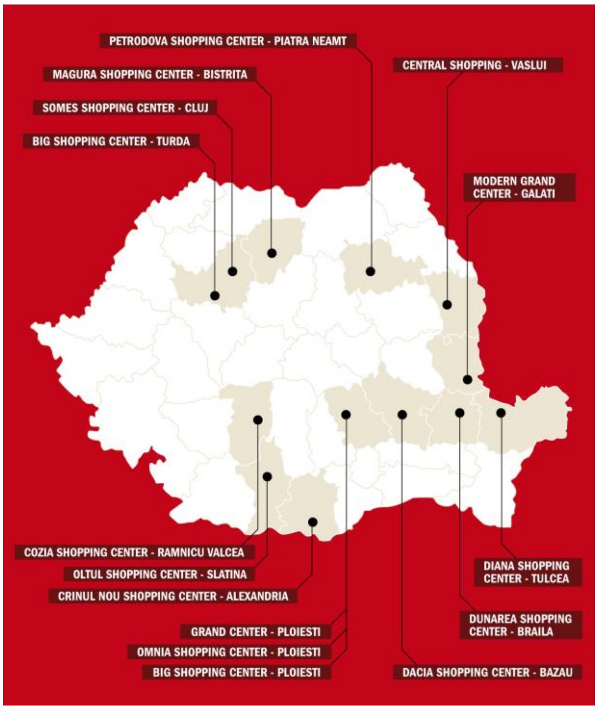
Lazio: 2 malls; 2 hyper

Tuscany: 1 hyper, 1 asset held for trading, 1 plot of land

Sicily: 2 malls, 2 hyper,



IGD's real estate assets in **Romania** total 15, broken down as follows:



- 14 shopping centers
- 1 office building

ITALY

ANALYSIS BY ASSET CLASS

HYPERMARKETS AND SUPERMARKETS

IGD's freehold hypermarkets and supermarkets are leased on a long-term basis to Coop Adriatic Scarl and Unicoop Tirreno Scarl 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 2014 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Hyper/Super	30/06/2014
CBRE	36%
REAG Advisory	39%
Cushman & Wakefield	25%
Total	100%

The DCF method was used by all the appraisers for this asset class.

In CBRE's and C&W's DCF model a standard duration of 10 years was used for all the assets; Reag used a duration of between 17 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 2014 reached €526,721,095, a decrease of 3.25% with respect to 31 December 2013 explained entirely by the reduced GLA of the hypermarket found in the Le Porte di Napoli shopping center. Net of this item, in fact, there was an increase in the FV at 30 June 2014 of +€3.1 million (+0.6%) against the prior half.

Looking at the indicators net of the Porte di Napoli hypermarket it emerges that, despite the increase in FV, the average gross initial yield was largely unchanged with respect to the prior half (-0.01%) at 6.62% due to the step-ups still in effect relative to the hypermarkets at Coné in Conegliano and La Torre in Palermo; the discount rate applied was slightly higher (+0.01%) than the prior half, coming in at 7.06%, while the average gross exit cap rate rose slightly by +0.02% with respect to the prior half to 6.52%.

The occupancy rate of the hyper/supermarkets came to 100%, unchanged with respect to prior semesters.

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 2014 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Malls/Retail Parks	30.06.2014
CBRE	38%
REAG Advisory	44%
Cushman & Wakefield	18%
Total	100%

The DCF method was used by all three appraisers for this asset class.

In CBRE's and C&W's DCF model a standard duration of 10 years was used for all assets; Reag used a standard duration of 18 years for this asset class.

The fair value of this asset class reached €956,224,577 at 30 June 2014, a decrease of 1.57% or €15,300,423 with respect to 31 December 2013 explained by both the disposal of the mall in Le Fonti del Corallo shopping center and the expansion of the malls in Centro d'Abruzzo and Le Porte di Napoli.

Net of these items, the FV for this asset class at 30 June 2014 fell 0.5% or €4,500,423. The decrease relates primarily to the malls where important investments are underway (Centro Sarca and Mondovì) and where vacancies were higher as a result, in part, of restyling (Gran Rondò, Centro Sarca, Mondovì and I Bricchi).

Net of the disposal of the Fonti del Corallo mall and the expansions of the Centro D'Abruzzo and Porte di Napoli malls, the average gross initial yield rose +0.15% against the prior half to 6.60%, the discount rate rose slightly by 0.02% to 7.27%, while the average gross exit cap rate fell by -0.12% against the prior half to 6.97%.

At 30 June 2014 the financial occupancy rate reached 94.73%, a drop of 1.45% with respect to 31 December 2013 due to increased vacancies primarily in the malls found in the Sarca, Gran Rondò, Mondovì and i Bricchi centers.

CITY CENTER

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

The market value of this asset class of property at 30 June 2014 amounted to €27,700,000, a drop of 0.36% with respect to the prior half.

The gross initial yield fell slightly by -0.21% to 5.44%, the discount rate of 6.20% was unchanged with respect to the prior half, while the gross exit cap rate fell -0.17% to 5.78%.

The City Center property was appraised at 30 June 2014 100% by CBRE based on the DCF method with a standard duration of 10 years.

DEVELOPMENT PROJECTS (PLOTS OF LAND)

In first half 2014 the perimeter of this asset class changed following the exit of the asset Abruzzo Expansion, which is now generating income and was recognized as one the Abruzzo mall's assets, and the entry of the property Piastra Commerciale Mazzini, which is no longer considered part of the Porta a Mare Project as it is close to completion and will soon be generating income.

At 30 June 2014 the class of property "Development projects and plots of land" consisted of four plots of land on which the following retail projects are underway:

- Chioggia Retail park (VE): retail park with a GLA of 16,900 m^2 , as per the last variant filed; work on the building began in December 2013 and the retail park should be opening in first half 2015.
- Expansion of ESP: extension of the mall in the ESP Shopping Center in Ravenna by a GLA of 21,000 m^2 . The Zoning Agreement was signed in first half 2014 and the requests for building permits and commercial licenses were filed. The opening is expected to take place in second half 2016.
- 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. The opening is expected to take place by year-end 2015.
- Piastra commerciale Mazzini: complex of retail units with a GLA of approximately 7,500 m^2 found on the ground floor of the multipurpose real estate complex on via Mazzini in Livorno.

"Development projects and plots of land" were valued at 30 June 2014 by the appraisers CBRE and Cushman & Wakefield based on the following percentages of FV:

Development projects and plots of land	30.06.2014
CBRE	63%
Cushman & Wakefield	37%
Total	100%

Appraisers used the conversion, DCF and residual methods to value this asset class.
The total FV of this class of property at 30 June 2014 amounted to €74,078,583, an increase like-for-like of 17.83%, or approximately €7 million, due primarily to the progress made on the work at Chioggia.

PORTA A MARE PROJECT

The assets of Porta Medicea at 30 June 2014, owner of the Porta a Mare Project, were valued entirely by the independent appraiser CBRE using the conversion method.
The project can be broken down into the following areas:

- ✓ Piazza Mazzini (residential and retail) where sales of residential units began in 2013;
- ✓ Officine storiche (retail, residential) expected to open by year-end 2016;
- ✓ Lips (retail, tourist services, and accommodations) where work is expected to begin in the second half of 2017.
- ✓ Molo Mediceo (retail and services) where work is expected to begin in 2019
- ✓ Arsenale (retail) where work is expected to begin in 2019.

The market value of this asset class at 30 June 2014 reached €84,810,000.
Excluding the residential units sold in the half and "Piastra commerciale Mazzini" reclassified under "Development projects and plots of land", the market value fell -2.6% due primarily to the delayed start date for the work at the Molo, Lips and Arsenale areas.
The FV at 30 June 2014 includes the commercial properties that will continue to be owned by the IGD Group.

OTHER

The perimeter of this asset class was unchanged at 30 June 2014 with respect to the prior half and continues to comprise 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 category 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.
The class of assets was valued at 30 June 2014 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Other	30.06.2014
CBRE	69%
REAG Advisory	24%
Cushman & Wakefield	7%
Total	100%

All three appraisers used the DCF method to value this asset class.
The market value of this class of property at 30 June 2014 amounted to €6,598,182, largely unchanged with respect to the prior half.

ROMANIA

In first half 2014 the perimeter of the real estate portfolio of the Romanian company Winmark changed as a result of the completion of the pre-letting of the tunnel connecting the Grand Center and Omnia centers in Ploiesti and the formation of a single shopping center of approximately 16,700 m^2 GLA.

The portfolio now comprises 14 shopping centers and an office building for a total GLA of approximately 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 2014 by the appraisers CBRE and REAG based on the following percentages of FV:

Winmarkt	**30.06.2014**
CBRE	51%
Reag	49%
Totale	100%

The DCF method was used by both independent experts. Reag applied a standard duration of 15 years and CBRE of 6 years.

The market value of this asset class at 30 June 2014 was €173.4 million, unchanged with respect to the prior half.

The market value at 30 June 2014 of the office building Junior in Ploiesti reached €3,300,000, a drop of 2.94% with respect to 31 December 2013.

In first half 2014 the gross initial yield rose by 0.20% to 6.64%, while the gross cap out fell by -0.23% to 8.62%.

The discount rate was increased slightly with respect to the prior half coming in at 8.68% (+0.58%).

The financial occupancy rate for the Romanian portfolio at 30 June 2014 came to 86.34%, an improvement of 1.86% with respect to December 2013.

The most important real estate investments and development projects are shown in the following table:

Class of property	Book value at 30/06/2014	Accounting method	Market value at 30/06/2014	Date of last appraisal
IGD Group investment property				
Hypermarkets and Supermarkets	526.72	fair value	526.72	Jul-Aug/2014
Shopping malls Italy	956.22	fair value	956.22	Jul-Aug/2014
City Center	27.70	fair value	27.70	Jul-Aug/2014
Other	6.60	fair value	6.60	Jul-Aug/2014
Total Italy	**1,517.24**		**1,517.24**	
Shopping malls Romania	170.10	fair value	170.10	Jul-Aug/2014
Other Romania	3.30	fair value	3.30	Jul-Aug/2014
Total Romania	**173.40**		**173.40**	
Total IGD Group	**1,690.64**		**1,690.64**	

Class of property	Book value at 30/06/2014	Accounting method	Market value at 30/06/2014	Date of last appraisal
Direct development initiatives				
Projects in advanced stage of construction*	27.90	fair value	27.90	Jul/2014
Plots of land and ancillary costs	45.16	adjusted cost	46.18	Jul-Aug/2014
Total direct development initiatives	**73.06**		**74.08**	

Class of property	Book value at 30/06/2014	Accounting method	Market value at 30/06/2014	Date of last appraisal
Porta a Mare project**	84.81	fair value/adjusted cost	**84.81**	Jul/2014

	Investment property, plots of land and development initiatives, assets held for trading		Market value freehold property, plots of land, direct development initiatives, assets held for trading	Change
Total	**1,848.51**		**1,849.53**	**(1.02)**

* The figure includes Piastra Commerciale Mazzini purchased by IGD SIIQ S.p.A. and classified in the financial statements as works in progress and down payments .

** 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	BOOK VALUE AT 30.06.2014 MN/€	% HELD	STATUS
ESP	Extension	Ravenna	21,000 mq	II° half 2016	about 51 MN/€	17.88	100%	Signature of the Urban Planning Agreement and submission of the Building Permit request and commercial licenses
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5,000 mq	II° half 2015	about 9.9 MN/€	3.83	100%	Design stage completed. All building permits have been released
CHIOGGIA RETAIL PARK	New retail park	Chioggia (VE)	16,900 mq	I° half 2015	about 39 MN/€	23.45	100%	Work in progress
Piastra Mazzini	City center	Livorno	7,500 mq	II° half 2014	about 25 MN/€	27.90	100%	Nearing completion
					Total	**73.06**		

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 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 15 April 2014 the Shareholders' Meeting approved payment of a dividend totalling €22,620,112 for 2013 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 June 2014 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.

SUBSEQUENT EVENTS

On 7 July 2014 the Board of Directors resolved to approve a property acquisition and, in particular, the signing of two preliminary agreements for the purchase of a portfolio of "core' properties comprising a shopping center and two hypermarkets owned by Coop Adriatica Scarl ("Coop Adriatica") and two supermarkets owned by Unicoop Tirreno S.C., the Company's majority shareholders, for € 92.665 million in addition to ancillary charges and transfer taxes (amounting to approximately € 2.1 million).

At the same time, IGD resolved to propose that the Extraordinary Shareholders' Meeting approve a cash share capital increase of up to a maximum of €200 million by means of a rights issue to be offered to all shareholders, aimed at financing the acquisition of the properties and strengthening the Company's capital and financial structure.

The Board of Directors also determined that the purchase of the properties is subject to the approval and full subscription of the capital increase.

Pursuant to the Company's Regulations for the Related Party Transactions the real estate acquisition is viewed as a material transaction. On 7 July 2014, therefore, the Board of Directors approved the property acquisition subject to the favorable opinion of the Committee for Related Party Transactions.

The information document relative to the property acquisition, drawn up in accordance with Art. 5 of the Regulations for Related Parties and Art. 11 of IGD's Regulations for Related Party Transactions, will be made available on the Company's website www.gruppoigd.it.

IGD's Board of Directors also resolved to convene an Extraordinary Shareholders' Meeting on 7 August 2014 and 8 August 2014 , in first and second call, respectively. The Shareholders' Meeting will be convened to approve the cash share capital increase, to be carried out on one or more occasions, of up to a maximum of €200 million (including additional paid-in capital) to be completed by 31 March 2015 through the issue of ordinary shares with no par value and with voting rights. The new shares will be offered on a pre-emptive basis to all shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. The share capital increase proposal foresees that the Board of Directors will determine, in accordance with standard market practices, the subscription price, the amount of additional paid-in capital, the number of newly issued shares and the issue ratio, on or around the launch date.

