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 Europei1957-2007 n.13,

Tax ID, VAT no. 00397420399 and Ravenna Company Register no. 88573,

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

Half-Year Financial Report

at 30/06/2015

CONTENTS

Corporate Officers

Board of Directors	Role	Executive	Non – executive	Independent	Chairman Committee	Control and Risks Committee	Nomination and Compensation Committee	Committee for Related Party Transactions
Gilberto Coffari	Chairman	x			x			
Fernando Pellegrini	Vice Chairman		x		x			
Claudio Albertini	Chief Executive Officer	x			x			
Aristide Canosani	Director		x					
Vojticek John William	Director			x				
Elio Gasperoni	Director		x		x			
Leonardo Caporioni	Director		x					
Lentz Matthew David	Director			x				x
Elisabetta Gualandri	Director			x		x	x	
Milva Carletti	Director			x			x	
Rossella Saoncella	Director			x		x		x
Andrea Parenti	Director			x			x	x
Livia Salvini	Director			x		x		

Board of Statutory Auditors	Role	Standing	Alternate
Anna Maria Allievi	Chairman	X	
Roberto Chiusoli	Auditor	X	
Pasquina Corsi	Auditor	X	
Pierluigi Brandolini	Auditor		X
Isabella Landi	Auditor		X
Andrea Bonechi	Auditor		X

External auditors:

PricewaterhouseCoopers S.p.A.

Financial reporting officer:

Grazia Margherita Piolanti

During the Annual General Meeting held on 15 April 2015, shareholders appointed the Board of Directors that will remain in office for the next three years, through the Annual General Meeting called to approve the financial statements at 31 December 2017, setting the number of directors at 13 while the previous board comprised 15 members.

The Board of Directors now comprises: Gilberto Coffari, Claudio Albertini, Aristide Canosani, Elio Gasperoni, Fernando Pellegrini, Leonardo Caporioni, Elisabetta Gualandri, Milva Carletti, Rossella Saoncella, Andrea Parenti and Livia Salvini, appointed from the list submitted by the majority shareholders Coop Adriatica and Unicoop Tirreno; John William Vojticek and Matthew D. Lentz, appointed from the list submitted by the minority shareholder Quantum Strategic Partners Ltd.

The BoD has a majority of independent directors (7 out of 13).

The shareholders also appointed the Board of Statutory Auditors that will remain in office for the next three years, through the Annual General Meeting called to approve the financial statements at 31 December 2017.
The standing auditors Roberto Chiusoli and Pasquina Corsi, as well as the alternate auditors Pierluigi Brandolini and Isabella Land, were appointed from the list appointed from the list submitted by the majority shareholders Coop Adriatica and Unicoop Tirreno; the Chairman of the Board of Statutory Auditors Anna Maria Allievi and the alternate auditor Andrea Bonechi were appointed from the list submitted jointly by the minority shareholders.

On 17 April 2015 the Board of Directors confirmed Gilberto Coffari as Chairman of the Board of Directors and Claudio Albertini as Chief Executive Officer. Fernando Pellegrini was also appointed Vice Chairman of the Board of Directors.
The Board of Directors appointed the Control and Risk Committee, the Nominations and Compensation Committee, the Committee for Related Party Transactions and the Supervisory Board, as shown above.
The Board of Directors also appointed, in accordance to the Organizational Model adopted by the Company pursuant to Legislative Decree 231 of 8 June 2001, the new Supervisory Board that will remain in office through the end of Board of Directors' current term and of which Fabio Carpanelli (Chairman), Riccardo Sabadini and Alessandra De Martino are members.

The Control and Risk Committee, the Nominations and Compensation Committee and the Committee for Related Party Transactions are comprised exclusively of directors that qualify as independent.

The IGD Group's Interim Management Statement

Financial and Economic Highlights at 30 June 2015

REVENUES	
•Core business revenues	**62.3 € mn** *(+3.3% vs 30/06/2014)*
EBITDA	
•EBITDA (core business)	**41.4 € mn** *(+3.9% vs 30/06/2014)*
•EBITDA margin (core business)	**66.5%** *(+0.4 p.ti vs 30/06/2014)*
•EBITDA margin Freehold	**76.7%**
•Group Net Profit	**20.4 € mn** *(4.5€ mn al 30/06/2014)*
Funds From Operations (FFO) core business	**21.3 € mn** *(+23.8% vs 30/06/2014)*
FFO core business *per share*	**0.03€**

	31/12/2014	30/06/2015
GEARING RATIO (D/E)	0.95	0.95
LOAN TO VALUE	48.3%	48.3%
AVERAGE COST OF DEBT*	4.03%	3.88%
INTEREST COVER RATIO	1.77X	2.04X
HEDGIG ON LONG TERM DEBT + BOND	90.9%	91.4%

(*)The adjusted average cost of debt does not include the effect of the loan fees, recurring and non.

Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2015 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 2015 of IGD Siiq S.p.a., IGD Management s.r.l., Millennium Gallery s.r.l., Porta Medicea s.r.l., as well as the companies 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.

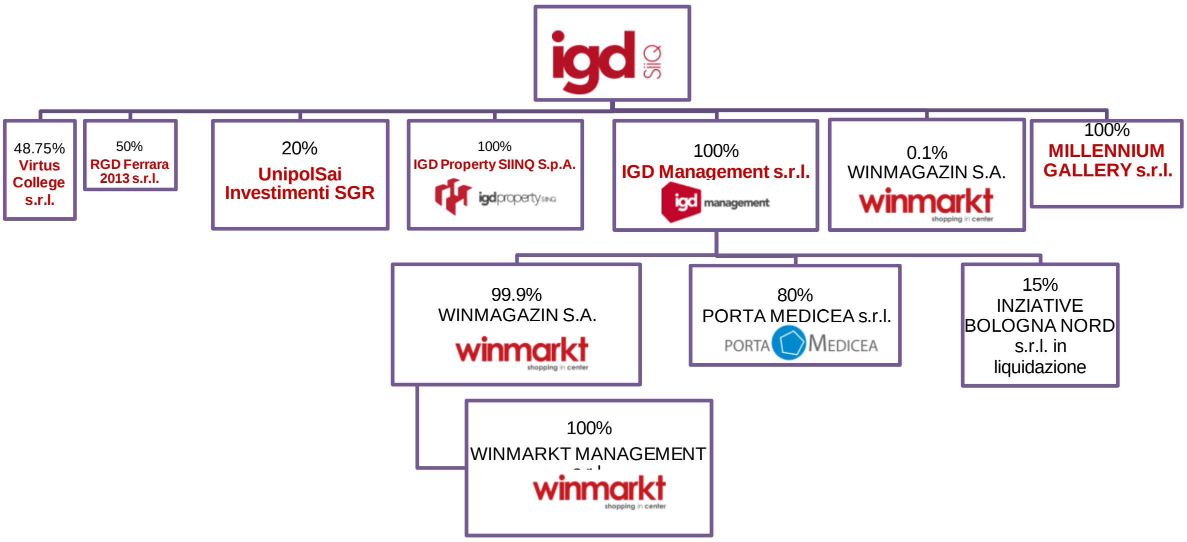
The Group

IGD is the only Italian SIIQ (Società di Investimento Immobiliari Quotate or real estate investment trust) focused on the retail segment.
The Group's real estate assets are found primarily in Italy; through its subsidiary WinMagazine SA (acquired in 2008) IGD also controls and manages a chain of Winmarkt brand department stores in Romania.
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 of the Crema shopping center);
2. 100% of IGD Property SIINQ SpA, 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 100% of WinMarktManagement, the company responsible for the team of Romanian managers;
   - ✓ 80% of Porta Medicea, involved in the project to complete a multi-purpose complex as part of the requalification and development of Livorno's waterfront;
   - ✓ 15% of Iniziative Bologna Nord, a company currently being liquidated;
   - ✓ 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 to manage a business division in the Darsena City Shopping Center in Ferrara;
5. 48.75% of Virtus College s.r.l., the purpose of which is to buy, sell, rent and manage properties to be used for sports, in addition to the development and dissemination of sports, in general;

6. 20% of UnipolSai Investimenti SGR S.p.A., which manages closed-end real estate investment funds reserved for qualified investors.

The organizational chart below reflects the Group's structure at 30 June 2015.



INCOME STATEMENT REVIEW

In the first six months of 2015 the general sentiment regarding the Italian economy, already fairly positive for some time, began to translate into concrete results with various indicators providing encouraging signals.

Consumer (all components) and business (all the different types of businesses from construction to manufacturing[1]) confidence rose almost constantly since the beginning of the year. The renewed confidence had a positive impact on the recovering internal demand which began, once again, to support economic growth; particularly favorable signs came from the increased investments accompanied by the first positive signals from the construction sector (the first time since 2008).[2] Industrial production also increased and at the end of June was up +0.4% against first half 2014[3]. All of this, along with a particularly favorable international dynamic driven by the weakening of the Euro, the low price of oil and the quantitative easing program promoted by the ECB, **spurred renewed growth in the Italian economy**: **GDP rose +0.3% in first quarter 2015,** marking the end of the long recession begun in 2011[4].

Deflation risk also seems, at the moment, to be behind us with inflation slightly positive (+0.2% since the beginning of the year)[5] after starting the year off at a negative level.

The principal research institutes are in agreement that growth, albeit weak, should continue for the rest of the year to then strengthen and stabilize in 2016. Investments are expected to continue to be particularly strong and the increase in family spending begun in 2014 should continue thanks to greater purchasing power[6]. Solid growth is also expected to continue in Romania, with positive forecasts for GDP and consumption that are higher than the forecasts for Italy.

The forecast for consumption is one of the most significant ones for the Group's business which is, in fact, posting tenant sales figures at the Italian malls that are higher than the national average: sales were up by +6.7% at 30 June 2015, the last day of the sixth quarter in a row in which growth was posted. Footfalls in Italy were stable while rising 1.7% in Romania, also as a result of the completed restructuring.

Financial markets and banks also recorded noticeable improvements, where access to credit for both businesses and families is finally recovering: in the first five months of 2015 loans granted to businesses increased (+11.6% against the same period 2014), as did home mortgage loans (+64.4% against the same period 2014)[7]. IGD also benefitted from this improved environment, reducing financial expense noticeably, thanks also to the capital increase completed in 2014.

The combination of these factors, both exogenous and endogenous to the Group, impacted the results recorded at 30 June 2015; more in detail, and as examined more closely later in this report, the Group posted a consolidated net profit of €20.4 million, an increase of more than €15.9 million against 30/06/2014 and FFO also improved markedly against the prior year (+23.8 %) coming in at €21.3 million.

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[1] Source: ISTAT – Business and Consumer Confidence, June 2015
[2] Source: Banca d'Italia – Economic Bulletin n. 3, July 2015
[3] Source: ISTAT – Industrial production, August 2015
[4] Source: Centro Studi Confindustria – Economic forecasts, n.23, June 2015
[5] Source: ISTAT – Consumer prices, July 2015
[6] Source: Bank of Italy, Economic Bulletin n. 3, July 2015
[7] Source: ABI Monthly Outlook – Economy and financial-credit markets, July 2015

The consolidated operating income statement is shown below:

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/06/2014	30/06/2015	Δ%	30/06/2014	30/06/2015	Δ%	30/06/2014	30/06/2015	Δ%
Revenues from freehold real estate and rental activities	51,541	53,829	4.4%	51,407	53,667	4.4%	134	162	20.8%
Revenues from leasehold and real estate rental activities	6,193	6,078	(1.9)%	6,193	6,078	(1.9)%	0	0	n.a.
Total revenues from real estate and rental activities	**57,734**	**59,907**	**3.8%**	**57,600**	**59,745**	**3.7%**	**134**	**162**	**20.8%**
Revenues from services	2,710	2,551	(5.9)%	2,710	2,551	(5.9)%	0	0	n.a.
Revenues from trading	1,385	886	(36.0)%	0	0	n.a.	1,385	886	(36.0)%
OPERATING REVENUES	61,829	63,344	2.4%	60,310	62,296	3.3%	1,519	1,048	(31.0)%
INCREASES, COST OF SALES AND OTHER COST	(1,133)	(804)	(29.0)%	0	0	n.a.	(1,133)	(804)	(29.0)%
Rents and payable leases	(5,444)	(5,034)	(7.5)%	(5,444)	(5,034)	(7.5)%	0	0	n.a.
Personnel expenses	(1,875)	(1,991)	6.2%	(1,875)	(1,990)	6.1%	0	0	n.a.
Direct costs	(8,388)	(8,713)	3.9%	(8,168)	(8,530)	4.4%	(221)	(184)	(16.9)%
DIRECT COSTS	(15,708)	(15,738)	0.2%	(15,487)	(15,554)	0.4%	(221)	(184)	(16.9)%
GROSS MARGIN	44,988	46,802	4.0%	44,823	46,742	4.3%	165	60	(63.8)%
Headquarters personnel	(3,082)	(3,141)	1.9%	(3,029)	(3,103)	2.4%	(53)	(38)	(28.7)%
G&A expenses	(2,180)	(2,407)	10.4%	(1,920)	(2,214)	15.3%	(260)	(193)	(25.8)%
G&A EXPENSES	(5,262)	(5,548)	5.4%	(4,949)	(5,317)	7.4%	(313)	(231)	(26.0)%
EBITDA	39,726	41,254	3.8%	39,874	41,425	3.9%	(148)	(171)	15.7%
Ebitda Margin	*64.3%*	*65.1%*		*66.1%*	*66.5%*				
Other provisions	(63)	(82)	30.4%						
Impairment and fair value adjustments	(13,755)	(403)	(97.1)%						
Depreciations	(693)	(620)	(10.5)%						
DEPRECIATIONS AND IMPAIRMENTS	(14,511)	(1,105)	(92.4)%						
EBIT	25,215	40,149	59.2%						
NET FINANCIAL RESULT	(22,887)	(20,299)	(11.3)%						
EXTRAORDINARY MANAGEMENT	120	(232)	n.a.						
PRE-TAX INCOME	2,448	19,618	n.a.						
Taxes	1,672	606	(63.8)%						
NET PROFIT FOR THE PERIOD	4,120	20,224	n.a.						
(Profit)/Loss for the period related to third parties	334	186	(44.3)%						
GROUP NET PROFIT	4,454	20,410	n.a.						

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). Payroll costs include ancillary expenses.

Revenue

Consolidated operating revenue amounted to €63,344 thousand, an increase of 2.4% with respect to the same period of the prior year. The core business revenue amounted to €62,296 thousand; as for the **Porta a Mare** project, the rental of offices at Palazzo Orlando generated revenue of €162 thousand and revenue from trading generated by the sale of three residential units and relative appurtenances amounted to €886 thousand.

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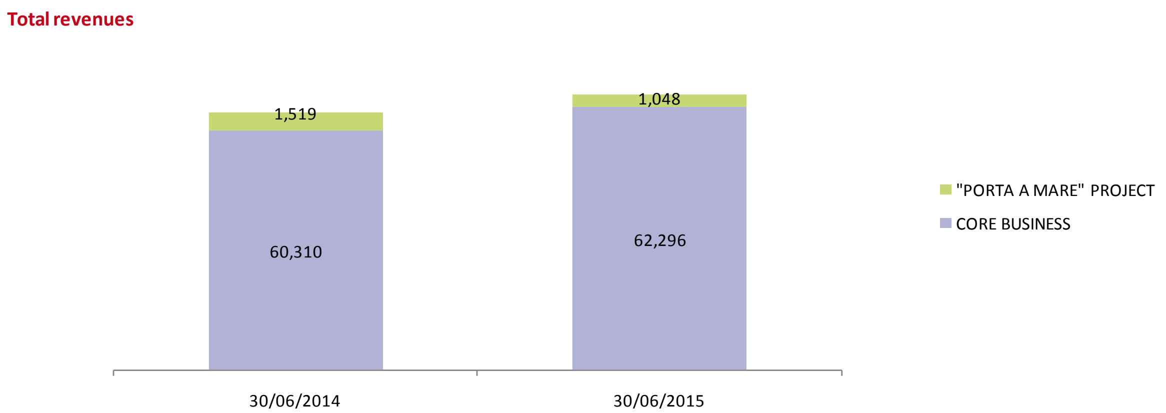
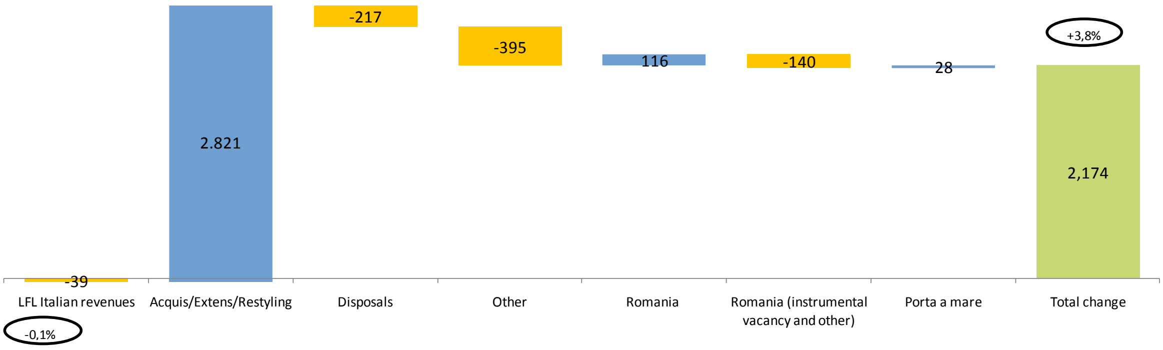


The breakdown of revenue is described below:

- ✓ **The revenue from the rental business** rose 3.8% against the same period 2014.



The increase of €2,174 thousand is explained:

- for -€39 thousand, by a largely stable trend in like-for-like revenue net of the planned or strategic vacancies and non-recurring revenue posted in 2014 (indemnities recognized under "Other"). Hypermarkets and mall were in line with the prior year;
- for +€2,281 thousand, by the revenue generated by the Centro d'Abruzzo extension, the remodeled Le Porte di Napoli, the opening of the first retail spaces at Piazza Mazzini in Livorno, the portfolio of assets acquired in October 2014 (hypermarkets at Città delle Stelle, in Schio and Cesena, supermarkets in Civita Castellana and Cecina) and the opening, in May 2015, of Clodì Retail Park;
- for -€217 thousand, by the disposal of City Center Rizzoli at the end of May 2015;
- for -€395 thousand, by the drop in revenue linked primarily to like-for-like strategic vacancies (vacant spaces which have already been pre-let where work on new layouts is underway), by non-recurring revenue linked to indemnities paid in 2014 and changes in Darsena;
- for +€116 thousand, by an increase in like-for-like revenue in Romania linked to pre-letting completed in the period (average upside of 0.4%). The vacancies needed to proceed with the investment plan and other changes, rather, had a negative impact of €140 thousand;
- for +€28 thousand, by an increase in the rental income generated by the Porta a Mare project following the rental of office units.

✓ **Revenue from services** fell (-5.9% or approximately €159 thousand) against first half 2014. Most of this revenue comes from the facility management business which amounted to €2.4 million an increase of 2% linked primarily to the new Chioggia management mandate (May 2015), the Centro d'Abruzzo extension and the opening of Piazza Mazzini (in 2014). The decrease is, therefore, almost entirely attributable to the decline in revenue from Pilotage (of around €196 thousand) due primarily to the comparison with last year when most of the work relating to the Centro d'Abruzzo extension was done.

✓ **Revenue from trading** generated by the Porta a Mare project amounted to €886 thousand and reflects the sale of 3 residential units, 3 garages and 1 parking space versus 4 residential units and 3 garages in the prior half.

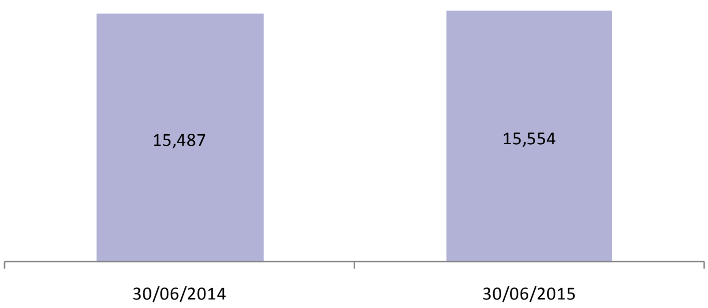
Direct Costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €15,554 thousand, an increase of 0.4% with respect to the same period of the prior year. This change reflects:

- Noticeable savings in rents payable (of around €410 thousand or 7.5%) following the purchase of the Città delle Stelle mall which was previously held as a beneficial interest;
- an increase in condominium fees (+€261 thousand) linked to the increased vacancies in the period, as well as new contracts stipulated which incorporate part of the condominium fees in the rent payable;
- an increase in property tax (+€281 thousand) linked to the expanded perimeter and the introduction of a new tax (TASI)
- a drop in provisions for doubtful accounts as a result of fewer disputed claims.

The costs pertaining to the core business represent 25.0% of revenue versus 25.81% in the prior year.

Core business direct costs



The direct costs for the Porta a Mare project, which amounted to €184 thousand, consist primarily in the IMU property tax (€143 thousand) and condominium fees.

