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 00397420399 and Ravenna Company Register no: 88573,

Share capital subscribed and paid-in: EUR 549,760,278.52

Interim Management Statement

at 30/09/2014

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

Lead Independent Director

Riccardo Sabadini

External auditors: PricewaterhouseCoopers S.p.A.

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 30 September 2014

CORE BUSINESS REVENUES	89,963 €/000
CORE BUSINESS EBITDA	59,385 €/000
CORE BUSINESS EBITDA MARGIN	66.0%
CONSOLIDATED NET PROFIT	7,056 €/000
CONSOLIDATED FFO	25,165 €/000
NET DEBT	1,037,400 €/000
GEARING RATIO	1.30x
LOAN TO VALUE	56.09%
AVERAGE COST OF DEBT	4.38%
ADJUSTED AVERAGE COST OF DEBT (*)	4.33%
HEDGING ON LONG TERM DEBT + BOND	84.6%

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

The Group

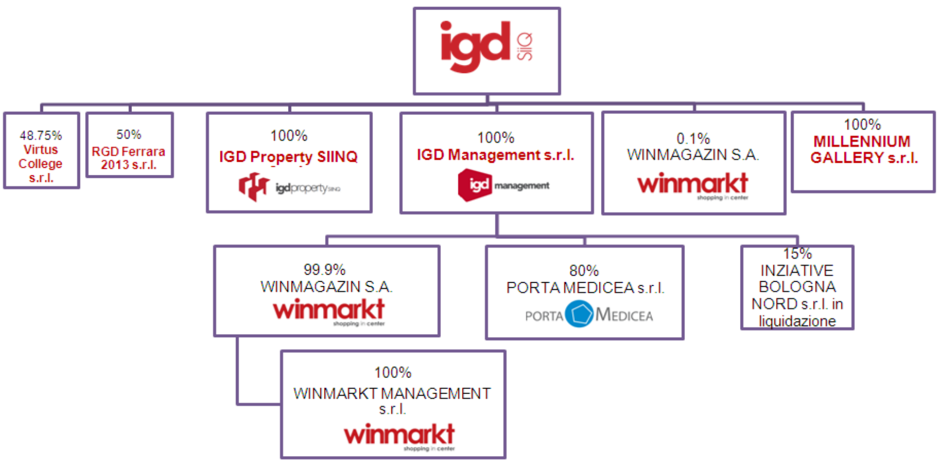
IGD is one of Italy's two SIIQs (Società di Investimento Immobiliari Quotate or real estate investment trust) and is the only one focused on the retail sector.

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

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

1. 100% of Millennium Gallery (owner of part of the Rovereto shopping mall and a business division in the shopping center in Crema);
2. 100% of IGD Property SIINQ SpA, formed on 13 December 2012, a real estate company which is listed on regulated markets;
3. 100% of IGD Management srl which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:
    - 99.9% of WinMagazine, through which it controls WinMarktManagement, the company responsible for the team of Romanian managers;
    - 80% of Porta Medicea, the requalification and real estate development project of Livorno's waterfront;
    - 15% of Iniziative Bologna Nord, a real estate development company;
    - management of the leasehold properties Centro Nova and Centro Piave;
    - service activities which include mandates for the management of freehold and leasehold properties.
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 September 2014.



INCOME STATEMENT REVIEW

After the negative dynamic that characterized the Italian GDP in the first two quarters of 2014, and even though the changes were limited and closer to a situation of stagnation/stabilization than to a new recession, the market consensus regarding the second part of the year changed to negative. In the third quarter, in fact, GDP should show a slight drop due primarily to the negative trend in investments and inventories, as well as persistant spare capacity [1].

Modest positive signals can be found in unemployment (which rose +0.2% to 55.9%) and job creation in the months of August and September (+32 thousand and +82 thousand, respectively) [2], along with the moderate recovery in family spending that was confirmed[3]; the performance, however, of the main qualitative indicators posted at the end of the summer, like consumer and business confidence, pointed to a situation that is worsening, once again[4]. The general economic weakness and lackluster consumption impacted inflation which was slightly negative in August and September[5].

The economic environment had a direct impact on the IGD Group's third quarter results, particularly the contracts indexed to inflation which fell causing revenue to drop, as well. On a positive note, however, were the footfalls at the Group's Italian centers which rose with respect to the same period 2013 (+0.2%), as well as, above all, the sales posted by the mall retailers (+3.5% for the network as a whole).

The consolidated pre-tax profit reached €9,370 thousand, an increase of 14% with respect to 2013 due to fewer writedowns and fair value adjustments, as well as lower financial expense as explained in more detail below. Consolidated net profit amounted to €7,056 thousand, a decrease of 36.30% against 30 September 2013. This result was, however, influenced by the introduction of the "Sblocca Italia" Decree which had a negative impact on taxes which came in at -€2,691 thousand versus +€2,496 thousand in 2013.

In terms of operations, total revenue rose by approximately +1.48%, due to to both the stability of the core business revene and the closing of a few sales at Porta a Mare. Direct costs rose 10.36% due, above all, to the increase in rents payable, following the sale of the Le Fonti del Corallo mall in Livorno which is now under management based on a long-term leaseback agreement entered into wth the buyer.

The consolidated operating income statement is shown below:

[1] Source Bank of Italy, Economic Bulletin 4/2014

[2] Source ISTAT - Employed and unemployed, Settember 2014

[3] Source Confindustria Research Center – Economic Scenarios n.21

[4] Source Confindustria Research Center – Economic Scenarios n.21

[5] Source ISTAT – Consumer prices, October 2014

€/000	CONSOLIDATED 30/09/2013	CONSOLIDATED 30/09/2014	Δ%	CORE BUSINESS 30/09/2013	CORE BUSINESS 30/09/2014	Δ%	PORTA A MARE PROJECT 30/09/2013	PORTA A MARE PROJECT 30/09/2014	Δ%
Revenues from freehold properties	79,197	76,628	(3.24)%	79,134	76,425	(3.42)%	63	203	n.a.
Revenues from leasehold properties	7,524	9,586	27.41%	7,524	9,586	27.41%	0	0	n.a.
Total revenues from properties	**86,721**	**86,214**	**(0.58)%**	**86,658**	**86,011**	**(0.75)%**	**63**	**203**	**n.a.**
Revenues from services	3,745	3,952	5.54%	3,745	3,952	5.54%	0	0	n.a.
Revenues from trading	0	1,640	n.a.	0	0	n.a.	0	1,640	n.a.
OPERATING REVENUES	90,466	91,806	1.48%	90,403	89,963	(0.49)%	63	1,843	n.a.
INCREASES COST OF SALES AND OTHER COSTS	0	(1,363)	n.a.	0	0	n.a.	0	(1,363)	n.a.
Rents and leases payable	(6,416)	(8,432)	31.42%	(6,416)	(8,432)	31.42%	0	0	n.a.
Direct personnel	(2,723)	(2,759)	1.32%	(2,723)	(2,759)	1.32%	0	0	n.a.
Direct costs	(12,367)	(12,543)	1.43%	(12,082)	(12,241)	1.31%	(285)	(302)	5.88%
DIRECT COSTS	(21,506)	(23,734)	10.36%	(21,221)	(23,432)	10.42%	(285)	(302)	5.88%
GROSS MARGIN	68,960	66,709	(3.26)%	69,182	66,531	(3.83)%	(222)	178	n.a.
Headquarters personnel	(4,364)	(4,502)	3.17%	(4,289)	(4,423)	3.11%	(74)	(79)	6.49%
G&A expenses	(2,922)	(3,118)	6.72%	(2,596)	(2,723)	4.92%	(326)	(395)	21.07%
G&A EXPENSES	(7,285)	(7,620)	4.59%	(6,885)	(7,146)	3.79%	(400)	(474)	18.66%
EBITDA	61,675	59,089	(4.19)%	62,297	59,385	(4.67)%	(622)	(296)	(52.38)%
Ebitda Margin	*68.2%*	*64.4%*		*68.9%*	*66.0%*				
Other provisions	(94)	(94)	(0.00)%						
Write-downs and FV adjustments	(17,128)	(14,117)	(17.58)%						
Depreciations	(1,013)	(1,087)	7.22%						
DEPRECIATIONS AND WRITE-DOWNS	(18,235)	(15,298)	(16.11)%						
EBIT	43,440	43,791	0.81%						
FINANCIAL MANAGEMENT	(34,731)	(34,541)	(0.54)%						
EXTRAORDINARY MANAGEMENT	(490)	120	n.a.						
PRE-TAX INCOME	8,219	9,370	14.00%						
Taxes	2,496	(2,691)	n.a.						
NET PROFIT FOR THE PERIOD	10,715	6,679	(37.66)%						
* (Profit)/losses related to third parties	361	377	4.51%						
GROUP NET PROFIT	11,076	7,056	(36.30)%						

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).