Unicoop Tirreno and Coop Adriatica, IGD's majority shareholders, have agreed to subscribe their portion of the capital increase which amounts to approximately 56.92% (equal to some €114 million).

With regard to the remaining portion, the rights offer will be assisted by a syndicate promoted, coordinated and managed by BNP Paribas, who will act as Sole Global Coordinator and Bookrunner for the capital increase and who has already signed a pre-underwriting agreement for the subscription of the unexercised option rights.

The opening of part of Piazza Mazzini (9 points of sale) took place on 10 July. The pre-letting phase is almost completed and the rest of the points of sale (comprising a supermarket, a midsize store and 35 shops, all on the ground floor) are expected to open in the last quarter of 2014.

On 6 August 2014 the Company repaid in advance a €6 million unsecured loan granted by EmilBanca and Iccrea Banca on 7 August 2013 falling due originally on 6 February 2015.

OUTLOOK

The global market conditions in first half 2014 were still problematic, even though the sales of the tenants in the Italian malls managed by the Group improved with respect to the same period of the prior year which directly affected the Group's business performance.

With regard to the rest of 2014, we expect to see an increase in revenue driven by the new openings, namely the expanded Centro d'Abruzzo, which was inaugurated on 10 April, and, in the second half of the year, the retail portion of Piazza Mazzini.

IGD has adopted a prudent investment plan which calls for development exclusively of the properties that are already part of the portfolio with a view to improving the quality and energy efficiency of the real estate assets.

The financial strategy is focused on gradual deleveraging and the Group intends to progressively reduce the use of bank debt. The transactions completed in the half (the sale of treasury shares, disposal of the Fonti del Corallo mall, the issue of a €150 million bond loan and the Dividend Reinvestment Option) are testimony to this strategy; these goals were also confirmed by the capital increase approved by the Board of Directors on 7 July 2014 aimed at strengthening the capital and financial structure.

Intercompany and Related Party Transactions

With regard to related party and intercompany transactions, there are no transactions which qualify as unusual or atypical, as they 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 Interim Condensed Consolidated Financial Statements.

Treasury shares

The company owned no treasury shares at 30 June 2014.

Research and Development

The IGD Group does not perform research and development activities.

Significant Transactions

During the period ended 30 June 2014, 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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014

Consolidated income statement

Consolidated income statement (in thousands of Euro)	Note	30/06/2014 (A)	30/06/2013 (B)	Change (A-B)
Revenue:	**1**	**57,734**	**58,032**	**(298)**
- from third parties		38,534	39,571	(1,037)
- from related parties		19,200	18,461	739
Other revenue:	**2.1**	**2,817**	**2,514**	**303**
- other income		2,059	1,765	294
- from related parties		758	749	9
Revenue from property sales	**2.2**	**1,278**	**0**	**1,278**
Total revenue and operating income		**61,829**	**60,546**	**1,283**
Change in work in progress inventory	6	(572)	3,501	(4,073)
Total revenue and change in inventory		**61,257**	**64,047**	**(2,790)**
Cost of work in progress	6	521	3,501	(2,980)
Service costs	3	11,411	9,459	1,952
- third parties		9,722	7,833	1,889
- related parties		1,689	1,626	63
Cost of labour	4	4,335	4,237	98
Other operating costs	5	4,611	4,538	73
Total operating costs		**20,878**	**21,735**	**(857)**
(Depreciation, amortization and provisions)	7	(1,528)	(1,906)	378
(Impairment losses)/Reversals on work in progress and inventories	17, 22	(1,673)	(316)	(1,357)
Change in fair value - increases / (decreases)	15	(12,082)	(16,015)	3,933
Total depreciation, amortization, provisions, impairment and change in fair value		**(15,283)**	**(18,237)**	**2,954**
EBIT		**25,096**	**24,075**	**1,021**
Income/(loss) from equity investments	**8**	**120**	**(490)**	**610**
Income/(loss) from equity investments		120	(490)	610
Financial income:	**9**	**60**	**262**	**(202)**
- third parties		57	262	(205)
- related parties		3	0	3
Financial charges:	**9**	**22,828**	**23,112**	**(284)**
- third parties		22,362	22,436	(74)
- related parties		466	676	(210)
Net financial income (charges)		**(22,768)**	**(22,850)**	**82**
PRE-TAX PROFIT		**2,448**	**735**	**1,713**
Income taxes	10	(1,672)	(3,017)	1,345
NET PROFIT FOR THE PERIOD		**4,120**	**3,752**	**368**
Minority interests in net (profit)/loss		334	304	30
Parent Company's portion of net profit		**4,454**	**4,056**	**398**
- basic earnings per share	11	0.013	0.013	
- diluted earnings per share	11	0.013	0.024	

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in €/000)	30/06/2014	30/06/2013
NET PROFIT FOR THE PERIOD	**4,120**	**3,752**
Other components of comprehensive income that will not be subsequently reclassified as profit/(loss) for the year:		
Transaction costs - capital increase	(385)	(381)
Other components of comprehensive income that will not be subsequently reclassified as profit/(loss) for the year, net of tax effects	**(385)**	**(381)**
Other components of comprehensive income that will be subsequently reclassified as profit/(loss) for the year:		
Impact of hedge derivatives on equity	(8,651)	13,983
Tax effect of hedge derivatives on equity	2,379	(3,845)
Other effects on income statement components	145	(116)
Total components of comprehensive income that will be subsequently reclassified as profit/(loss) for the year, net of tax effects	**(6,127)**	**10,022**
Total comprehensive profit/(loss) for the period	**(2,392)**	**13,393**
(Profit) / Loss for the period attributable to Minority Interest	**334**	**304**
Profit / (loss) for the period attributable to the Parent Company	**(2,058)**	**13,697**

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of Euro)	Note	30/06/2014 (A)	31/12/2013 (B)	Change (A-B)
NON-CURRENT ASSETS				
Intangible assets				
Intangible assets with finite useful lives	12	82	92	(10)
Goodwill	13	12,727	11,427	1,300
		12,809	**11,519**	**1,290**
Property, plant, and equipment				
Investment property	15	1,690,644	1,723,693	(33,049)
Buildings	14	8,984	9,105	(121)
Plant and machinery	16	1,025	1,200	(175)
Equipment and other assets	16	2,140	1,785	355
Leasehold improvements	16	1,488	1,503	(15)
Assets under construction	17	96,448	100,249	(3,801)
		1,800,729	**1,837,535**	**(36,806)**
Other non-current assets				
Deferred tax assets	18	33,320	27,774	5,546
Sundry receivables and other non-current assets	19	1,041	1,992	(951)
Equity investments	20	371	309	62
Non-current financial assets	21	1,016	850	166
Derivatives - assets	44	74	382	(308)
		35,822	**31,307**	**4,515**
TOTAL NON-CURRENT ASSETS (A)		**1,849,360**	**1,880,361**	**(31,001)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	68,588	73,009	(4,421)
Trade and other receivables	23	15,082	14,643	439
Related party trade and other receivables	24	2,080	887	1,193
Other current assets	25	4,407	3,669	738
Related party financial receivables and other current financial assets	26	353	353	0
Financial receivables and other current financial assets	26	-	20	(20)
Cash and cash equivalents	27	12,632	8,446	4,186
TOTAL CURRENT ASSETS (B)		**103,142**	**101,027**	**2,115**
TOTAL ASSETS (A + B)		**1,952,502**	**1,981,388**	**(28,886)**
NET EQUITY:				
Share capital		350,082	325,052	25,030
Share premium reserve		147,730	147,730	0
Other reserves		238,415	246,916	(8,501)
Group profit		18,073	33,152	(15,079)
Total Group net equity		**754,300**	**752,850**	**1,450**
Portion pertaining to minorities		10,508	10,842	(334)
TOTAL NET EQUITY (C)	28	**764,808**	**763,692**	**1,116**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	44	41,877	33,684	8,193
Non-current financial liabilities	29	924,605	802,406	122,199
Related party non-current financial liabilities	29	15,000	15,000	0
Provision for employee severance indemnities	30	1,520	1,403	117
Deferred tax liabilities	18	45,639	44,832	807
Provisions for risks and future charges	31	1,503	1,809	(306)
Sundry payables and other non-current liabilities	32	7,844	7,563	281
Related party sundry payables and other non-current liabilities	33	12,241	12,912	(671)
TOTAL NON-CURRENT LIABILITIES (D)		**1,050,229**	**919,609**	**130,620**
CURRENT LIABILITIES:				
Current financial liabilities	34	108,218	263,294	(155,076)
Related party current financial liabilities	34	409	13,856	(13,447)
Trade and other payables	36	17,080	12,083	4,997
Related party trade and other payables	37	2,497	2,475	22
Current tax liabilities	38	3,665	1,301	2,364
Other current liabilities	39	5,582	5,064	518
Related party other current liabilities	40	14	14	0
TOTAL CURRENT LIABILITIES (E)		**137,465**	**298,087**	**(160,622)**
TOTAL LIABILITIES (F=D + E)		**1,187,694**	**1,217,696**	**(30,002)**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**1,952,502**	**1,981,388**	**(28,886)**

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Capital and reserves of 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)	0	(497)
Total comprehensive income (losses)	0	0	**9,641**	**4,056**	**13,697**	**(304)**	**13,393**
Allocation of 2012 profit							
dividends paid	0	0	0	(22,333)	(22,333)	0	(22,333)
share capital increase	13,483	0	0	0	13,483	0	13,483
legal reserve	0	0	1,019	(1,019)	0	0	0
other reserves	0	0	(9,854)	9,854	0	0	0
Balance at 30/06/2013	**325,052**	**147,730**	**241,744**	**32,211**	**746,737**	**11,372**	**758,109**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Capital and reserves of non-controlling interests	Total net equity
Balance at 01/01/2014	**325,052**	**147,730**	**246,916**	**33,152**	**752,850**	**10,842**	**763,692**
Profit for the year	0	0		4,454	4,454	(334)	**4,120**
Valuation of cash flow hedge derivatives			(6,272)	0	(6,272)	0	**(6,272)**
Other comprehensive income (losses)	0	0	(240)	0	(240)		**(240)**
Total comprehensive income (losses)	**0**	**0**	**(6,512)**	**4,454**	**(2,058)**	**(334)**	**(2,392)**
Sale of treasuty shares	10,976	0	1,098	0	12,074	0	**12,074**
Allocation of 2013 profit							
dividends paid	0	0	0	(22,620)	(22,620)	0	**(22,620)**
share capital increase	14,054	0	0	0	14,054	0	**14,054**
legal reserve	0	0	889	(889)	0	0	**0**
other reserves	0	0	(3,976)	3,976	0	0	**0**
Balance at 30/06/2014	**350,082**	**147,730**	**238,415**	**18,073**	**754,300**	**10,508**	**764,808**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2014	30/06/2013
(in Euro/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	**2,448**	**735**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Non-cash items	(1,230)	4,431
(Depreciation, amortization and provisions)	1,528	1,906
(Impairment losses)/reversals on work in progress	1,673	316
Changes in fair value - increases / (decreases)	12,082	16,015
Gains/losses from disposals	(120)	3
CASH FLOW FROM OPERATING ACTIVITIES	**16,381**	**23,406**
Income tax	(651)	(655)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**15,730**	**22,751**
Change in inventories	583	(3,274)
Net change in current assets and liabilities w. third parties	5,968	340
Net change in current assets and liabilities w. related parties	(1,171)	(1,043)
Net change in non-current assets and liabilities w. third parties	973	895
Net change in non-current assets and liabilities w. related parties	(671)	36
CASH FLOW FROM OPERATING ACTIVITIES	**21,412**	**19,705**
(Investments) in non-current assets	(21,380)	(7,638)
Disposals of non-current assets	46,859	0
(Investments) in equity interests	(62)	(5)
CASH FLOW FROM INVESTING ACTIVITIES (b)	**25,417**	**(7,643)**
Change in non-current financial assets	(166)	(768)
Change in financial receivables and other current financial assets w. third parties	20	(52)
Change in financial receivables and other current financial assets w. related parties	0	474
Dividend reinvestment option	13,693	13,101
Sale of treasury shares	12,050	0
Distribution of dividends	(22,620)	(22,333)
Change in current debt with third parties	(153,533)	(175,799)
Change in current debt with related parties	(13,447)	(18,303)
Change in non-current debt with third parties	121,326	193,376
CASH FLOW FROM FINANCING ACTIVITIES (c)	**(42,677)**	**(10,304)**
Exchange gains/(losses) on cash and cash equivalents	34	(14)
NET INCREASE (DECREASE) IN CASH BALANCE	**4,186**	**1,744**
CASH BALANCE AT BEGINNING OF YEAR	**8,446**	**7,545**
CASH BALANCE AT END OF YEAR	**12,632**	**9,289**

Explanatory notes

Form and content of the interim condensed consolidated financial statements

Introduction

The interim condensed consolidated financial statements of Immobiliare Grande Distribuzione at 30 June 2014 were approved and authorized for publication by the Board of Directors on 7 August 2014. 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 interim condensed consolidated financial statements at 30 June 2014 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 *ter* 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 2013.

Reporting formats

The items in the statement of financial position have been classified as current or non-current, and those in the income statement by type.

The statement of comprehensive income shows the net profit or loss along with income and charges that by express requirement of IFRS are recognized directly in equity.

The statement of changes in equity presents comprehensive income and charges, transactions with shareholders and other changes in shareholders' equity.

The statement of cash flows is prepared using the indirect method, adjusting the pre-tax profit for non-cash items.

The financial statements, tables and explanatory notes are expressed in thousands of euro (€/000 or €K), unless otherwise specified.