Review of margins by business unit

The divisional gross margin rose by 4% from the €44,988 thousand posted at 30 June 2014 to €46,802 thousand at 30 June 2015. The table below shows the trend in divisional gross margins by business unit:

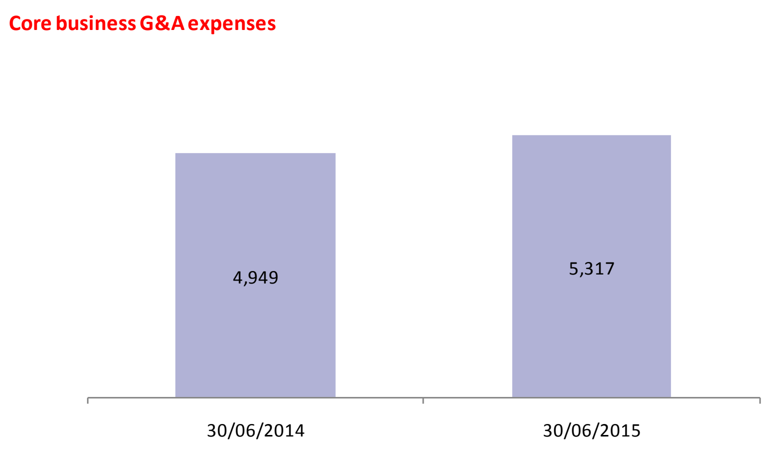
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
€/000	30/06/2014	30/06/2015	%	30/06/2014	30/06/2015	%	30/06/2014	30/06/2015	%
Margin from freehold properties	44,334	45,874	3.5%	44,200	45,718	3.4%	134	155	15.5%
Margin from leasehold properties	408	959	n.a.	408	959	n.a.	0	0	n.a.
Margin from services	216	64	(70.3)%	216	64	(70.4)%	0	0	n.a.
Margin from trading	31	(95)	n.a.	0	0	n.a.	31	(95)	n.a.
Gross margin	**44,988**	**46,802**	**4.0%**	**44,823**	**46,742**	**4.3%**	**165**	**60**	**(63.8)%**

- ✓ **SBU 1 - Property leasing - margin from freehold properties:** this margin amounted to €45,874 thousand, versus €44,334 thousand in the same period of the prior year. In percentage terms, this activity continues to feature a significant margin of 85.2%, even if below the 86.02% recorded in the prior year due, above all, to the increase in direct costs (increase in condominium fees).
- ✓ **SBU 1 - Property leasing – margin on leasehold properties:** this margin reached €959 thousand. As a percentage of revenue the margin rose significantly from the 6.6% posted in 2014 to 15.8%. This increase is linked primarily to the positive impact of the inclusion of the Fonti del Corallo mall in this cluster at the end of February 2014 and the transfer of the Città delle Stelle mall to freehold properties.

- ✓ **SBU 2 – Services - margin from service businesses**: the margin from services amounted to €64 thousand and represents 2.5% of service revenue versus 8.0% in the prior year. The drop in this margin with respect explained by the decrease in pilotage and the increase in direct personnel costs linked to the expanded.
- ✓ **SBU 3 – Development and trading – margin from trading:** the margin from the “Porta a Mare” project in Livorno reached a negative €95 thousand; compared to the same period of the prior year lower revenue was generated by property sales.

General expenses

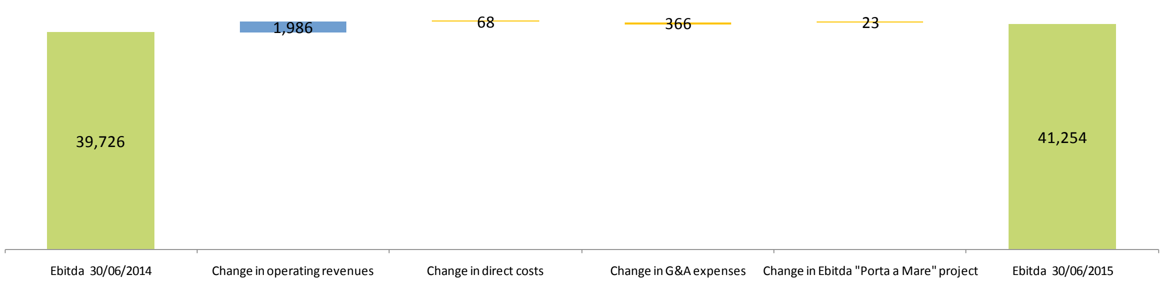
General expenses for the core business, including payroll costs at headquarters, rose 7.4% with respect to the €4,949 thousand posted in first half 2014 to €5,317 thousand due primarily to higher payroll costs as a result of the hiring of new employees, corporate management costs, consultancies linked to the implementation of new projects and corporate communications. These costs represent 8.5% of core business revenue, a slight increase with respect to the same period of the prior year.



EBITDA

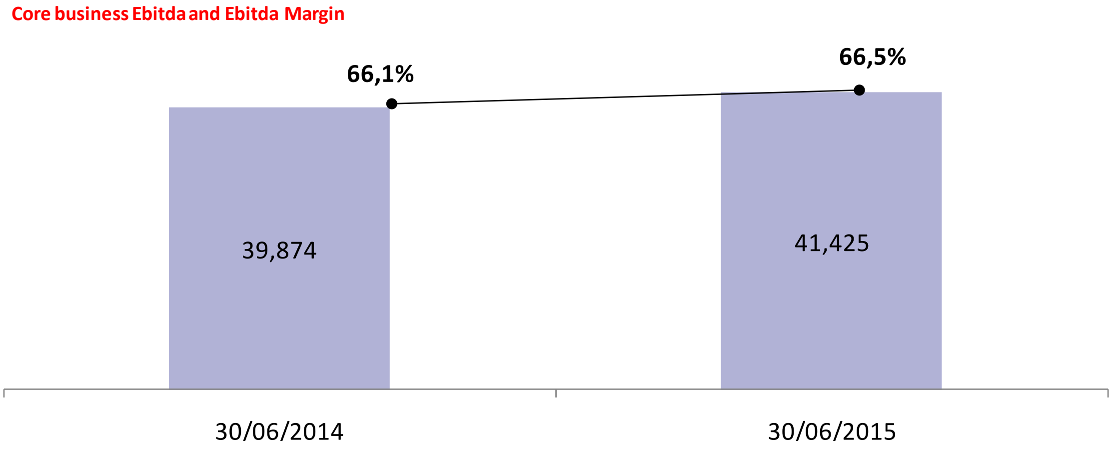
Core business **EBITDA** amounted to €41,425 thousand in first half 2015, an increase of 3.9% with respect to the same period of the prior year, while total EBITDA rose by 3.8% to €41,254 thousand.

The changes in the components of total EBITDA during the first six months of 2015 are shown below.



As mentioned above, the EBITDA margin was impacted by the increase in core business revenue (including as a result of acquisitions, extensions and restyling of new centers) and the increase in costs (condominium fees, property tax, maintenance, corporate management costs and corporate communications).

The core business **EBITDA MARGIN** came in at 66.5%, an increase with respect to the same period of the prior year due to the combined effect of the factors described above.



EBIT

EBIT amounted to €40,149 thousand, an increase of 59.2% against the same period 2014 explained primarily by decrease in writedowns and negative fair value adjustments which fell from -€13,755 to -€403 thousand.

Net financial income (charges)

Financial charges fell from the €22,887 thousand posted at 30 June 2014 to €20,299 thousand at 30 June 2015. The decrease, of approximately €2,588 thousand, reflects the drop in financial payables with respect to the same period of the prior year. The net financial position, in fact, went from €1,034,231 thousand to €937,904 thousand, an improvement of €96,237 primarily due to the capital increase completed year-end 2014. More in detail, there were fewer drawdowns of short-term credit lines in the first quarter, the spread applied to both short term borrowings and mortgages renegotiated in the previous year dropped, and the Euribor fell from 0.29 (average 3m 365 Euribor in first half 2014) to 0.02 (average 3m 365 Euribor in first half 2015). The drop in financial expense is also linked to the transactions completed in the prior year, namely the termination of mortgage loans (Intesa San Paolo and Monte dei Paschi) and other loans (originally granted by Mediocredito Italiano, Credito Valtellinese, Iccrea Banca and Coop Adriatica). The decrease in financial expense was partially offset by the increase in financial charges linked to the €150 million bond loan issued on 7 May 2014 and the €162 million bond loan issued on 21 April 2015 pursuant to the exchange offer made to bondholders "*€144,900,000 4.335 per cent. Notes due 7 May 2017*" e "*€150,000,000 3.875 per cent. Notes due 7 January 2019*". The cost of the transaction reached €9,503 thousand which included the cash consideration paid for the bonds exchanged, in addition to €5,952 thousand in interest accrued but not paid on the existing bonds through 21 April amounting to €15,455 thousand. The ancillary fees for the transaction amounted to €1,050 thousand. Pursuant to paragraph 40 and AG 62Ai of IAS 39, the Company verified that the terms of the new bond agreement were not substantially different from the terms of the bonds subject to exchange, in order to account for the transaction as a debt restructuring. The average cost of debt, therefore, at 30 June 2015 net of ancillary charges (recurring and non) came to 3.88%, down against the 4.06% reported in the same period of the prior year, while the real cost of debt came to 4.20% versus 4.13% at 30 June 2014, as a result of the different composition of the debt, the long term portion of which is subject to higher rates. At 30 June 2015 no interest expense linked to projects underway had been capitalized.

Financial management	30/06/2015	30/06/2014	*Change*
(financial income)	(21)	(58)	37
Financial charges	20,233	23,261	(3,028)
Exchange (gain)/losses	0	(25)	25
Capitalized interests	0	(410)	410
Commissions	87	119	(32)
Net financial income	**20,299**	**22,887**	**(2,588)**

Non-recurring transactions

The result recorded for first half 2015 (-€232 thousand), is attributable to the writedown of the loan granted to Iniziative Bologna Nord s.r.l., now in liquidation, the valuation at equity of the affiliates UnipolSai Investimenti SGR and RGD Ferrara 2013 s.r.l., as well as the purchase price adjustment linked to the sale of the RGD joint venture and the first earn-out paid, as well as the sale of the real estate investment Rizzoli.

This item is lower than the same period of the prior year when a capital gain, net of sales costs, was recorded following the sale on 26 February 2014 of the "Fonti del Corallo" mall in Livorno for €47 million.

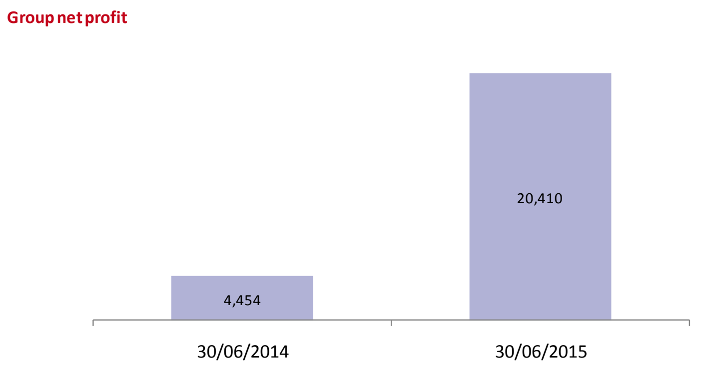
Tax

The tax burden, current and deferred, reached €606 thousand at 30 June 2015, down against the figure posted at 30 June 2014. The change is attributable primarily to: *(i)* lower taxes linked to the drop in property sales with respect to the same period of the prior year and *(ii)* the positive impact of the subsidy (ACE) linked to the capital increase made in the prior year and *(*iii) the failure to recognize deferred taxes on the changes in fair value for Siiqs and Siinqs as a result of regulatory changes.

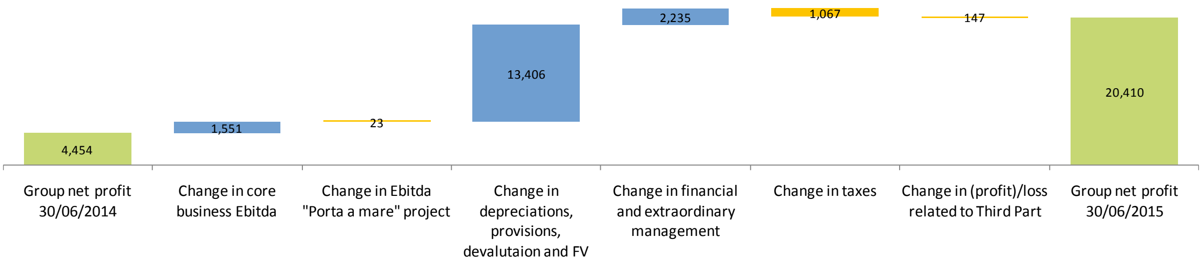
Income taxes	30/06/2015	30/06/2014	*Change*
Current taxed	487	652	(165)
Deferred tax assets and liabilities	(1,093)	(2,324)	1,231
Total	**(606)**	**(1,672)**	**1,066**

Group net profit

As a result of the above the Group's net profit came to €20,410 thousand, an increase with respect to the €4,454 recorded in first half 2014.

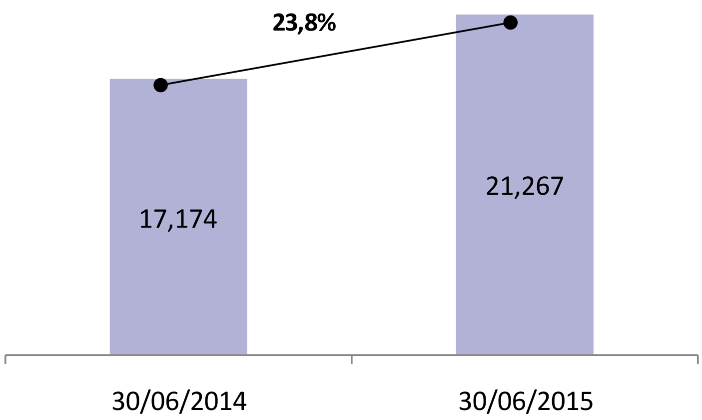


The change in net profit compared to the same period of the prior year is shown below.



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 measures the cash flow generated by a company's core business. FFO is calculated by subtracting non-cash items (writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of extraordinary transactions and revenue from property sales from pre-tax profit, net of current tax, and, therefore, better represents the performance of the Group's core business. The figure posted at 30 June 2015 increased by 23.8% 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 June 2015, compared with 31 December 2014, can be summarized as follows:

SOURCES - USE OF FUNDS	30/06/2015	31/12/2014	Δ	%
Investment property	1,832,410	1,782,283	50,127	2.81%
Non-current assets held for sale	0	28,600	(28,600)	(100.00%)
Assets under construction	51,631	82,179	(30,548)	(37.17%)
Intangible assets	12,736	12,744	(8)	(0.06%)
Other tangible assets	12,487	12,946	(459)	(3.55%)
Sundry receivables and other	77	75	2	2.67%
Equity investments	4,916	408	4,508	1104.90%
NWC	61,155	66,637	(5,482)	(8.23%)
Funds	(5,848)	(3,737)	(2,111)	56.49%
Sundry payable and non-current liabilities	(20,807)	(20,302)	(505)	2.49%
Net deferred tax liabilities/(assets)	(16,692)	(15,008)	(1,684)	11.22%
Total use of funds	**1,932,065**	**1,946,825**	**(14,760)**	**(0.76%)**
Total net equity pertaining to the Group	947,739	950,229	(2,490)	(0.26%)
Non-controlling interests	10,403	10,589	(186)	(1.76%)
Net (assets) and liabilities for derivative instruments	36,019	43,912	(7,893)	(17.97%)
Net debt	937,904	942,095	(4,191)	(0.44%)
Total sources	**1,932,065**	**1,946,825**	**(14,760)**	**(0.76%)**

The principal changes in first half 2015, compared to 31 December 2014, are summarized below:

- ✓ **Investment property**: the change is linked to work done and completed for a total of approximately €13,735 thousand, attributable: *(i)* for €5,724 thousand, to the work completed in the half on the Chioggia Retail Park, opened on 14 May; *(ii)* for approximately €2,771 thousand (at 30 June 2015), to the restyling done at the Centro Sarca mall; *(iii)* for €2,595 thousand, to the restyling and fit outs underway at Centro Borgo; *(iv)* for approximately €604 thousand, to the reconstruction of the parking lots at the Portogrande shopping center; *(v)* for €998 thousand, to extraordinary maintenance at a few Romanian shopping centers; *(vi)* for approximately €255 thousand, to waterproofing and substitution of systems at the Guidonia shopping center; *(vii)* for €788 thousand, to other minor projects (the most important of which include the work done at Centro Sarca, Super Aquileia, Centro Darsena and Le Maioliche); in addition to the work capitalized in prior years and reclassified under investment property upon completion amounting to €5,294 thousand (Centro Sarca restyling - €3,407 thousand, Centro Borgo restyling - €1,109 thousand, Romania - €654 thousand and Darsena - €124 thousand), in addition to the reclassification from assets under construction of the Chioggia Retail Park for € 30.5 million.

  As for fair value adjustments, revaluations and writedowns of investment property reached €21,667 thousand and €21,069 thousand, respectively, with a net positive impact of €598 thousand.
- ✓ **Non-current assets held for sale**, the change is explained by the sale, on 27 May, of the City Center Rizzoli property.
- ✓ **Assets under construction,** fell €30,548 thousand as a result of the result of the reclassification of assets upon completion for €35,794 thousand and the investments made but not completed for a total of approximately €5,672 thousand explained by: (i) for approximately €459 thousand, the remodeling of the parking lots at Borgo shopping center; (ii) for approximately €1,605 thousand (at 30 June 2015), the restyling of the Centro Sarca mall exterior which is expected to be completed in second half 2015; (iii) for €434 thousand, the work done on the Centro Borgo exteriors which is expected to be completed in second

half 2015; (iv) for approximately €275 thousand, by the urbanization works linked primarily to the pedestrian bridge connecting the Mazzini and Officine shopping areas; (v) for €1,235 thousand and €56 thousand, by the work done on the Esp and Porto Grande extensions, respectively; (vi) for approximately €278 thousand, the commercial reformatting of the Palermo mall which calls for the creation of a Multiplex cinema and the optimization of the food court; (vii) by €1,091 thousand, extraordinary maintenance which included refurbishment of a façade in Ploiesti (Omnia) and flooring repairs (Omnia and Grand Center) in Romania and for €239 thousand by other minor work.

The fair value measurements of the projects in advanced stage of construction, extensions of Esp and Officine (Porta a Mare Project), showed, respectively, a revaluation of €364 thousand and a writedown of €38 thousand, for a net positive impact of €326 thousand.

In order to bring their carrying amounts in line with the lower of cost and appraised fair value, the Portogrande Extension and Lips-Arsenale (Porta a Mare project), recognized using the adjusted cost method, were subject to, respectively, a write down of €675 thousand and impairment reversal of €84 thousand, for a net impact of €591 thousand.

- ✓ **Other plant, property and equipment** and **Intangible assets,** which changed in the period due primarily to amortization and depreciation recognized in the period.
- ✓ **Equity investments**, which changed as a result primarily of the acquisition of 20% of UnipolSai Investimenti SGR S.p.A. for approximately €4,360 thousand.
- ✓ **Net working capital**, which showed a decrease of €5,482 thousand against 31 December 2014 explained primarily by: *(i)* for approximately €2,152 thousand, the increase in tax liabilities due primarily to the recognition of the withholding on the dividends of around €1.7 million paid by the Parent Company in July; *(ii)* for €4,083 thousand, by the increase in trade payables with suppliers, mainly in connection with construction and contract work carried out in the last quarter at Centro Borgo and Centro Sarca; *(iii)* for approximately -€709 thousand, by the decrease in trade receivables with third parties. This was partially offset by the increase in trade receivables with related parties, amounting to approximately €1,938 thousand, linked primarily to the amounts to be charged Coop Adriatica for part of the work done at the Retail Park in Chioggia and the €766 thousand increase in Other current assets attributable primarily to the recognition of an IRAP linked to the utilization of subsidies ("ACE") not used in the prior tax period.
- ✓ The **work in progress inventory**, which fell -€1,169 thousand, as a result of the urbanization work linked primarily to the pedestrian bridge connecting the Mazzini and Officine shopping areas, in addition to finishings of a few residential units (Mazzini) and offices at Palazzo Orlando, amounting to approximately €369 thousand, the elimination of inventory following the sale of 3 residential units, 3 garages and 1 parking place for a total of approximately €789 thousand and the write down of €736 made to bring the carrying amount in line with the lower of cost and appraised fair value;
- ✓ **Provisions** dropped by €2,111 thousand due primarily to a drop in provisions for doubtful accounts as a result of fewer disputed claims in the period;
- ✓ **Net deferred tax assets and liabilities**, went from €15,008 thousand to €16,692 thousand which changed primarily as a result of *(i)* adjustments to the fair value of investment properties and projects which are not included in the SIIQ perimeter *(ii)* recognition of taxed provisions *(iii)* deferred tax assets on mortgage hedging instruments (Irs) and a tax loss recognized in the period linked to tax consolidation.

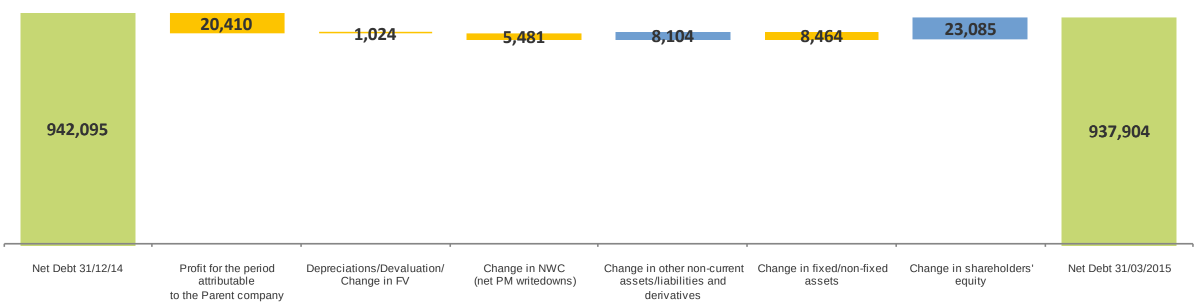
The Group's **net equity:** at 30 June 2015 amounted to €947,739 thousand. The change of -€2.490 thousand is explained primarily by:

- adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to +€4,447 thousand for the parent company and around +€1,122 thousand for a subsidiary;
- for €28,363 thousand, the distribution of the dividend for 2014;
- for approximately €108 thousand, other costs connected to the capital increase;
- for approximately +€3 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
- for €20,410 thousand, the profit for the period allocable to the Parent Company.

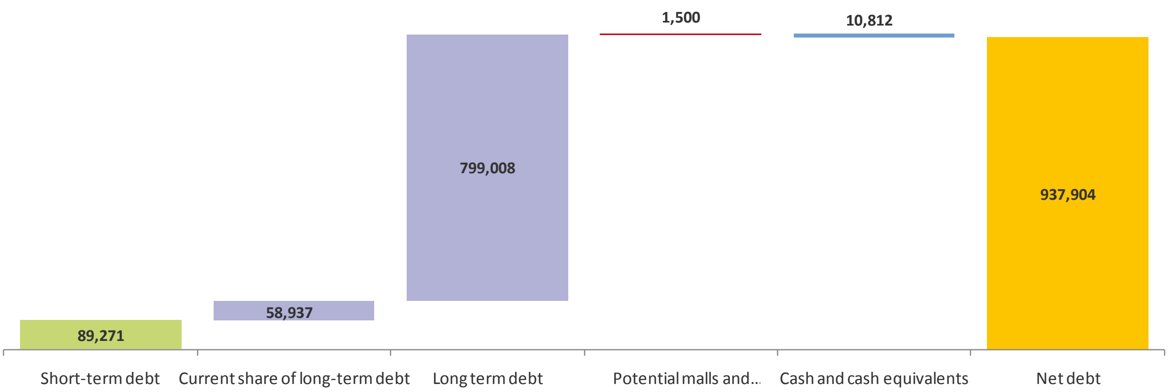
Non-controlling interests in capital and reserves fell as a result solely of the non-controlling interests' portion of the loss recorded in the period of €186 thousand.