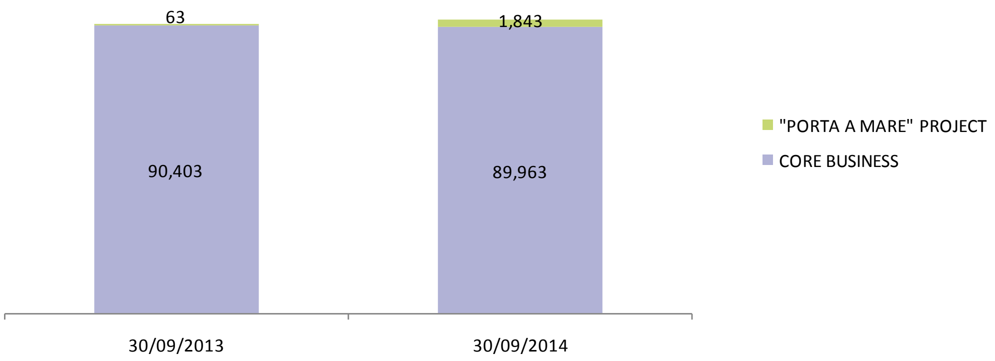
The following income statement shows the figures for the last quarter:

€/000	CONSOLIDATED 3Q 2013	CONSOLIDATED 3Q 2014	Δ%	CORE BUSINESS 3Q 2013	CORE BUSINESS 3Q 2014	Δ%	PORTA A MARE PROJECT 3Q 2013	PORTA A MARE PROJECT 3Q 2014	Δ%
Revenues from freehold properties	26,224	25,088	(4.33)%	26,202	25,018	(4.52)%	22	70	n.a.
Revenues from leasehold properties	2,464	3,393	37.70%	2,464	3,393	37.70%	0	0	n.a.
Total revenues from properties	**28,689**	**28,480**	**(0.73)%**	**28,667**	**28,411**	**(0.89)%**	**22**	**70**	**n.a.**
Revenues from services	1,231	1,242	0.89%	1,231	1,242	0.89%	0	0	n.a.
Revenues from trading	0	255	n.a.	0	0	n.a.	0	255	n.a.
OPERATING REVENUES	29,920	29,977	0.19%	29,897	29,652	(0.82)%	22	325	n.a.
							0	0	
INCREASES COST OF SALES AND OTHER COSTS	0	(230)	n.a.	0	0	n.a.	0	(230)	n.a.
Rents and leases payable	(2,125)	(2,987)	40.57%	(2,125)	(2,987)	40.57%	0	0	n.a.
Direct personnel	(908)	(884)	(2.59)%	(908)	(884)	(2.59)%	0	0	n.a.
Direct costs	(4,216)	(4,153)	(1.49)%	(4,141)	(4,073)	(1.63)%	(76)	(81)	6.09%
DIRECT COSTS	(7,249)	(8,026)	10.72%	(7,174)	(7,945)	10.75%	(76)	(81)	6.09%
GROSS MARGIN	22,671	21,721	(4.19)%	22,725	21,708	(4.48)%	(54)	13	n.a.
Headquarters personnel	(1,348)	(1,420)	5.33%	(1,323)	(1,394)	5.38%	(26)	(26)	2.77%
G&A expenses	(866)	(938)	8.35%	(748)	(804)	7.43%	(117)	(135)	15.06%
G&A EXPENSES	(2,214)	(2,358)	6.51%	(2,071)	(2,196)	6.07%	(142)	(162)	13.65%
EBITDA	20,458	19,363	(5.35)%	20,653	19,511	(5.53)%	(196)	(149)	(24.09)%
Ebitda Margin	*68.4%*	*64.6%*		*69.1%*	*65.8%*				
Other provisions	(31)	(31)	(0.00)%						
Write-downs and FV adjustments	(797)	(362)	(54.53)%						
Depreciations	(354)	(394)	11.38%						
DEPRECIATIONS AND WRITE-DOWNS	(1,182)	(787)	(33.43)%						
EBIT	19,275	18,576	(3.63)%						
FINANCIAL MANAGEMENT	(11,791)	(11,654)	(1.16)%						
EXTRAORDINARY MANAGEMENT	0	(0)	n.a.						
PRE-TAX INCOME	7,484	6,922	(7.52)%						
Taxes	(521)	(4,363)	n.a.						
NET PROFIT FOR THE PERIOD	6,963	2,559	(63.25)%						
* (Profit)/losses related to third parties	57	44	(23.12)%						
GROUP NET PROFIT	7,020	2,603	(62.91)%						

Revenue

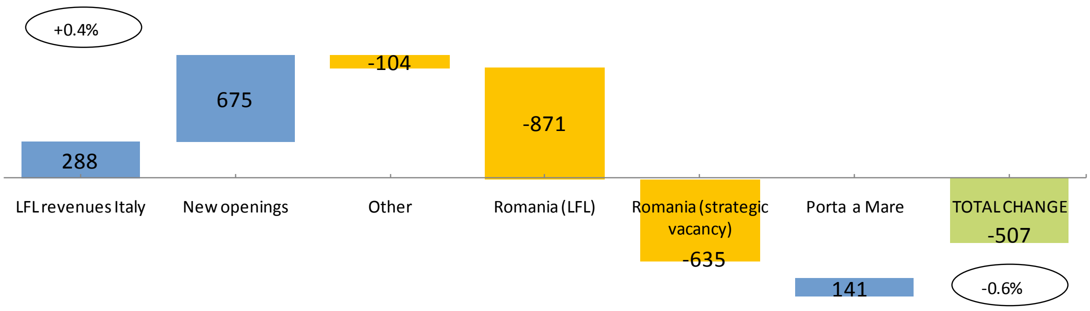
Consolidated operating revenue amounted to €91,806 thousand, an increase of 1.48% with respect to the same period of the prior year. The core business revenue included trading revenue of €1,640 thousand relative to the sale of 5 residential units, as well as 3 garages and a parking spot, and other less material trading revenue.

Total rievenues



The breakdown of revenue is described below.

✓ **The revenue from the rental business** fell 0.58% with respect to the same period 2013.



The decline of €507 thousand is attributable primarily to:

- for €288 thousand, like-for-like revenue which rose 0.4%. The positive trend for hypermarkets was confirmed (+0.8%) due to indexing and the step-ups that took full effect at the most recently opened hypermarkets. Malls were largely unchanged (+0.1%), with positive performances posted, in particular, by the Tiburtino, Conè, Nova e Le Maioliche centers. The average downside in the period reached -6.6% (on 199 contracts - 127 renewals and 72 turnovers);
- for €675 thousand, openings made in 2014 (the Abruzzo expansion which was innaugurated on 10 April, and Piazza Mazzini, inaugurated on 10 July);
- for €1,506 thousand, a drop in like-for-like revenue in Romania (-19.2%), due to the residual downside of the 2013 and 1Q 2014 contracts, higher average vacancies in the period, the re-commercialization underway of the office building (retail and office building) and the planned vacancies needed to proceed with the investment plan;
- for €93 thousand, the rental income generated by the Porta a Mare project following the rental of office units between 2012 and 2013.

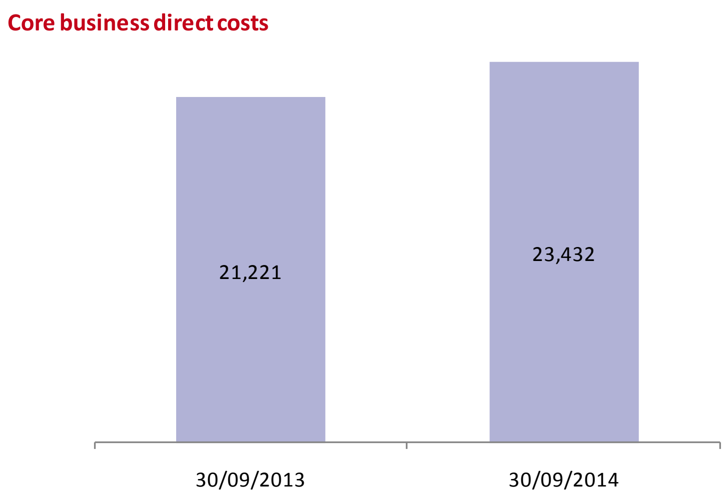
- ✓ **Revenue from services** increased with respect to the first nine months of 2013 (+7.83%). Most of this revenue comes from the facility management business (87.9% of the total which amounted to €3,473 thousand), which was down with respect to the prior year (-3.0%), due to the expiration of a management mandate and the decrease recorded in Romania. Revenue from Pilotage, rather, increased significantly (by approximately €393 thousand) due primarily to the pre-letting of the Centro d'Abruzzo expansion and Piazza Mazzini.
- ✓ **Revenue from trading generated by the Porta a Mare project** amounted to €1, 640 thousand and reflects the sale of 5 residential units, 3 garages and 1 parking place, for €1,533 thousand, as well as €107 thousand in other income.