Significant accounting standards

The accounting standards used to prepare the consolidated financial statements are the same as those employed in the Group's annual financial statements for the year ended 31 December 2013, with the exception of the following new standards and interpretations applicable from 1 January 2014.

- IFRS 10 – Consolidated Financial Statements. On 12 May 2011 the IASB issued this standard which provides guidance for assessing the presence of control, a determining factor for the consolidation of an entity, in those cases where it is not immediately evident. Adoption of the standard has not affected the Group's scope of consolidation.
- IFRS 11 – Joint Arrangements. The IASB issued this standard on 12 May 2011. In addition to governing joint arrangements, the new standard sets out criteria for identifying such arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. IFRS 11 does not permit use of the proportionate method of consolidation for joint arrangements. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.

- IFRS 12 - Disclosure of Interests in Other Entities. The IASB issued this standard on 12 May 2011. The new standard sets out the disclosure requirements for interests in other entities, including associates, special purpose vehicles and other off balance sheet vehicles. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.
- IAS 27 – Separate Financial Statements. This standard, issued by the IASB on 12 May 2011, addresses the accounting treatment of investments in separate financial statements. The new IAS 27 confirms that investments in subsidiaries, associates and joint ventures are accounted for either at cost or in accordance with IFRS 9; the entity shall apply the same accounting for each category of investments. Also, if an entity elects to measure its investments in associates or joint ventures at fair value (in accordance with IFRS 9) in its consolidated financial statements, it shall account for those investments in the same way in its separate financial statements. The standard must be applied retrospectively, but is thought to have had no significant impact on the separate financial statements.
- IAS 28 – Investments in Associates and Joint Ventures. With the publication of IFRS 11, on 12 May 2011 the IASB amended IAS 28 to include within its scope investments in joint ventures, as from the effective date of the new standard.
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities. In October 2012 the IASB issued a series of amendments introducing the concept of "investment entity." The IASB uses this term to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. IAS 10 has been amended to require investment entities to measure subsidiaries at fair value through profit or loss, rather than consolidate them, to better reflect their business model. IFRS 12 has been amended to include specific disclosure requirements for investment entities. The amendments also remove the option in IAS 27 for investment entities to measure investments in certain subsidiaries either at cost or at fair value in their separate financial statements. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.
- Amendments to IAS 32 – Financial Instruments: Presentation. On 16 December 2011 the IASB clarified the criteria for offsetting financial assets and liabilities by publishing an amendment to IAS 32, "Offsetting Financial Assets and Financial Liabilities." The changes are applied retrospectively. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets. In October 2012 the IASB issued this amendment to clarify that the scope of the disclosures of information about the recoverable amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting. The objective of the amendments is to govern situations in which a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. Hedge accounting can continue irrespective of the novation which, without the amendment, would not have been permitted. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.

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

During the half-year, the IASB made changes to some previously issued IAS/IFRS and published new international accounting standards. None of these changes were used to prepare the consolidated financial statements as they have not yet been approved by the European Commission.

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 2014, 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 31 December 2013. 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	*350,082,219.02*	EUR				Facility 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%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery S.r.l.	Ravenna, via Villa Glori 4	Italy	100,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility 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
IGD Property SIINQ S.p.A.	Ravenna, via Villa Glori 4	Italy	50,000,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Win Magazin S.A.	Bucharest	Romania	113,715.30	ROL	100%	IGD Management S.r.l. 99.9%	100.00%	Facility management
						IGD SIIQ S.p.A. 0.1%		
Winmarkt Management S.r.l.	Bucharest	Romania	1,001,000	ROL	100%	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 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
Consorzio Proprietari Fonti del Corallo	Livorno via Gino Graziani 6	Italy	10,000.00	EUR		IGD SIIQ S.p.A.	68.00%	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.	48.75%	Management of real estate and sports facilities/equipment; construction, trading and rental of properties used for commercial sports
RGD Ferrara 2013 S.r.l.	Rome, via Piemonte 38	Italy	100,000.00	EUR		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center
Others valued at cost								
Iniziative Bologna Nord S.r.l. (in liquidation)	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.	12.50%	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	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
INCOME STATEMENT	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
REVENUES	**57,600**	**57,991**	**2,710**	**2,514**	**1,519**	**41**			**61,829**	**60,546**
CHANGE IN INVENTORY					**(572)**	*3,501*			*(572)*	*3,501*
DIRECT COSTS	*(12,993)*	*(11,867)*	*(2,494)*	*(2,191)*	**(782)**	*(3,700)*			*(16,269)*	*(17,758)*
GROSS MARGIN	**44,607**	**46,124**	**216**	**323**	**165**	**(158)**	**0**	**0**	**44,988**	**46,289**
G&A EXPENSES							*(5,382)*	*(5,161)*	*(5,382)*	*(5,161)*
EBITDA	**44,607**	**46,124**	**216**	**323**	**165**	**(158)**	**(5,382)**	**(5,161)**	**39,606**	**41,129**
IMPAIRMENT/ DEPRECIATION & AMORTIZATION	*(11,334)*	*(15,657)*	*(0)*	*(0)*	*(3,839)*	*(1,192)*	*663*	*(204)*	*(14,510)*	*(17,054)*
EBIT	**33,273**	**30,467**	**216**	**322**	**(3,674)**	**(1,350)**	**(4,720)**	**(5,365)**	**25,096**	**24,075**
FINANCIAL INCOME MARGIN							**(22,768)**	**(22,850)**	**(22,768)**	**(22,850)**
EQUITY INVESTMENT MARGIN							**120**	**(490)**	**120**	**(490)**
TAXES							**1,672**	**3,017**	***1,672***	**3,017**
NET PROFIT									**4,120**	**3,752**
NON-CONTROLLING INTERESTS IN (PROFIT)/LOSS					334	*304*			334	304
GROUP NET PROFIT									***4,454***	***4,056***

€/1000	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013
STATEMENT OF FINANCIAL POSITION	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
TANGIBLE ASSETS	*1,695,290*	*1,728,174*	*0*	*0*	*6*	*7*	*8,984*	*9,105*	*1,704,280*	*1,737,285*
INTANGIBLE ASSETS AND OTHER NON-CURRENT ASSETS	*0*	*0*	*0*	*0*	*2,754*	*1,585*	*44,787*	*40,010*	*47,541*	*41,595*
CURRENT INVESTMENTS	*96,449*	*100,249*	*0*	*0*	*0*	*0*	*0*	*0*	*96,449*	*100,249*
Nwc	*(6,680)*	*(196)*	*124*	*(72)*	*82,346*	*109,686*	*(14,471)*	*(38,147)*	*61,319*	*71,271*
OTHER NON-CURRENT LIABILITIES	*(54,332)*	*(34,288)*	*(2,341)*	*(2,654)*	*(12,074)*	*(31,577)*	*0*	*0*	*(68,747)*	*(68,518)*
TOTAL USE OF FUNDS	**1,730,727**	**1,793,939**	**(2,218)**	**(2,725)**	**73,033**	**79,701**	**39,301**	**10,967**	**1,840,842**	**1,881,881**
NET DEBT	*977,297*	*1,049,977*	*(2,861)*	*(1,550)*	*20,494*	*25,493*	*39,301*	*10,967*	*1,034,231*	*1,084,887*
(ASSETS) AND LIABILITIES FOR DERIVATIVE INSTRUMENTS	*41,803*	*33,302*							*41,803*	*33,302*
EQUITY	*711,626*	*710,660*	*643*	*(1,175)*	*52,539*	*54,208*	*0*	*0*	*764,808*	*763,692*
TOTAL SOURCES	***1,730,727***	***1,793,938***	***(2,218)***	***(2,725)***	***73,033***	***79,701***	***39,301***	***10,967***	***1,840,842***	***1,881,881***

€/1000	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
REVENUES FROM FREEHOLD PROPERTIES	NORTHERN ITALY		CENTRAL/ SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	*24,154*	*23,870*	*21,837*	*22,571*	*4,202*	*5,279*	*50,193*	*51,719*
ONE-OFF REVENUES	*3*	*56*	*43*	*14*	*0*	*0*	*46*	*69*
TEMPORARY LOCATION RENTALS	*627*	*677*	*323*	*409*	*0*	*0*	*951*	*1,085*
OTHER RENTAL INCOME	*182*	*79*	*155*	*9*	*16*	*10*	*353*	*98*
TOTAL	**24,965**	**24,682**	**22,357**	**23,002**	**4,218**	**5,289**	**51,541**	**52,972**

Note 1) Revenue

Revenues	30/06/2014	30/06/2013	*Change*
Freehold hypermarkets	**17,690**	**17,387**	***303***
Rents and business lease	**17,690**	**17,387**	***303***
Related parties	17,690	17,387	303
Leasehold hypermarkets	**59**	**58**	***1***
Rent	**59**	**58**	**1**
Related parties	59	58	1
Freehold supermarket	**194**	**193**	***1***
Rents	**194**	**193**	***1***
Related parties	194	193	1
TOTAL HYPERMARKETS/SUPERMARKETS	**17,943**	**17,638**	**305**
Freehold malls, usufruct, offices and city center	**33,300**	**35,112**	***(1,812)***
Rents	**9,181**	**9,889**	***(708)***
Related parties	632	182	450
Third parties	8,549	9,707	(1,158)
Business leases	**24,119**	**25,223**	***(1,104)***
Related parties	241	229	12
Third parties	23,878	24,994	(1,116)
Leasehold malls	**4,989**	**3,854**	***1,135***
Rents	**234**	**164**	***70***
Related parties	52	42	10
Third parties	182	122	60
Business leases	**4,755**	**3,690**	***1,065***
Related parties	73	96	(23)
Third parties	4,682	3,594	1,088
Revenues from other contracts and temporary location	**1,502**	**1,428**	**74**
Revenues from other contracts and temporary location	1,243	1,154	89
Revenues from other contracts and temporary location vs related parties	259	274	(15)
TOTAL MALLS	**39,791**	**40,394**	**(603)**
GRAND TOTAL	**57,734**	**58,032**	**(298)**
of which related parties	19,200	18,461	739
of which third parties	38,534	39,571	(1,037)

Rent and business lease revenue decreased by €298K due to slower sales at the Romanian malls, caused by the drag effect of the downside on contract renewals at the end of 2013 and the first quarter of 2014 and to an increase in unlet space and strategic vacancies, which brought revenue down by €1,071K. That decrease was partially offset by a rise in rental income on freehold hypermarkets by €303 thousand (+1.7%), thanks to ISTAT inflation indexing and the fact that the recently opened hypermarkets are gradually earning for the full year.

There was also an increase of €460K for the rental of malls to related parties, referring mainly to the Darsena City shopping center of Ferrara, operated by RGD Ferrara 2013 S.r.l. which was formed for that purpose in September 2013.

The rise in business lease income from leasehold malls (and the decrease in the corresponding item for freehold malls) results from the sale of the Fonti del Corallo mall on 26 February 2014.

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

Note 2.1) Other income

Other income	30/06/2014	30/06/2013	*Change*
Facility management revenues	1,611	1,695	(84)
Pilotage and construction revenues	328	64	264
Other	120	6	114
Total other income vs third parties	**2,059**	**1,765**	**294**
Facility management revenues vs related parties	705	701	4
Portfolio management and rent management revenues vs related parties	27	31	(4)
Marketing revenues	26	17	9
Total other income vd related parties	**758**	**749**	**9**
Total	**2,817**	**2,514**	**303**

Other income from third parties increased by €294K with respect to the first half of 2013, due primarily to work carried out on the expansion of the Centro d'Abruzzo shopping center (inaugurated on 10 April 2014). Facility management revenues dipped by €84K because of the termination of a management contract.

Note 2.2) Revenue from property sales

Revenue from property sales in the first half of 2014 came to €1,278K and stems from the sale of four residential units and three enclosed garage units in the Mazzini section of the Porta a Mare project.

Note 3) Service costs

Service costs	30/06/2014	30/06/2013	*Change*
Service costs vs third parties	**9,722**	**7,833**	**1,889**
Rent paid	4,610	3,448	1,162
Rented vehicle	116	117	(1)
Utilities	77	88	(11)
Advertisement, listing, advertising & promotions	194	190	4
Facility management costs	1,413	1,156	257
Facility management administration costs	313	327	(14)
Professional fees	163	155	8
Directors' and statutory auditors' fees	436	394	42
External auditing fees	83	85	(2)
Investor relations, consob, Monte Titoli costs	131	145	(14)
Recruitment, training and other personnel costs	228	243	(15)
Travel and accomodation costs	72	58	14
Shopping center pilotage and construction costs	232	10	222
Consulting	551	529	22
Maintenance, repairs and insurances	612	578	34
Transaction costs for sale of residential properties	37	0	37
Bank fees and commissions	119	90	29
Cleaning, porterage and security	109	106	3
Other	226	114	112
Service costs vs related parties	**1,689**	**1,626**	**63**
Rent paid	927	903	24
Advertisement, listing, advertising & promotions	13	25	(12)
Service	152	127	25
Facility management costs	530	479	51
Insurances	30	30	0
Directors' and statutory auditors' fees	25	58	(33)
Mantenance and repairs	11	4	7
Other	1	0	1
Total	**11,411**	**9,459**	**1,952**

Service costs increased by €1,952K since the first half of last year and mostly include rent and usage fees for properties managed by IGD, facility management and maintenance costs, and other expenses such as fees paid to the directors, statutory auditors, external auditors and consulting firms.

The most significant change concerned rent, which rose by €1,162K due mainly to the sale of Le Fonti del Corallo mall in Livorno, now operated by the buyer under a long-term lease agreement. There was also an increase in facility management costs with third parties and related parties, by a total of €308K, as a result of greater average vacancy during the period. Pilotage costs, correlating with the increase in revenue from services, rose by €222K due to expenses incurred for the expansion of Centro d'Abruzzo.