Net liabilities for derivatives were down against the prior year. The fair value measurement of hedging instruments at 30/6/2015 increased against the prior year by €7,893 thousand.

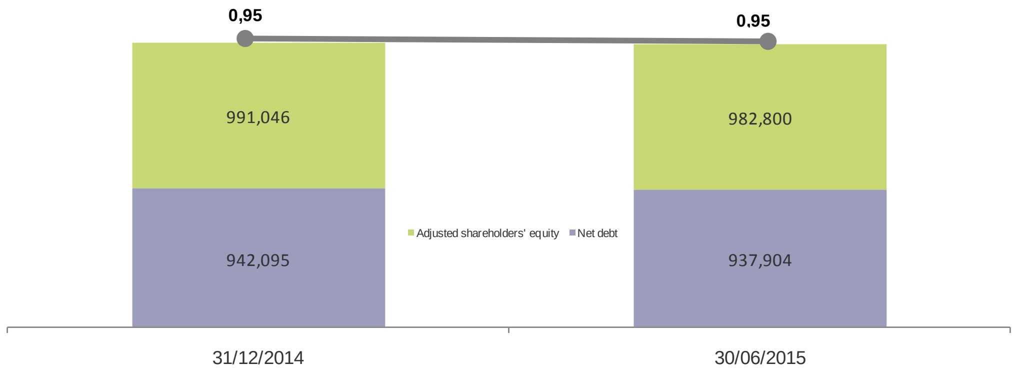
Net financial position at 30/06/2015 improved further with respect to the prior year by €4,191 thousand. The changes are shown below:



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 0.95 at 30 June, in line with the 0.95 posted at 31 December 2014.



EPRA Performance Indicators

The IGD Group decided to report on a few of the EPRA[8] performance indicators in accordance with the recommendations found in "*EPRA Best Practices Recommendations*"[9].

1. **EPRA Vacancy Rate:** the portfolio's vacancy rate calculated as the ratio between the estimated market rental value (ERV) of the vacant premises and the ERV of for the whole portfolio. Given the different characteristics of the portfolio and the Italian market with respect to the Romanian one, the vacancy rate was calculated separately for each asset class and for the two countries.

2. **EPRA Net Asset Value (NAV):** is the fair value of the net assets calculated over the long term and on a going concern basis, based on the equity pertaining to the Group (as shown in the financial statements in accordance with IFRS standards) net of certain assets and liabilities that are not part of normal operations, like the fair value of hedges or the deferred taxes on market appraisals of the properties. .

3. **EPRA Triple Net Asset Value (NNNAV):** is the EPRA NAV adjusted to include the fair values of (i) hedging instruments, (ii) financial debt and (iii) deferred taxes.

The results obtained following application of the EPRA Best Practices Recommendations are summarized below:

EPRA Performance Measures		31/12/2014	30/06/2015
1) Vacancy Rate	***Italy (gallerie)***	*5.7%*	*5.8%*
	Italy (ipermercati)	*0%*	*0%*
	Italy	**3,8%**	**3.8%**
	Romania	**13.6%**	**11.1%**
2) NAV (per share)		**1.34 €**	**1.33 €**
3) NNNAV (per share)		**1.23 €**	**1.23 €**

[8] European Public Real estate Association
[9] Please refer to www.epra.com

The NAV and NNNAV per share calculation are shown below:

	EPRA NNNAV Calculation	31-Dec-14		30-Jun-15	
		€'000	€ p.s.	€'000	€ p.s.
	Share total number		756,356,289		756,356,289
1)	**NAV per the financial statement**	**950,229**	**1.26**	**947,739**	**1.25**
	Includes				
	Revaluation intangibles and operating assets	0		0	
	Excludes				
	Fair Value of financial instruments	43,912		36,020	
	Deferred taxes on balance sheet	18,093		19,406	
	Goodwill as a result of deferred taxes				
2)	**EPRA NAV**	**1,012,234**	**1.34**	**1,003,165**	**1.33**
	Includes				
	Fair Value of financial instruments	(43,912)		(36,020)	
	Fair Value of debt	(16,697)		(19,945)	
	Effective deferred taxes	(18,093)		(19,406)	
3)	**EPRA NNNAV**	**933,532**	**1.23**	**927,794**	**1.23**

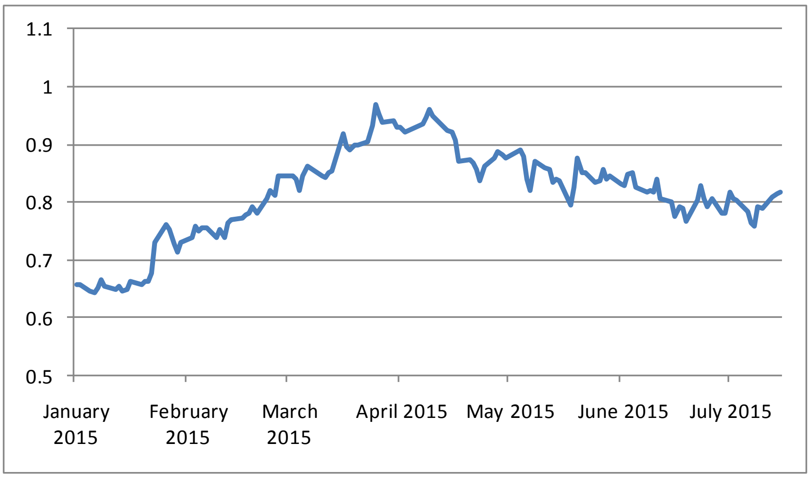
The NAV was largely in line with the figure posted at 31 December 2014. The change in the Group's net equity reflects the EBIT posted in first half 2015 and the €28.4 million in dividends distributed on 20 May 2015; the fair value of hedging instruments was down.

The NNAV was also largely in line with the figure posted at 31 December 2014. The change in the market value of the debt, calculated by discounting cash flows at a risk free rate and applying the market "spread", is due to the use of a slightly lower interest rate than the one used at 31 December 2014.

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 €549,760,278.52, broken down into 756,356,289 ordinary shares without a stated par value.

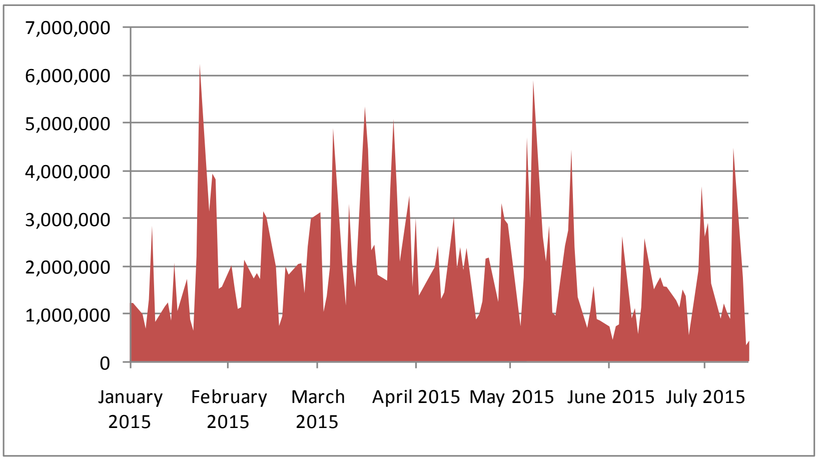
IGD's stock price (2.1.2015 – 15.7.2015)



Source: Italian Stock Exchange data compiled by IGD

In the first six months of 2015, IGD's stock price rose 20.9% overall from an initial €0.645 at year-end 2014 to then reach €0.780 at 30 June 2015. The period low, hit on 6 January 2015, was €0.643. The period high of €0.968 was reached on 25 March 2015.

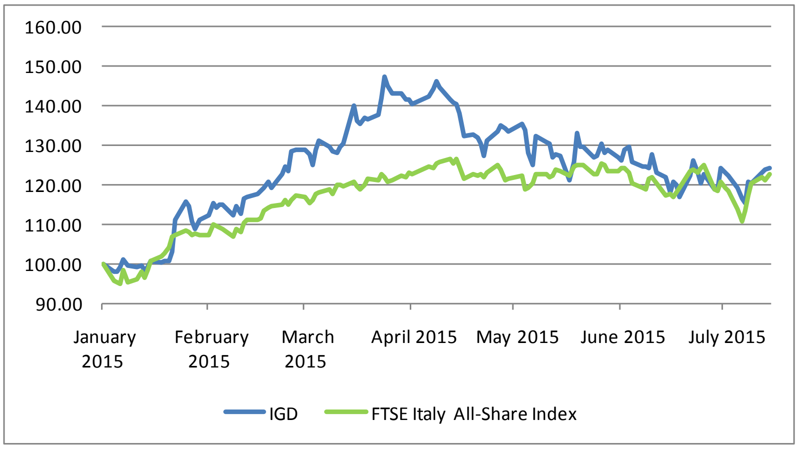
Volumes of IGD stock traded (2.1.2015 – 15.7.2015)



Source: Italian Stock Exchange data compiled by IGD

The liquidity of IGD's stock improved further in the first part of 2015. The average number of shares traded daily reached approximately 2,026,000, a decided increase with respect to the 967,000 shares traded in first half 2014 and the average of 266,000 shares recorded in first half 2013. The volumes traded in first half 2015 (average of 2,026,000 shares traded daily) also compares favorably with the FY 2014 figure (average daily volume of 1,257,000 shares).

IGD's stock vs. the FTSE All-Share Index (base 2.1.2015 = 100)

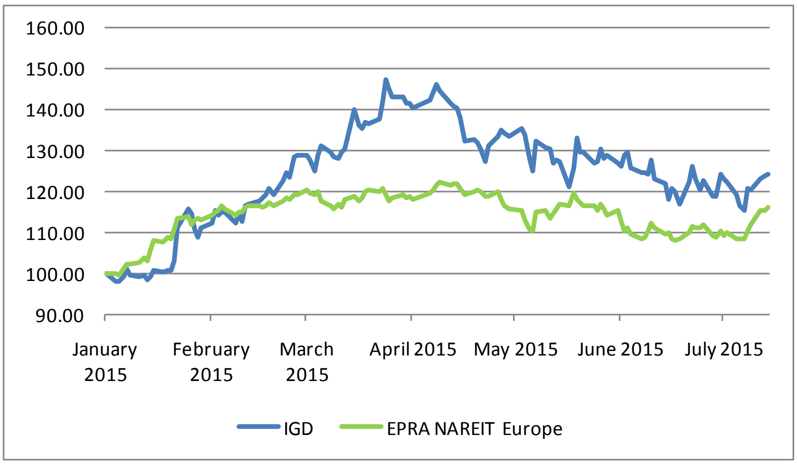


Source: Italian Stock Exchange data compiled by IGD

The comparison of IGD's stock price with the Italian stock market index (FTSE Italy All-Share Index) shows that IGD's stock outperformed the index during the rally fueled by the QE program announced by the ECB on 22 January 2015. IGD's performance, in addition to the more favorable monetary policy, was also sustained by the Company specific elements; more in detail, the solid fundamentals confirmed when the consolidated results were published on 26 February 2015 played a key role, along with the announcement of an attractive dividend (€0.0375, payable as of 20 May) and, last not but least, the gradual improvement in the estimates of the analysts covering the stock, including in the wake of the new Business Plan 2015-2018 presented together with the first quarter results (8 May). The consensus target price, which was €0.82 at year-end 2014, reached €0.96 at the end of June 2015 (Source: IGD). After the high of €0.968 reached on 25 March 2015, which was 50.1% higher against the year-end 2014 level, the stock retraced part of the previous rise and in the most recent weeks has been trading at levels more in line with the index.

The FTSE Italy All-Share Index closed the first six months of 2015 up 19.1%, versus +20.9% for IGD. Since April 2015 the stock markets have had to face the growing concerns linked to the Greek debt crisis and the repercussions of an eventual exit of the country from the Euro zone. In the second quarter, furthermore, bond yields rose sharply in light of the expectations that interest rates would be increased by year-end in both the US and the UK. The publication of data that showed improved economic growth in the Euro zone, thanks to a slight improvement in consumption, resulted in Bund yields reaching new highs. These factors, which increased the risk premium, impacted stock valuations. In the most recent trading sessions, the possibility that a solution may be found to avoid Greece from leaving the Euro zone and the expectation that the half-year results for the listed companies will confirm the recovery of the real economy, made it possible for IGD's stock and the Italian index to recover some lost ground.

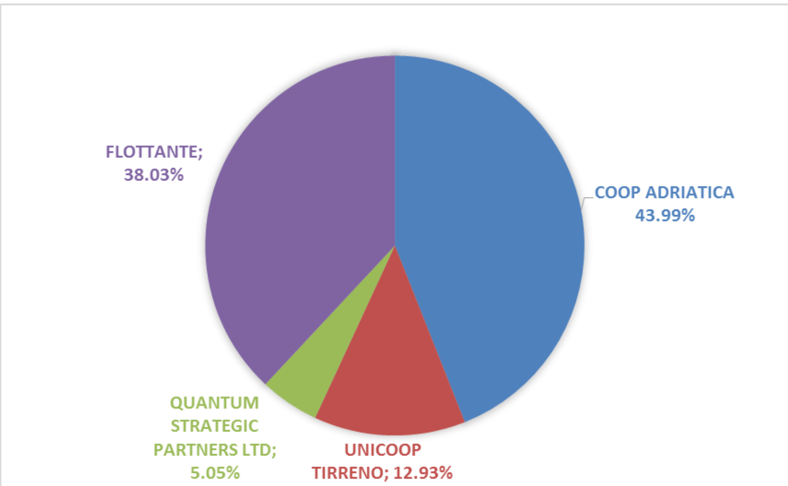
IGD's stock price vs. the European real estate sector index (base 2.1.2015 = 100)



Source: EPRA data compiled by IGD

IGD's stock performed decidedly better than the European sector index (EPRA NAREIT Europe) in first half 2015. Between 30 December 2014 and 30 June 2015 the index rose 9.0%, versus a 20.9% increase for IGD.
In the first two months of the year the real estate sector index rose by around 20%, in the wake of the favorable monetary policy and thanks to the high dividend yields offered by a large number of sector companies which, thanks to visible and high quality FFO, offered an attractive alternative to bonds. Returns on high rated bonds were also close to being negative.
The rally of European real estate equities between January and February 2015 quickly drove many companies to trade at a large premium to their NAVs, reaching levels that fully expressed the quality of the fundamentals and the dividend yields. For this reason, from March on the sector index has stabilized while IGD's sock, which offers one of the sectors highest yields, continued to rise including in light of the upside linked to the large discount with which the stock was trading against its NAV (NAV 2014 - 1.34) and the analysts' consensus target price (€0.96 at 30 June). IGD's shares, therefore, have continuously outperformed the European sector index since mid-February 2015.

Main shareholders



Source: IGD SIIQ SPA's shareholder register

Significant events

Corporate events

On 26 February 2015 the Board of Directors approved the draft separate and consolidated financial statements for FY 2014 and resolved to submit a proposed dividend of €0.0375 per outstanding share to the AGM for approval.

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 8 April 2015 the Board of Directors approved:

(i) the issue of new unsecured fixed rate senior notes for a total amount of €294,900,000, maturing on 21 April 2022;

(ii) the launch of an exchange offer for holders of outstanding bonds "*€144,900,000 4.335 per cent. Notes due 7 May 2017*" (ISIN: XS0927738418) and "*€150,000,000 3.875 per cent. Notes due 7 January 2019*" (ISIN: XS1059383064) issued by IGD, in exchange for New Notes.

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

- ✓ maturity: seven years from the issue date;
- ✓ issue price equal to 100% of the nominal amount;
- ✓ fixed rate coupon equal to 2.65%, to be paid annually in arrears on 21 April of each year;
- ✓ redemption at maturity at par, plus accrued and unpaid interest, to be calculated as specified above provided that the Company has not exercised any early redemption option provided for under the Terms and Conditions of the New Notes;
- ✓ early redemption provisions in certain cases, including change of control, in accordance with the Terms and Conditions of the New Notes;
- ✓ listed on the regulated market of the Irish Stock Exchange.

Since the offer is being made pari passu to a number of different Noteholders, the Exchange Offer qualifies as a "related party transaction" in relation specifically to Coop Adriatica S.c.ar.l. and Unicoop Tirreno Società Cooperativa which, on the basis of the information currently available to the Company, are Noteholders and, therefore, recipients of the Exchange Offer. The Board of Directors' resolution, therefore, was approved subject to the prior favorable opinion of the Company's Committee for Related Party Transactions (issued on 8 April 2015) pursuant to Article 8 of CONSOB Regulation No. 17221 of 12 March 2010, as amended. The information document related to the Exchange Offer, a related-party transaction, drafted pursuant to Article 5 of CONSOB Regulation No. 17221 of 12 March 2010, as amended, was made available to the public by the Company in accordance with the law.

During the Annual General Meeting held on 15 April 2015, IGD's shareholders approved the FY 2014 financial statements, as presented during the Board of Directors' meeting held on 26 February 2015, and resolved to pay a dividend equal to € 0.0375 per share. The dividend was payable as from 20 May 2015 (record date 19 May 2015) with shares going ex-div on 18 May 2015 (detachment of coupon n. 15).

The total dividend paid of €0.0375 per share (for a total of €28,363,360.84) comprised:

- ✓ for €0.020115 per share, distributable income generated by exempt operations, subject to the regulations for this type of income provided for in Law n. 296/2006;
- ✓ for €0.004817 per share: retained earnings allocated pre-SIIQ, namely before 31/12/2007 which are subject to ordinary taxation pursuant to D.M. 02.04.2008;
- ✓ for €0.012568 per share: capital reserves.

Shareholders also approved the first section of the Compensation Report, already approved by the Board of Directors on 26 February 2015, pursuant to Art. 123-ter, par. 6 of Legislative Decree. 58/98 and renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasions, for up to the legal maximum amount.

Shareholders appointed the Board of Directors, the Board committees, as well as the Board of Statutory Auditors. Please refer to the section "Corporate officers" for more information.

On 7 May the Board of Directors approved the new Business Plan 2015-2018.

Investments

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

Grosseto

On 14 April a preliminary agreement was finalized for the purchase of the mall that will be inside the shopping center, currently under construction in Grossetto, from Unicoop Tirreno.

The consideration for the shopping mall in Grossetto amounted to approximately €45 million, in addition to taxes and ancillary charges. The preliminary agreement is subject to conditions precedent. Payment will be made at the closing, expected to take place after the opening in the second half of 2016.

The new shopping mall will cover a gross leasable area (GLA) of approximately 17,050 m^2, house 45 stores, 6 of which midsize, and will be located next to a hypermarket with a sales area of 4,200 m^2 which corresponds to a total GLA of 7,346 m^2. The hypermarket will continue to be owned and operated by Unicoop Tirreno. There will also be exterior areas of approximately 8,000 m^2 which will be owned by Unicoop Tirreno. The Center is expected to open in the second half of 2016.

The transaction, entered into with Unicoop Tirreno, qualifies as a less material transaction with a related party pursuant to CONSOB Regulation n. 17221/2010 and the "Procedures for related party transactions" adopted by the Company and, therefore, was first submitted to the Committee for Related Party Transactions for examination. The Committee issued a favorable opinion, found the transaction to be in the Company's best interest and that the conditions were substantively correct and fair. The consideration for the transaction is in line with the shopping mall's market value based on the appraisal of the independent real estate consultancy, Jones Lang LaSalle.

Chioggia retail park

The retail park in Chioggia was opened on 14 May 2015. The park comprises an Ipercoop, 6 midsize stores and 8 points of sale, 2 of which used for restaurant services. There are 1,465 parking places. Work done in the period called for an investment of approximately €5,724 thousand.


Centro Sarca (Restyling)

Restyling of the mall interior was completed in the period with the investment amounting to approximately €2,771 thousand. The work on the remodeling of the façade, which is expected to be finished in second half 2015, called for an investment at 30 June of €1,605 thousand.

Centro Borgo (Restyling e fit out)

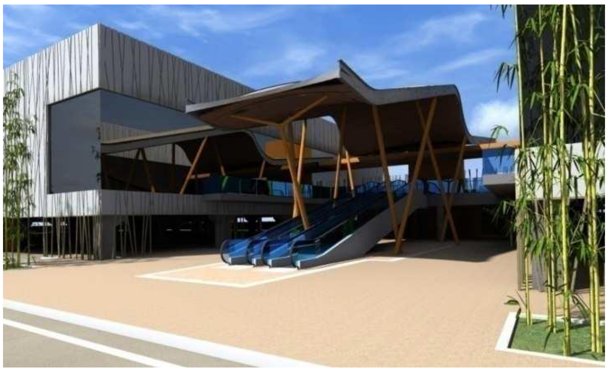
Work continued in the period on the restyling project involving both the shopping center (for which the work was completed) and the external areas serving the center which calls for a complete transformation of the entire retail complex in order to relaunch the appearance, as well as the ties to and integration with the local area. The restyling project includes another transformation project which will involve the transfer of retail units from the southern area of the mall to the first and ground floors in order to give a bigger push to the retail activities of the mall's first floor by also including restaurant services. The investment made in the period amounted to €3,029 thousand, around €434 thousand of which, relating to the exteriors which is expected to be completed in second half 2015. Work was also done, and is still underway, on the parking areas for a total at 30 June of around €459 thousand.