Direct Costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €23,432 thousand, an increase of 10.42% with respect to the same period of the prior year. This change is largely due to:

- ✓ an increase in rents and leases payable (of €2,016 thousand or 31.42%), following the sale of the Le Fonti del Corallo mall in Livorno which is now under management based on a long-term leaseback agreement entered into with the buyer; at 30 September 2014 this item represented approximately 36% of total direct costs.
- ✓ higher condominium fees (€426 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) and the contracts with retailers that contain caps on condominium fees.
- ✓ an increase in property taxes (€217 thousand) attributable, in Italy, to the increased rates recorded in a few municipalities and the new TASI tax. At 30 September 2014 this item amounted to €5,903 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 (€638 thousand) as a result of fewer disputed claims and bankruptcy proceedings.

The costs pertaining to the core business represent 26.5% of revenue, an increase with respect to the 23.47% recorded in the prior year.



The direct costs for the Porta a Mare project, which amounted to €302 thousand, consist primarily in the IMU property tax (€214 thousand) and condominium fees.

Margins

The divisional gross margin fell by 3.26%, dropping from the €68,960 thousand posted at 30 September 2013 to €66,709 thousand at 30 September 2014. The table below shows the trend in divisional gross margins by business segment:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/09/2013	30/09/2014	%	30/09/2013	30/09/2014	%	30/09/2013	30/09/2014	%
Margin from freehold properties	68,266	65,616	(3.88)%	68,219	65,488	(4.00)%	47	128	n.a.
Margin from leasehold properties	515	667	29.68%	515	667	29.68%	0	0	n.a.
Margin from services	449	376	(16.32)%	449	376	(16.32)%	0	(0)	n.a.
Margin from trading	(270)	50	n.a.	0	0	n.a.	(270)	50	n.a.
Gross margin	**68,960**	**66,709**	**(3.26)%**	**69,182**	**66,531**	**(3.83)%**	**(223)**	**178**	**n.a.**

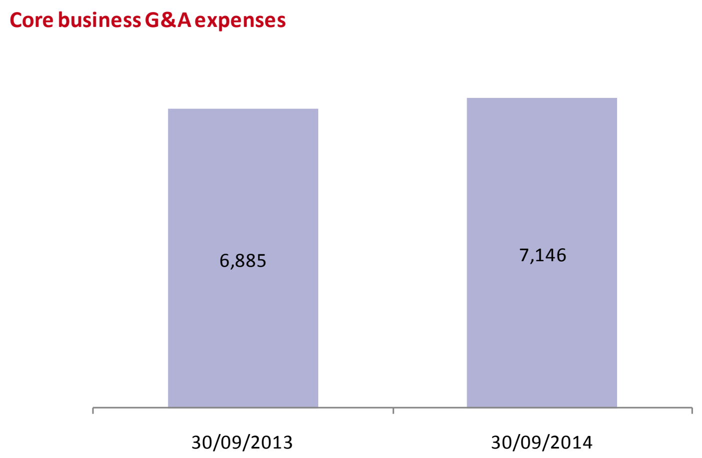
The following income statement shows the trend in margins for the last three months:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	3Q 2013	3Q 2014	%	3Q 2013	3Q 2014	%	3Q 2013	3Q 2014	%
Margin from freehold properties	22,482	21,282	(5.34)%	22,465	21,288	(5.24)%	17	(6)	n.a.
Margin from leasehold properties	134	260	93.20%	134	260	93.20%	0	0	n.a.
Margin from services	126	160	26.93%	126	160	26.93%	0	(0)	n.a.
Margin from trading	(71)	19	n.a.	0	0	n.a.	(71)	19	n.a.
Gross margin	**22,671**	**21,721**	**(4.19)%**	**22,725**	**21,708**	**(4.48)%**	**(55)**	**13**	**n.a.**

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €65,616 thousand versus €68,266 thousand in the same period of the prior year due to the reclassification of the Fonte del Corallo mall under leasehold properties, coming in at 85.63% of revenue, in line with the same period of the prior year. Please note that, beginning in 2014, the revenue and direct costs relative to the Fonti del Corallo mall have been transferred from freehold to leasehold properties following the sale of the mall to a real estate investment fund in the first half.
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €667 thousand. As a percentage of revenue the margin came to 6.96% (6.84% in 2013). The slight increase is due primarily to the good performance of property management and rental income, as well as reduced direct costs.
- ✓ **SBU 2 – Services - margin from service businesses:** the margin from services amounted to €376 thousand and represents 9.50% of revenue. The drop in this margin with respect to 2013 (11.98%) is explained by the decrease in Facility revenue (one less management mandate) and increased direct costs.
- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the "Porta a Mare" project reached €50 thousand as a result of the sale of a few residential units.

General expenses

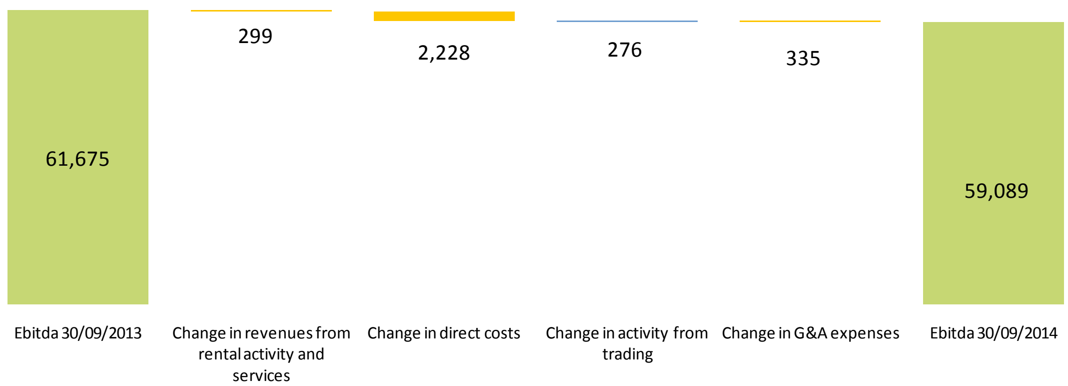
General expenses for the core business, including payroll costs at headquarters, rose 3.79% with respect to the €6,885 thousand posted in the first nine months of 2013 to €7,146 thousand due to an increase in payroll costs at headquarters as a result of a few contractual adjustments. These costs represent 7.94% of core business revenue.



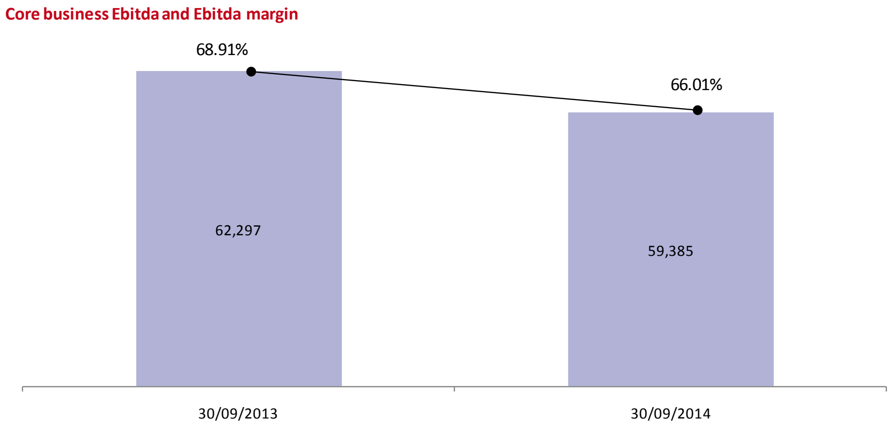
General expenses for the Porta a Mare project, amounted to €474 thousand (including payroll costs), an increase of 18.66% with respect to the same period of the prior year explained by higher advertising costs and consulting fees.