Note 4) Cost of labor

Cost of labor	30/06/2014	30/06/2013	*Change*
Wages and salaries	3,173	3,103	70
Social security	916	889	27
Severance pay	164	173	(9)
Other costs	82	72	10
TOTAL	**4,335**	**4,237**	**98**

The cost of labor was higher than in the first half of 2013 due to the full-period impact of certain contractual adjustments.

Severance pay includes contributions to supplementary funds in the amount of €45K.

Note 5) Other operating costs

Other operating costs	30/06/2014	30/06/2013	*Change*
IMU/ Property tax	4,056	3,962	94
Other taxes	43	28	15
Contract registration	178	180	(2)
Capital losses	0	49	(49)
Out-of-period (income)/ charges	27	3	24
Membership fees	57	62	(5)
Losses on receivables	25	37	(12)
Fuel and tolls	109	83	26
Magazine subscriptions, office supplies, forms	49	18	31
Other operating costs	67	116	(49)
TOTAL	**4,611**	**4,538**	**73**

The change in other operating costs relates chiefly to the municipal property tax (IMU), which increased in Italy due to the higher rates now applicable in various municipalities.

Note 6) Change in work in progress inventory

Change in work in progress inventory	30/06/2014	30/06/2013	*Change*
Construction costs for the period	521	3,501	(2,980)
Disposal of inventory due to sale	(1,093)	0	(1,093)
Change in work in progress inventory	**(572)**	**3,501**	**(4,073)**

Work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno decreased by €572K in the first half of 2014 due to the elimination of inventory as a result of sales (see Note 2.2), net of the advancement of works for the period.

At 30 June 2014 no interest expense had been capitalized, so as not to give the project a higher value than its appraised fair value.

Note 7) Depreciation, amortization, provisions and fair value changes

Amortization and provisions, depreciation and change in FV	30/06/2014	30/06/2013	*Change*
Amortization of intangible assets	(13)	(13)	0
Amortization of tangible assets	(679)	(646)	(33)
Doubtful accounts	(773)	(1,183)	410
Provisions for risks and charges	(63)	(64)	1
Total amortizations and provisions	**(1,528)**	**(1,906)**	**378**
(Impairment losses)/reversals on work in progress and inventory	(1,673)	(316)	(1,357)
Change in FV	(12,082)	(16,015)	3,933
Total amortization, depreciation and change in FV	**(15,283)**	**(18,237)**	**2,954**

Depreciation and amortization, in line with the previous year, are discussed in Notes 12 and following.

The allocation to the provision for doubtful accounts, €773K, was reduced by €410K with respect to 2013 due to the decrease in impaired receivables. See Note 23 for changes in this provision.

Other provisions refer to the estimated outcome of two IMU (municipal property tax) disputes regarding Le Maioliche (Faenza) and La Torre (Palermo) shopping centers.

Net impairment losses for the adjustment of investment property to fair value amounted to €12,082K for the half-year (see Note 15).

"(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 for a net amount of €16K;
- a positive fair value change (€2,339K) for Piastra Mazzini and an impairment loss of €190K for the other sub-projects;
- an impairment loss of €3,838K regarding work in progress inventory for the Porta a Mare project, to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 30 June 2014.

Note 8) Capital gains/losses from the sale of investments

Capital gain/losses from sale	30/06/2014	30/06/2013	*Change*
Impairment of equity investments	0	(3)	3
Capital gain sale of "Fonti del Corallo" mall	120	0	120
Price adjustment on sale of equity investment	0	(487)	487
Total capital gain/losses from sale	**120**	**(490)**	**610**

The net gain of €120K relates to the sale of the real estate portions of the mall at Fonti del Corallo shopping center in Livorno, on 26 February 2014, for a price of €47 million.

Note 9) Financial income and charges

Financial income	30/06/2014	30/06/2013	*Change*
Bank interest income	40	28	12
Other interest income and equivalent	15	38	(23)
Exchange gains	2	196	(194)
Total vd third parties	**57**	**262**	**(205)**
Interest income vs related parties	3	0	3
Total vs related parties	**3**	**0**	**3**
Total financial income	**60**	**262**	**(202)**

Financial income decreased due mainly to exchange gains on the Romanian leu, which fell from €196K in the first half of 2013 to €2K this year.

Financial charges	30/06/2014	30/06/2013	*Change*
Interest expenses on security deposit	57	152	(95)
Interest expenses on Coop Adriatica account	409	524	(115)
Total vs related parties	**466**	**676**	**(210)**
Interest expenses to banks	1,542	2,370	(828)
Other interest and charges	227	262	(35)
Exchange losses	(23)	179	(202)
Mortgage loan interests	10,164	5,918	4,246
Financial charges on leasing	51	51	0
Bond interests and charges	4,434	6,630	(2,196)
IRS spread	6,377	7,026	(649)
Capitalized interests	(410)	0	(410)
Total vs third parties	**22,362**	**22,436**	**(74)**
Total financial charges	**22,828**	**23,112**	**(284)**

Net of interest capitalized in the amount of €410K, financial charges increased by €126K. This is explained by the higher average cost of debt, which went from 4.13% in the first half of 2013 to 4.31%, or from 3.79% to 4.26% net of figurative interest on the convertible bond loan.

Most of the changes are due to:

- higher interest on mortgage loans as a result of new loans taken out last year from Iccrea Banca, for a total of €6 million, and from BNP Paribas, in the amount of €135 million, partially offset by a decrease in interest paid on the convertible bond loan that matured at the end of 2013;
- a rise in the Euribor from 0.21 (average 3m/365 for the first half of 2013) to 0.29 (average 3m/365 for the first half of 2014);
- the recognition of €297K in unamortized transaction costs further to the closure of a loan taken out in 2012 from Intesa San Paolo;
- expenses for the €150 million bond loan issued on 7 May 2014;
- a decrease in interest expense due to the closure of mortgage current accounts with Intesa San Paolo and Monte dei Paschi and to the reduced use of short-term credit lines.

Note 10) Income taxes

Income taxes	30/06/2014	30/06/2013	*Changes*
Current taxes	652	652	0
Deferred tax liabilities	995	(1,675)	2,670
Deferred tax assets	(3,319)	(1,997)	(1,322)
Contingent assets/liabilities	0	3	(3)
Total	**(1,672)**	**(3,017)**	**1,345**

Current and deferred tax came to a positive €1,672K, due primarily to the effect of deferred taxation on the fair value writedown of properties.

The tax rate was also affected by property sales during the first quarter, of which there were none in the same period last year.

Below is a reconciliation between theoretical income tax and actual income tax for the period ended 30 June 2014.

Reconciliation of income tax applicable to profit before tax	30/06/2014
Income before taxes	**2,448**
Theoretical tax charge (tax rate 27.5%)	673
Profit resulting in the income statement	2,448
Increases:	
IMU property tax	3,630
Negative fair value	12,082
Devaluation ongoing projects	4,054
Other increases	10,637
Decreases:	
Change in tax-exempt income	(14,253)
Deductible depreciation	(2,798)
Impairment reversals and positive fair value of w ork in progress	(2,381)
Other changes	(11,479)
Taxable income	**1,940**
Use of ACE benefit	**72**
Taxable income net of losses	**1,868**
Current taxes for the period	**397**
Difference between value and cost of production	**39,002**
Theoretical IRAP (3.5%)	**1,365**
Difference between value and cost of production	**39,002**
Changes:	
Increase	8,537
Decreases	(7,428)
Changes in exempt income	(32,004)
Other deductions	(1,072)
Taxable income for IRAP purposes	**7,035**
Current IRAP for the period	***255***

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.

For 2014, with the redemption of the convertible bond loan on 28 December 2013, diluted earnings per share is the same as basic earnings per share as there are no longer any potential ordinary shares to service the conversion.

Earning per share	30/06/2014	30/06/2013
Net profit attributable to the Parent Company's shareholders	4,454	4,056
Diluted net profit attributable to the Parent Comapny's shareholders	4,454	9,590
Weighted average number of ordinary shares for purposes of basic earnings per share	345,364,877	320,836,402
Weighted average number of ordinary shares for purposes of diluted earnings per share	345,364,877	391,817,299
Basic earning per share	**0.013**	**0.013**
Diluted earning per share	**0.013**	**0.024**

Note 12) Intangible assets with finite useful lives

Intangible assets with finite useful lives 2013	balance at 01/01/2013	Increases	Decreases	Amortization	Reclassifications	Balance at 31/12/2013
Intangible assets with finite useful lives	63	19		(27)	33	88
Intangible assets with finite useful lives under development	35	2			(33)	4
Total intangible assets with finite useful lives	**98**	**21**	**0**	**(27)**	**0**	**92**

Intangible assets with finite useful lives 2014	balance at 01/01/2014	Increases	Decreases	Amortization	Reclassifications	balance at 30/06/2014
Intangible assets with finite useful lives	88			(10)	4	82
Intangible assets with finite useful lives under development	4				(4)	0
Total intangible assets with finite useful lives	**92**	**0**	**0**	**(10)**	**0**	**82**

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of trademarks used by the Group, 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 2014, the digital storage project was completed, resulting in the restatement of €4K from assets under development to intangible assets.

Note 13) Goodwill

2013 goodwill	balance at 01/01/2013	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	balance at 31/12/2013
Goodwill	11,427					11,427

2014 goodwill	balance at 01/01/2014	Increases	Decreases	Reclassifications	(Impairment losses)/reversals	balance at 30/06/2014
Goodwill	11,427			1,300		12,727

Goodwill has been allocated to the individual cash generating units (CGUs). The increase with respect to December 2013 reflects the reclassification of the value attributed to the Fonti del Corallo mall (€1,300K), which has been sold to the real estate investment fund managed by BNP Paribas REIM Sgr, without however disposing of the business division that manages the shopping center.

Below is the breakdown of goodwill by CGU at 30 June 2014:

Goodwill	31/12/2013	30/06/2014
Millennium S.r.l.	3,952	3,952
Winmagazin S.A.	5,409	5,409
Winmarkt Management S.r.l.	1	1
Fonti del Corallo	-	1,300
Centro Nova	546	546
Città delle Stelle	65	65
San Donà	448	448
Service	1,006	1,006
Total	**11,427**	**12,727**

Goodwill for Millennium and Winmagazin refers to consolidation differences arising upon acquisition and first-time consolidation of the corresponding legal entities. The recoverability of the goodwill allocated to these CGUs has been analyzed on the basis of the property appraisals by CBRE, REAG, and Cushman & Wakefield in accordance with the criteria described above for the Group's investment properties (see also Note 15). Specifically, this goodwill covers the possibility to sell properties owned by the subsidiaries (through the equity investment) without incurring taxes. Therefore, recoverability derives from 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 Fonti del Corallo, 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 2014 suggesting the need for fresh impairment testing.

Note 14) - Buildings

Building 2013	balance at 01/01/2013	Increases	Decreases	Depreciations	balance at 31/12/2013
Historical cost	10,114				10,114
Accumulated depreciation	(765)			(244)	(1,009)
Net carrying value	**9,349**	**0**	**0**	**(244)**	**9,105**

Building 2014	balance at 01/01/2014	Increases	Decreases	Depreciations	balance at 30/06/2014
Historical cost	10,114				10,114
Accumulated depreciation	(1,009)			(121)	(1,130)
Net carrying value	**9,105**	**0**	**0**	**(121)**	**8,984**

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 2013	balance at 01/01/2013	Increases	Decreases	Revaluations	Impairments	Reclassifications	balance at 31/12/2013
Investment property	1,754,550	6,992	(3,886)	13,873	(48,375)	539	1,723,693

Investment property 2014	balance at 01/01/2014	Increases	Decreases	Revaluations	Impairments	Reclassifications	balance at 30/06/2014
Investment property	1,723,693	9,628	(46,721)	13,966	(26,048)	16,126	1,690,644

The change in investment property refers to:

- the sale of the mall at Fonti del Corallo shopping center in Livorno to the real estate fund managed by BNP Paribas REIM Sgr, for a decrease of €46,700K. Consequently, €1,300K pertaining to the business division that operates the mall no longer owned has been reclassified to goodwill;
- an increase of €9,628K thousand for extraordinary maintenance work, mostly on the Mondovì, Centro d'Abruzzo, Casilino, Tiburtino, Esp and Centro Sarca shopping centers, the hypermarket at Le Porte di Napoli, and a few Romanian shopping centers, as well as the completion of the Centro d'Abruzzo mall expansion;
- transfers from assets under construction, mostly for the opening of the newly expanded Centro d'Abruzzo mall in April 2014 (some €14,400K), in addition to the completion of works at various shopping centers listed as under construction the previous year;

- fair value adjustment at 30 June 2014, leading to writedowns in excess of revaluations, for a net amount of €12,082K.

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

Fair value hierarchy

IFRS 13 requires disclosures on the fair value hierarchy also for nonfinancial assets and liabilities. The fair value hierarchy classifies into three levels the inputs to valuation techniques used to measure fair value. It 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 holdings have been measured according to Level 3 fair value models as the inputs directly and indirectly unobservable in the market, used in the valuation models, are greater than the observable inputs.

	Fair value measurements 30 June 2014		
	Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)	Significant inputs observable in the market (Level 2)	Significant inputs not observable in the market (Level 3)
Investment property Italy:			
Shopping malls and retail parks			956,225
City Center Project			27,700
Hypermarkets and supermarkets			526,721
Residual portion of property			6,598
Total investment property Italy			**1,517,244**
Investment property Romania:			
Shopping malls			170,000
PLOJESTI - Junior Office Building			3,400
Total Romania			**173,400**
IGD Group investment property			**1,690,644**
Direct initiatives			
Projects at advanced phase of construction (1)			27,900
Total development initiatives			**27,900**
Porta a Mare project			
Porta a Mare project (2)			16,620
Total Porta a Mare project			**16,620**
Total IGD Group investment property measured at fair value			**1,735,164**

Notes

(1) This is the Piastra Mazzini project, in the final stage of completion, listed as assets under construction and measured at fair value.