"Porta a Mare" Project

In the period the urbanization works linked primarily to the pedestrian bridge connecting the **Mazzini and Officine areas** were completed, in addition to the finishing work done on a few residential units (Mazzini) and office units (Palazzo Orlando), for a total investment of approximately in €369 thousand. The pre-letting of the residential units continued and the sales of 3 units, 3 garages and 1 parking spot were closed in the half. Work on the retail area amounted to approximately €275 thousand and refer primarily to the above mentioned urbanization works and work done on the **Officine** area which should be done by second half 2017.

Porto Grande (extension)

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 and all the authorizations were issued. 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 opening is expected to take place by first half 2017. A total of approximately €56 thousand in urbanization expenses were paid in the period.



Esp extension

In 2014 the Zoning Agreement was signed relative to the expansion of the mall in the ESP shopping center in Ravenna. The commercial licenses were obtained and in April 2015 the building permit was issued. The investment in the period reached approximately €1,236 thousand and is linked to the urbanization costs and the completion of decontamination work. The opening is expected to take place in first half 2017.

Romania

During the period extraordinary maintenance was completed in Romania which included the refurbishment of a façade in Ploiesti (Omnia) and flooring (Omnia and Grand Center), in addition to fit outs in order to accommodate new anchors (H&M in Tulcea) and improve energy efficiency in Alexandria for a total investment of approximately €2,177 thousand.

Other

In 2015 work was done and completed on the waterproofing and substitution of systems at the Guidonia shopping center (€255 thousand), as well as the reconstruction of the parking lots at the Portogrande shopping (€604 thousand), extraordinary maintenance of Darsena (€48 thousand). Work was also begun, and is still underway, on the commercial reformatting of the Palermo mall which calls for the creation of a Multiplex cinema and the optimization of the food court (€278 thousand), in addition to other minor investments amounting to approximately €1,063 thousand.

The investments made in first half 2015 are shown below:

	Jun-15 **Euro/mln**
REAL ESTATE INVESTMENTS	**13.74**
ASSETS UNDER CONSTRUCTION	**5.67**
INTANGIBLE FIXED ASSETS	**0.01**
OTHER FIXED ASSETS	**0.16**
TOTAL INVESTMENTS IN FIXED ASSETS	**19.58**
Inventories of work in progress project Porta a Mare	**0.37**
TOTAL INVESTMENTS	**19.95**

Disposals

On 27 May 2015, pursuant to the preliminary agreement signed on 15 January 2015 and as the conditions precedent had been satisfied, IGD executed the definitive agreement for the sale of a real estate complex on Via Rizzoli, in the historic heart of Bologna, to a company of the UBS Real Estate Group GmbH for €29.4 million. The complex, comprised of buildings that are adjacent and connected to one another, has a GLA of around 2,350 m^2, spread out over three floors, and is leased entirely for retail purposes to Apple Retail and a premiere international retailer, slotted to open a store by November 2015. IGD purchased the complex in 2011.

Equity investments

On 28 January 2015 the purchase was finalized of 20% of the share capital of UnipolSai Investimenti SGR S.p.A., a wholly-owned subsidiary of UnipolSai, pursuant to the preliminary agreement signed on 7 August 2014 with a view to forming closed-end real estate investment funds specialized in the commercial/retail segment within the SGR and after having received authorization from the Bank of Italy on 16 December 2014, in accordance with Art. 15 of Legislative Decree 58/98, for €4.2 million, in addition to ancillary costs.

Loans

At 14 April 2014 the Company had received (i) relative to the 2017 Notes, offers equal to a total nominal amount of €136,900,000; and (ii) relative to the 2019 Notes, offers equal to a total nominal amount of €25,100,000.

The exchange offer was settled on 21 April 2015 and the Company issued new unsecured fixed rate senior notes "*€162,000,000 2.65 per cent. Notes due 21 April 2022*".

Each holder of existing bonds whose offer was accepted under the Exchange Offer received:

(i) €100,000 in New Notes for every nominal amount of €100,000 in 2017 Notes or €1,000 in New Notes for every nominal amount of €1,000 in 2019 Notes;

(ii) cash consideration of €5,750 for every nominal amount of €100,000 in 2017 Notes and/or €65 for every nominal amount of €1,000 in 2019 Notes.

IGD also paid the existing bondholders, pursuant to the Exchange Offer, the unpaid interest accrued through and including 21 April on the Existing Notes, which amounted to €15,454,849.00.

BNP Paribas, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc acted as Dealer Managers for the Exchange Offer. Lucid Issuer Services Limited acted as Exchange Agent.

The loan taken out in 2011 with CentroBanca in order to finance the purchase of the Conè hypermarket, originally expiring on 30 June 2016, was repaid in advance on 1 June 2015.

On 15 June 2015 the loan granted by CentroBanca, relating to the Palazzo Orlando property of the Porta a Mare expired and was repaid in full.

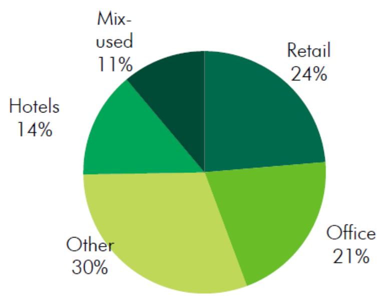
For more information please refer to the explanatory notes for the condensed consolidated half-year financial report.

The Real Estate Portfolio

The Italian real estate market

In the first half of 2015 confidence in the Italian real estate was confirmed, even though uncertainty about the full recovery of the domestic economy remains. Investments in "alternative" real estate like telephone switchboard systems, military barracks, hotel and mixed use properties (residential, light industrial) are attracting more investors thanks to the higher yields. In second quarter 2015 these sectors represented 55% of the total investments made, versus 24% for retail and 21% for offices.

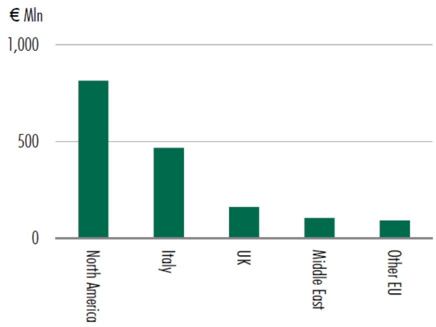
Grafico 3: Volume degli investimenti per settore. Q2 2015



Fonte: CBRE Research. Q2 2015.

In the half, foreign investors were once again the most active in the Italian real estate market, but domestic investors were also present and, more and more, institutional investors are appearing along with opportunistic investors.

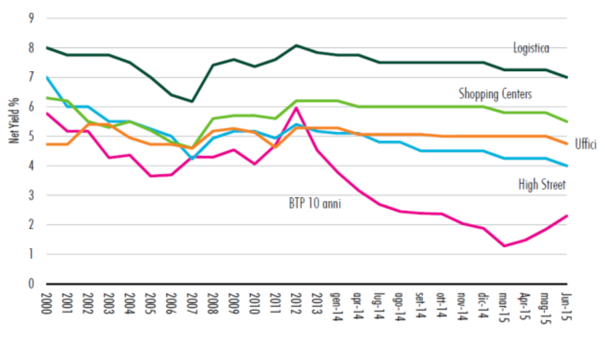
Grafico 4: Investimenti immobiliari in Italia per origine del capitale. Q2 2015



Fonte: CBRE Research. Q2 2015.

The comparison with the 10 year BTP shows that from 2000 through today yields for the different asset classes of property in Italy have always been higher, with the exception of the worst period (2011-2013) of the market crisis.

Grafico 5: Rendimenti sui BTP e rendimenti immobiliari netti



Fonte: Macrobond. CBRE Research. Q2 2015.

Investments in the retail sector

In first half 2015 investments in the retail sector reached approximately €570 million, 41% less than in first half 2014. Institutional investors were the most active in the Italian retail sector and account for 80% of the volume recorded in the half.

The competition that has emerged among investors in order to ensure the best available product has contributed to a further compression of net prime and good secondary yields with respect to the prior half.

The table below (source CBRE) shows that the difference between the yields for prime and good secondary in both the HS and shopping center segments has shrunk in the past five quarters.

Rendimenti (%)	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15
High Street Prime	4.80	4.80	4.50	4.25	4.00
High Street Secondary	7.00	7.00	6.75	6.50	5.75
Shopping Center Prime	6.00	6.00	6.00	5.75	5.50
SC Good Secondary	7.34	7.34	7.00	7.00	6.50
Retail Park Prime	7.90	7.90	7.75	7.75	7.00
Office Prime MI	5.10	5.10	5.00	5.00	4.75
Office Prime RM	5.30	5.30	5.25	5.15	5.00
Office Good Secondary	6.40	6.40	6.25	6.25	6.00
Office Major Provincial	7.5	7.5	7.25	7.25	7.00
Prime Logistics	7.75	7.50	7.50	7.25	7.00

As for projects underway, not only were deals involving existing properties reported, but also development initiatives which could be completed by year-end 2015, beginning of 2016.

The most important retail projects completed in first half 2015 in Italy include the preliminary sales agreement signed by ECP for 50% of the Fiordaliso center, in Rozzano (Milan) and Adige City, acquired by ECE, a development project in Verona with a GLA of 42.000 m^2 which is expected to be completed by 2017.

Other market opportunities include the Estense Grande Distribuzione portfolio and a few other centers, retail parks and developments in Emilia Romagna, Lazio and Campania.

The most important retail real estate investments in first half 2015 include (source: CBRE):

Tabella 2: Principali investimenti immobiliari retail nel Q2 2015

Nome	Tipo	Valore € M	Acquirente	Venditore
Portfolio Deals				
H&M and Zara Stores (Padova)	High Street	39.2	TH Real Estate OBO Warburg-HIH Invest	Gruppo Real Estate Services spa / 2g Investimenti Spa OBO Guglielmo Tabacchi
Altarea Portfolio	Shopping Center	122	Tristan	Altarea
Single Asset Deals				
Palmanova Outlet Village	FOC	80	Blackstone Real Estate Partners Europe IV	Pool Investors
Apple Store (Bologna)	High Street	29.4	UBS Real Estate GmbH	IGD SIIQ
Dirk Bikkembergs store (Milan)	High Street	11.6	Private Investor	Investire Immobiliare sgr

Fonte: CBRE Research, Q2 2015, RCA, fonti varie

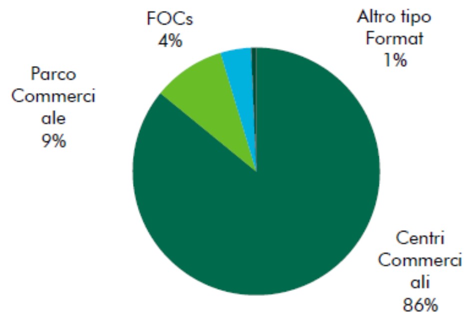
The stock and the retail sector pipeline

The retail stock, including formats without size limits, was confirmed at approximately 16.7 million m^2 GLA, 86% of which refers to structures with GLAs of more than 10,000 m^2. The density of retail space reached 275 m^2/1,000 inhabitants.

Looking at the stock of shopping centers with GLAs of more than 10,000 m^2, the density falls to 204 m^2, with decided differences between the different Italian regions.

The retail projects completed in second quarter 2015 include: Centro Happio in Rome with a GLA of approximately 10,000 m^2 and the Clodì Retail Park in Chioggia, owned by IGD SIIQ, with a GLA of approximately 16,000 m^2.

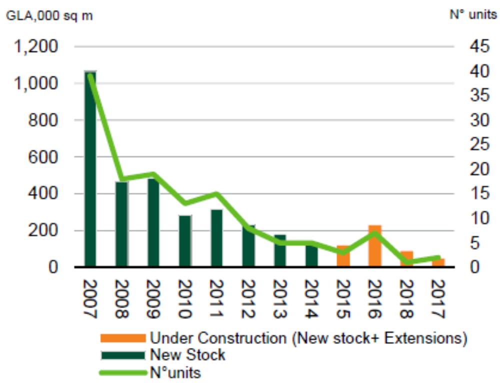
Grafico 5: Stock retail per tipo di *format* (GLA > 10.000 mq), Q2 2015



Fonte: CBRE Research, Q2 2015.

The main initiatives in the pipeline include the Arese project (Milan) (88,000 m^2 GLA) which was just started; Cascina Merlata (Milan), Ikea Brescia, Pescaccio (Rome) and Westfield (artificial lake area, Milan), along with the new entry for first half 2015, namely the Auchan shopping center in Cinisello Balsamo, built in 1993 and expanded once already in 2007. The project calls for the closure of the center by year-end 2015, demolition and construction of a new center with a GLA of around 150,000 m^2. The new center will be built in an area where other mixed use projects are expected to be developed which will benefit from the new "Bettole" stop along the number 5 line of the Milan subway system. In addition to development, extensions of existing centers are underway for, at least, an additional 60,000 m^2 (excluding the FOC).

Grafico 7: Evoluzione dei nuovi sviluppi di centri commerciali (GLA > 10.000 mq) in Italia e progetti in costruzione



Fonte: CBRE Research, Q2 2015.

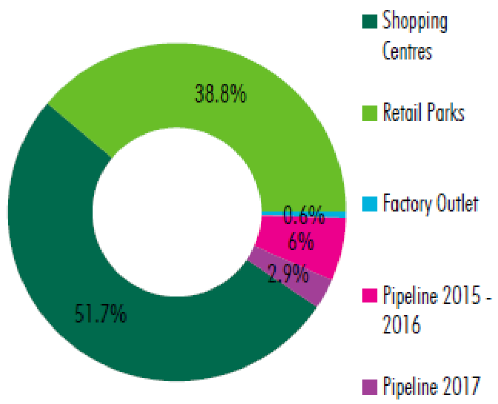
Rents and retail demand

Retailers are continuing to look for space in the best locations in the main cities: Milan, Rome, Florence and Venice. The most important international retailer interested in Italy continues to be Primark which is slotted to open 3 stores in the country, the first of which will be inaugurated in the summer of 2016 inside the new shopping center being built in Arese. The rents for standard units (200 m^2) in prime shopping centers have increased with respect to the prior quarter: €850/ m^2 in Milan and €875/m^2 in Rome. Milan and Rome continue to be the points of reference for retailers looking to open city flagship stores, while the secondary cities include those found in the northeast, like Padua and Verona, which have ample catchment areas and spending capacity above the national average.

ROMANIA

In first half 2015 two new shopping centers were opened in Romania, Coresi Shopping Resort in Brasov and Mega Mall in Bucharest for a total of 120,000 m^2 GLA. With these two openings, the retail stock rose to 3 million m^2 GLA. An additional 200,000 m^2 GLA are expected to be opened by year-end 2016 which would bring the total stock to 3.2 million m^2. The main openings slotted for 2016, for which pre-letting is underway, include ParkLake and Veranda Shop&Stay in Bucharest and Timisoara Shopping City in Timisoara. In 2017 the projects AFI Palace in Brasov (45.000 m^2 GLA), Mega Mall Satu Mare (27.000 m^2 GLA), as well as the extension of Promenanda in Bucharest (25.000 m^2 GLA), are also expected to be opened.

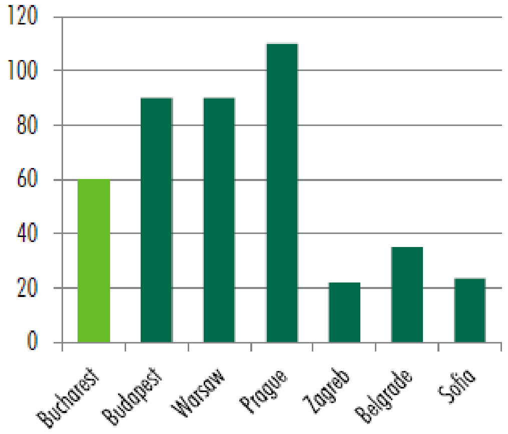
Chart 2: Modern stock per retail format plus pipeline 2015 - 2017



Source: CBRE Research

In this half three expansions of existing shopping centers were completed for a total GLA of 40,300 m^2, a record for the Romanian retail market. At the end of first half 2015 average yields for prime shopping centers reached 7.75%, a drop of -0.25% against the prior half and the average rent came to €60/ m^2. Compared to other ECC capitals, the average rent per m^2 in Bucharest is still low with ample room for growth.

Chart 4: CEE Capitals - shopping centre prime rent (EUR/ sq m/mth)



Source: CBRE Research

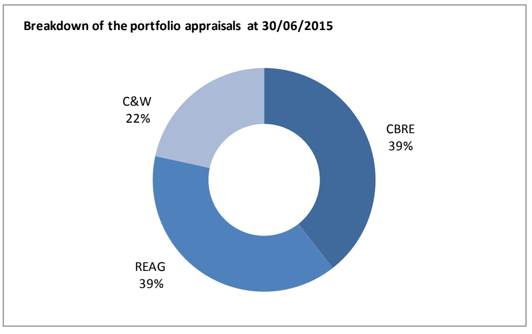
The prime shopping centers continue to drive the Romanian retail market due to both the size and the ability to attract consumers. Given their characteristics, the prime shopping centers in Romania are preferred by tenants over high street locations and in first half 2015 more than thirty new retailers were reported. Luxury retailers continue to prefer boutiques inside five star hotels over high street locations.

FREEHOLD ASSETS

The IGD SIIQ SPA Group's real estate portfolio comprises primarily commercial retail properties in Italy and Romania and assets under construction in Italy.

Beginning first half 2014, the IGD Group's real estate portfolio has been appraised by three real estate appraisal companies: CBRE, REAG Advisory and Cushman & Wakefield.

The breakdown of the appraisals done by CBRE, REAG and Cushman & Wakefield by percentage of the IGD Group's portfolio at 30 June 2015 is shown below:



The fees paid at 30 June 2015 to the independent experts are shown below:

Fees at 30 June 2015 (in thousands of Euro)		€/000
CBRE Valuation SPA	Fees for appraisals	72.5
	Other fees	5.0
	Total fees	**77.5**
REAG Advisory Group Spa	Fees for appraisals	102.0
	Other fees	121.2
	Total fees	**223.2**
Cushman&Wakefield	Fees for appraisals	33.1
	Other fees (Brokerage services for Rizzoli disposal)	294.0
	Total fees	**327.1**

The main changes to the IGD Group's real estate portfolio in first half 2015 include:

- ✓ May '15: the opening of the Clodì Retail Park in Chioggia (Venice). The retail park comprises a hypermarket leased to Coop Adriatica with a GLA of 7,500 m^2 and a retail park with a GLA of 9,300 m2.
- ✓ May '15: definitive sales agreement executed for the sale of the Rizzoli property found on via Rizzoli in Bologna. This city center property was sold to UBS for approximately €29 million.

Based on the appraisals at 30 June 2015, the market value of the IGD SIIQ SPA Group's real estate portfolio came to €1,942.38 million.

The asset classes comprising the Group's real estate portfolio at 30 June 2015 included are described below:

- ✓ "Hyper and super": 25 properties with a total GLA of about 270,000 m^2, found in 8 regions in Italy. The perimeter of this asset class increased by one hypermarket following the opening of the Clodì retail park in May 2015.
- ✓ "Malls and retail parks", 20 properties with a total GLA of about 293,000 m^2, found in 10 regions in Italy. The perimeter of this asset class increased by one retail park in first half 2015 following the opening of the Clodì retail park.
- ✓ "City center", commercial properties located along the main shopping streets of urban centers.

At 30 June 2015 this asset class comprised just one asset, the Piastra Mazzini retail complex in Livorno which has a GLA of about 7,500 m^2, following the sale in May of the Rizzoli property in Bologna.

- ✓ "Other": seven properties pertaining to freehold shopping centers or office units with a total GLA of about 3,150 m^2.
- ✓ "Porta a Mare Project", a multipurpose real estate complex under construction covering an area of approximately 60,350 m^2 located near Livorno's waterfront.
- ✓ "Development projects", 2 areas found in Ravenna and Porto d'Ascoli which are to be used for expansion and/or new retail projects with a future total GLA of approximately 23,800 m^2.
- ✓ "Winmarkt" a portfolio of 14 properties used primarily for retail purposes, and an office building, found throughout Romania covering a total area of approximately 80,100 m^2. The properties belonging to this asset class are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest.