EBITDA

Core business **EBITDA** amounted to €39,874 thousand in the first nine months of 2014, a decrease of 4.67% with respect to the same period of the prior year, while total EBITDA fell by 4.19% to €59,089 thousand. The changes in the components of total EBITDA during the first nine months of 2014 are shown below.



As mentioned above, the EBITDA margin was impacted by the drop in core business revenue, increase in rents payable, higher tax burden (IMU in Italy), increase in condominium fees (as a result of the increased average vacancy in the period) and increase in headquarter personnel.
The core business **EBITDA MARGIN** came in at 66.01%, down with respect to the same period of the prior year due to the combined effect of lower revenue and higher direct costs and general expenses.



EBIT

EBIT amounted to €43,791 thousand, an increase of 0.81% due primarily to lower writedowns and negative fair value adjustments.

Net financial income (charges)

Financial charges fell €190 thousand from the €34,731 thousand posted at 30 September 2013 to €34,541 thousand at 30 September 2014.

Net of the interest capitalized (€597 thousand), financial charges increased by approximately €407 thousand due to the higher average cost of debt, which rose from the 4.23% recorded at 30 September 2103 to 4.38% (from 3.94% to 4.33%, 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 0.22 (average 3m 365 Euribor at 30 September 2013) to 0.25 (average 3m 365 Euribor at 30 September 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, extinguished on 24 March 2014 and Monte dei Paschi, extinguished on 15 May 2014) , the extinction of an unsecured loan with Iccrea Banca (extinguished on 6 August 2014) and fewer drawdowns of short-term credit lines.

Net financial income (charges)	30/09/2014	30/09/2013	*Change*
(financial income)	(78)	(99)	21
financial charges	35,087	34,631	456
effect (gain)/loss on exchange rates	(25)	38	(63)
capitalized interest	(597)	0	(597)
commissions	154	161	(7)
Net financial income (charges)	**34,541**	**34,731**	**(190)**

Capital gains/(losses) from disposals

A capital gain of €120 thousand, net of ancillary sales costs, was generated in 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, reached a negative €2,691 thousand versus a positive €2,496 thousand in the same period of the prior year.

The difference is largely attributable to the impact of Law Decree n. 133 dated 12 September 2014 (effective as of 13 September), published on 12 September in the Official Gazzette (“**D.L. 133/2014”**) based on whicht the capital gains/(losses) relating to rental property are to be considered part of the exempt operations.

This resulted in the reversal of the deferred tax assets and liabilities (for the Parent Company and IGD Property SIINQ S.p.A.) recognized in the financial statements at 31 December 2013 of €16,024 thousand and €14,136 thousand, respectively, which had a negative impact of €1,888 thousand.

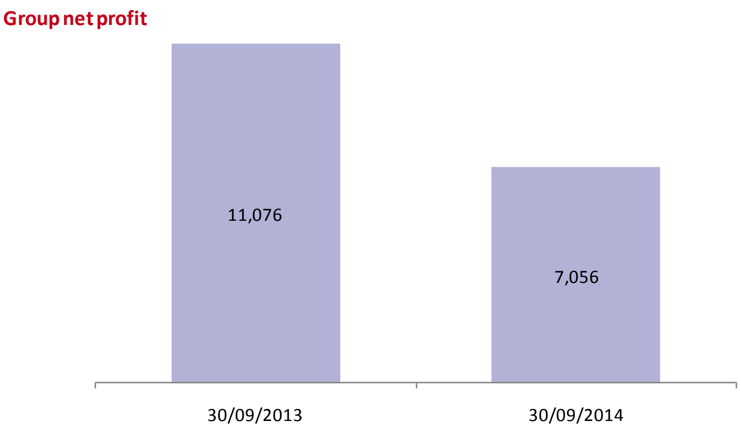
Furthermore, for the companies IGD SIIQ S.p.a. and IGD Property SIINQ S.p.A. no deferred taxes (assets and liabilities) were recognized for the changes in fair value recorded at 30 September 2014.

The tax rate was also affected by property sales made in 2014, of which there were none in the same period last year.

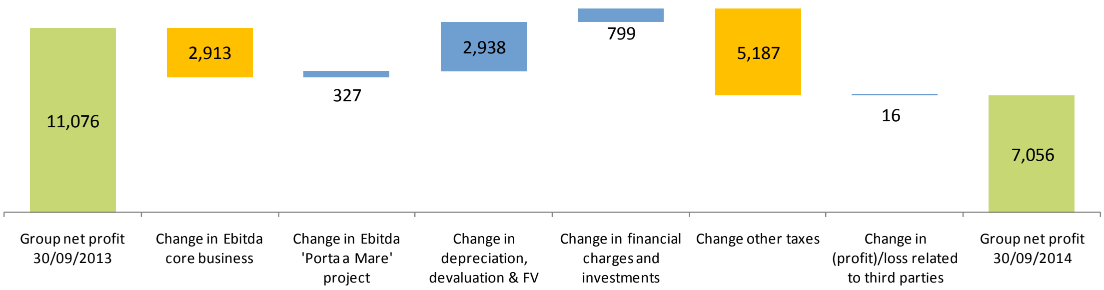
Income tax	30/09/2014	30/09/2013	*Change*
Current taxes	884	936	(52)
Deferred tax liabilities	1,071	(1,191)	2,262
Deferred tax assets	(1,151)	(2,244)	1,093
Net effect of deferred tax assets and deferred tax liabilities DL 133/2014	1,888	0	1,888
Out-of-period income/charges	(1)	3	(4)
Total	**2,691**	**(2,496)**	**5,187**

Group net profit

As a result of the above the Group’s net profit fell by 36.03%% against 30 September 2013 to €7,056 thousand.

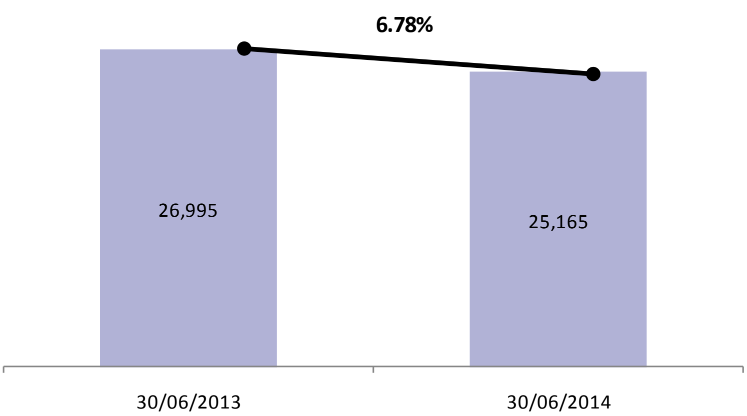


The change in net profit with respect to the same period in the prior year is shown below.



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 September 2014 shows a decrease of 6.78% against the same period of the prior year.



STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

The IGD Group's statement of financial position at 30 September 2014 can be summarized as follows:

SOURCES-FUNDS	30/09/2014	30/06/2014	Δ	%	31/12/2013	Δ	%
Fixed assets	1,836,509	1,848,270	(11,761)	(0.64%)	1,879,129	(42,620)	(2.27%)
NWC	65,738	61,319	4,419	7.21%	71,271	(5,533)	(7.76%)
Other consolidated liabilities	(54,896)	(68,747)	13,851	(20.15%)	(68,519)	13,623	(19.88%)
TOTAL USE OF FUNDS	**1,847,351**	**1,840,842**	**6,509**	**0.35%**	**1,881,881**	**(34,530)**	**(1.83%)**
Net debt	765,875	764,808	1,067	0.14%	763,692	2,183	0.29%
Nat (assets) and liabilities for derivatives instruments	44,076	41,803	2,273	5.44%	33,302	10,774	32.35%
Shareholders' equity	1,037,400	1,034,231	3,169	0.31%	1,084,887	(47,487)	(4.38%)
TOTAL SOURCES	**1,847,351**	**1,840,842**	**6,509**	**0.35%**	**1,881,881**	**(34,530)**	**(1.83%)**

The principal changes in third quarter 2014, compared to 30 June 2014, are summarized below:

- ✓ **Non-current assets** fell from the €1,848,270 thousand recorded at 30 June 2014 to €1,836,509 thousand at 30 September 2014; the change of -€11.761 thousand is explained by increases and decreases in:
  - ✓ **Assets under construction** (+€6,615 thousand). The change is explained primarily by:
    - ➢ for about €36 thousand, progress on the retail portion of the Porta a Mare project in Livorno;
    - ➢ for about €1,973 thousand, progress on the construction relative of the future retail park in Chioggia;
    - ➢ for about €36 thousand, the urbanization expenses resulting from the Zoning Agreement and ancillary charges relating to the ESP expansion project, in addition to interest capitalized of €187 thousand;
    - ➢ for about €1,517 thousand, work on improvements at the Afragola and Lugo shopping centers and the continued remodeling at the Palermo shopping center;
    - ➢ for about €1,560 thousand, the restyling of the interior of the Centro Sarca mall (lot 2);
    - ➢ for about €693 thousand, unfinished extraordinary maintenance at a few Romanian shopping centers.
  - ✓ **Deferred tax assets** (-€17,635). The change is due primarily to:
    - ➢ the derecognition of €16,024 thousand in deferred taxes relating to the fair value of investment property and assets under construction following application of Law Decree n. 133 dated 12 September 2014. Deferred taxes on the changes in fair value recorded at 30 September 2014 were also not recognized;
    - ➢ the €606 thousand increase in deferred taxes on mortgage hedging instruments (IRS) to reflect a change in fair value.
  - ✓ **Miscellaneous receivables and other non-current assets** (-€480 thousand). The change is due primarily to:
    - ➢ the decrease in the leasehold held on the mall at the Città delle Stelle shopping center recognized in the income statement.
- ✓ **Net working capital** (+€4,419 thousand). The change is due primarily to:
  - ➢ for +€330 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 +€475 thousand, the increase in amounts outstanding linked to the ancillary costs incurred as result of the capital increase finalized in October;
  - ➢ for +€3,052 thousand, the decrease in third party and related party trade payables pertaining primarily to work and construction done in the period;

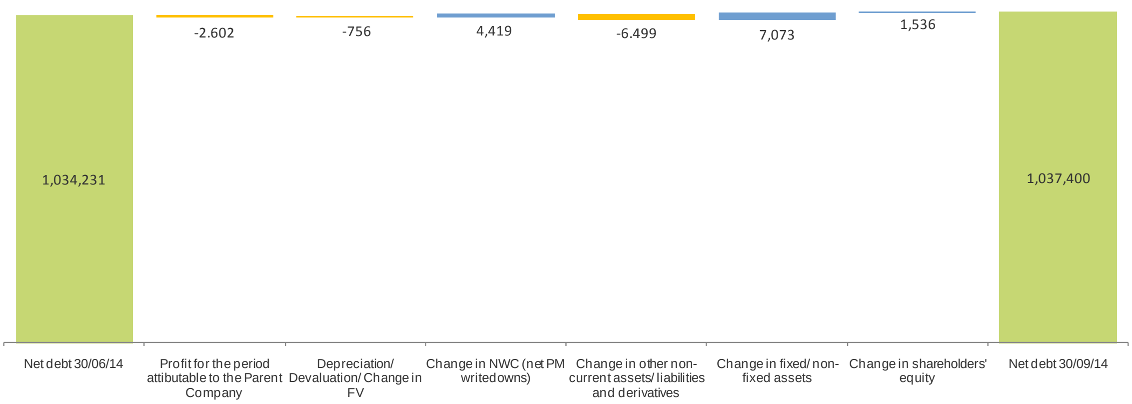
  - for +€548 thousand, the decrease in tax liabilities due to the payment of the withholding on the dividends paid by the Parent Company, partially offset by the IMU payable in the third quarter.

- **Other non-current liabilities.** (+€13,851 thousand). The change is explained primarily by:
  - the derecognition of deferred taxes relating to fair value ajustments of investment property and assets under construction amounting to €14,136 thousand following application of Law Decree n. 133 dated 12 September 2014. Deferred taxes on the changes in fair value recorded at 30 September 2014 were also not recognized.

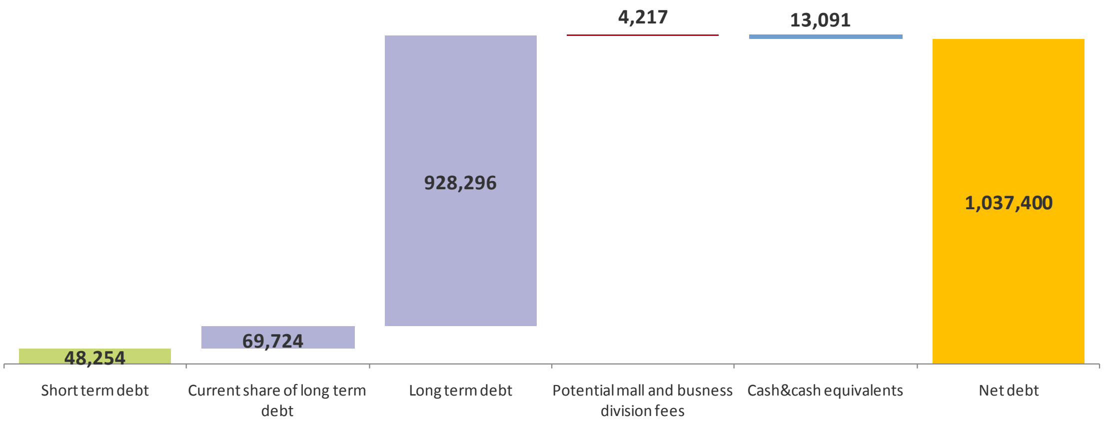
- **Net equity:** at 30 September 2014 amounted to €765,875 thousand. The change of +€1,067 is explained primarily by:
  - a decrease for derivatives accounted for using the cash flow hedge method, -€1,813 thousand for the parent company and +€344 thousand for a subsidiary;
  - movements in the translation reserve for the translation of foreign currency financial statements in the amount of approximately -€23 thousand;
  - the profit for the period allocable to the Parent Company (€2,602 thousand) and the profit allocable to non-controlling interests (€43 thousand).

- **Net assets/(liabilities) for derivatives:** the fair value measurement of hedging instruments at 30 September 2014 dropped by €2,273 thousand with respect to the prior year.

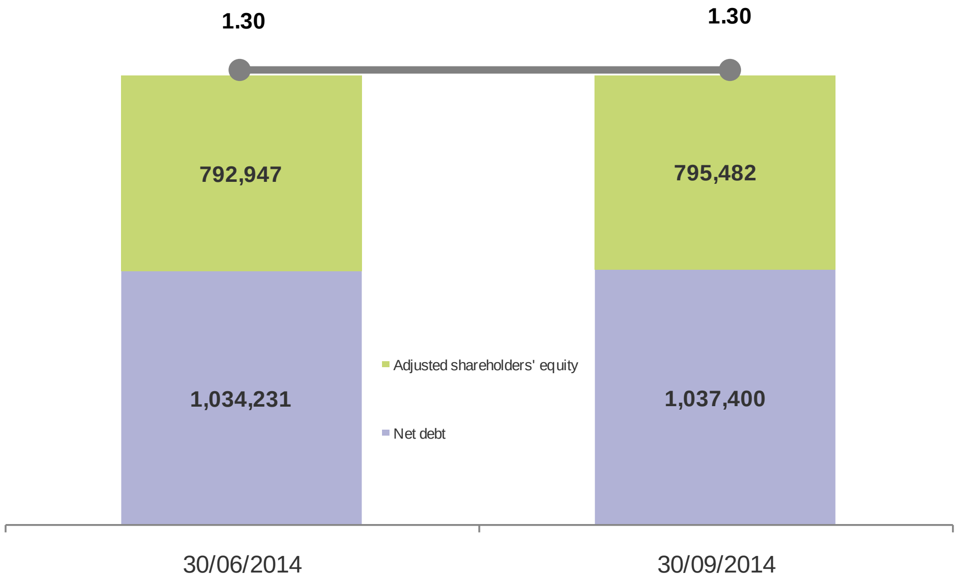
- **Net financial position** at 30 September 2014 came +€1,037,400 thousand versus €1,034,231 at 30 June 2014. The changes are shown below:



The breakdown of the net financial position is shown below:



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The 1.30 recorded at 30 September was basically unchanged with respect to the figure reported at 30 June 2014.



Segment Reporting

The income statement and statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties.