(2) This project, concerning the retail portion of the Porta a Mare complex, is recognized as assets under construction and is measured at fair value given the advanced stage of completion.

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

- For malls, City Center project, offices and "Piastra Mazzini": 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 (extensions and new constructions), the transformation 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.

Sensitivity analysis at 30 June 2014

For properties carried at fair value, measurements are considered to be at Level 3 of the fair value hierarchy, as mentioned above. Quantitative information on the most significant unobservable inputs is provided below:

Asset class	FV 30/06/14	Valuation method	Unobservable inputs	Range (weighted average)
HYPER/SUPER	526,721,095	Income-based (DCF)	Discount rate	6.50%-8.00% (7.06%)
			Gross initial yield	5.87%-7.80% (6.62%)
			Gross exit cap yield	5.96%-7.18% (6.54%)
MALLS/RETAIL PARKS	956,224,577	Income-based (DCF)	Discount rate	6.60%-8.00% (7.30%)
			Gross initial yield	4.60%-7.83% (6.59%)
			Gross exit cap yield	6.51%-8.10% (6.99%)
OTHER/CITY CENTER	62,198,182	Income-based (DCF)	Discount rate	6.20%-8.20% (6.39%)
			Gross initial yield	4.88%-8.67% (5.77%)
			Gross exit cap yield	5.95%-8.98% (6.21%)
WINMARKT	173,400,000	Income-based (DCF)	Discount rate	7.55%-11.10% (8.68%)
			Gross initial yield	5.34%-11.29% (6.64%)
			Gross exit cap yield	8.06%-15.30% (8.62%)
	1,718,543,854			

With regard to the unobservable inputs reported in the table, there would be negative changes in FV with an increase in the discount rate, gross exit cap rate and gross initial yield. Other variables that could reduce fair value are:

- an increase in operating costs and/or taxes
- a decrease in rent or in estimated market rent for vacant sqm
- an increase in estimated extraordinary charges.

Conversely, FV would rise if there were a decrease in the discount rate, gross exit cap rate and gross initial yield, or a reverse-sign change in the other variables mentioned above.

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 period and the purchase of equipment and furnishings. 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 upgrading of premises at the leasehold property Centro Nova in order to improve the occupancy rate.

Movements in plant and machinery in this and the previous half-year are shown below:

2013 plant and machinery	balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 31/12/2013
Historical cost	3,189	268					3,457
Accumulated depreciation	(1,918)			(339)			(2,257)
Net carrying value	**1,271**	**268**	**0**	**(339)**	**0**	**0**	**1,200**

2014 plant and machinery	balance at 01/01/2014	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 30/06/2014
Historical cost	3,457						3,457
Accumulated depreciation	(2,257)			(175)			(2,432)
Net carrying value	**1,200**	**0**	**0**	**(175)**	**0**	**0**	**1,025**

2013 equipment	balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 31/12/2013
Historical cost	4,269	134	(59)		3	(2)	4,345
Accumulated depreciation	(2,090)		36	(508)		2	(2,560)
Net carrying value	**2,179**	**134**	**(23)**	**(508)**	**3**	**0**	**1,785**

2014 equipment	balance at 01/01/2014	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 30/06/2014
Historical cost	4,345	612			2	6	4,965
Accumulated depreciation	(2,560)			(263)		(2)	(2,825)
Net carrying value	**1,785**	**612**	**0**	**(263)**	**2**	**4**	**2,140**

2013 leasehold improvements	balance at 01/01/2013	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 31/12/2013
Net carrying value	**1,317**	**391**		**(205)**			**1,503**

2014 leasehold improvements	balance at 01/01/2014	Increases	Decreases	Depreciation	Reclassifications	Currency translation gain/loss	balance at 30/06/2014
Net carrying value	**1,503**	**20**		**(123)**	**87**	**1**	**1,488**

Note 17) Assets under construction

2013 assets under construction	balance at 01/01/2013	Increases	Decreases	Reclassifications	(Impairment losses)/rev	Capitalized interests	Currency translation	balance at 31/12/2013
Assets under construction	76,376	18,288	(578)	(210)	6,035	350	(12)	100,249

2014 assets under construction	balance at 01/01/2014	Increases	Decreases	Reclassifications	(Impairment losses)/rev	Capitalized interests	Currency translation	balance at 30/06/2014
Assets under construction	100,249	11,120	(18)	(17,515)	2,165	410	37	96,448

Increases in assets under construction are primarily due to:

- progress on the retail portion of the Porta a Mare project in Livorno for €971K;
- progress on the urban infrastructure and buildings of the future retail park in Chioggia, for €5,711K;
- urban infrastructure expenses resulting from the Zoning Agreement and transaction costs for the Esp expansion, for a total of €195K, plus €410K in capitalized interest;
- upgrades to be performed on the Afragola and Lugo shopping centers and the continued remodulation of the Palermo center, for a total of €1,230K;
- interior restyling of the Centro Sarca mall (lot 2) in the amount of 508K;
- unfinished extraordinary maintenance work at some Romanian centers, for €1,313K.

Reclassifications refer primarily to completed works, which have therefore been transferred to property, plant and equipment, concerning the Centro d'Abruzzo expansion (€14,400K) inaugurated in April 2014. Work has also been completed at Centro Sarca (basement level, lot 1) and at some Romanian shopping centers.

For construction in progress (Chioggia, Portogrande and Esp), recognized at adjusted cost, impairment losses charged in previous years were reversed in the amount of €16K to adjust their carrying amounts to the lower of cost and appraised fair value. The fair value adjustment for the "Porta a Mare" project in Livorno amounted to +€2,339K for Piastra Mazzini and -€190K for the other sub-projects.

See the section "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	30/06/2014	31/12/2013	Change
Deferred tax assets	33,320	27,774	5,546
Deferred tax liabilities	(45,639)	(44,832)	(807)

In detail:

Deferred tax assets	30/06/2014	31/12/2013	Change
Effect on share capital increase	6	6	0
Taxed provisions	169	179	(10)
Bonus provision	84	81	3
ias 40	16,641	15,054	1,587
Higher land value for tax purposes	753	753	0
Interest rate sw aps	10,673	8,396	2,277
Impairment losses on land and construction in progress	2,957	1,792	1,165
Impairment losses on equity investments	193	193	0
Loss from tax consolidation	1,823	1,299	524
Other effects	21	21	0
Total deferred tax assets	**33,320**	**27,774**	**5,546**

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 recognition of deferred tax assets on mortgage hedging instruments (IRS) in the amount of €2,277K, due to the unfavorable trend in the MtM value of the swaps;
- ✓ the recognition of deferred tax assets on the writedown of Porta a Mare inventory (€1,190K);
- ✓ the recognition of deferred tax assets on the fair value adjustment of investment property, in the amount of €1,587K.

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 reported for this and the previous years.

Deferred tax liabilities	30/06/2014	31/12/2013	Change
Tax effect on fair value of properties	44,957	43,797	1,160
Interest rate sw aps	0	102	(102)
Revaluations on land and construction in progress	354	632	(278)
Tax effect on convertible bond	31	12	19
Other effects	297	289	8
Total deferred tax liabilities	**45,639**	**44,832**	**807**

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

Note 19) Sundry receivables and other non-current assets

Sundry receivables and other non-current assets	30/06/2014	31/12/2013	Change
Tax credits	4	4	0
Beneficial interest	962	1,908	(946)
Due from others	24	24	0
Security deposits	51	55	(4)
Total	**1,041**	**1,992**	**(951)**

"Beneficial interest" pertains to the cost incurred last year for the renewal, in December 2012, of the real right of enjoyment of the mall at Città delle Stelle Shopping Center for 2013 and 2014. Recognition of the portion pertaining to the first half of 2014 caused the decrease in this item for the year.

Note 20) Equity investments

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

Equity investments	31/12/2013	Increases	Decreases	Writedowns	30/06/2014
Equity investments in subsidiaries					
Consorzio Proprietari C.C.Leonardo	52				52
Consorzio Proprietari Fonti del Corallo	0	7			7
Consorzio C.C. i Bricchi	4				4
Equity investments in associates					
Rgd Ferrara 2013 Srl	50				50
Consorzio Millennium Center	4				4
Virtus College Srl	5	5			10
Equity investments in other companies					
Iniziative Bologna Nord	72				72
Consorzio business park	15				15
Fondazione Virtus Pallacanestro Bologna	100	50			150
Other minor investments	7				7
Total	**309**	**62**	**0**	**0**	**371**

The increase is due in part to the formation of Consorzio Proprietari Fonti del Corallo, for an amount corresponding to 68% of its share capital.

During the half-year further interests were acquired in Virtus College S.r.l., of which IGD now owns 48.75%. In addition, a capital contribution of €50K was made to Fondazione Virtus Pallacanestro Bologna, bringing the interest held to 12.5%.

Note 21) Non-current financial assets

Non-current financial assets	30/06/2014	31/12/2013	Change
Non-current financial assets	1,016	850	166

This item contains the non-current portion of interest-free loans granted to IBN (€472K) and to Virtus College S.r.l. (€444K). During the half-year, an interest-bearing loan of €100K was granted to Fondazione Virtus Pallacanestro Bologna. See Note 42 for further information.

Note 22) Work in progress inventory and advances

Work in progress inventory and advances	31/12/2013	Increases	Capitalized interests	Decreases	Reclassifications	Writedowns	30/06/2014
Porta a Mare project	72,881	521		(1,093)		(3,838)	68,471
Advances	128	4		(15)			117
Total work in progress	**73,009**	**525**	**0**	**(1,108)**	**0**	**(3,838)**	**68,588**

Work in progress inventory relating to the land, buildings, and urban infrastructure of the multifunctional complex in Livorno increased by €521K due to the advancement of works, mainly on the Piazza Mazzini section.

The writedown of €3,838K was charged to adjust the carrying amount to the lower of cost and fair value, as expressed in the appraisal of 30 June 2014.

Note 23) Trade and other receivables

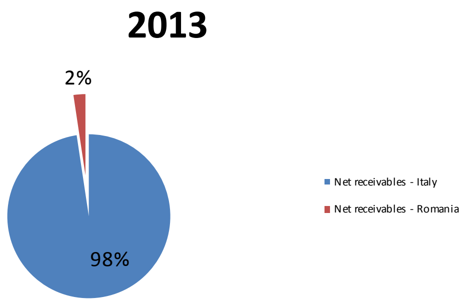
Trade and other receivables	30/06/2014	31/12/2013	*Change*
Trade and other receivables - third parties	30,724	29,688	1,036
Provision for doubtful accounts	(15,642)	(15,045)	(597)
Total	**15,082**	**14,643**	**439**

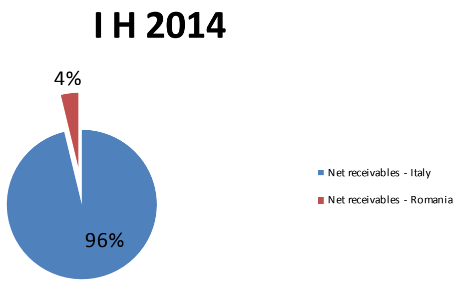
Net trade receivables increased by €439K with respect to 31 December 2013. They are shown net of the provision for doubtful accounts, which reflects recovery estimates on problem credits. The increase in receivables gross of the doubtful accounts provision is due to a rise in past-due receivables at various shopping centers, notably Tiburtino, Le Porte di Napoli, Katanè and La Torre, and in receivables not yet due at 30 June relating to the newly expanded Centro d'Abruzzo inaugurated in April 2014.

Movements in the provision for doubtful accounts are shown below:

Movements in provision for doubtful accounts	*31/12/2013*	*Translation effect*	*Utilizations*	*Writedown/ (utilization) of delinquent interest*	*Allocations*	*30/06/2014*
Provision for doubtful accounts	15,045	42	(202)	(16)	773	15,642
Total provision fro doubtful accounts	**15,045**	**42**	**(202)**	**(16)**	**773**	**15,642**

Receivables by geographical area	**2013**	**1H 2014**
Receivables - Italy	27,429	28,145
Provision for doubtful accounts	(13,132)	(13,633)
Net receivables - Italy	**14,297**	**14,512**
Receivables - Romania	2,259	2,579
Provision for doubtful accounts	(1,913)	(2,009)
Net receivables - Romania	**346**	**570**





Note 24) Related party trade and other receivables

Related party trade and other receivables	30/06/2014	31/12/2013	*Change*
Parent	60	48	12
Total parent	**60**	**48**	**12**
Associates	547	148	399
Total associates	**547**	**148**	**399**
Consorzio dei proprietari Centro Leonardo	0	1	(1)
Consorzio C.C. i Bricchi	2	1	1
Vignale Comunicazioni srl	132	145	(13)
Unicoop Tirreno scarl	78	41	37
Ipercoop Tirreno	693	0	693
Librerie Coop spa	42	34	8
Robintur spa	0	1	(1)
Consorzio La Torre	147	196	(49)
Consorzio Crema	94	31	63
Consorzio Katanè	280	238	42
Consorzio Lame	1	1	0
Consorzio Coné	2	1	1
Consorzio Sarca	2	1	1
Other related parties	**1,473**	**691**	**782**
Total related parties	**2,080**	**887**	**1,193**

See Note 42 for comments.