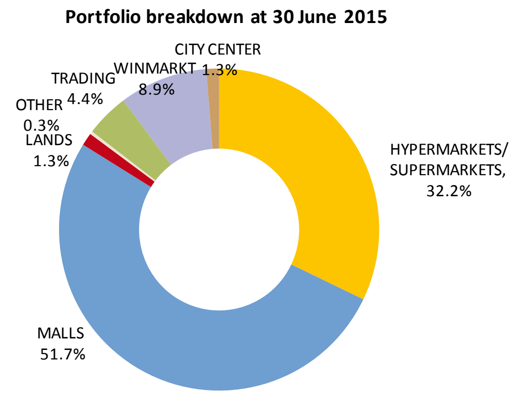
ANALYSIS OF THE FREEHOLD ASSETS

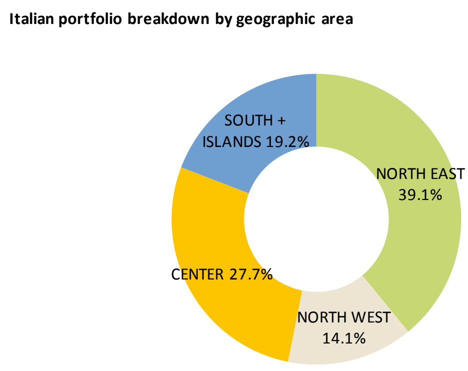
GEOGRAPHICAL BREAKDOWN AND COMPOSITION OF THE PORTFOLIO

IGD's properties in **Italy** total 56 (including the 50% of the "Darsena" Shopping Center) and can be broken down by asset class as follows:

- 20 shopping malls and retail parks
- 25 hypermarkets and supermarkets
- 1 city center
- 2 development projects and plots of land
- 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:





E.Romagna:5 malls, 9 hyper-super,1 development project; 5 other;

Piedmont:1 mall + 1 mall and retail park

Lombardia:2 malls

Trentino: 1 mall

Veneto: 2 malls and retail parks; 3 hyper

Marche:2 malls, 4 hyper, 2 other, 1 development project

Abruzzo:1 mall; 1 hyper;

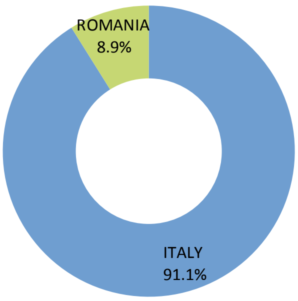
Campania:1 mall; 1 hyper

Lazio: 2 malls; 3 hyper

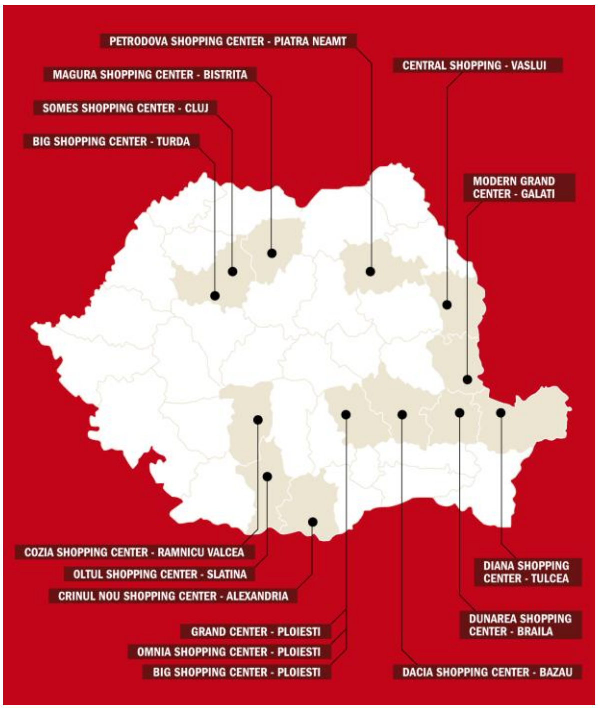
Tuscany: 2 hyper, 1 asset held for trading, 1 City center

Sicily: 2 malls, 2 hyper

Portfolio breakdown Italy - Romania



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



- 14 shopping centers
- 1 office building

The following tables provide the principal data relative to the real estate portfolios in Italy and Romania managed by the IGD Group:

ITALY

Shopping centers	Location	Mall GLA (m²)	Other (m²)	Ownership	Opening date	Extension/Restyling/Remodeling date	%ownership	Form of ownership	N. of shops	N. of middle sized areas	Parking places	Main brands	Food Anchor	Food anchor GLA
Mondovicino Shopping mall and retail park	Mondovì (CN)	16,857	//	IGD SIIQ SPA	2007	//	100	Freehold property (excluding hypermarket)	54	8	4500	Jysk,OVS, Librerie Coop: Brico IO; Casa Terra; ; Foot Loker	Ipercoop (not owned by IGD))	//
I Bricchi Shopping mall	Isola d'Asti (AT)	16,211	//	IGD SIIQ SPA	2009	//	100	Freehold property (excluding hypermarket)	25	6	1450	Combipel, Deichamann	Il Gigante (not owned by IGD)	//
Sarca Shopping mall	Sesto S. Giovanni (MI)	23,733	//	IGD MANAGEMENT SRL	2003	in corso	100	Freehold property (excluding hypermarket)	80	7	2500	H&M, Piazza Italia, Skyline cinema, Roadhause, Scarpe&Scarpe , Rosso Pomodoro	Ipercoop (not owned by IGD))	//
Gran Rondò Shopping mall	Crema (CR)	11,650	//	IGD SIIQ SPA	1994	2006	100	Freehold property (excluding hypermarket)	38	3	1280	Oviesse, Promenade calzature	Ipercoop (not owned by IGD))	//
Millennium Shopping mall	Rovereto (TN)	7,683	674	MILLENNIUM SRL	2004	//	100	Freehold property (excluding supermarket and a portion of the mall)	33	6	900	Game 7 athletics, Oviesse, Trony, Bata	Superstore Coop (not owned by IGD))	//
Conè Shopping center and retail park	Conegliano (TV)	18,161	//	IGD SIIQ SPA	2010	//	100	Freehold property	64	9	1550	arpe&Scarpe, Stradivarius	Ipercoop	9,498
Borgo Shopping center	Bologna (BO)	7,043	//	IGD PROPERTY SIINQ SPA	1989	2005	100	Freehold property	32	5	1550	ieuro, C6, Scarpe&Scarpe	Ipercoop	11,480
ESP Shopping center	Ravenna (RA)	14,993	3200	IGD PROPERTY SIINQ SPA	1998	2012	100	Freehold property	44	6	2456	Coop, Piazza Italia, Unieuro	Ipercoop	16,536
Le Maioliche Shopping center	Faenza (RA)	21,717	2374	IGD SIIQ SPA	2009	//	100	Freehold property	48	8	2400	, C&A, Decathlon, Bricofer	Ipercoop	9,277
Lungo Savio Shopping center	Cesena FC)	2,917	//	IGD SIIQ SPA	2002	//	100	Freehold property	24	1	850	Benetton, Librerie Coop, Motivi, Primigi; Kiko	Ipercoop	7,476
Porto Grande Shopping center	Porto d'Ascoli (AP)	8,097	//	IGD SIIQ SPA	2001	//	100	Freehold property	36	2	1730	Decathlon, Deichmann	Ipercoop	15,290
Centro d'Abruzzo Shopping center	San Giovanni Teatino (CH)	15,821	//	IGD SIIQ SPA	2001	2014	100	Freehold property	50	3	1730	; Intersport; Scarpamondo	Ipercoop	14,127
Tiburtino Shopping center	Guidonia Montecelio (RM)	32,988	//	IGD SIIQ SPA	2009	//	100	Freehold property	115	11	3800	ondo,New Yorker, Euronics	Ipercoop	7,633
Casilino Shopping center	Roma (RM)	5,515	//	IGD PROPERTY SIINQ SPA	2002	//	100	Freehold property	25	3	1260	Euronics, Piazza Italia; Bata	Ipercoop	14,567
Le Porte di Napoli Shopping center	Afragola (NA)	17,341	//	IGD SIIQ SPA	1999	2014	100	Freehold property	72	5	2650	azza Italia; Rosso Pmodoro	Ipercoop	9,800
La Torre Shopping center	Palermo (PA)	14,338	//	IGD SIIQ SPA	2010	//	100	Freehold property	59	5	1700	azza Italia, H&M; McDOnald	Ipercoop	11,217
Katanè Shopping center	Gravina di Catania (CT)	14,912	//	IPER IGD SIIQ SPA/GALLERIA IGD PROPERTY SIINQ SPA	2009	//	100	Freehold property	70	6	1320	&M Combipel, Piazza Italia,	Ipercoop	13,663
Darsena City Shopping center	Ferrara (FE)	12,320	//	IGD SIIQ SPA	2009	//	50	50% of freehold property of the mall and hypermarket	31	2	1320	Deichmann	Despar	3,715
Città delle Stelle Shopping center	Ascoli Piceno (AP)	17,203	//	IGD SIIQ SPA	2002	//	100	Freehold property	46	10	2200	Game 7 athletics, Piazza Italia, Non solo sport, Unieuro; Multiplex Stelle	Ipercoop	14,381
Hypermarket CC Miralfiore	Pesaro (PU)	//	56	IGD SIIQ SPA	1992	//	100	Freehold property (hypermarket + shop)				//	Ipercoop	10,356
Supermarket Aquileia	Ravenna (RA)	//	//	IGD SIIQ SPA		//	100	Freehold property (supermarket)				//	Coop	2,250
Hypermarket CC Il Maestrale	Cesano di Senigallia (AN)	//	//	IGD SIIQ SPA	1999	//	100	Freehold property (hypermarket)				//	Ipercoop	12,551
Hypermarket CC Lame	Bologna (BO)	//	//	IGD SIIQ SPA	1996	//	100	Freehold property (hypermarket)				//	Ipercoop	15,681
Hypermarket CC Globo	Lugo di Romagna (RA)	//	//	IGD SIIQ SPA	1997	2005	100	Freehold property (hypermarket)				//	Ipercoop	7,937
Hypermarket CC Leonardo	Imola (BO)	//	//	IGD SIIQ SPA	1992	//	100	Freehold property (hypermarket)				//	Ipercoop	15,862
Hypermarket CC I Malatesta	Rimini (RN)	//	1085	IGD SIIQ SPA	2005	//	100	Freehold property (hypermarket + wholesale area +fitness area)				//	Ipercoop	10,232
Hypermarket CC Fonti del Corallo	Livorno (LI)	//	//	IGD SIIQ SPA	2003	//	100	Freehold property (only hypermarket)				//	Ipercoop	15,371
Hypermarket Schio	Schio (VI)	//	//	IGD SIIQ SPA	2008	//	100	Freehold property (only hypermarket)				//	Ipercoop	8,176
Supermarket Cecina	Cecina (LI)	//	//	IGD SIIQ SPA	1994	//	100	Freehold property (only supermarket)				//	Coop	5,749
Supermarket Civita Castellana	Livorno (LI)	//	//	IGD SIIQ SPA	2010	//	100	Freehold property (only supermarket)				//	Coop	3,020
Retail area Piazza Mazzini	Livorno (LI)	7,523	//	IGD SIIQ SPA	2014	//	100	Freehold property	35	2		Unieuro/Coop	//	//
Retail Park Clodì	Chioggia (VE)	9,309	//	IGD SIIQ SPA	2015		100	Freehold property	8	6		OVS, Scarpe&Scarpe; Piazza Italia, Dechatlon	Ipercoop	7,490
Centro Piave	San Donà di Piave (VE)	11,600		CSII SPA	1995	2003	//	Master Leasing	48	5	1500	Scarpe&Scarpe; McDonald	Ipercoop	15,800
Centro Nova	Villanova di Castenaso (BO)	12,485		CSII SPA e COPAIN HOLDING SPA	1995	2008	//	Master Leasing	55	7	2400	osso, Benetton; McDonald	Ipercoop	18,188
Fonti del Corallo Shopping mall	Livorno (LI)	//	//	IGD SIIQ SPA	2003	//	100	Master Leasing	55	2	1600	rie Coop, Bata, Swarovski	Ipercoop	15,371

ROMANIA

Shopping center	Location	Shopping center GLA m^2	Net Salling Area	Circulation (sqm) Rented	Rentable Warehouse/ office	Ownership	Date opened	Date of extension/ restyling	Area of expansion	% ownership	Form of ownership	N. of poinf of sale	N. of middle sized areas	Parking places	Main brands
Grand Omnia Center	Ploiesti	17,758	16,176	455	1,127	Win Magazin SA	1986	2014		100	Freehold property	142	//	400	Adidas, Levi's, Domo, Vodafone, Carrefour Market, Samsonite,Leonardo, Jolidon, House of Art, Banca Transilvania, KFC, Flanco
Big	Ploiesti	3,999	2,642	486	871	Win Magazin SA	1976	2013		100	Freehold property	95	//		Banca Transilvania, Carrefour Market
Modern	Galati	7,889	7,351	138	400	Win Magazin SA	1973	2005		100	Freehold property	60	//		Domo, B&B, Sevda, Jolidon, Levi's, Manas, Leonardo
Cozia	Ramnicu Valcea	7,871	7,572	117	182	Win Magazin SA	1973	2004		100	Freehold property	45	//		B&B Collection, House of Art, Fox, Leonardo, Jolidon, dm Drogerie Markt, Domo
Petrodava	Piatra Neamt	6,066	4,734	341	992	Win Magazin SA	1985	2004		100	Freehold property	70	//		Sensiblu, B&B Collection, Billa, Leonardo
Dunarea	Braila	7,397	6,322	217	858	Win Magazin SA	1978	2004		100	Freehold property	46	//		B&B, City Pharma, Credit Europe Bank, Leonardo, House of Art, Jolidon, Domo, Vodafone, Sevda, miniMAX Discount
Dacia	Buzau	5,650	5,052	24	574	Win Magazin SA	1975	2005		100	Freehold property	26	//		B&B Collection, Leonardo, KFC, Sensiblu,
Diana	Tulcea	3,941	3,725	8	208	Win Magazin SA	1972	2002		100	Freehold property	44	//		B&B Collection, Leonardo, House of Art, Domo, Minimax, Vodafone
Somes	Cluj Napoca	7,306	5,681	93	1,532	Win Magazin SA	1983	2011		100	Freehold property	34	//		Carrefour Market, dm drogerie markt, Leonardo, Big Fitness
Magura	Bistrita	5,360	4,500	89	771	Win Magazin SA	1984	2005		100	Freehold property	27	//		Carrefour, Leonardo, Domo, DM Drogerie Markt, fast-food Pizzamania
Crinul Nou	Alexandria	3,366	3,123	37	205	Win Magazin SA	1978	2013		100	Freehold property	32	//		B&B Collection, Carrefour Market, Domo, House of Art, Leonardo, Jolidon
Oltul	Slatina	5,978	5,008	37	933	Win Magazin SA	1975	2005		100	Freehold property	21	//		Altex, Avenir Telecom, B&B, Jolidon, House of Art, Domo
Central	Vaslui	3,650	3,506	31	114	Win Magazin SA	1973	2006		100	Freehold property	17	//		Electronmedia, B&B Collection, Leonardo, Jolidon Import Export, Domo Retail
Big	Turda	2,579	2,577	2	-	Win Magazin SA	1981	2007		100	Freehold property	7	//		ILEX, Robest, Leonardo, Altex
SHOPPING MALLS TOTAL		88,811	77,970	2,075	8,765										
Junior	Ploiesti	3,012	2,137	544	331	Win Magazin SA				100	Freehold property				
TOTAL		**91,823**	**80,107**	**2,619**	**9,096**										

ITALY

ANALYSIS BY ASSET CLASS

Similar to the Italian and Romanian real estate markets, in first half 2015 positive signals were also reported for IGD's property portfolio which included an overall increase in fair value like-for-like, a drop in rates (particularly in the gross cap out) and improved occupancy. The main changes for each asset class in the half are described below.

HYPERMARKETS AND SUPERMARKETS

IGD's freehold hypermarkets and supermarkets are leased on a long-term basis to Coop Adriatic Scrl, Unicoop Tirreno Scrl and Coop 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 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Hyper/Supermarkets	30/06/2015
CBRE	32%
REAG Advisory	34%
Cushman & Wakefield	33%
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 16 and 23 years depending on the expiration of the lease held by the retailer.

The total value of this class of property at 30 June 2015 reached €624.90 million, an increase of 3.77% (+€22.72 million) against 31 December 2014 explained primarily by the opening of the Chioggia hyper explained primarily by the opening of the new hyper in Chioggia.

On a like-for-like perimeter basis the fair value of this asset class rose by 1.5% (+€9.02 million) explained by the drop in the exit cap rates and discount rates used by the appraisers in their DCF models. The weighted average discount rate used came to 6.98% at 30 June 2015, a drop of -0.05% against 31 December 2014.

The average gross cap out rate reached 6.33%, a drop of -0.21% against 31.12.2014.

The gross initial yield came to 6.45%, down – 0.06% against 31.12.14, a direct consequence of the increase in the fair value of this asset class.

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 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Malls/Retail Park	30/06/2015
CBRE	34%
REAG Advisory	45%
Cushman & Wakefield	21%
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 €1,004.10 million at 30 June 2015, an increase of 3.47% (+33.66 million) with respect to the prior year due primarily to the opening of the Clodì Retail Park in Chioggia.

On a like-for-like perimeter basis the fair value of this asset class rose +1.19% (+ €11.55 million) against 31.12. 2014 explained by the drop in the exit cap rates and discount rates used by the appraisers in their DCF models. The Sarca Shopping Center and Centro Borgo made the biggest contribution to the increase in fair value as a result of lower investment assumptions used in the DCF model as the restyling of the centers currently underway nears completion and better pre-letting prospects for expiring contracts and the vacant spaces linked to work nearing completion. The gross initial yield for this asset class came to 6.42% at 30 June 2015, a decrease of -0.16% against 31.12.2014 due primarily to the increase in fair value. The weighted average discount rate dropped -0.05% against 31 December 2014 to 7.22%.

The average gross cap out rate reached 6.93%, down -0.17% against 31.12.14.

The financial occupancy rate came to 94.13% at 30 June 2015, an increase of +0.04% against 31 December 2014 due to the pre-letting of units found primarily at the Sarca Shopping Center.

CITY CENTER

In first half 2015 the Rizzoli retail complex in Bologna was sold. This asset class at 30 June now comprises solely the "Piastra commerciale Mazzini" (a retail complex) located in Livorno. The fair value of this asset class came to €24.9 million, a decrease of -55.93% (-€31.6 million) against 31 December 2014 as a result of the above mentioned disposal.

On a like-for-like perimeter basis the fair value of this asset class dropped -19.35% (-€3.0 million) against 31.12.2014 due to the leasing of space in the half at rents lower than the market rates assumed in the prior half.

The gross initial yield rose +0.31% against 31 December 2014 to 5.31% due to the drop in fair value.

The like-for-like discount rate was unchanged against the prior period at 6.70% while the gross cap out increased +0.12% to 7.13%.

The financial occupancy rate for this asset class came to 83.46% at 30 June 2015, a decrease of 3.67% against 31 December 2014 due to the sale of the Rizzoli property.

The City Center property was appraised 100% by CBRE in the half who used the DCF method with a standard duration of 10 years.

DEVELOPMENT PROJECTS

In first half 2015 the perimeter of this asset class changed following the exit of the asset Chioggia Retail Park which, following the opening in May 2015, was reclassified under Hyper/Super and Malls and Retail Parks, respectively. At 30 June 2015 this asset class consisted of two plots of land on which the following retail projects are underway:

- ESP extension: extension of the mall in the ESP Shopping Center in Ravenna by a GLA of 19,000 m^2. The work began in first half 2015 and is expected to open in first half 2017.
- P.to Grande extension: extension of the Porto Grande Shopping Center in P.rto d'Ascoli (AP) as a result of 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 in the first half of 2017.

"Development projects" were valued at 30 June 2015 by the appraisers CBRE and Cushman & Wakefield based on the following percentages of FV:

Plots of land	30/06/2015
CBRE	87%
Cushman & Wakefield	13%
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 2015 amounted to €24.97 million, an increase like-for-like of 4.09%, (approximately €0.98 million), due primarily to the work begun on the ESP extension.

PORTA A MARE PROJECT

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 30 June 2015 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 and the retail units began generating revenue streams early July 2014;
- ✓ Officine storiche (retail, residential) where work began in first half 2015 and is expected to end by year-end 2017/early 2018;
- ✓ 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 2018
- ✓ Arsenale (retail) where work is expected to begin in 2018.

The fair value of this asset class reached €85.00 million at 30 June 2015.
Like-for-like, namely excluding the residential portion of Piazza Mazzini (which continues to decrease in terms of both number of assets and fair value as residential units are sold), the fair value increased -0.33% against 31.12.2014 (-€0.224 million) due primarily to the work begun at the Officine area.
The FV of this asset class at 31 June 2015 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 2015 with respect to the prior period 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, which, following the expiration of the lease with the Hera Group, was leased for six plus six years to Adriatica Luce&Gas SPA and Coop Adriatica, as well as the offices located on the third and last floors of the same building which are leased to Librerie Coop.
The class of assets was valued at 30 June 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

Other	30/06/2015
CBRE	65%
REAG Advisory	27%
Cushman & Wakefield	8%
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 2015 amounted to €5.92 million, a drop of 8.36% (-€0.53 million) against 31 December 2014 explained primarily by the second floor of the headquarters which was re-rented at a rate that was lower with respect to November 2014.

ROMANIA

The real estate portfolio of the Romanian company Winmarkt comprises 15 shopping centers and an office building covering a total area of approximately 80,100 m^2. The Winmarkt properties were valued at 30 June 2015 by the appraisers CBRE and REAG based on the following percentages of FV:

Winmarkt	30/06/2015
CBRE	51%
Reag	49%
Total	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 2015 was €172.6 million, a decrease of 1.54% (-€2.7 million attributable almost entirely to shopping malls as a result of the lower market rates used to value vacancies.

The fair value of the office building Junior in Ploiesti 30 June 2015 was down slightly (-2.94% or -€0.1 million), coming in at €3.30 million.

The gross initial yield for the Winmark malls at 30 June 2015 fell by 0.35% to 6.37%, while the gross cap out rate fell by -0.10% to 8.54%.

The discount rate was lowered slightly with respect to the prior half coming in at 8.50% (-0.01%).

The financial occupancy rate for the Romanian portfolio at 30 June 2015 came to 88.94%, an improvement of 2.54% with respect to the prior year due to the increase in the number of rented units.

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

Category	Book value at 30/06/2015	Accounting method	Market value at 30/06/2015	Date of last appraisal
In milion euro				
Real estate investments IGD group				
Hypermarkets and Supermakets	624.90	fair value	624.90	Jul-15
Shopping malls Italy	1,004.10	fair value	1,004.10	Jul-15
City Center	24.90	fair value	24.90	Jul-15
Other	5.92	fair value	5.92	Jul-15
Total Italy	**1,659.81**		**1,659.81**	
Shopping malls Romania	169.30	fair value	169.30	Jul-15
Other Romania	3.30	fair value	3.30	Jul-15
Total Romania	**172.60**		**172.60**	
Total IGD Group	**1,832.41**		**1,832.41**	

Category	Book value at 30/06/2015	Accounting method	Market value at 30/06/2015	Date of last appraisal
Direct Development Initiatives	24.97	Fair value / adjusted cost	24.97	Jul-15

Category	Book value at 30/06/2015	Accounting method	Market value at 30/06/2015	Date of last appraisal
Porta a Mare project*	85.00	Fair value / adjusted cost	85.00	Jul-15

	Investment property, plots of land, development projects, assets held for trading		Market value, freehold properties, plots of land, direct development projects, assets held for trading	Change
Total	**1,942.38**		**1,942.38**	**0.00**

* 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 30/06/2015	% HELD	STATUS
ESP	Extensioon	Ravenna	19,000 m²	1H 2017	approx. 51 Mln/€	21.80	100%	Signing of the Urban Convention and marketing authorization being finalized. Works in progress.
PORTO GRANDE	Ampliamento	Porto d'Ascoli (AP)	5,000 m²	1H 2017	approx. 9.9 Mln/€	3.17	100%	Planning stage completed. All the construction permits have been issued
					Totale	24.97		

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.

Lastly, based on Art. 20 of legislative decree n. 133 dated 12 September 2014, n. 133, effective 13 September and converted, with amendments, in Law n. 164 on 11 November 2014 introduced a few substantive changes to the special regime.