€/1000	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2014	30/09/2013
INCOME STATEMENT	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
REVENUES	86,011	86,658	3,952	3,745	1,843	63			91,806	90,466
CHANGE IN INVENTORY					(702)	5,657			(702)	5,657
DIRECT COSTS	(19,931)	(17,940)	(3,577)	(3,296)	(888)	(5,927)			(24,395)	(27,162)
GROSS MARGIN	66,079	68,718	376	449	254	(207)	0	0	66,709	68,961
G&A EXPENSES							(7,775)	(7,445)	(7,775)	(7,446)
EBITDA	66,079	68,718	376	449	254	(207)	(7,775)	(7,445)	58,934	61,514
DEPRECIATION/WRITEDOWNS/ OTHER PROVISIONS	(11,328)	(16,734)	(1)	(1)	(3,839)	(1,193)	(129)	(308)	(15,297)	(18,235)
EBIT	54,752	51,984	375	448	(3,586)	(1,400)	(7,905)	(7,754)	43,637	43,279
FINANCIAL INCOME MARGIN							(34,387)	(34,570)	(34,387)	(34,570)
EQUITY INVESTMENT MARGIN							120	(490)	120	(490)
TAXES							(2,691)	2,496	(2,691)	2,496
NET PROFIT									6,679	10,715
NON-CONTROLLING INTEREST (PROFIT)/LOSS OF THE PERIOD					377	361			377	361
GROUP NET PROFIT									7,056	11,076

€/1000	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014	30/09/2014	30/06/2014
STATEMENT OF FINANCIAL POSITION	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
TANGIBLE ASSETS	1,695,061	1,695,290	0	0	6	6	8,923	8,984	1,703,990	1,704,280
INTANGIBLE ASSETS AND OTHER NON-CURRENT ASSETS	0	0	0	0	2,754	2,754	26,702	44,787	29,456	47,541
CURRENT INVESTMENTS	103,064	96,449	0	0	0	0	0	0	103,064	96,449
NWC	(2,544)	(6,680)	439	124	82,348	82,346	(14,506)	(14,471)	65,737	61,319
OTHER NON-CURRENT LIABILITIES	(39,990)	(54,332)	(2,832)	(2,341)	(12,074)	(12,074)	0	0	(54,896)	(68,747)
TOTAL USE OF FUNDS	1,755,590	1,730,727	(2,393)	(2,218)	73,034	73,033	21,119	39,301	1,847,351	1,840,842
NET DEBT	997,614	977,297	(2,047)	(2,861)	20,714	20,494	21,119	39,301	1,037,400	1,034,231
NET (ASSETS) AND LIABILITIES FOR DERIVATIVE INSTRUMENTS	44,076	41,803							44,076	41,803
EQUITY	713,902	711,626	(346)	643	52,320	52,539	0	0	765,875	764,808
TOTAL SOURCES	1,755,590	1,730,727	(2,393)	(2,218)	73,034	73,033	21,119	39,301	1,847,351	1,840,842

€/1000	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2014	30/09/2013
REVENUES FROM FREEHOLD PROPERTIES	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	36,033	35,812	32,520	33,772	6,292	7,707	74,844	77,291
ONE-OFF REVENUES	3	57	38	14	0	0	41	71
TEMPORARY LOCATION RENTALS	935	944	443	601	0	0	1,378	1,545
OTHER RENTAL INCOME	218	148	121	24	28	117	367	289
TOTAL	37,188	36,961	33,120	34,410	6,320	7,824	76,628	79,195

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.

EUR 200 million capital increase

On 7 July 2014 the Company's 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 would be 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 was 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.

On 7 August, shareholders approved 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 dividend rights. The new shares were 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.

On 25 September 2014, IGD's Board of Directors in execution of the resolution of the Extraordinary Shareholders' meeting held on 7 August 2014, resolved upon the final conditions of the Share Capital Increase, subject to Consob's authorization (issued on 26 September), which calls for the issue of new ordinary shares without a stated par value, ranking pari passu with the ordinary IGD shares outstanding at the issue due and with dividend rights, through a rights issue to be offered to all IGD shareholders at an issue rate of 11 new shares for every 10 ordinary shares held, at an issue price €0.504 per share to be recognized entirely as share capital. The issue price of the newly issued shares was determined in accordance with the criteria established during the Extraordinary Shareholders' Meeting, by applying a discount of 32.99% on the Theoretical Ex Right Price – TERP of IGD's ordinary shares calculated based on the Milan Stock Exchange's closing price on 25 September 2014 of €1.025.

Investments, commercial agreements and financing

During the first nine months of 2014 the IGD Group continued to develop new properties, as well as expand and restyle 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 €5,467 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 the first nine months of 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 €350 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 €1,463 thousand. Further work was also done on the improvements at the Lugo center for an investment amounting to about €933 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 period under examination. Approximately €2,068 thousand had also been spent at 30 September 2014 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.
On 10 July a part of Piazza Mazzini was opened (9 points of sale). Pre-letting of the remaining part is still underway.
Work continued on the retail portion of the Mazzini area in the first nine months of 2014 and is close to completion.

Porta a Mare Project

Work continued in the period on the **Mazzini area** (residential) with the investment reaching approximately €608 thousand, as well as on the foundation of the underground parking lot in the **Officine area** for an investment of some €745 thousand. The pre-letting of the residential units continued. 5 units, as well as three garages and a parking spot, were sold in the period under examination.
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 first half 2015 and should be completed by first half 2016.

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 period for an investment of approximately €7,684 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 the period 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 €4.6 million. Some of the work has yet to be completed

The investments made in the first nine months of 2014 are shown below:

	Sep-14 Euro/mln
REAL ESTATE INVESTMENTS	10.02
ASSETS UNDER CONSTRUCTION	17.56
OTHER FIXED ASSETS	0.72
TOTAL INVESTMENTS IN FIXED ASSETS	28.30
Work in progress inventory Porta a Mare project	0.61
TOTAL INVESTMENTS	28.91

Disposals

On 26 February, 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 provided in the Interest Rate Swap agreement stipulated in December 2013 hedging the interest rate of the above loan 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 €150,000,000private placement was completed.

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

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.

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.

Equity investments

On 7 August an agreement was signed for the promotion of real estate funds specialized in the retail/commercial segment. The project calls for IGD to purchase 20% of the share capital of UnipolSai Investimenti SGR S.p.A., a wholly-owned subsidiary of UnipolSai, for €4.2 million and the future creation of a division within the SGR specialized in the formation and management of closed-end real estate funds focused on the commercial/retail segment.

Execution of the transaction is subject to authorization by the Bank of Italy.

SUBSEQUENT EVENTS AND OUTLOOK

On 24 October the offer of 396,186,626 newly issued ordinary shares of IGD was completed and fully subscribed for a total of €199,678,059.50.

IGD's new share capital, therefore, amounts to €549,760,278.52, broken down into 756,356,289 ordinary shares without a stated par value. Furthermore, as announced to the market on 7 August 2014 and in light of the full subscription of the capital increase, the contracts were signed for the purchase and subsequent leaseback of a portfolio of "core" properties comprising a shopping center and two hypermarkets owned by Coop Adriatica S.c.a.r.l. and two supermarkets owned by Unicoop Tirreno S.C. for a total of € 92.665 million in addition to ancillary charges and transfer taxes which should amount to approximately € 2.1 million.

On 6 November two amendments were signed relating to the loan granted by Cassa di Risparmio Bologna (expiring 27 Marco 2024) and the mortgage laon held with Cassa di Risparmio del Veneto (expiring 1 May 2014) which calls for a reduction in the spread (from 3.60% to 2.60%), in addition to a commission of 95 basis points on the residual debt.

Approval of Legislative Decree n.133 dated 12 September 2014

On 11 November Law "11 November 2014 n. 164: Conversion into law, with amendments, of Legislative Decree n. 133 dated 12 September 2014, n. 133", was published in the Official Gazzette which introduced a number of changes to the SIIQ or REIT regime called for originally under the 2007 Budget Law which include raising the threshold for a single shareholder from 51% to 60% of the voting and dividend rights), as well as the reduction in the float requirement from 35% to 25% (this change is not applicable to companies listed at the time L.D. 133/2014 took effect). Changes were also made to the Asset Test and the Profit Test. The mandatory dividend payout was lowered from 85% to 70% of income

Furthermore, under the previous SIIQ regime, specifically paragraph 131 of Art. 1 of Law n. 296 of 27 December 2006, capital gains generated by rental properties were not considered part of exempt operations and, therefore, subject to ordinary taxation. Based on the new provisions any capital gains and losses generated by rental properties are considered part of exempt operations.

Outlook

The global market conditions in the first nine months of 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 had a direct impact on 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, and, in the second half of the year, the retail portion of Piazza Mazzini, as well as the effect of the core portfolio acquired on 24 October.