Note 25) Other current assets

Other current assets	30/06/2014	31/12/2013	*Change*
Tax credits			
VAT credits	2,217	2,147	70
IRES credits	320	368	(48)
IRAP credits	61	103	(42)
Due from others			
Advanced paid to suppliers	5	6	(1)
Accrued income and prepayments	1,189	443	746
Deferred costs	89	87	2
Others	526	515	11
Total other current assets	**4,407**	**3,669**	**738**

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	30/06/2014	31/12/2013	Change
Other financial assets	0	20	(20)
Total third parties	**0**	**20**	**(20)**
Other related parties	353	353	0
Total related parties	**353**	**353**	**0**

Financial receivables from related parties refer to the current portion of an interest-free loan granted to Iniziative Bologna Nord (€202K) and to an interest-bearing loan, maturing on 31 December 2014, granted to RGD Ferrara 2013 S.r.l. for approximately €150K, plus interest calculated at the 3-month Euribor plus a spread of 350 basis points (capitalized annually and settled at maturity).

Note 27) Cash and cash equivalents

Cash and cash equivalents	30/06/2014	31/12/2013	Change
Cash and cash equivalents at banks, financial institutions and post offices	12,512	8,330	4,182
Cash on hand	120	116	4
Total cash and cash equivalents	**12,632**	**8,446**	**4,186**

Cash and cash equivalents at 30 June 2014 consisted mainly of current account balances at banks. In the context of the guarantees required for the BNP Paribas loan (Italian branch), there are escrow accounts amounting to €4,560K.

Note 28) Net equity

Consolidated net equity is made up as follows:

Net equity	30/06/2014	31/12/2013	*Change*
Share capital	350,082	325,052	25,030
Share premium reserve	147,730	147,730	(0)
Total other reserves	**238,415**	**246,916**	**(8,501)**
Legal reserve	12,348	11,459	889
Euro conversion reserve	23	23	(0)
Goodw ill reserve	13,736	13,736	0
Reserve for treasury shares	(10,178)	(11,276)	1,098
Cash flow hedge reserve	(22,020)	(15,793)	(6,227)
Cash flow hedge reserve - subsidiaries	(6,119)	(6,074)	(45)
Bond issue reserve	29,806	29,806	(0)
Capital increase reserve	(1,373)	(988)	(385)
Recalculation of defined benefit plans	29	29	(0)
Recalculation of defined benefit plans - subsidiaries	12	12	(0)
Fair value reserve	226,297	230,273	(3,976)
Translation reserve	(4,146)	(4,291)	145
Total group profit	**18,073**	**33,152**	**(15,079)**
Group profit (losses) carried forw ard	13,619	28,154	(14,535)
Group profit (loss) for the period	4,454	4,998	(544)
Group net equity	**754,300**	**752,850**	**1,450**
Non-controlling interests in capital and reserves	10,842	11,676	(834)
Non-controlling interests in profit (loss)	(334)	(834)	500
Non-controlling interests	**10,508**	**10,842**	**(334)**
Consolidated net equity	**764,808**	**763,692**	**1,116**

Net equity increased by €1,116K as a result of:

- a share capital increase of €14,054K;
- the closure of the negative reserve of €10,976K corresponding to the par value of treasury shares sold and the allocation of the difference between the proceeds of the sale and the shares' par value (€1,098K);
- a decrease for transaction costs relating to the capital increase, net of tax effects, and to the sale of treasury shares in the amount of €385K;
- the distribution of the 2013 profit of €22,620K;
- the adjustment of CFH reserves pertaining to derivatives accounted for using the cash flow hedge method (-€6,227K for the parent company and -€45K for subsidiaries);
- movements in the translation reserve for the translation of foreign currency financial statements, amounting to +€145K;
- the profit for the year allocable to owners of IGD SIIQ S.p.A. (€4,454K) and the result allocable to non-controlling interests (-€334K).

Note 29) Non-current financial liabilities

This item mostly includes the noncurrent portion of loans, the bond loans, and the amount due for the purchase of a business division.

Non-current financial liabilities	Duration	30/06/2014	31/12/2013	Change
Mortgage loans		**627,474**	**653,368**	**(25,894)**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	12,290	13,208	(918)
09 Interbanca IGD	25/09/2006 - 05/10/2021	88,583	94,546	(5,963)
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	8,925	9,358	(433)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	58,074	60,120	(2,046)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	9,081	9,343	(262)
01 Unipol SARCA	10/04/2007 - 06/04/2027	75,832	77,324	(1,492)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	23,514	24,121	(607)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	23,296	0	23,296
11 MedioCreval Catania IGD	23/12/2009 - 31/03/2024	12,320	13,026	(706)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	39,295	40,699	(1,404)
14 MPS Palermo Palermo (mall)	21/12/2010 - 30/11/2025	28,075	28,977	(902)
17 Carige Palermo IGD (hypermarket)	12/07/2011 - 30/06/2027	20,634	21,382	(748)
15 CentroBanca Cone (mall)	22/12/2010 - 31/12/2025	37,393	38,703	(1,310)
16 CentroBanca Cone (hypermarket)	30/06/2011 - 30/06/2016	12,759	13,149	(390)
21 Mediocredito Italiano Via Rizzoli (Bo)	06/11/2012 - 30/09/2017	8,851	10,628	(1,777)
02 CentroBanca Porta Medicea	24/06/2013 - 15/06/2015	0	10,959	(10,959)
03 BPV Porta Medicea	02/08/2011-25/07/2026	8,121	9,914	(1,793)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	29,946	39,936	(9,990)
20 Intesa ipotecario	16/03/2012 - 16/03/2017	0	1,011	(1,011)
22 Emilbanca	08/08/2013 - 06/02/2015	0	5,989	(5,989)
23 BNP	03/12/2013 - 26/11/2018	130,485	130,975	(490)
Bond € 122.90 MN	**07/05/2013- 07/05/2017**	**120,571**	**120,199**	**372**
Bond € 22 MN	**07/05/2013- 07/05/2017**	**21,831**	**21,804**	**27**
Bond € 150 MN	**07/05/2014 - 07/01/2019**	**148,215**	**0**	**148,215**
Due to other sources of finance		**6,514**	**7,035**	**(521)**
Other financial liabilities to purchase business units		1,500	1,875	(375)
Sardaleasing for Bologna headquarters	30/04/2009 - 30/04/2027	5,014	5,160	(146)
Total financial liabilities with third parties		**924,605**	**802,406**	**122,199**
Coop loan Le Maioliche	01/07/2008 - 31/12/2019	15,000	15,000	0
Total financial liabilities with related parties		**15,000**	**15,000**	**0**

Mortgage loans are secured by properties. The change is due to:

- the reclassification to current financial liabilities of the principal falling due in the next 12 months;
- the closure of the credit line opened with Intesa San Paolo in 2012;
- the reclassification to current liabilities of the unsecured loan of €5,989K taken out from Emil Banca and maturing on 6 February 2015;
- the reclassification to current liabilities of the €10,959K borrowed from Centrobanca and maturing on 15 June 2015;
- the reclassification to current liabilities of €9,990K corresponding to the principal borrowed from Cassa di Risparmio di Firenze, due in June 2015.

On 28 March 2014 the mortgage loan with Cassa di Risparmio del Veneto was extended until 1 November 2024, and the principal maturing after 2015 was therefore reclassified to non-current financial liabilities.

Regarding the bond loans, on 10 April the Board of Directors approved the issue of senior unsecured bonds in the amount of €150,000,000, which were issued on 7 May 2014. The bonds pay fixed interest of 3.875%, on 7 January following the end of each calendar year. They are listed on the Irish Stock Exchange, a regulated market.

The average interest rate on adjustable-rate mortgage loans at 30 June 2014 was 2.26%.

The rate on the loan granted by Coop Adriatica for the shopping center Le Maioliche was 3.372% at 30 June 2014.

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2014.

Name	Property	Proprietario del prodotto	Type of product	Counterparty	Start date	End date	Repayment	"Covenant"	Indicator i)	Indicator ii)	Indicator iii)
04 BNL Rimini IGD	MALATESTA - Rimini	IGD SIIQ SpA	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	1.00		
05 BreBanca IGD	MONDOVICINO (Iper)	IGD SIIQ SpA	Mortgage	Banca Regionale Europea	23/11/2006	10/01/2023	Amortization with increasing principal				
01 Unipol Larice	SARCA (Gall + Iper)	IGD Management srl	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	1.41		
12 Coopad Faenza IGD	LE MAIOLICHE - Faenza	IGD SIIQ SpA	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	IGD SIIQ SpA	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)	IGD SIIQ SpA	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)	IGD SIIQ SpA	Mortgage	Cassa di Risparmio di Bologna	27/03/2009	27/03/2024	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	1.41		
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	IGD SIIQ SpA	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	1.41		
10 Mediocredito Faenza IGD	LE MAIOLICHE - Faenza	IGD SIIQ SpA	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	1.00		
02 CentroBanca Porta Medicea	Immobile Palazzo Orlando e Piazza Mazzini	Porta Medicea	Loan	CentroBanca	01/02/2010	15/06/2015	No amortization of principal; single balloon payment of €11mn				
11 MedioCreval Catania IGD	KATANÈ - Catania (Iper)	IGD SIIQ SpA	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%	1.30	36.18%	
14 MPS Palermo	Palermo (Gall)	IGD SIIQ SpA	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%	1.41	51.55%	
15 CentroBanca Cone Gall	Conè (Gall)	IGD SIIQ SpA	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	1.41		
13 CR Veneto Mondovi	MONDOVICINO (Retail Park)	IGD SIIQ SpA	Mortgage	Cassa di Risparmio del Veneto	08/10/2009	01/11/2024	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	1.41		
16 CentroBanca Cone Iper	Conè (Iper)	IGD SIIQ SpA	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%	1.41	57.64%	
17 Carige Palermo IGD	Palermo (Iper)	IGD SIIQ SpA	Mortgage	Banca Carige	12/07/2011	30/06/2027	Amortization with increasing principal				
03 BPV Porta Medicea	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	0.35	€ 58,651,074	
18 CC Ipotecario - Tiraggi	1st mortgage Crema, 1st mortgage Le Fonti del Corallo	IGD SIIQ S.p.A.	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.	1.41	1.74	58.18%
21 Rizzoli IGD	Immobile Via Rizzoli, Bologna	IGD SIIQ SpA	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	1.41	58.18%	
23 Bnp paribas	Casilino SC + Lame hypercoop + catania mall + esp sc + borgo sc	IGD PROPERTY SIINQ S.p.A.	Loan contract	Bnp paribas	03/12/2013	26/11/2018	Bullet	Starting from the the 2014 financial statements i) LTV ratio <45% ii) Interest cover ratio >190% iii) LTV singol asset <70% iv) Interest cover ratio >100%			
22 BCC IGD		IGD SIIQ SpA	Unsecured loan	Pool ICCREA Banca Impresa - Emilbanca	08/08/2013	06/02/2015	Bullet				

The table below shows the amount of loans directly allocable to investment property at 30 June 2014 and their average maturity:

Project/asset	Carrying asset value	Direct financial debt	Form	Average maturity
Investment property	1,690,644	585,628	Mortgage and bullet loans	8.56

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 31/12/12	Actuarial (gains)/ losses	Utilization	Allocation	Financial charges - IAS 19	Balance at 31/12/2013
Provision for employee severance indemnities	1,191	(41)	(48)	263	38	1,403

Provision for employee severance indemnities	Balance at 31/12/13	Actuarial (gains)/ losses	Utilization	Allocation	Financial charges - IAS 19	Balance at 30/06/2014
Provision for employee severance indemnities	1,403		-24	117	24	1,520

Recalculation of provision for severance indemnities according to IAS 19	2014	2013
Balance at 1/01	**1,403**	**1,191**
Current cost of service	117	235
Financial charges	24	38
Actuarial (gains)/ losses	0	(41)
(Benefits paid)	(24)	(20)
Balance at 31/12	**1,520**	**1,403**

Note 31) General provisions

General provisions	31/12/2013	Utilizations	Allocations	30/06/2014
Provision for taxation	594		62	656
Bonus provision	745	(745)	377	377
Other general provisions	386		84	470
Provision for Guidonia penalties	84	(84)		0
Total	**1,809**	**(829)**	**523**	**1,503**

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 covers the variable compensation that will be paid to employees in 2015 on the basis of the Group's 2014 estimated results. The utilization refers to the payment made in 2014.

Other general provisions

This amount covers liabilities deemed likely to arise from disputes with third parties. The increase reflects the allocation for new lawsuits/disputes.

Provision for Guidonia penalties

This contained the rest of the funds set aside in 2008 to cover risks and charges stemming from the delayed opening of the Guidonia shopping center. At 30 June 2014 it had been used in full as it was deemed superfluous.

Note 32) Sundry payables and other non-current liabilities

Sundry payables and other non-current liabilities	30/06/2014	31/12/2013	Change
Deferred income	7,266	7,266	0
Substitute tax liabilities	230	0	230
Other liabilities	348	297	51
Total	**7,844**	**7,563**	**281**

This item includes deferred income under an agreement 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).

The non-current portion of the substitute tax liability on the capital gain arising from the transfer of the Centro Lame hypermarket has been reclassified to this item.

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

Sundry payables and other non-current liabilities	30/06/2014	31/12/2013	Change
Parent	**9,322**	**9,322**	**0**
Security deposits from Coop Adriatica	9,322	9,322	0
Related parties	**2,919**	**3,590**	**(671)**
Security deposits from Ipercoop Tirreno spa	959	1,152	(193)
Security deposits from Unicoop Tirreno	1,935	2,413	(478)
Security deposits from Vignale Comunicazione	25	25	0
Total	**12,241**	**12,912**	**(671)**

Security deposits are sums advanced for the leasing of hypermarkets and malls. They pay interest at the rates provided for by law. The decrease in security deposits with Unicoop Tirreno and Ipercoop Tirreno concerns the payment of interest accrued through 2013.