The most important of the changes made are the ones relating to eligibility for the special regime, the distribution of income generated by exempt operations and the broadening of the scope of operations exempt from taxation.

More in detail, with regard to eligibility requirements, the decree resulted in (i) more stringent **Ownership Requirements**, raising the threshold for a single shareholder from 51% to 60% of the voting and dividend rights (the so-called “**Control limit**”) and the percentage of shareholders who must have interests of less than 2% of voting and dividend rights when the option is exercised was lowered from 35% to 25% (the so called “**Float requisite**”), and (ii) the scope of the parameters relating to the economic elements and assets (the so called **“Asset Test”** and **“Profit Test”**) used to satisfy the **Objective requirements** was broadened**.**

The distribution requirement, namely the amount of the income generated by exempt operations that must be distributed each year upon approval of the annual report, was lowered from 85% to 70%.

Lastly, based on the decree exempt operations may also include the capital gains and losses relating to rental properties and interests held in SIIQ or SIINQ, as well as the income, capital gains and losses, relating to interests held in “qualified” real estate funds. 50% of the capital gains must be distributed within two years of their realization (rather than 70% upon approval of the annual report).

Taking into account the amendments called for in the above mentioned law decree n. 133 dated 12 September 2014, the requirements for eligibility under the special regime can be summarized as follows:

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

The corporate by-laws must include:

- rules which regulate investments
- limits on the concentration of investment and counterparty risk
- limits on the maximum financial leverage permitted

Ownership requirements

- a single shareholder may not hold more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights, the so-called **"Control limit"**
- at least 25% 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"**
- revenue from rental activities must total at least 80% of the positive entries in the income statement, the so-called "**Profit Test"**.

The failure to comply with the most important conditions for 3 consecutive years will result in ineligibility under the special regime and the ordinary rules and regulations will be applied beginning as of the third of the years considered.

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 a minimum of the rental income must be distributed (the percentage was reduced pursuant to Decree 133/2014 from 85% to 70%).

With regard to the verification of eligibility, based on the same 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 70% of same. In this regard, during the Annual General Meeting held on 15 April 2015 shareholders approved payment of a dividend for 2014 of €28,363,360.84 attributable to: (i) for €15,214,106.75, exempt operations and, excluding the reduction introduced in Decree n. 133/2014, represents, not less than the minimum called for under paragraph 123 of the Founding Law; (ii) for € 9,505,885.85, capital reserves and (iii) for €3,643,368.24, retained earnings accrued prior to becoming a SIIQ.

Based on the parent company's financial statements at 30 June 2015 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 Statutory requirements, 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

There are no events to report.

OUTLOOK

In the first half of 2015 positive results pointed to a recovery of the global market conditions which should stabilize in coming months; the growth of our tenants' sales and the steady number of footfalls in our shopping centers confirm the recovery in consumption underway.

We posted significant growth in the key financial performance indicators in the first half and reported marked improvement in our results which should be confirmed in the second half, as well.

Following the opening of the new retail park in Chioggia, on 14 May 2015, IGD confirms the investments called for in the committed pipeline which include the restyling of Centro Sarca and Centro Borgo, as well as the acquisition of the mall in Grosseto in second half 2016 and the ESP extension in Ravenna, which is expected to be inaugurated in 2017.

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 40 of the Notes to the Interim Condensed Consolidated Financial Statements.

Treasury shares

The company owned no treasury shares at 30 June 2015.

Research and Development

The IGD Group does not perform research and development activities.

Significant Transactions

During the period ended 30 June 2015, 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 2015

Consolidated income statement

Consolidated income statement (in €/000)	Note	30/06/2015 (A)	30/06/2014 (B)	Change (A-B)
Revenues:	**1**	**59,907**	**57,734**	**2,173**
- from third parties		39,344	38,534	810
- from related parties		20,563	19,200	1,363
Other income	**2.1**	**2,551**	**2,817**	**(266)**
-from third parties		1,705	2,059	(354)
- from related parties		846	758	88
Revenues from property sales	**2.2**	**886**	**1,278**	**(392)**
Total revenue and operating income		**63,344**	**61,829**	**1,515**
Change in work in progress inventory	6	(420)	(572)	152
Total revenue and change in inventory		**62,924**	**61,257**	**1,667**
Cost of construction in progress	6	369	521	(152)
Service costs	3	11,320	11,411	(91)
-third parties		10,429	9,722	707
- related parties		891	1,689	(798)
Cost of labor	4	4,547	4,335	212
Other operating costs	5	4,863	4,611	252
Total operating costs		**21,099**	**20,878**	**221**
(Depreciation, amortization and provisions)	7	(1,361)	(1,528)	167
(Impairment losses)/Reversals on work in progress and inventory	17.22	(1,327)	(1,673)	346
Fair Value changes - increase/(decrease)	15.17	924	(12,082)	13,006
Total depreciation, amortization, provisions, impairment and fair value changes		**(1,764)**	**(15,283)**	**13,519**
EBIT		**40,061**	**25,096**	**14,965**
Result from equity investments	**8**	**(161)**	**120**	**(281)**
Financial income	**9**	**22**	**60**	**(38)**
- third parties		19	57	(38)
- related parties		3	3	0
Financial charges	**9**	**20,304**	**22,828**	**(2,524)**
- third parties		20,270	22,362	(2,092)
- related parties		34	466	(432)
Net financial income		**(20,282)**	**(22,768)**	**2,486**
PRE-TAX INCOME		**19,618**	**2,448**	**17,170**
Income taxes	10	(606)	(1,672)	1,066
NET PROFIT		**20,224**	**4,120**	**16,104**
Non-controlling interests in net profit		186	334	(148)
IGD SIIQ S.p.A. share of net profit		**20,410**	**4,454**	**15,956**
-basic earnings per share	11	0.027	0.013	
- diluted earnings per share	11	0.027	0.013	

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in €/000)	30/06/2015	30/06/2014
NET PROFIT	**20,224**	**4,120**
Other comprehensive income that will not be reclassified to profit or loss		
Transaction costs for capital increase	(108)	(385)
Total other comprehensive income that will not be reclassified to profit or loss, net of tax effects	**(108)**	**(385)**
Other comprehensive income that will be reclassified to profit or loss		
Impact of hedge derivatives on equity	7,681	(8,651)
Tax effect on hedge derivatives on equity	(2,112)	2,379
Other effects on income statement components	3	145
Total other comprehensive income that will be reclassified to profit or loss, net of tax effects	**5,572**	**(6,127)**
Total comprehensive income/(loss)	**25,688**	**(2,392)**
Non-controlling interests in net profit	186	334
IGD SIIQ S.p.A. share of net profit	**25,874**	**(2,058)**

Consolidated statement of financial position

Consolidated statement of financial position (in €/000)	Note	30/06/2015 (A)	31/12/2014 (B)	Change (A-B)
NON-CURRENT ASSETS:				
Intangible assets				
Intangible assets w ith finite useful life	12	74	82	(8)
Goodw ill	13	12,662	12,662	0
		12,736	**12,744**	**(8)**
Property, plant and equipment				
Investment property	15	1,832,410	1,782,283	50,127
Buildings	14	8,741	8,861	(120)
Plant and Machinery	16	372	473	(101)
Equipment and other assets	16	1,966	2,098	(132)
Leasehold improvements	16	1,408	1,514	(106)
Assets under construction	17	51,631	82,179	(30,548)
		1,896,528	**1,877,408**	**19,120**
Other non-current assets				
Deferred tax assets	18	7,463	9,722	(2,259)
Sundry receivables and other	19	77	75	2
Equty investments	20	4,916	408	4,508
Non-current financial assets	21	1,052	1,128	(76)
Derivative assets	42	28	49	(21)
		13,536	**11,382**	**2,154**
TOTAL NON-CURRENT ASSETS (A)		**1,922,800**	**1,901,534**	**21,266**
CURRENT ASSETS				
Work in progress inventory and advances	22	68,186	69,355	(1,169)
Trade and other receivables	23	13,327	14,036	(709)
Related parties trade and other receivables	24	3,468	1,530	1,938
Other current assets	25	4,389	3,623	766
Related parties financial receivables and other current financial assets	26	151	151	0
Cash and cash equivalents	27	10,661	15,242	(4,581)
TOTAL CURRENT ASSETS (B)		**100,182**	**103,937**	**(3,755)**
Non-current assets held for sale (C)	15	**-**	**28,600**	**(28,600)**
TOTAL ASSETS (A+B+C)		**2,022,982**	**2,034,071**	**(11,089)**
NET EQUITY:				
Share capital		549,760	549,760	0
Share premium reserve		39,971	147,730	(107,759)
Other reserve		324,830	231,818	93,012
Group profit		33,178	20,921	12,257
Total net equity pertaining to the Group		**947,739**	**950,229**	**(2,490)**
Non-controlling interests		10,403	10,589	(186)
TOTAL NET EQUITY (D)	**28**	**958,142**	**960,818**	**(2,676)**
NON-CURRENT LIABILITIES				
Derivative liabilities	42	36,047	43,961	(7,914)
Non-current financial liabilities	29	800,810	850,466	(49,656)
Provisions for employees severance indemnites	30	2,073	1,910	163
Deferred tax liabilities	18	24,155	24,730	(575)
General provisions	31	3,775	1,827	1,948
Sundry payable and other non-current liabilities	32	6,885	6,810	75
Related party sundry payables and other non-current liabilities	32	13,922	13,492	430
TOTAL NON-CURRENT LIABILITIES (E)		**887,667**	**943,196**	**(55,529)**
CURRENT LIABILITIES				
Current financial liabilities	33	148,958	107,962	40,996
Related party current financial liabilities	33	-	188	(188)
Trade and other payables	35	18,595	14,512	4,083
Related parties trade and other payables	36	652	522	130
Current tax liabilities	37	3,106	954	2,152
Other current liabilities	38	5,848	5,905	(57)
Related parties other current liabilities	38	14	14	0
TOTAL CURRENT LIABILITIES (F)		**177,173**	**130,057**	**47,116**
TOTAL LIABILITIES (G = F+E)		**1,064,840**	**1,073,253**	**(8,413)**
TOTAL NET EQUITY AND LIABILITIES (D + G)		**2,022,982**	**2,034,071**	**(11,089)**

Consolidated statement of changes in equity

	Share capitale	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interest 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 year				4,454	4,454	(334)	4,120
Cash flow hedge			(6,272)		(6,272)		(6,272)
Other comnprehensive income (losses)			(240)		(240)		(240)
Total comprehensive income (losses)	**0**	**0**	**(6,512)**	**4,454**	**(2,058)**	**(334)**	**(2,392)**
Sales of treasury shares	10,976	0	1,098	0	12,074	0	12,074
Share capital increase (DRO 2014)	14,054				14,054		14,054
Allocation of 2013 profit							
Dividends paid				(22,620)	(22,620)		(22,620)
To legal reserve			889	(889)	0		0
To other reserve			(3,976)	3,976	0		0
Balance at 30/06/2014	**350,082**	**147,730**	**238,415**	**18,073**	**754,300**	**10,508**	**764,808**

	Share capitale	Share premium reserve	Other reserves	Group profit	Group net equity	Non-controlling interest in capital and reserves	Total net equity
Balance at 01/01/2015	**549,760**	**147,730**	**231,818**	**20,921**	**950,229**	**10,589**	**960,818**
Profit for the year				20,410	20,410	(186)	20,224
Cash flow hedge			5,569		5,569		5,569
Other comprehensive income (losses)			(105)		(105)		(105)
Total comprehensive income (losses)	**0**	**0**	**5,464**	**20,410**	**25,874**	**(186)**	**25,688**
Allocation of 2014 profit							
Dividends paid			(9,780)	(18,583)	(28,363)		(28,363)
To legal reserve		(97,581)	97,581	0	0		0
To other reserve		(10,178)	(253)	10,431	0		0
Balance at 30/06/2015	**549,760**	**39,971**	**324,830**	**33,178**	**947,739**	**10,403**	**958,142**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW	30/06/2015	30/06/2014
(In €000)		
CASH FLOW FROM OPERATING ACTIVITIES		
Pre-tax profit	**19,618**	**2,448**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Non-cash items	(3,786)	(1,230)
Depreciations, amortization and provisions	1,361	1,528
(Impairment losses)/reversals on work in progress and inventory	1,327	1,673
Fair Value changes	(924)	12,082
Income (loss) from equity investments	213	(120)
CASH FLOW FROM OPERATING ACTIVITIES	**17,809**	**16,381**
Current taxes	(487)	(651)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAXES	**17,322**	**15,730**
Change in inventories	433	583
Net change in current assets and liabilities with third parties	6,242	5,968
Net change in current assets and liabilities with related parties	(1,808)	(1,171)
Net change in non-current assets and liabilities with third parties	(153)	973
Net change in non-current assets and liabilities with related parties	430	(671)
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**22,466**	**21,412**
(Investments) in fixed assets	(19,581)	(21,380)
Disposal of fixed assets	28,438	46,859
(investments) in equity investments	(4,391)	(62)
CASH FLOW FROM INVESTING ACTIVITIES	**4,466**	**25,417**
Change in non-current financial assets	76	(166)
Change in financial receivables and other current financial assets with third parties	0	20
Dividend reinvestment option	0	13,693
Sale of treasury shares	0	12,050
Share capital increase	(108)	0
Distribution of dividends	(28,363)	(22,620)
Change in current debt with third parties	47,928	(153,533)
Change in current debt with related parties	(188)	(13,447)
Change in non-current debt with third parties	(50,859)	121,326
CASH FLOW FROM FINANCING ACTIVITIES	**(31,514)**	**(42,677)**
Exchange gain/(losses) on cash and cash equivalents	1	34
NET INCREASE (DECREASE) IN CASH BALANCE	**(4,581)**	**4,186**
CASH BALANCE AT THE BEGINNING OF THE PERIOD	**15,242**	**8,446**
CASH BALANCE AT THE END OF THE PERIOD	**10,661**	**12,632**

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 2015 were approved and authorized for publication by the Board of Directors on 6 August 2015. 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 2015 have been prepared in accordance with IAS 34 (Interim Financial Reporting) 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 2014.

Reporting formats

The items in the statement of financial position have been classified as current, non-current, or (for 2014) non-current held for sale. Items in the income statement have been classified 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 2014, with the exception of the following new standards and interpretations applicable from 1 January 2015.

Commission regulation (EU)	Title
1361/2014	Commission Regulation (EU) 1361/2014 of 18 December 2014, published in the Official Journal of the European Union L 365 on 19 December, adopting the Annual Improvements to IFRS 2011-2013 Cycle. The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards. Amendments to IAS 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements. 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

The table below reports the new international accounting standards or the amendments already in effect whose adoption is mandatory for financial periods beginning on 1 January 2016 (or after, if the financial statements do not coincide with the calendar year). The Group has not opted for early adoption.

Commission regulation (EU)	Title	Mandatory from financial years beginning on or after
2015/29	**Commission Regulation (EU) 2015/29 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting *Amendments to IAS 19 - Defined benefit plans: employee contributions*.** The amendments aim to simplify and clarify the accounting for employee or third party contributions linked to defined benefit plans.	1 February 2015
2015/28	**Commission Regulation (EU) 2015/28 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting the *Annual Improvements to IFRS 2010-2012 Cycle*.** The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 8 and to IAS 16, 24 and 38 are clarifications or corrections to the respective standards. Amendments to IFRS 2 and IFRS 3 involve changes to the existing requirements or additional guidance on the implementation of those requirements.	1 February 2015

During the half-year, the IASB made changes to some previously issued IAS/IFRS and published new international accounting standards.

Specifically, on 19 May 2015 the IASB published ED - Effective date of IFRS 15 – Revenue from contracts with customers, a proposal to defer the effective date of the standard by one year.

IAS 15 supersedes IAS 11 and 18, IFRIC 13, 15 and 18, and SIC 31 as from 1 January 2018, introducing new rules for revenue recognition (potentially affecting the amount of revenue recognized in the financial statements, revenue recognition processes and related procedures, commercial offers, internal control processes, taxation, etc.) as well as new and more detailed disclosures. Application of the standard, in the event of full retrospective adoption, will also require at least one comparison period and in any case a detailed preliminary analysis of the structure of our contracts with customers.

None of these changes were used to prepare the interim condensed consolidated financial statements as they have not yet been approved by the European Commission.

Use of estimates

The preparation of the interim condensed consolidated financial statements and notes in accordance with IFRS requires Management to make estimates and assumptions that affect the carrying values of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss.

Because assumptions about future performance are highly uncertain, actual results may differ from those forecast, and may require sizable adjustments that cannot presently be foreseen or estimated.

The critical valuation processes and key assumptions used by management in the process of applying IFRS that may significantly impact the amounts presented in the condensed interim consolidated financial statements or that may in the future lead to material differences with respect to the carrying amount of assets and liabilities are summarized below.

Investment property and inventory

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

The periodic appraisals are conducted according to an internal procedure that governs the entire process of valuing investment property at fair value: criteria for the selection and appointment of independent appraisers, protocol for extending assignments, protocol for sharing information and documents between the company and the independent appraisers, and overall monitoring and responsibility. The appraisers' contracts define valuation criteria and methods, the means and timing of physical inspections and any other checks of the appraised properties, and the specific reasoning for the method(s) used to appraise the individual asset.

The main information required by the appraisers includes, for rented properties, the rental status of each unit in each shopping center; property taxes; insurance and operating costs for the shopping centers; and any likely incremental costs. For construction in progress, the information concerns the start and end dates of the work, the status of building permits and authorizations, remaining costs, the state of progress, the ribbon-cutting date and projected rentals.

The independent appraisers formulate their own assumptions, such as inflation rates, discount rates and capitalization rates, on the basis of their professional judgment. 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.

The information given to the appraisers, their assumptions, and the models they use are approved by the Director of Property Development and Management, who is responsible for organizing and coordinating the appraisals and for monitoring and checking them before their results are published in the financial statements.

IGD periodically conducts sensitivity analyses on the values assigned to its assets in order to monitor the impact of changes in the discount rate or capitalization rate as a result of macroeconomic developments. See Note 15 for the quantitative analysis carried out at 30 June 2015, as required by IAS 1.

Monitoring of the indicators defined in the enterprise risk management system supports the Company's evaluation of how this risk is likely to evolve.

Recoverable amount of goodwill

The recoverable amount of goodwill is determined each year, or more frequently in the case of events or changes in circumstances that may indicate impairment. Impairment is identified through tests based on the ability of each cash generating unit to produce cash flows suitable for recovering the portion of goodwill that has been allocated to it, following the procedures specified in the section on property, plant and equipment.

Recoverability of deferred tax assets

The Group has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses carried forward. In estimating recoverable value, the Group considered the results of the company plan in line with the results used for impairment testing.

Fair value of derivative instruments

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, also with support from external consultants. 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.

Variable revenue

Variable revenue at 30 June is determined on the basis of monthly earnings reports from the individual tenants, if available, or otherwise on the basis of the previous year's earnings.

Provision for doubtful accounts

The provision for doubtful accounts reflects estimated losses on receivables. Management closely monitors the quality of the receivables portfolio and the current and prospective conditions of the economy and IGD's markets. Estimates and assumptions are reviewed on a regular basis and any changes are reflected in the income statement of the pertinent year.

Contingent liabilities

The Group recognizes a liability for pending disputes and legal actions when it believes that a financial outlay is likely and when the amount of the resulting losses can be reasonably estimated. If a financial outlay becomes possible but its amount cannot be determined, this is reported in the notes to the financial statements. The Group is involved in lawsuits and tax disputes concerning difficult, complex issues that present varying degrees of uncertainty, including with regard to the facts and circumstances of each case, matters of jurisdiction, and different applicable laws. Therefore, it is difficult to reach an accurate prediction of any outlays resulting from these disputes, and the provisions set aside for such matters may vary according to future developments.

The Group monitors the status of such litigation and consults with its attorneys and with experts in law and taxation.

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 June 2015, 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 2014. 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. Some associates are valued at cost as their value is immaterial. The resulting amount does not differ from that obtained with the equity method.

Name	Registered office	Country	Share capital	Currency	Percent consolidated	Held by	Percen of share capital held	Operations
Parent Company								
IGD SIIQ S.p.A.	Ravenna via agro pontino 13	Italia	549,760,278.52	Euro				Facility Management
Subsidiaries consolidated on a line-by-line basis								
IGD Management s.r.l.	Ravenna via Villa Glori 4	Italia	75,071,221.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery s.r.l	Ravenna via Villa Glori 4	Italia	100,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility Management
Porta Medicea s.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italia	60,000,000.00	Euro	80%	IGD Management s.r.l.	80.00%	Construction and marketing
IGD Property SIINQ S.p.A.	Ravenna via Villa Glori 4	Italia	50,000,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Facility Management
Win Magazin S.A.	Bucharest	Romania	113,715.30	Lei	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	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	Italia	6,000.00	Euro		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	Italia	100,000.00	Euro		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	Italia	10,000.00	Euro		IGD SIIQ S.p.A.	68.00%	Shopping center promotion and management of common areas
Associates valued at net equity								
UnipolSai Investimenti SGR S.p.A.	Torino, Via Carlo Marenco n. 25	Italia	3,913,588.00	Euro		IGD SIIQ S.p.A.	20%	Asset management company
RGD Ferrara 2013 s.r.l.	Roma, via Piemonte 38	Italia	100,000.00	Euro		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center
Associates valued at cost								
Millennium Center soc. cons. r.l.	Rovereto (Trento) via del Garda n.175	Italia	10,000.00	Euro		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	Italia	10,000.00	Euro		IGD SIIQ S.p.A.	48.75%	Management of real estate and sport facilities/equipment; construction, trading and rental of properties used for commercial sports
Others valued at cost								
Iniziative Bologna Nord	Casalecchio di Reno (Bologna) via Isonzo n. 67	Italia	60,000.00	Euro		IGD Management s.r.l.	15.00%	Real estate development
Fondazione Virtus Pallacanestro Bologna	Bologna via dell'Arcoveggio n.49/2	Italia	1,200,000.00	Euro		IGD SIIQ S.p.A.	n.a.	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.