The capital increase completed in October, will also strengthen IGD's financial and capital structure, and will make it possible to reduce and/or refinance debt, including through the extinction of long term debt. We expect to see a positive impact on leverage (Loan to Value should fall below 50% and the gearing (D/E ratio) should come to 0.95).

IGD GROUP

Consolidated financial statements at 30 September 2014

Consolidated income statement

Consolidated income statement (in thousands of Euro)	30/09/2014 (A)	30/09/2013 (B)	Change (A-B)	3Q 2014 (C)	3Q 2013 (D)	Change (C-D)
Revenue	86,207	86,712	(505)	28,473	28,680	(207)
Other income	4,066	3,754	312	1,249	1,240	9
Revenue from property sales	1,533	0	1,533	255	0	255
Total revenue and operating income	**91,806**	**90,466**	**1,340**	**29,977**	**29,920**	**57**
Change in work in progress inventory	(702)	5,657	(6,359)	(130)	2,156	(2,286)
Total revenue and change in inventory	**91,104**	**96,123**	**(5,019)**	**29,847**	**32,076**	**(2,229)**
Cost of work in progress	608	5,657	(5,049)	87	2,156	(2,069)
Purchase of materials and services	17,071	14,142	2,929	5,660	4,683	977
Cost of labour	6,397	6,177	220	2,062	1,940	122
Other operating costs	6,942	6,843	99	2,331	2,305	26
Total operating costs	**31,018**	**32,819**	**(1,801)**	**10,140**	**11,084**	**(944)**
(Depreciation, amortization and provisions)	(2,331)	(2,897)	566	(803)	(991)	188
(Impairment losses)/Reversals on work in progress and inventories	(1,673)	(316)	(1,357)	0	0	0
Change in fair value - increases / (decreases)	(12,445)	(16,812)	4,367	(363)	(797)	434
Total depreciation, amortization, provisions, impairment and change in fair value	**(16,449)**	**(20,025)**	**3,576**	**(1,166)**	**(1,788)**	**622**
EBIT	**43,637**	**43,279**	**358**	**18,541**	**19,204**	**(663)**
Gains/losses from disposals	**120**	**(490)**	**610**	**0**	**0**	**0**
Gains/losses from disposals	120	(490)	610	0	0	0
Financial income	80	296	(216)	20	34	(14)
Financial charges	34,467	34,866	(399)	11,639	11,754	(115)
Net financial income/(charges)	**(34,387)**	**(34,570)**	**183**	**(11,619)**	**(11,720)**	**101**
PRE-TAX PROFIT	**9,370**	**8,219**	**1,151**	**6,922**	**7,484**	**(562)**
Income tax for the period	2,691	(2,496)	5,187	4,363	521	3,842
NET PROFIT FOR THE PERIOD	**6,679**	**10,715**	**(4,036)**	**2,559**	**6,963**	**(4,404)**
Minorities portion of net profit	377	361	16	43	57	(14)
Parent Company's portion of net profit	**7,056**	**11,076**	**(4,020)**	**2,602**	**7,020**	**(4,418)**

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in thousands of Euro)	30/09/2014 (A)	30/09/2013 (B)	Change (A-B)	3° Q 2014 (C)	3° Q 2013 (D)	Change (C-D)
NET PROFIT FOR THE PERIOD	**6,679**	**10,715**	**(4,036)**	**2,559**	**6,963**	**(4,404)**
Other comprehensive income that will not be reclassified to profit or loss:						
Transaction costs for capital increase	(385)	(390)	5	0	(9)	9
Total other comprehensive income that will not be reclassified to profit or loss, net of tax effects	**(385)**	**(390)**	**5**	**0**	**(9)**	**9**
Other comprehensive income that will be subsequently reclassified to profit or loss:						
Impact of hedge derivatives on equity	(10,677)	16,276	(26,953)	(2,026)	2,293	(4,319)
Tax effect of hedge derivatives on equity	2,936	(4,476)	7,412	557	(631)	1,188
Other effects on income statement components	122	(48)	170	(23)	68	(91)
Total other comprehensive income that will not be reclassified to profit or loss, net of tax effects	**(7,619)**	**11,752**	**(19,371)**	**(1,492)**	**1,730**	**(3,222)**
Total comprehensive income	**(1,325)**	**22,077**	**(23,402)**	**1,067**	**8,684**	**(7,617)**
Non-controlling interests in net (profit)/loss	377	361	16	43	57	(14)
Parent company share of net profit	**(948)**	**22,438**	**(23,386)**	**1,110**	**8,741**	**(7,631)**

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of Euro)	30/09/2014 (A)	30/06/2014 (B)	31/12/2013 (C)	Change (A-B)	Change (A-C)
NON-CURRENT ASSETS					
Intangible assets					
Intangible assets with finite useful lives	75	82	92	(7)	(17)
Goodwill	12,727	12,727	11,427	0	1,300
	12,802	**12,809**	**11,519**	**(7)**	**1,283**
Property, plant, and equipment					
Investment property	1,690,644	1,690,644	1,723,693	0	(33,049)
Buildings	8,923	8,984	9,105	(61)	(182)
Plant and machinery	936	1,025	1,200	(89)	(264)
Equipment and other assets	1,976	2,140	1,785	(164)	191
Leasehold improvements	1,511	1,488	1,503	23	8
Assets under construction	103,063	96,448	100,249	6,615	2,814
	1,807,053	**1,800,729**	**1,837,535**	**6,324**	**(30,482)**
Other non-current assets					
Deferred tax assets	15,685	33,320	27,774	(17,635)	(12,089)
Sundry receivables and other non-current assets	561	1,041	1,992	(480)	(1,431)
Equity investments	408	371	309	37	99
Non-current financial assets	1,016	1,016	850	0	166
Derivatives - assets	61	74	382	(13)	(321)
	17,731	**35,822**	**31,307**	**(18,091)**	**(13,576)**
TOTAL NON-CURRENT ASSETS (A)	**1,837,586**	**1,849,360**	**1,880,361**	**(11,774)**	**(42,775)**
CURRENT ASSETS:					
Work in progress inventory and advances	68,458	68,588	73,009	(130)	(4,551)
Trade and other receivables	17,492	17,162	15,530	330	1,962
Other current assets	4,882	4,407	3,669	475	1,213
Financial receivables and other current financial assets	353	353	373	0	(20)
Cash and cash equivalents	12,738	12,632	8,446	106	4,292
TOTAL CURRENT ASSETS (B)	**103,923**	**103,142**	**101,027**	**781**	**2,896**
TOTAL ASSETS (A + B)	**1,941,509**	**1,952,502**	**1,981,388**	**(10,993)**	**(39,879)**
NET EQUITY:					
Share capital	350,082	350,082	325,052	0	25,030
Share premium reserve	147,730	147,730	147,730	0	0
Other reserves	236,923	238,415	246,916	(1,492)	(9,993)
Group profit	20,675	18,073	33,152	2,602	(12,477)
Total Group net equity	**755,410**	**754,300**	**752,850**	**1,110**	**2,560**
Portion pertaining to minorities	10,465	10,508	10,842	(43)	(377)
TOTAL NET EQUITY (C)	**765,875**	**764,808**	**763,692**	**1,067**	**2,183**
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	44,137	41,877	33,684	2,260	10,453
Non-current financial liabilities	930,625	939,605	817,406	(8,980)	113,219
Provision for employee severance indemnities	1,567	1,520	1,403	47	164
Deferred tax liabilities	31,603	45,639	44,832	(14,036)	(13,229)
Provisions for risks and future charges	1,622	1,503	1,809	119	(187)
Sundry payables and other non-current liabilities	20,104	20,085	20,475	19	(371)
TOTAL NON-CURRENT LIABILITIES (D)	**1,029,658**	**1,050,229**	**919,609**	**(20,571)**	**110,049**
CURRENT LIABILITIES:					
Current financial liabilities	120,882	108,627	277,150	12,255	(156,268)
Trade and other payables	16,525	19,577	14,558	(3,052)	1,967
Current tax liabilities	3,117	3,665	1,301	(548)	1,816
Other current liabilities	5,452	5,596	5,078	(144)	374
TOTAL CURRENT LIABILITIES (E)	**145,976**	**137,465**	**298,087**	**8,511**	**(152,111)**
TOTAL LIABILITIES (F=D + E)	**1,175,634**	**1,187,694**	**1,217,696**	**(12,060)**	**(42,062)**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**1,941,509**	**1,952,502**	**1,981,388**	**(10,993)**	**(39,879)**