Note 34) Current financial liabilities

Current financial liabilities	Duration	30/06/2014	31/12/2013	Change
Banca Pop. Emilia Romagna - Hot Money	27/06/2014 - 28/07/2014	5,000	0	5,000
Banca Pop. Emilia Romagna - Hot Money	04/12/2013 - 04/01/2014	0	3,500	(3,500)
Banca Pop. Emilia Romagna - Hot Money	07/12/2013 - 07/01/2014	0	20,000	(20,000)
Unicredit - Hot Money	23/12/2013 - 21/02/2014	0	10,006	(10,006)
Carisbo - Hot Money	23/12/2013 - 23/01/2014	0	10,007	(10,007)
Cassa di Risparmio del Veneto	23/12/2013 - 24/01/2014	0	20,013	(20,013)
Cassa Risparmio PD RO	11/12/2013 - 11/01/2014	0	10,016	(10,016)
Unipol Banca - Hot Money	18/12/2013 - 20/01/2014	0	12,013	(12,013)
Banca popolare di Verona hot money	23/12/2013 - 24/02/2014	0	12,000	(12,000)
Bnl - Bologna	27/06/2014 - 28/07/2014	8,000	5,000	3,000
Cassa risp. Firenze hot money	27/06/2014 - 28/07/2014	10,002	15,010	(5,008)
Cassa risp. Ferrara	23/12/2013-23/01/2014	0	5,003	(5,003)
Bnl - Bologna	a revoca	0	4,600	(4,600)
Cassa di Risparmio di Cesena c/c	a vista	0	5,006	(5,006)
Banca Regionale Europea c/c	a vista	0	6,287	(6,287)
Banco S. geminiano	a vista	49	0	49
Banca Pop. Emilia Romagna	a vista	5	0	5
Mps c/c 195923	a vista	10,049	5,209	4,840
Finanz USD 27,3 ML	23/12/2013-24/02/2014	0	19,852	(19,852)
Finanz USD 13,7 ML	27/12/2013-26/02/2014	0	9,928	(9,928)
Outright su finanz usd 27,3 ML	23/12/2013-24/02/2014	0	189	(189)
Outright su finanz usd 13,7 ML	27/12/2013-26/02/2014	0	90	(90)
Total due to banks		**33,105**	**173,729**	**(140,624)**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	1,870	1,869	1
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	915	892	23
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	518	503	15
09 Interbanca IGD	25/09/2006-05/10/2021	12,144	11,912	232
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4,144	4,149	(5)
01 Unipol SARCA	10/04/2007 - 06/04/2027	3,155	3,141	14
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1,203	1,165	38
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2014	1,819	25,915	(24,096)
11 MedioCreval Catania IGD	23/12/2009 - 31/03/2024	1,429	1,429	0
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	2,821	2,821	0
14 MPS Palermo Palermo (Galleria)	21/12/2010 - 30/11/2025	1,855	1,831	24
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1,487	1,471	16
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2,640	2,640	0
16 CentroBanca Cone (Iper)	30/06/2011 - 30/06/2016	800	800	0
21 Mediocredito Italiano Via Rizzoli (Bo)	06/11/2012 - 30/09/2017	3,731	3,747	(16)
02 CentroBanca Porta Medicea	24/06/2013 - 15/06/2015	10,987	15	10,972
03 BPV Porta Medicea	02/08/2011 - 25/07/2026	1,354	868	486
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	10,000	0	10,000
19 Mps ipotecario	30/12/2010 - 30/11/2014	0	16,614	(16,614)
22 Emilbanca	08/08/2013 - 06/02/2015	6,027	33	5,994
23 Finanziamento BNP	03/12/2013 - 26/11/2018	1,220	466	754
Total mortgage loans		**70,119**	**82,281**	**(12,162)**
Leasing Igd headquarters	30/04/2009 - 30/04/2027	289	284	5
Other financial payables to purchase business units		750	750	0
Contingent liability for mall		2,154	2,154	0
Bond € 122.9 Mn	07/05/2013 - 07/05/2017	788	3,474	(2,686)
Bond € 22 Mn	07/05/2013 - 07/05/2017	141	622	(481)
Bond € 150 Mn	07/05/2014 - 07/01/2019	872	0	872
Total due to other sources of finance		**4,994**	**7,284**	**(2,290)**
Total current financial liabilities with third parties		**108,218**	**263,294**	**(155,076)**
Coop pooled account for credit line		158	13,606	(13,448)
Coop loan Le Maioliche	01/07/2008 - 31/12/2019	251	250	1
Total related parties		**409**	**13,856**	**(13,447)**
Total current financial liabilities with related parties		**409**	**13,856**	**(13,447)**

The principal changes in current financial liabilities relate to:

- ✓ the repayment of ultra-short-term loans thanks to the extraordinary financial transactions carried out during the period;
- ✓ the repayment at maturity of short-term loans in US dollars;
- ✓ 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 Cassa di Risparmio del Veneto loan, due to the renegotiation of terms and conditions (see Note 29);
- ✓ the restatement between current and non-current financial liabilities of the Centrobanca and Emil Banca loans maturing by June 2015 and of the principal due by next June on the credit line from Cassa di Risparmio di Firenze;
- ✓ the closure of the mortgage loan with MPS for the Darsena shopping center;
- ✓ the interest accrued on the bond loans;
- ✓ a significant decrease in the use of the credit line from Coop Adriatica, charging 2.555% interest at 30 June 2014.

Note 35) Net financial position

The table below presents the net financial position at 30 June 2014 and 31 December 2013. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities. Credit lines with banks amount to €266 million, of which €229.53 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		
	30/06/2014	31/12/2013
Cash and cash equivalents	(12,632)	(8,446)
Financial receivables and other current financial assets w . related parties	(353)	(353)
Financial receivables and other current financial assets	0	(20)
LIQUIDITY	**(12,985)**	**(8,819)**
Current financial liabilities w . related parties	409	13,856
Current financial liabilities	36,009	176,633
Mortgage loans - current portion	70,119	82,281
Leasing – current portion	289	284
Bond loan - current portion	1,801	4,096
CURRENT DEBT	**108,627**	**277,150**
CURRENT NET DEBT	**95,642**	**268,331**
Non-current financial assets	(1,016)	(850)
Non-current financial liabilities due to other sources of finance	1,500	1,875
Leasing – non-current portion	5,014	5,160
Non-current financial liabilities	627,474	653,368
Non-current financial liabilities w . related parties	15,000	15,000
Bond loan	290,617	142,003
NON-CURRENT DEBT	**938,589**	**816,556**
NET FINANCIAL POSITION	**1,034,231**	**1,084,887**

Note 36) Trade and other payables

Trade and other payables	30/06/2014	31/12/2013	Change
Trade payables	17,080	12,083	4,997

The increase in trade payables primarily reflects construction and contract work carried out during the half-year.

Note 37) Related party trade and other payables

Related party trade and other payables	30/06/2014	31/12/2013	Change
Parent	1,134	2,262	(1,128)
Other related parties:	1,363	213	1,150
Consorzio Lame	25	12	18
Consorzio La Torre - PA	75	89	(14)
Consorzio Conè	1	0	1
Consorzio Forte di Brondolo	0	0	0
Consorzio Katanè	104	82	17
Consorzio Proprietari Leonardo	11	24	(13)
Consorzio I Bricchi	1	0	1
Unicoop Tirreno	124	2	122
Ipercoop Tirreno	914	0	914
Consorzio Crema	23	4	19
Consorzio Fonti del Corallo	84	0	84
Viaggia con noi	1	0	1
Total related parties	**2,497**	**2,475**	**22**

See Note 42 for comments.

Note 38) Current tax liabilities

Current tax liabilities	30/06/2014	31/12/2013	Change
IRPEF incl. Regional and municipal surtax	545	597	(52)
IRAP	149	12	137
IRES	202	181	21
VAT	92	70	22
Consorzio di bonifica	1	0	1
Other taxes	627	58	569
Withholding tax on dividends	1,972	0	1,972
Substitute tax	77	383	(306)
Total current tax liabilities	**3,665**	**1,301**	**2,364**

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.

The increase in other taxes refers to IMU (municipal property tax) and the rate increases that have taken effect in various municipalities.

Note 39) Other current liabilities

Other current liabilities	30/06/2014	31/12/2013	Change
Social security	329	344	(15)
Accrued liabilities and deferred income	660	650	10
Insurance	8	9	(1)
Due to employees	851	681	170
Security deposits	3,576	2,901	675
Unclaimed dividends	1	1	0
Advances received due within one year	130	289	(159)
Other liabilities	27	189	(162)
Total other liabilities	**5,582**	**5,064**	**518**

Most of the increase in this item is due to security deposits received for the opening of the expanded Centro d'Abruzzo shopping center in April 2014.

Note 40) Related party other current liabilities

Related party other current liabilities	30/06/2014	31/12/2013	Change
Other payables	14	14	0
Total other liabilities with related parties	**14**	**14**	**0**

See note 42.

Note 41) Dividends

During the period, as determined by the Annual General Meeting held to approve the 2013 financial statements on 15 April 2014, a dividend of €0.065 was paid for each of the 348,001,715 shares outstanding, for a total of €22,620,112.

Note 42) Related party disclosures

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

Related party disclosures	Receivables and other current assets	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	60	0	1,134	9,322	15,409	942	9	10
Robintur spa	0	0	0	0	0	0		
Viaggia con noi srl	0	0	1	0	0	0		
Librerie.Coop spa	42	0	0	0	0	0		
Unicoop Tirreno Scarl	78	0	138	1,935	0	0		
Ipercoop Tirreno Spa	692	0	914	959	0	0	722	
Vignale Comunicazioni Srl	132	0	0	25	0	0		
Consorzio prop. Fonti del Corallo	0	0	84	0	0	0	18	
Consorzio Cone'	2	0	1	0	0	0		
Consorzio Crema	94	0	23	0	0	0		
Consorzio I Bricchi	2	0	1	0	0	0		
Consorzio Katané	280	0	104	0	0	0	9	
Consorzio Lame	1	0	25	0	0	0	16	
Consorzio Leonardo	0	0	11	0	0	0	10	3
Consorzio La Torre	147	0	75	0	0	0		
Consorzio Sarca	2	0	0	0	0	0		
Iniziative Bo Nord	0	673	0	0	0	0		
Ipercoop Sicilia Spa	0	0	0	0	0	0		
Rgd ferrara 2013	547	151	0	0	0	0		
Virtus college	0	445	0	0	0	0		
Total	**2,080**	**1,269**	**2,511**	**12,241**	**15,409**	**942**	**784**	**13**
Total amount reported	**90,157**	**1,369**	**28,838**	**20,085**	**1,048,232**	**1,041**		
Total increase/(decrease) for the period							**21,381**	**46,739**
% of total	**2.31%**	**92.71%**	**8.71%**	**60.95%**	**1.47%**	**90.52%**	**3.67%**	**0.03%**

Related party disclosures	Revenues and other income	Financial income	Costs	Financial charges
Coop Adriatica scarl	11,665	0	1,087	455
Robintur spa	119	0	0	0
Viaggia con noi srl	7	0	0	0
Librerie.Coop spa	345	0	1	0
Unicoop Tirreno Scarl	2,690	0	17	10
Ipercoop Tirreno Spa	1,197	0	0	1
Vignale Comunicazioni Srl	235	0	0	0
Consorzio prop. Fonti del Corallo	0	0	0	0
Consorzio Cone'	82	0	83	0
Consorzio Crema	51	0	21	0
Consorzio I Bricchi	56	0	253	0
Consorzio Katané	100	0	78	0
Consorzio Lame	89	0	0	0
Consorzio Leonardo	114	0	0	0
Consorzio La Torre	98	0	137	0
Consorzio Sarca	116	0	11	0
Iniziative Bo Nord	0	0	0	0
Ipercoop Sicilia Spa	2,491	0	0	0
Rgd ferrara 2013	506	3	0	0
Virtus college	0	0	0	0
Total	**19,958**	**3**	**1,689**	**466**
Total amount reported	**61,829**	**60**	**20,878**	**22,828**
% of total	**32.28%**	**4.81%**	**8.09%**	**2.04%**

The Group 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 Comunicazioni, 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 Coop Adriatica and its subsidiaries

Transactions with the controlling company Coop Adriatica refer to:

- the leasing of investment property to Coop Adriatica for use as hypermarkets and supermarkets; rental income in the first half of 2014, including for retail premises, amounted to €11.7 million;
- payables and costs for the rental/use of malls owned by Coop Adriatica; such costs came to €0.9 million for the period;
- provision of electronic data processing services by Coop Adriatica;
- cost of on-site assistance during expansion and new construction;
- payables in the form of security deposits received on leases;
- current account loans with a balance at 30 June 2014 of €158K, charging 2.555% interest (3 month Euribor plus a spread of 230 basis points). The current account is held solely for the use of credit lines totalling Euro 50 million;
- a €15 million loan granted for Le Maioliche shopping center in Faenza, charging 3.372% interest at 30 June 2014.

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. For the period ended 30 June 2014, €119K in rent was received from Robintur S.p.A. and €7K from Viaggia con Noi S.r.l.

Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers, and the leasing of the third floor of the building that houses IGD's head office. For the half-year, the Group received €345K under this arrangement.

Transactions with Ipercoop Sicilia

Transactions with Ipercoop Sicilia, owned 25% by Coop Adriatica, concern receivables and income from the leasing of properties used as hypermarkets. In the period ended 30 June 2014 such income amounted to €2.49 million.

Transactions with Unicoop Tirreno and its subsidiaries

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. For the half-year, the Group received €3.9 million under these arrangements;
- extraordinary maintenance work, mostly for the reduction of Le Porte di Napoli hypermarket, for €722K.