€/000	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
INCOME STATEMENT	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
REVENUE	59,745	57,600	2,551	2,710	1,048	1,519			63,344	61,829
CHANGE IN INVENTORY					(420)	(664)			(420)	(664)
DIRECT COSTS	(13,068)	(12,993)	(2,487)	(2,494)	(567)	(689)			(16,122)	(16,177)
GROSS MARGIN	46,677	44,607	64	216	61	165	0	0	46,802	44,988
G&A EXPENSES							(5,634)	(5,382)	(5,634)	(5,382)
EBITDA	46,677	44,607	64	216	61	165	(5,634)	(5,382)	41,168	39,606
DEPRECIATIONS / WRITEDOWNS / OTHER PROVISIONS	(165)	(11,334)	0	0	(737)	(3,839)	(203)	(662)	(1,105)	(14,510)
EBIT	46,513	33,273	64	216	(677)	(3,674)	(5,837)	(4,720)	40,063	25,096
FINANCIAL INCOME MARGIN							(20,213)	(22,768)	(20,213)	(22,768)
EXTRAORDINARY INCOME MARGIN							(232)	120	(232)	120
TAXES							606	1,672	606	1,672
NET PROFIT									20,224	4,120
NON-CONTROLLING INTERESTS IN (PROFIT)/LOSS					186	334			186	334
GROUP NET PROFIT									20,410	4,454

€/000	30/06/2015	31/12/2014	30/06/2015	31/12/2014	30/06/2015	31/12/2014	30/06/2015	31/12/2014	30/06/2015	31/12/2014
STATEMENT OF FINANCIAL POSITION	PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
TANGIBLE ASSETS	1,836,150	1,814,963	0	0	5	6	8,741	8,861	1,844,896	1,823,830
CURRENT INVESTMENTS	51,631	82,179	0	0	0	0	0	0	51,631	82,179
NET WORKING CAPITAL	(34,499)	(30,096)	(218)	50	114,118	114,672	(18,246)	(17,990)	61,155	66,637
INTANGIBLE ASSETS AND OTHER NON-CURRENT ASSETS	0	0	0	0	2,607	2,368	22,586	28,007	25,193	30,375
OTHER NON-CURRENT LIABILITIES	(35,513)	(40,821)	(954)	(1,032)	(14,343)	(14,343)	0	0	(50,810)	(56,196)
TOTAL USE OF FUNDS	1,817,770	1,826,225	-1,172	-982	102,387	102,703	13,080	18,878	1,932,065	1,946,825
	0	0	0	0	0	0	0	0	0	0
NET DEBT	904,546	902,577	(1,508)	(533)	21,786	21,173	13,080	18,878	937,904	942,095
NET (ASSETS) AND LIABILITIES FOR DERIVATIVE INSTRUMENTS	36,019	43,912	0	0	0	0	0	0	36,019	43,912
EQUITY	877,205	879,736	336	(449)	80,601	81,530	0	0	958,142	960,818
TOTAL SOURCES	1,817,770	1,826,225	-1,172	-982	102,387	102,703	13,080	18,878	1,932,065	1,946,825

€/000	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
REVENUE FROM FREEHOLD PROPERTIES	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	25,047	24,154	23,611	21,837	4,191	4,202	52,849	50,193
ONE-OFF REVENUE	13	3	20	43	0	0	33	46
TEMPORARY LOCATION RENTALS	560	628	448	323	0	0	1,008	952
OTHER RENTAL INCOME	-10	180	-55	154	4	16	-61	350
TOTAL	25,610	24,965	24,024	22,357	4,195	4,218	53,829	51,541

Notes to the consolidated financial statements

Revenues and operating income	Note	30/06/2015	30/06/2014	*Change*
Revenue:	1	**59,907**	**57,734**	**2,173**
- from third parties		39,344	38,534	810
- from related parties		20,563	19,200	1,363
Other income:	2.1	**2,551**	**2,817**	**(266)**
- from third parties		1,705	2,059	(354)
- from related parties		846	758	88
Revenue from property sales	2.2	**886**	**1,278**	**(392)**
Total revenue and operating income		**63,344**	**61,829**	**1,515**

Total revenue for the half-year to 30 June 2015 amounted to €63,344K, an increase of €1,515K compared with the same period last year. Specifically, rent and business lease revenue was up by €2,173K, partially offset by a decrease in income from services and property sales.

Note 1) Revenue

Revenues		30/06/2015	30/06/2014	*Change*
Freehold hypermarkets - Rents and business lease from related parties	***a.1***	**18,765**	**17,690**	***1,075***
Leasehold hypermarkets - Business lease from related parties	***a.2***	**59**	**59**	***0***
Freehold supermarkets - Rents and business lease from related parties	***a.3***	**850**	**194**	***656***
TOTAL HYPERMARKETS/SUPERMARKETS	**a**	**19,674**	**17,943**	**1,731**
Freehold malls, malls under beneficial interest, offices and city center properties	***b.1***	**33,144**	**33,300**	***(156)***
Rent		**8,592**	**9,181**	***(589)***
Related parties		505	632	(127)
Third parties		8,087	8,549	(462)
Business lease		**24,552**	**24,119**	***433***
Related parties		220	241	(21)
Third parties		24,332	23,878	454
Leasehold malls	***b.2***	**5,645**	**4,989**	***656***
Rent		**286**	**234**	***52***
Related parties		58	52	6
Third parties		228	182	46
Business lease		**5,359**	**4,755**	***604***
Related parties		82	73	9
Third parties		5,277	4,682	595
Other contracts and temporary rents	***b.3***	**1,444**	**1,502**	***(58)***
Other contracts and temporary rents		1,420	1,243	177
Other contracts and temporary rents - related parties		24	259	(235)
TOTAL MALLS	**b**	**40,233**	**39,791**	**442**
GRAND TOTAL	**a+b**	**59,907**	**57,734**	**2,173**
of which related parties		20,563	19,200	1,363
of which third parties		39,344	38,534	810

Rent and business lease revenue increased since the previous year (+€2,173K). The most significant changes concerned rent from hypermarkets and freehold supermarkets, which increased by €1,731K due mainly to the hypermarkets (Città delle Stelle, Schio, and Lungosavio) and supermarkets (Civita Castellana and Cecina) recently acquired in the context of the capital increase finalized in October 2014.

Rent and business lease revenue from freehold malls, offices and city center properties decreased by €156K as a result of: *(i)*planned or strategic vacancies at malls in Italy; *(ii)* in Romania, instrumental vacancies for continued investment and a reduction in variable income; *(iii)* the sale of City Center Rizzoli in late May 2015 and Fonti del Corallo mall on 26 February 2014. These decreases were partially offset by: *(i)* higher revenue due to the expansion of Centro d'Abruzzo, the remodeling of Le Porte di Napoli, the opening of the first retail units of Piazza Mazzini in Livorno, and the opening in May 2015 of Clodì Retail Park; *(ii)* the release to the income statement of excess provisions for doubtful accounts in light of the first provisional payment from the Darsena FM bankruptcy.

The increase in rent and business lease revenue from leasehold malls (+€656K) is due primarily to the sale of the Fonti del Corallo mall, now held under a lease agreement.

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

Note 2.1) Other income

Other income	30/06/2015	30/06/2014	*Variazione*
Facility management revenues	1,613	1,611	2
Pilotage and construction revenues	84	328	(244)
Other	8	120	(112)
Total other income from third parties	**1,705**	**2,059**	**(354)**
Facility management revenues - related parties	749	705	44
Pilotage and constructions revenues	49	0	49
Portfolio management and rent management revenues - related parties	20	27	(7)
Marketing revenues	28	26	2
Total other income from related parties	**846**	**758**	**88**
Total	**2,551**	**2,817**	**(266)**

Other income from third parties decreased by €354K compared with the first half of 2014, due mainly to lower pilotage revenue, while pilotage revenue from related parties increased with the opening of the Clodì shopping center in Chioggia.

Facility management revenues, from third parties and related parties, increased thanks to the new contract for Chioggia (May 2015) and the expansion of Centro d'Abruzzo and the opening of Piazza Mazzini (both in 2014).

Note 2.2) Property sales

Revenue from property sales in the first half of 2015 came to €886K and concern the sale of three residential units, three enclosed garage units and one parking space at Porta a Mare (Mazzini section). This marks a decrease with respect to the first half of 2014 (€1,278K), when four residential units and three enclosed garage units were sold.

Note 3) Service costs

Service costs	30/06/2015	30/06/2014	*Change*
Third parties service costs	**10,429**	**9,722**	**707**
Rent paid	5,119	4,610	509
Rented vehicles	121	116	5
Utilities	66	77	(11)
Advertising and promotion costs	423	194	229
Facility manangement costs	1,452	1,413	39
Facility management administration costs	336	313	23
Professional fees	111	163	(52)
Directors' and statutory auditors' fees	424	436	(12)
External auditing fees	83	83	0
Investor relations, Consob, Monte Titoli costs	174	131	43
Recruitment, training and other personnel costs	218	228	(10)
Travel and accomodations	98	72	26
Shopping centers pilotage and construction costs	116	232	(116)
Consulting	645	551	94
Maintenance, repairs and insurance	595	612	(17)
Transaction costs for sale of residential properties	11	37	(26)
Bank fees and commissions	86	119	(33)
Cleaning, porterage and security	105	109	(4)
Other	246	226	20
Related parties service costs	**891**	**1,689**	**(798)**
Rent paid	0	927	(927)
Shopping centers promotional costs	0	13	(13)
Service	145	152	(7)
Facility management costs	676	530	146
Insurance	34	30	4
Directors' and statutory auditors' fees	36	25	11
Maintenance and repairs	0	11	(11)
Other	0	1	(1)
Total	**11,320**	**11,411**	**(91)**

Service costs decreased by €91K.

The principal changes concerned:

- ✓ rent, which rose by €509K due mainly to the sale of Le Fonti del Corallo mall in Livorno at the end of the first quarter of 2014, now operated by the buyer under a long-term lease agreement;
- ✓ promotional expenses, including for the new opening in Chioggia;
- ✓ pilotage costs, which decreased due to the work performed in 2014 for the Centro d'Abruzzo expansion;
- ✓ consulting fees, in connection with the implementation of new projects;
- ✓ facility management costs with related parties, which rose mainly as a result of the charges for vacant premises at Piazza Mazzini, which was partially opened in the second half of 2014;
- ✓ rent paid to related parties, which decreased due to the purchase of the Città delle Stelle mall (previously operated under a usufruct agreement) in October 2014.

Note 4) Cost of labor

Cost of labor	30/06/2015	30/06/2014	*Change*
Wages and salaries	3,322	3,148	174
Social security	924	916	8
Severance pay	206	164	42
Other costs	95	107	(12)
TOTAL	**4,547**	**4,335**	**212**

Most of the increase in the cost of labor reflects the hiring of new resources.

Severance pay includes contributions to supplementary funds in the amount of €47K.

Note 5) Other operating costs

Other operating costs	30/06/2015	30/06/2014	Change
IMU/TASI/Property tax	4,358	4,056	302
Other taxes	38	43	(5)
Contract registration	168	178	(10)
Out-of-period (income)/charges	(13)	27	(40)
Memebership fees	62	57	5
Losses on receivables	29	25	4
Fuel and tolls	84	109	(25)
Magazin subscriptions, office supplies, forms	39	49	(10)
Other operating income	98	67	31
TOTAL	**4,863**	**4,611**	**252**

The increase in other operating costs is due essentially to the municipal tax on freehold properties, which increased as a result of the taxes paid on shopping centers purchased in the second half of 2014 (supermarkets at Cecina and Civita Castellana and hypermarkets at Città delle Stelle, Schio and Cesena).

Note 6) Change in work in progress inventory

Change in work in progress inventory	30/06/2015	30/06/2014	Change
Construction costs for the period	369	521	(152)
Disposal of inventory	(789)	(1,093)	304
Change in work in progress inventory	**(420)**	**(572)**	**152**

Work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno decreased by €420K in the first half of 2015 due to the sale of residential units (see Note 2.2), net of the advancement of works for the period.

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

Depreciation, amortization, provisions and fair value changes	30/06/2015	30/06/2014	Changes
Amortization	(17)	(13)	(4)
Depreciation	(604)	(679)	75
Allocation to provision for doubtful accounts	(658)	(773)	115
Other provisions	(82)	(63)	(19)
Total depreciation, amortization and provisions	**(1,361)**	**(1,528)**	**167**
(impairment losses)/ reversals on work in progress and inventory	(1,327)	(1,673)	346
Fair Value changes	924	(12,082)	13,006
Total depreciation, amortization, impairment and fair value changes	**(1,764)**	**(15,283)**	**13,519**

- ✓ Depreciation and amortization decreased by €71K, due mostly to the reclassification to Investment property, in the second half of 2014, of plant at the Città delle Stelle mall that had been operated under a usufruct agreement but was purchased in the month of October.
- ✓ The allocation to the provision for doubtful accounts, €658K, was lower than the previous year's by €115K. The amount is determined by evaluating the individual positions of clients in order to adjust them to estimated realizable value, and decreased to reflect the reduction 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.
- ✓ "(Impairment losses)/reversals on work in progress and inventory" (-€1,327K) cover the following:
  - ✓ an impairment loss of €675K for the expansion of Porto Grande (listed as assets under construction), to bring cost into line with fair value;
  - ✓ the reversal of a previous impairment loss of €84K regarding the Lips and Arsenale sections of 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 2015;
  - ✓ an impairment loss of €736K 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 2015.
- ✓ The item "Fair value changes" covers the net impairment reversal of €598K (see Note 15) carried out to match the carrying value of investment property to its fair value at 30 June 2015, as well as a net impairment reversal of €326K to adjust construction in progress to fair value (ESP expansion for +€364K and Officine for -€38K; see Note 17).

Note 8) Income/(loss) from equity investments and property sales

The net loss of €161K for the first half of 2015 reflects the valuation at net equity of the associates UnipolSai Investimenti SGR S.p.A. and RGD Ferrara 2013 S.r.l., the price adjustment for the sale of the RGD joint venture with respect to the initial allotment received, and income from the sale of the Rizzoli property. This item decreased since the first half of last year, which saw a capital gain (net of transaction costs) for the sale of the mall at Fonti del Corallo shopping center in Livorno on 26 February 2014 for €47 million.

Note 9) Financial income and charges

Financial income	30/06/2015	30/06/2014	*Change*
Bank interest income	9	40	(31)
Other interest income and equivalent	9	15	(6)
Exchange gains	1	2	(1)
Total third parties	**19**	**57**	**(38)**
Interest income from related parties	3	3	0
Total related parties	**3**	**3**	**0**
Total financial income	**22**	**60**	**(38)**

Most of the decrease in financial income concerns interest on bank accounts due to the reduction in interest rates. Interest income from related parties is described in Note 40.

Financial charges	30/06/2015	30/06/2014	*Change*
Interest expense on security deposits	34	57	(23)
Interest expense on Coop Adriatica account	0	409	(409)
Total related parties	**34**	**466**	**(432)**
Interest expense to bank	89	1,542	(1,453)
Other interest and charges	364	227	137
Exchange losses/ (gains)	1	(23)	24
Mortgage loan interest	7,501	10,164	(2,663)
Financial charges on leasing	41	51	(10)
Bond interest and charges	6,181	4,434	1,747
IRS spread	6,093	6,377	(284)
Capitalized interests	0	(410)	410
Total third parties	**20,270**	**22,362**	**(2,092)**
Total financial charges	**20,304**	**22,828**	**(2,524)**

Financial charges went from €22,828K in the first half of 2014 to €20,304K this year. The decrease of €2,524K is due mainly to the reduction in financial liabilities: net debt dropped from €1,034,231K to €937,904K, an improvement of €96,237K due essentially to the capital increase carried out at the end of 2014. More specifically, in the first half of 2015 there was a decrease in short-term borrowing along with a reduction in the spreads charged on both short-term facilities and mortgage loans refinanced during the previous year, as well as a decrease in the Euribor from 0.29 (3M average in the first half of 2014) to 0.02 (3M average in the first half of 2015). The lower financial charges also reflect the closure in 2014 of mortgage current accounts (Intesa San Paolo and Monte dei Paschi) and various borrowing facilities (originally with Mediocredito Italiano, Credito Valtellinese, Iccrea Banca and Coop Adriatica). The trend was partially offset by an increase in financial charges on the €150 million bond loan issued on 7 May 2014 and the €162 million bond loan issued on 21 April 2015, regulating the swap offer made to the holders of the bonds entitled "*€144,900,000 4.335 per cent. Notes due 7 May 2017*" and "*€150,000,000 3.875 per cent. Notes due 7 January 2019*" (see Note 29 on Non-current financial liabilities for further information).

Therefore, for the first half of 2015, the average cost of debt (without considering recurring and non-recurring transaction costs) was 3.88%, down from 4.06% in the first half of 2014, while the weighted average effective cost of debt went from 4.13% to 4.20% due to the different breakdown of borrowing, which for longer terms commands higher rates.

During the half-year, no interest was capitalized on construction in progress, and a loan granted to Iniziative Bologna Nord S.r.l. (in liquidation) was written down by €70K.

Note 10) Income taxes

Income tax	30.06.2015	30.06.2014	*Change*
Current taxes	487	652	(165)
Deferred tax assets and liabilities	(1,093)	(2,324)	1,231
Total	**(606)**	**(1,672)**	**1,066**

Current and deferred taxes came to -€606K for the first half of 2015, a decrease on the same period last year. The change is mostly due to: *(i)* a reduction in taxes caused by lower property sales in the first half of 2015, *(ii)* the greater positive effect of Italy's ACE (Aiuto alla Crescita Economica) benefit because of the capital increase carried out in 2014, and *(iii)* regulatory changes that now prevent the recognition of deferred taxes on fair value changes of SIIQ- and SIINQ-registered companies.

Below is a reconciliation between theoretical income tax and actual income tax for the period ended 30 June 2015.

Reconciliation of income tax applicable to profit before tax	30/06/2015	30/06/2014
Income before taxes	**19,618**	**2,448**
Theoretical tax charge (tax rate 27.5%)	5,395	673
Profit resulting in the income statement	19,618	2,448
Increases:		
IMU property tax	3,739	3,630
Negative fair value	0	12,082
Devaluation ongoing projects	1,327	4,054
Other increases	2,450	10,637
Decreases:		
Change in tax-exempt income	(16,849)	(14,253)
Deductible depreciation	(3,077)	(2,798)
Positive fair value	(924)	0
Impairment reversals and positive fair value of w ork in progress	0	(2,381)
Other change	(2,908)	(11,479)
Taxable income	**3,376**	**1,940**
Use of ACE benefit	**822**	**72**
Taxable income net of losses	**2,554**	**1,868**
Current taxes	**337**	**397**
Income from tax consolidation	**(12)**	**0**
Current IRES for the year (a)	**325**	**397**
Difference between value and cost of production	**41,652**	**39,002**
Theoretical IRAP (3.9%)	**1,624**	**1,365**
Difference between value and cost of production	**41,652**	**39,002**
Changes:		
Increases	5,674	8,537
Decreases	(3,351)	(7,428)
Change in exempt income	(35,992)	(32,004)
Other deductions	(3,932)	(1,072)
Taxable income for IRAP purposes	**4,051**	**7,035**
Current IRAP for the year (b)	**162**	**255**
Total current taxes (a + b)	**487**	**652**

Note 11) Earnings per share

As required by IAS 33 (paragraph 66), we report 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.

Earnings per share	30/06/2015	30/06/2014
Net profit attributable to IGD SIIQ S.p.A. shareholders	20,410	4,454
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	20,410	4,454
Weighted average number of ordinary shares for purposes of basic earnings per share	756,356,289	345,364,877
Weighted average number of ordinary shares for purposes of diluted earnings per share	756,356,289	345,364,877
Basic earnings per share	**0.027**	**0.013**
Diluted earnings per share	**0.027**	**0.013**

Note 12) Intangible assets with finite useful lives

Intangible assets with finite useful lives 2014	Balance at 01/01/2014	Increases	Decreases	Amortization	Reclassifications	Balance at 31/12/2014
Intangble assets with finite useful lives	88	24		(34)	4	82
Intangible assets with finite useful lives under development	4				(4)	0
Total intangible assets with finite useful lives	**92**	**24**	**0**	**(34)**	**0**	**82**

Attività immateriali a vita definita 2015	Balance at 01/01/2015	Increases	Decreases	Amortization	Reclassifications	Balance at 30/06/2015
Intangble assets with finite useful lives	82	1		(17)		66
Intangible assets with finite useful lives under development	0	8				8
Total intangible assets with finite useful lives	**82**	**9**	**0**	**(17)**	**0**	**74**

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of trademarks used by the Company, which are amortized over 10 years, and of business software, amortized over 3 years. In the first half of 2015 there were no impairment losses or reversals on intangible assets. The increase of €9K refers mainly to costs incurred for the implementation of the Porta Medicea website, underway at the close of the half-year.

Note 13) Goodwill

Goodwill 2014	Balance at 01/01/2014	Increases	Decreases	Reclassifications	(Impairment losses)/ reversals	balance at 31/12/2014
Goodwill	11,427			1,235		12,662

Goodwill 2015	Balance at 01/01/2015	Increases	Decreases	Reclassifications	(Impairment losses)/ reversals	Balance at 30/06/2015
Goodwill 2015	12,662					12,662

Goodwill has been allocated to the individual cash generating units (CGUs).

Below is the breakdown of goodwill by CGU at 30 June 2015:

Goodw ill	31/12/2014	30/06/2015
Millennium s.r.l.	3,952	3,952
Winmagazine S.A.	5,409	5,409
Winmarkt management s.r.l.	1	1
Fonti del Corallo	1,300	1,300
Centro Nova	546	546
San Donà	448	448
Service	1,006	1,006
Totale	**12,662**	**12,662**

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 Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield in accordance with the criteria described in Note 15 below. 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, 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 described, at 30 June 2015 there were no signs from quantitative and/or qualitative indicators, and specifically from fair value movements in investment property, suggesting that the tests be conducted anew.