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests in capital and reserves	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 period			0	11,076	11,076	(361)	10,715
Derivative evaluation of cash flow hedge			11,800	0	11,800		11,800
Other comprehensive income (losses)			(438)	0	(438)		(438)
Other comprehensive income (losses)	**0**	**0**	**11,362**	**11,076**	**22,438**	**(361)**	**22,077**
Allocation of 2012 profit							
- dividends	0	0	0	(22,333)	(22,333)		(22,333)
- share capital increase	13,483	0	0	0	13,483		13,483
- to legal reserve	0	0	1,019	(1,019)	0		0
- to other reserves	0	0	(9,854)	9,854	0		0
Balance at 30 September 2013	**325,052**	**147,730**	**243,465**	**39,231**	**755,478**	**11,315**	**766,793**

	Share capital	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interests in capital and reserves	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 period				7,056	7,056	(377)	6,679
Derivative evaluation of cash flow hedge			(7,741)		(7,741)		(7,741)
Other comprehensive income (losses)			(263)		(263)		(263)
Other comprehensive income (losses)	**0**	**0**	**(8,004)**	**7,056**	**(948)**	**(377)**	**(1,325)**
Sell of treasury shares	10,976	0	1,098	0	12,074	0	**12,074**
Allocation of 2013 profit							
- dividends				(22,620)	(22,620)		(22,620)
- share capital increase	14,054				14,054		14,054
- to other reserves			889	(889)	0		0
destinazione ad altre riserve			(3,976)	3,976	0		0
Balance at 30 September 2014	**350,082**	**147,730**	**236,923**	**20,675**	**755,410**	**10,465**	**765,875**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	30/09/2014	30/09/2013
(In thousands of Euro)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit for the period	**9,370**	**8,219**
Adjustments to reconcile net profit with the cash flow generated (absorbed) in the period:		
Non-monetary items	2,438	8,548
Depreciation, amortization and provisions	2,332	2,898
(Impairment)/reversal of assets under construction and inventories	1,673	316
Change in fair value of investment property	12,445	16,812
Gains/losses from disposals	(120)	3
CASH FLOW FROM OPERATING ACTIVITIES	**28,138**	**36,796**
Income tax	(883)	(939)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**27,255**	**35,857**
Change in inventories	713	(5,287)
Net change in current assets and liabilities	(187)	(2,085)
Net change in non-current assets and liabilities	969	1,625
CASH FLOW FROM OPERATING ACTIVITIES (a)	**28,750**	**30,110**
Investments in non-current assets	(28,264)	(14,221)
Divestments of non-current assets	46,890	0
Equity investments in subsidiaries	(100)	(55)
CASH FLOW FROM INVESTING ACTIVITIES (b)	**18,526**	**(14,276)**
Change in non-current financial assets	(166)	(788)
Change in financial receivables and other current financial assets	20	484
Dividend reinvestment option	13,693	13,091
Sale of treasury shares	12,050	0
Payment of dividends	(22,620)	(22,333)
Change in current debt	(157,813)	(175,215)
Change in non-current debt	111,826	168,205
CASH FLOW VROM FINANCING ACTIVITIES (c)	**(43,010)**	**(16,556)**
Difference in translation of liqudity	26	(14)
NET INCREASE (DECREASE) IN CASH BALANCE	**4,292**	**(736)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**8,446**	**7,545**
CASH BALANCE AT END OF THE PERIOD	**12,738**	**6,809**

Net financial position

The net financial position at 30 September 2014, 30 June 2014 and at 31 December 2013 is shown below. The net financial position, and the comparison figures, do not reflect the measurement of hedging instruments.

Credit lines with banks amount to €266 million, €214.51 million of which was unutilized at 30/09/2014. See the section "Statement of Financial Position and Financial Review" for comments.

NET FINANCIAL POSITION			
	30/09/2014	30/06/2014	31/12/2013
Cash and cash equivalents	(12,738)	(12,632)	(8,446)
Financial receivables and other current financial assets	(353)	(353)	(373)
LIQUIDITY	**(13,091)**	**(12,985)**	**(8,819)**
Current financial liabilities	51,158	36,418	190,489
Mortgage loans - current portion	64,563	70,119	82,281
Leasing – current portion	291	289	284
Convertible bond loan - current portion	4,870	1,801	4,096
CURRENT DEBT	**120,882**	**108,627**	**277,150**
CURRENT NET DEBT	**107,791**	**95,642**	**268,331**
Non-current financial assets	(1,016)	(1,016)	(850)
Non-current financial liabilities due to other sources of finance	1,313	1,500	1,875
Leasing – non-current portion	4,941	5,014	5,160
Non-current financial liabilities	633,483	642,474	668,368
Convertible bond loan	290,888	290,617	142,003
NON-CURRENT DEBT	**929,609**	**938,589**	**816,556**
NET FINANCIAL POSITION	**1,037,400**	**1,034,231**	**1,084,887**

Preparation criteria and scope of consolidation

Introduction

The interim management statement and consolidated accounts of the Immobiliare Grande Distribuzione Group at 30 September 2014 (unaudited) were drafted in compliance with Art. 154-*ter* of Legislative Decree 58/1998 and with the accounting and measurement standards established by IFRS, which were adopted by the European Commission according to Article 6 of EC Regulation 1606/2002 of the European Parliament and the Council of 19 July 2002 concerning the application of international accounting standards. The interim management statement at 30 September 2014 was approved and authorized for publication by the Board of Directors on 12 November 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 consolidated financial statements have been drawn up on the basis of the financial statements at 30 September 2014, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2013 and the consolidated half-year financial report at 30 June 2014, to which the reader should refer.

The valuation and reporting of book values are based on international accounting standards and their interpretations currently in effect; they are therefore subject to modification in order to reflect any changes that may occur between this writing and 31 December 2014 as a result of the European Commission's future endorsement of new standards, new interpretations, or guidelines issued by the International Financial Reporting Interpretation Committee (IFRIC).
In accordance with CONSOB instructions, income statement figures are provided for the quarter under review and are compared with figures for the same periods last year. The figures in the statement of financial position, which refer to the end date of the quarter, are compared with the end date of the previous quarter. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2013) , while balance sheet items are compared with the previous quarter (30 June 2014).
The use of estimates broadly reflects the practice followed in the year-end financial statements.
Deferred tax assets and liabilities have been calculated in addition to current taxes.
.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements at 30 September 2014, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. With respect to 31 December 2013, the scope of consolidation has not changed.

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 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	% consolidated of the group	Held by	% of share capital held	Operations
Parent Company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italy	350,082,219.02	Eur				Shopping center management
Subsidiaries consolidated on a line-by-line basis								
IGD Management s.r.l.	Ravenna via Villa Glori 4	Italy	75,071,221.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management and services
Millennium Gallery s.r.l	Ravenna via Villa Glori 4	Italy	100,000.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Porta Medicea s.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Eur	80%	IGD Management s.r.l.	80.00%	Construction company
IGD Property SIINQ S.p.A.	Ravenna via Villa Glori 4	Italy	50,000,000.00	Eur	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99,9%	100.00%	Shopping center management
						IGD SIIQ S.p.A. 0,1%		
Winmarkt management s.r.l.	Bucarest	Romania	1,001,000	Lei	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 (LI) Via Gino Graziani 6	Italy	10,000.00	Eur		IGD SIIQ S.p.A.	68.00%	Shopping center promotion and management of common areas
Associated valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento) via del Garda n.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 n.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.	Roma, via Piemonte 38	Italy	100,000.00	Eur		IGD SIIQ S.p.A.	50%	Darsena City shopping center management
Other valued at cost								
Iniziative Bologna Nord s.r.l. in liquidation	Casalecchio di Reno (Bologna) via Isonzo n. 67	Italy	60,000.00	Eur		IGD Management s.r.l.	15.00%	Real estate development
Fondazione Virtus Pallacanestro Bologna	Bologna via dell'Arcoveggio n.49/2	Italy	1,200,000.00	Eur		IGD SIIQ S.p.A.	12.50%	Sports team promotion

For comments on the statement of financial position and the income statement, see the reviews provided above.

****

Certification of the interim management statement pursuant to Art.154-bis (2) of Legislative Decree 58/98

I, Grazia Margherita Piolanti, in my capacity as financial reporting officer of IGD SIIQ SpA, hereby declare in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Management Statement at 30 September 2014 correspond to the company's records, ledgers and accounting entries.

Grazia Margherita Piolanti

Financial Reporting Officer