Transactions with Vignale Comunicazione, a subsidiary of Unicoop Tirreno, concern receivables and income for the rental of premises at shopping centers. In 2013 IGD signed six rental agreements with Vignale Comunicazione, for the malls at Le Porte di Napoli, Casilino, Katanè, Fonti del Corallo, Tiburtino and La Torre, effective from 1 January 2013 to 31 December 2014; in 2012 IGD signed two rental contracts with Vignale Comunicazione for the Mondovì and Asti malls, effective from 1 January 2012 to 31 December 2014. For the first half of the year, the rent received under these contracts totalled 0.23 million.

Transactions with other Group companies

Transactions with Consorzio Proprietari Leonardo, Consorzio Lame, Consorzio Conè, Consorzio La Torre, Consorzio Crema, Consorzio Sarca, Consorzio Katanè and Consorzio Bricchi concern receivables and income for *facility management* services at shopping centers; the costs incurred with Consorzio Bricchi, Consorzio Conè, Consorzio Crema, Consorzio La Torre and Consorzio Katanè refer to service charges for vacant units. Transactions with Consorzio Proprietari Fonti del Corallo, Consorzio Katanè, Consorzio Lame and Consorzio Proprietari Leonardo concern extraordinary maintenance work on the buildings.

Transactions with Iniziative Immobiliari Bologna Nord, held 15%, refer to an interest-free loan with a balance of €673K at 30 June 2014.

In 2013 an interest-free loan was granted to Virtus College S.r.l. (held 48.75% by IGD) in the amount of €378K. An additional €67K was lent interest-free in the first half of 2014.

Transactions with RGD Ferrara 2013, formed on 30 September 2013 to manage the Darsena City shopping center in Ferrara (a joint venture between IGD and Beni Stabili), consist of: (*i*) rental of the Darsena property by IGD (rent for the first half of 2014 amounted to €506K) and (*ii*) an interest-bearing loan maturing on 31 December 2014 in the amount of €150K, with interest charged at the 3-month Euribor plus a spread of 350 basis points.

Note 43) Management of financial risk

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 77.40% 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. See Note 44 for quantitative information on derivatives.

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.

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 credit situation is also constantly monitored by way of the customer payment calendar, which is formalized every quarter but checked on a daily basis to stay abreast of the measures taken/required to collect receivables.

Foreign exchange risk

The Group is exposed to foreign exchange risk for its operations in Romania. Fluctuations in the value of the Romanian lei 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 1.5x or below (the ratio was 1.38x at 31 December 2013 and 1.30x at 30 June 2014);
2. keeping the loan-to-value ratio under 60% (it was 55.92% at the close of the half-year, down from 57.36% at the end of 2013).

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	30/06/2014	31/12/2013	Change	Level
Derivative assets	74	382	(307)	2
Derivative liabilities	(41,877)	(33,684)	(8,193)	2
IRS - net effect	**(41,803)**	**(33,303)**	**(8,500)**	

The contracts are detailed below:

In detail contracts	IRS 04 - ex MPS 3.84%	IRS 07 - Banca Aletti 3.420%	IRS 09 - BNP Paribas 3.439%	IRS 10 - ex MPS 3.439%	IRS 08 - ex MPS 3.420%	IRS 06 - Carisbo 3.3495%	IRS 12 - Carisbo 3.177%	IRS 05 - BNP Paribas
Nominal amount	14,153,846	16,906,867	16,906,867	16,906,867	16,906,867	9,779,655	16,906,867	79,000,000
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	IRS 11 - ex MPS 3.175%	IRS 16 - Aletti 3.285%	IRS 17 - Aletti 2.30%	IRS 14 - Carisbo 3.272%	IRS 13 - Carisbo 3.412%	IRS 15 - ex MPS 3.25%	IRS 18 - MPS 2.30%	IRS 19 - Carisbo 2.30%
Nominal amount	16,906,867	7,443,416	15,633,750	9,924,554	9,618,721	7,443,416	15,633,750	15,633,750
Inception date	28/10/2009	28/04/2010	27/08/2010	28/04/2010	28/04/2010	28/04/2010	27/08/2010	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	27/03/2024
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	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	3-month Euribor
Customer rate	3.18%	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%	2.30%

In detail contracts	IRS 20 - Carisbo 2.285%	IRS 21 - MPS 2.80%	IRS 22 - Carisbo 3.25%	IRS 24 - Carisbo 2.429%	IRS 23 - Carisbo 2.429%	IRS 25 - Aletti 2.427%	IRS 26 - CRF 40 Mln 4.427%
Nominal amount	15,633,750	13,928,571	25,050,000	20,130,000	8,052,000	12,078,000	40,000,000
Inception date	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	31/03/2024	01/11/2024	31/12/2025	31/12/2025	31/12/2025	30/09/2016
IRS frequency	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	3-month Euribor	3-month Euribor	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor
Customer rate	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

At 30 June 2014 the Group had the following major commitments:

- contract for civil and structural works for the construction of a retail park in Chioggia, to contain a hypermarket, seven midsize stores and eight points of sale (including two food & beverage outlets), with a remaining amount of €8.76 million;
- contract for the interior restyling of a mall and of the façade of Centro Sarca, with a remaining amount of €5.6 million.

Note 47) Disputes

Information is provided below on the main disputes involving Group companies.

Darsena

Due to the dissolution of the joint venture with Beni Stabili S.p.A. SIIQ on 15 December 2010, resulting in the sale of 50% of RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) by Immobiliare Larice (now IGD Management S.r.l.) and the joint purchase of the Darsena City shopping center, the IGD Group has a commitment with RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) to assume its share of all income and costs associated with the contracts signed on 15 March 2006 and transferred to RGD S.r.l. (now Beni Stabili) on 29 March 2007.

ACTION TAKEN BY RGD S.r.l. IN AGREEMENT WITH IGD SIIQ S.p.A.

Given the receivables accrued to RGD S.r.l. (now Beni Stabili S.p.A. SIIQ), in agreement with IGD SIIQ S.p.A. it has taken several legal actions against Magazzini Darsena S.p.A. and Darsena FM S.r.l. (both of them now bankrupt), as follows:

- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) filed for an injunction against Magazzini Darsena S.p.A. for nonpayment of rent on the Ferrara building forming part of the Darsena City shopping center, owned by Riqualificazione Grande Distribuzione S.p.A. SIINQ (now merged into Beni Stabili S.p.A. SIIQ). The injunction of €6,984K was confirmed by the court after the plaintiff's counterarguments and then appealed by Magazzini Darsena S.p.A., which at the conclusion of the appeal was ordered to pay the above amount net of the sum collected in the meantime through enforcement of the rent guarantee in the amount of €3,640K.
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) requested and obtained a preventive attachment of €35 million against Magazzini Darsena S.p.A. and of €38 million against Darsena FM S.r.l. (owner of the business operated inside the shopping center and promised for sale).
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) filed two suits pursuant to Art. 447 *bis* of the Code of Civil Procedure to force Magazzini Darsena and Darsena FM S.r.l. to pay the rent falling due subsequent to the missed payments covered by the injunction.
  Magazzini Darsena was ordered to pay €5.2 million (the amount of rent accrued as of 4 April 2012) plus VAT, interest and legal expenses, while the case against Darsena FM S.r.l. was suspended when the company was declared bankrupt.
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) had asked the Arbitration Board of Milan 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 S.p.A. and the joint obligation of Darsena FM S.r.l. and the parent company Partxco S.p.A. to pay future rent and the penalty that had accrued for the late delivery of "portion B" of the shopping center.

On 8 July 2013, the Arbitration Board issued its decision, ordering: (i) Partxco to pay a penalty of €12.5 million for Magazzini Darsena's failure to pay rent; (ii) Magazzini Darsena and Partxco to pay a penalty of €16 million for the delay in completing building "B"; and (iii) Magazzini Darsena, Darsena FM and Partxco to accept the price adjustment of €2.5 million (which Beni Stabili S.p.A. SIIQ had already received through enforcement of the guarantee, as mentioned above). The adversaries were also ordered to reimburse the Company for some legal expenses and for three quarters of the arbitration costs. The above receivables were officially claimed and included on the creditors' list of Magazzini

Darsena and Darsena FM. In June 2014 Partxco challenged the decision with the Appeals Court of Milan. Subsequently, with a ruling of 24 June 2014, Partxco was declared bankrupt and the challenge was therefore interrupted in accordance with the law. Beni Stabili S.p.A. SIIQ has already prepared its response to the challenge, in case Partxco's receiver decides to pursue it.

- *In the meantime*, during the course of the above lawsuits, the Company enforced the bank guarantee of €2.5 million that Magazzini Darsena had posted to secure payment of the price adjustment. This took place further to the decision in favor of Beni Stabili S.p.A. SIIQ after Magazzini Darsena S.p.A. filed for an injunction against enforcement of the guarantee, a decision that was affirmed on appeal.

Given repeated news of the increasingly dire situation of its counterparties and in the absence of any proposals from them that might allow the disputes to be resolved, IGD SIIQ S.p.A., together with the shopping center's co-owner Beni Stabili S.p.A. SIIQ, had also filed to have the companies declared bankrupt while awaiting the court decisions, in order to obtain access as quickly as possible to the businesses operating inside the shopping center so as to turn the center around financially. This action led to the declaration of bankruptcy of Magazzini Darsena S.p.A. and Darsena FM S.r.l. on 26 and 29 July 2013. The provisional liabilities assessment includes the receivables claimed from both of the companies now undergoing bankruptcy procedures.

ACTION TAKEN DIRECTLY BY IGD SIIQ S.P.A.

In November 2011 IGD filed a complaint per Art. 447 *bis* of the Code of Civil Procedure with the Court of Ferrara, demanding that Magazzini Darsena S.p.A. settle unpaid rent accrued since 1 January 2011. After a series of postponements, both procedural and as a result of Decree Law 74/2012, the case was suspended at the hearing of 27 November 2013 due to Magazzini Darsena's declaration of bankruptcy.

In July 2013 IGD also filed a complaint per Art. 447 *bis* of the Code of Civil Procedure against Darsena FM S.r.l., in subrogation, for the rent due from Magazzini Darsena S.p.A. Because Darsena FM was declared bankrupt, the case was suspended at the hearing of 22 January 2014.

BANKRUPTCY OF MAGAZZINI DARSENA S.p.A. AND DARSENA FM S.r.l.

With decisions dated 26 and 29 July 2013, the Court of Ferrara declared both companies bankrupt.
Further to those rulings, IGD SIIQ S.p.A. and Beni Stabili S.p.A. SIIQ managed to reach a partial settlement with the official receiver, signed on 29 October 2013.

Under the partial settlement, the companies were awarded the building by the receivership of Magazzini Darsena and through a 50-50 joint venture between IGD SIIQ S.p.A. and Beni Stabili S.p.A. they acquired the business (with its commercial permits) from the receivership of Darsena FM for the price of €255K plus taxes, terminated the preliminary contract to purchase the adjacent property ("Building B") and the associated agreements, and obtained Magazzini Darsena's definitive acceptance of the price reduction of €2,500K for the purchase of "Building A" (the amount Beni Stabili S.p.A. SIIQ had already collected through enforcement of the guarantee).

Under the settlement, the companies did not waive their right to the receivables accrued up to the date of bankruptcy and resulting from court decisions against the bankrupt firms, nearly all of which were therefore registered as claims.

In 2012 IGD SIIQ S.p.A. was summoned to court by Magazzini Darsena, Darsena FM and Partxco regarding the management agreement of Darsena City shopping center. IGD SIIQ S.p.A. appeared in court and filed a statement and related pleadings. Because IGD SIIQ S.p.A.'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 SIIQ S.p.A.'s legal expenses in the amount of €20,000.00.

Further to that decision, on 8 October 2013 IGD SIIQ S.p.A. was summoned to the Court of Bologna for an appeal filed by Partxco against the ruling to indemnify IGD. At the initial hearing on 4 March 2014, a court date of 18 December 2018 was set for the announcement of conclusions. When Partxco was declared bankrupt on 24 June 2014, this proceeding was also interrupted in accordance with the law.

VIBO VALENTIA

In May 2013, GAM S.p.A. took IGD SIIQ S.p.A. 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.

Back in June 2012, as the deadline had elapsed and the due diligence outcome was negative, IGD SIIQ S.p.A. 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 SIIQ S.p.A.'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 judge assigned to the case scheduled the first hearing for 10 December 2013, and on that occasion set the deadlines for filing pleadings per Art. 183 (6) of the Code of Civil Procedure. On 14 June 2014, with the preliminary phase completed, the judge scheduled a hearing for 8 July 2014 during which the parties filed their pleadings and were given deadlines for their concluding statements and rebuttals. As IGD's legal experts had already noted, the findings from the preliminary phase have confirmed IGD's arguments and helped to solidify its position, confirming the likelihood that IGD will be found free of liability in this regard.

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 interim condensed consolidated financial statements for the first half of 2014.

2. We also confirm that:

2.1 the interim condensed consolidated 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 interim condensed consolidated 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 2014

Claudio Albertini	Grazia Margherita Piolanti
Chief Executive Officer	Financial Reporting Officer

External Auditors' Report

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 2014 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.

Regarding the comparative data of the consolidated financial statements of the prior period and of consolidated condensed interim financial statements of the prior interim period, which are presented for comparative purposes, reference is made to our reports dated 20 March 2014 and dated 8 August 2013 respectively.

PricewaterhouseCoopers SpA

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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 2014 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 2014

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.

FINANCIAL OCCUPANCY

Calculated as the GLA rented at market rates and expressed as a percentage of the market value of the total GLA rented at market rates.

GENERAL EXPENSES

Corporate costs not attributable to the individual shopping center.

GROSS EXIT CAP RATE

Ratio of gross revenue (rents, temporary excluding discounts) in the last year of DCF and the terminal value.

GROSS INITIAL YIELD

The gross initial yield of an investment is the annualized rental income used in the first year of the DCF model expressed as a percentage of the property's fair value.

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 ASSETS

The Group's freehold properties.

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.