Note 14) Buildings

Buildings 2014	Balance at 01/01/2014	Increases	Decreases	Depreciation	Balance at 31/12/2014
Historical cost	10,114				10,114
Accumulated depreciation	(1,009)			(244)	(1,253)
Net carrying value	**9,105**	**0**	**0**	**(244)**	**8,861**
Buildings 2015	Balance at 01/01/2015	Increases	Decreases	Depreciation	Balance at 30/06/2015
Historical cost	10,114				10,114
Accumulated depreciation	(1,253)			(120)	(1,373)
Net carrying value	**8,861**	**0**	**0**	**(120)**	**8,741**

This item refers to the purchase of the building housing IGD SIIQ S.p.A.'s head office. The only movement during the half-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 2014	Balance at 01/01/2014	Increases	Purchase property from capital increase	Decreases	Revaluations	Impairment	Reclassifications	Transfer to non-current assets held for sale	Balance at 31/12/2014
Investment property	1,723,693	19,611	94,744	(46,801)	19,950	(42,830)	42,516	(28,600)	1,782,283

Investment property 2015	Balance at 01/01/2015	Increase	Decreases	Revaluations	Impairment	Reclassifications	Balance at 30/06/2015
Investment property	1,782,283	13,735	0	21,667	(21,069)	35,794	1,832,410

Changes in investment property during the first half of the year with respect to 31 December 2014 concern work carried out and completed for approximately €13,735K, including: *(i)* work completed during the half-year on the Chioggia retail park, inaugurated on 14 May, for €5,724K; *(ii)* internal restyling work at Centro Sarca mall, amounting to €2,771K for the period; *(iii)* restyling and fit-out work at Centro Borgo (€2,595K); *(iv)* reconstruction of parking facility at Porto Grande shopping center (€604K); *(v)* extraordinary maintenance work at various shopping centers in Romania (€998K); *(vi)* waterproofing and new plant at Guidonia shopping center (€255K); and *(vii)* other minor improvements, mainly at Centro Sarca, Super Aquileia, Centro Darsena and Le Maioliche (€788K). The balance also increased with the reclassification of €5,294K for work capitalized in prior years and now completed (Centro Sarca restyling for €3,407K, Centro Borgo restyling for €1,109K, Romanian centers for €654K and Darsena for €124K), and the reclassification of the Chioggia retail park (€30.5 million) from assets under construction.

As for fair value adjustments, investment property was revalued in the amount of €21,667K and written down by €21,069K, for a net positive impact of €598K.

Non-current assets held for sale

On 27 May 2015, in accordance with a preliminary contract dated 15 January 2015 and with the suspensive conditions satisfied, IGD signed a definitive contract for the sale to UBS Real Estate GmbH of a complex on Via Rizzoli in the historical heart of Bologna for €29.4 million. Therefore, at 30 June 2015, the item **Non-current assets held for sale** shows a balance of zero.

Fair value hierarchy

One of the changes introduced by IFRS 13 is the need to provide disclosures on the fair value hierarchy for non-financial 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 portfolio has 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.

IGD Group investment property measured at fair value is shown in the table below.

	Fair value measurements 30 June 2015		
	Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)	Significant inputs observable in the markets (Level2)	Significant inputs not observable in the market (Level 3)
Investment property in Italy			
Malls and retail parks			1,004,095
City Center			24,900
Hypermarkets and Supermarkets			624,899
Residual portion of property			5,915
Total investment property in Italy			**1,659,810**
Investment property in Romania			
Shopping malls			169,300
PLOJESTI - Junior Office Building			3,300
Total Romania			**172,600**
IGD Group: Investment property			**1,832,410**
Total development initiatives			**21,800**
Porta a Mare project			
Porta a Mare project			14,850
Total trading properties			**14,850**
Total IGD Group investment property measured at Fair Value			**1,869,060**

Note

(1) Retail portion of the Porta a Mare project, listed with assets under construction and measured at fair value.

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

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

- For construction in progress (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 2015

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 impact of the most significant unobservable inputs (discount rate and gross cap out) is provided below: Amounts reflect the increase or decrease in the value of the real estate portfolio, distinguished by asset class.

Asset class	Hypermarkets and supermarkets/€K	Malls and retail parks/€K	City center/€K	Investment property Romania/€K
Market value at 30/06/2015 +0.5 discount rate	-25,422	-50,723	-900	-5,600
Market value at 30/06/2015 -0.5 discount rate	26,855	36,882	1,000	6,100
Market value at 30/06/2015 +0.5 gross cap out	-24,571	-45,983	-1,100	-5,200
Market value at 30/06/2015 -0.5 gross cap out	29,805	36,665	1,400	6,300
Market value at 30/06/2015 +0.5 discount rate +0.5 gross cap out	-48,898	-86,419	-2,000	-10,700
Market value at 30/06/2015 -0.5 discount rate -0.5 gross cap out	58,253	84,561	2,400	12,700
Market value at 30/06/2015 +0.5 discount rate -0.5 gross cap out	2,515	-8,752	400	500
Market value at 30/06/2015 -0.5 discount rate +0.5 gross cap out	767	-3,255	-200	600

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

Plant and machinery 2014	Balance at 01/01/2014	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 31/12/2014
Historical cost	3,457				(556)		2,901
Accumulated depreciation	(2,257)			(338)	167		(2,428)
Net carrying value	**1,200**	**0**	**0**	**(338)**	**(389)**	**0**	**473**

Plant and machinery 2015	Balance at 01/01/2015	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 30/06/2015
Historical cost	2,901						2,901
Accumulated depreciation	(2,428)			(101)			(2,529)
Net carrying value	**473**	**0**	**0**	**(101)**	**0**	**0**	**372**

Equipment 2014	Balance at 01/01/2014	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 31/12/2014
Historical cost	4,345	877					5,222
Accumulated depreciation	(2,560)	(22)		(542)			(3,124)
Net carrying value	**1,785**	**855**	**0**	**(542)**	**0**	**0**	**2,098**

Equipment 2015	Balance at 01/01/2015	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 30/06/2015
Historical cost	5,222	136				2	5,360
Accumulated depreciation	(3,124)	(22)		(248)			(3,394)
Net carrying value	**2,098**	**114**	**0**	**(248)**	**0**	**2**	**1,966**

Leasehold improvements 2014	Balance at 01/01/2014	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 31/12/2014
Net carrying value	**1,503**	**171**		**(256)**	**96**		**1,514**

Leasehold improvements 2015	Balance at 01/01/2015	Increases	Decreases	Depreciations	Reclassifications	Currency translation gain / loss	Balance at 30/06/2015
Net carrying value	**1,514**	**29**		**(135)**			**1,408**

Most of the changes in plant and machinery, equipment, and leasehold improvements reflect depreciation for the year and the purchase of equipment worth €136K. Leasehold improvements consist of structural work on properties not owned by IGD and are amortized over the duration of the lease.

Note 17) Assets under construction

Assets under construction 2014	Balance at 01/01/2014	Increases	Decreases	Reclassifications	(Impairment losses) / reversals	Fair value changes	Capitalized interest	Currency translation gain / loss	Balance at 31/12/2014
Assets under construction	100,249	22,291	(37)	(43,458)	91	2,185	840	18	82,179

Assets under construction 2015	Balance at 01/01/2015	Increases	Decreases	Reclassifications	(Impairment losses) / reversals	Fair value changes	Capitalized interest	Currency translation gain / loss	Balance at 30/06/2015
Assets under construction 2015	82,179	5,672	(167)	(35,794)	(591)	326		6	51,631

Assets under construction decreased by €30,548K, due mostly to the reclassification to property, plant and equipment of €35,794 in finished works and the addition of €5,672K for investments still in course, including: *(i)* reconstruction of the parking facility at Borgo shopping center (€459K); *(ii)* external restyling of Centro Sarca mall, amounting to €1,605K at 30 June 2015 and scheduled for completion in the second half of the year; *(iii)* work on the external areas of Centro Borgo (€434K), scheduled for completion in the second half of the year; *(iv)* urban infrastructure work, mostly for the bridge between the Mazzini and the Officine sections of the Porta a Mare project (retail portion only) and the Officine section itself, for a total of €275K; *(v)* expansion work at ESP (€1,235K) and Porto Grande (€56K); *(vi)* the commercial remodeling of the mall in Palermo, with the construction of a multi-screen cinema and an improved food court (€278K); and *(vii)* extraordinary maintenance work such as a rebuilt façade for Ploiesti (Omnia) and resurfacing of the adjacent grounds (Omnia and Grand Center) in Romania (€1,091K) and other minor improvements (€239K).

Of the projects nearing completion (measured at fair value), the ESP expansion was revalued by €364K and the Officine section of Porta a Mare was written down by €38K, for a net positive impact of €326K.

The Portogrande expansion and the Lips-Arsenale project (Porta a Mare), carried at adjusted cost, were respectively written down by €675K and written back by €84K to bring their carrying amount into line with the lower of cost and appraised fair value, for a net impact of €591K.

Note 18) Deferred tax assets and deferred tax liabilities

Net deferred tax assets reflect the deferred tax assets and liabilities of the Italian companies, while the deferred tax liabilities shown in the statement of financial position concern the Romanian subsidiary.

Deferred tax assets and deferred tax liabilities	30/06/2015	31/12/2014	Change
Deferred tax assets	14,892	17,148	(2,256)
Deferred tax liabilities	(7,429)	(7,426)	(3)
Total deferred tax assets and deferred tax liabilities	**7,463**	**9,722**	**(2,259)**

In detail:

Deferred tax assets	30/06/2015	31/12/2014	Variazione
Capital operations	118	118	0
Taxed provisions	195	178	17
Bonus provisions	50	89	(39)
Interest rate swaps	9,353	11,467	(2,114)
Impairment losses on land and construction in progress	2,591	2,360	231
Impairment losses on equity investments and financial receivables	251	231	20
Loss from tax consolidation	2,102	1,785	317
Other effects	30	22	8
ACE reportable effect	202	898	(696)
Total deferred tax assets	**14,892**	**17,148**	**(2,256)**

Deferred tax assets relate to:

- taxed provisions, such as the provision for doubtful accounts and the bonus provision;
- the effect of writing down inventories to fair value;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS).
- the tax losses and ACE benefit carried forward.

Most of the change for the year stems from:

- the reversal of deferred tax assets on mortgage hedging instruments (IRS) in the amount of €2,114K, due to the decrease in their negative fair value;
- the recognition of deferred tax assets on the writedown of Porta a Mare inventory (€231K);
- the reversal of deferred tax assets on the ACE benefit consumed through conversion into a tax credit under Decree Law 91/2014.

There was also an increase in deferred tax assets because 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	30/06/2015	31/12/2014	Change
Tax effect on fair value of property	7,195	7,190	5
Tax effect on convertible bond	17	28	(11)
Other effects	217	208	9
Total deferred tax liabilities	**7,429**	**7,426**	**3**

The deferred tax liabilities remaining in the statement of financial position pertain to the fair value adjustment of the Romanian properties owned by WinMagazin.

Deferred tax liabilities	30/06/2015	31/12/2014	Change
Tax effect on fair value of Romania properties	24,155	24,730	(575)
Total deferred tax liabilities	**24,155**	**24,730**	**(575)**

Note 19) Sundry receivables and other non-current assets

Sundry receivables and other non-current assets	30/06/2015	31/12/2014	Change
Tax credit	4	4	0
Due from others	23	23	0
Security deposits	50	48	2
Total	**77**	**75**	**2**

Note 20) Equity investments

Equity investments	31/12/2014	Increases	Decreases	Revaluations / (Writedowns)	30/06/2015
Equity investments in subsidiaries					
Consorzio Proprietari C.C.Leonardo	52				52
Consorzio Proprietari Fonti del Corallo	7				7
Consorzio C.C. i Bricchi	4				4
Equity investments in associates					
Rgd Ferrara 2013 Srl	50			(16)	34
Consorzio Millennium Center	4				4
UnipolSai Investimenti SGR S.p.A.		4,360		139	4,499
Virtus College Srl	10				10
Equity investments in other companies					
Iniziative Bologna Nord	72				72
Consorzio business park	15				15
Fondazione Virtus Pallacanestro Bologna	187	25			212
Other minor investments	7				7
Total	**408**	**4,385**	**0**	**123**	**4,916**

The increase in equity investments in associates is due to the purchase of a 20% share in UnipolSai Investimenti SGR S.p.A., previously a wholly-owned subsidiary of the Unipol Group. During the first half of the year, investments in associates were revalued by a net amount of €123K as a result of their measurement using the equity method.

Note 21) Non-current financial assets

Non-current financial assets	30/06/2015	31/12/2014	Change
Non-current financial assets	1,052	1,128	(76)

This item contains the non-current portion of interest-free loans granted to IBN (€463K, net of a €210K writedown) and to Virtus College S.r.l. (€489K). It also covers an interest-bearing loan of €100K to Fondazione Virtus Pallacanestro Bologna. See Note 42 for further information.

Note 22) Work in progress inventory and advances

Work in progress inventories and advances	31/12/2014	Increases	Decreases	Writedowns	30/06/2015
Porta a mare project	69,241	369	(789)	(736)	68,085
Advances	114		(13)		101
Total work in progress	**69,355**	**369**	**(802)**	**(736)**	**68,186**

Inventory for work in progress related to land, buildings and urbanization works at the multifunctional complex in Livorno underwent: *(i)* an increase due to the advancement of urban infrastructure works (mostly for the bridge between the Mazzini and the Officine sections) and the finishing of some residential units (Mazzini) and offices (Palazzo Orlando), for a total of 369K; *(ii)* a decrease for the final sale during the period of three properties, three enclosed garage units and one parking space (€789K); and *(iii)* a writedown to adjust carrying amount to the lower of cost and appraised fair value (€736K).

Note 23) Trade and other receivables

Trade and other receivables	30/06/2015	31/12/2014	*Change*
Trade and other receivables - third parties	28,971	29,709	(738)
Provision for doubtful accounts	(15,644)	(15,673)	29
Total	**13,327**	**14,036**	**(709)**

Trade receivables, gross of the provision for doubtful accounts, decreased by €738K with respect to 31 December 2014. IGD has received €640K plus VAT with the initial payment from the Darsena FM bankruptcy, and has therefore reversed to the income statement the excess provision against the Darsena account.

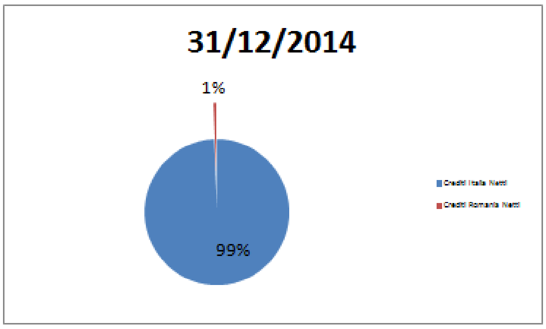
The provision for doubtful accounts reflects recovery estimates on problem credits and is in line with the previous year.

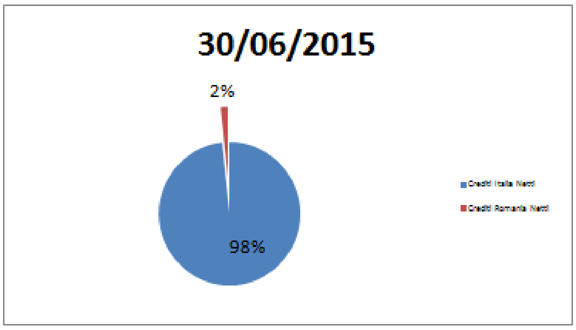
Movements in the provision for doubtful accounts are shown below:

Movements in provision for doubtful accounts	*31/12/2014*	*Translation effect*	*Utilizations*	*Writedowns / (utilization) of deliquent*	*Surplus Darsena fund*	*Allocations*	*30/06/2015*
Fondo Svalutazione crediti crediti	15,673	4	(320)	(17)	(354)	658	15,644
Totale fondo svalutazione crediti	**15,673**	**4**	**(320)**	**(17)**	**(354)**	**658**	**15,644**

The following table shows receivables by geographical area:

	31/12/2014	30/06/2015
Receivables Italy	27,732	26,826
Provision for doubtful accounts	(13,787)	(13,724)
Net receivables - Italy	**13,945**	**13,102**
Receivables Romania	1,977	2,145
Provision for doubful accounts	(1,886)	(1,920)
Net receivables - Italy	**91**	**225**





Note 24) Related party trade and other receivables

Related party trade and other receivables	30/06/2015	31/12/2014	Change
Parent	1,645	34	1,611
Total Parent	**1,645**	**34**	**1,611**
Associates	717	397	320
Total Associates	**717**	**397**	**320**
Consorzio dei proprietari Centro Leonardo	0	1	(1)
Consorzio C.C. i Bricchi	5	0	5
Adriatica Luce e Gas	16	26	(10)
Vignale Comunicazioni srl	0	112	(112)
Unicoop Tirreno scarl	249	327	(78)
Distribuzione Lazio	50	0	50
Librerie Coop spa	21	27	(6)
Robintur spa	0	1	(1)
Consorzio La Torre	69	172	(103)
Consorzio Crema	115	53	62
Consorzio Porta a Mare	98	72	26
Consorzio Chioggia	6	0	6
Consorzio Katanè	364	237	127
Consorzio Lame	55	1	54
Consorzio Coné	53	0	53
Consorzio Sarca	5	70	(65)
Other related parties	**1,106**	**1,099**	**7**
Total related parties	**3,468**	**1,530**	**1,938**

Most of the increase in this item concerns the receivable from Coop Adriatica for work performed on the Chioggia retail park, and the amount due from the associate RGD Ferrara 2013.

See Note 40 for comments.

Note 25) Other current assets

Other current assets	30/06/2015	31/12/2014	Change
Tax credits			
VAT credits	1,512	1,954	(442)
IRES credits	431	342	89
IRAP credits	763	85	678
Due from others			
Advanced paid to suppliers	7	6	1
Accrued income and prepayments	1,210	474	736
Deferred costs	38	199	(161)
Other	428	563	(135)
Total other current assets	**4,389**	**3,623**	**766**

Other current assets increased by €766K with respect to the previous year. The changes concerned:

- VAT credits, which decreased by €442K as a result of regular payments and offsetting;
- IRAP credits, which rose by €678K due mainly to the conversion of excess ACE benefits;
- accrued income and prepayments, which increased as a result of costs incurred during the half-year but pertaining to year as a whole (€736K);
- deferred costs, where a decrease of €161K reflects the reversal to the income statement of costs incurred during construction of the Clodì shopping center in Chioggia, inaugurated in May 2015.

Note 26) Financial receivables and other current financial assets

Current financial assets	30/06/2015	31/12/2014	Change
Other related parties	151	151	0
Total related parties	**151**	**151**	**0**

Financial receivables from related parties refer to the €150 loan granted to RGD Ferrara 2013 S.r.l., plus interest calculated at the 3-month Euribor plus 350 basis points.

Note 27) Cash and cash equivalents

Cash and cash equivalents	30/06/2015	31/12/2014	Change
Cash and cash equivalents at banks, financial institutions and post offices	10,525	15,152	(4,627)
Cash on hand	136	90	46
Total cash and cash equivalents	**10,661**	**15,242**	**(4,581)**

Cash and cash equivalents at 30 June 2015 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 €5,192K.

Note 28) Net equity

Net equity	30/06/2015	31/12/2014	*Change*
Share capital	549,760	549,760	0
Share premium reserve	39,971	147,730	(107,759)
Total other reserve	**324,830**	**231,818**	**93,012**
Legal reserve	109,952	12,348	97,604
Euro conversion reserve	0	23	(23)
Goodwill reserve	3,956	13,736	(9,780)
Reserve for the purchase of treasury share	0	(10,178)	10,178
Cash flow hedge reserve	(20,588)	(25,035)	4,447
Cash flow hedge reserve - subsidiaries	(4,071)	(5,193)	1,122
Bond issue reserve	29,806	29,806	0
Capital increase reserve	(5,592)	(5,484)	(108)
Recalculation of defined benefit plans	(153)	(153)	0
Recalculation of defined benegit plans - subsidiaries	(88)	(88)	0
Fair value reserve	215,866	226,297	(10,431)
Translation reserve	(4,258)	(4,261)	3
Total Group profit	**33,178**	**20,921**	**12,257**
Group profit (losses) carried forward	12,768	13,619	(851)
Group profit (loss) for the period	20,410	7,302	13,108
Group net equity	**947,739**	**950,229**	**(2,490)**
Non-controlling interests in capital and reserves	10,589	10,842	(253)
Non-controlling interests in profit (loss)	(186)	(253)	67
Non-controlling interests	**10,403**	**10,589**	**(186)**
Group net equity	**958,142**	**960,818**	**(2,676)**

Movements in share capital and reserves resulted from:

- use of the share premium reserve for €107,759K, with €97,581K added to the legal reserve and €10,178K used to fully cover the negative reserve for the sale of treasury shares;
- use of the full €23K from the Euro conversion reserve to supplement the legal reserve;

- addition of €97,604K to the legal reserve, as above;
- reclassification of €10,431K from the fair value reserve to profit carried forward, as this reserve is no longer unavailable pursuant to Art. 6 of Legislative Decree 38 of 28 February 2005;
- distribution of €28,363K in dividends for 2014, drawn from the goodwill reserve for €9,780K and from profit carried forward for the remainder.

Net equity also changed due to:

- movements in the translation reserve for the translation of foreign currency financial statements, in the amount of +€3K;
- additional costs relating to the capital increase, in the amount of €108K;
- the profit for the year allocable to owners of IGD SIIQ S.p.A. (€20,410K) and the result allocable to non-controlling interests (-€186K).

Note 29) Non-current financial liabilities

Non-current financial liabilities	Duration	30/06/2015	31/12/2014	*Change*
Mortgage loans		**513,977**	**553,293**	**(39,316)**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	10,452	11,371	(919)
09 Interbanca IGD	25/09/2006 - 05/10/2021	76,314	82,507	(6,193)
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	8,019	8,478	(459)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	53,440	55,454	(2,014)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	8,532	8,811	(279)
01 Unipol SARCA	10/04/2007 - 06/04/2027	72,828	74,320	(1,492)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	22,240	22,888	(648)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	21,440	22,249	(809)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	12,074	12,539	(465)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	26,235	27,161	(926)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	19,114	19,878	(764)
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	34,773	36,083	(1,310)
16 CentroBanca Cone (Iper)		0	12,369	(12,369)
03 BPV Porta Medicea	02/08/2011-25/07/2026	7,142	8,285	(1,143)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	9,968	19,957	(9,989)
23 Finanziamento BNP	03/12/2013 - 26/11/2018	131,406	130,943	463
Due to bonds		**281,367**	**291,181**	**(9,814)**
Bond 122,90ML	07/05/2013- 07/05/2017	6,700	120,961	(114,261)
Bond 22 ML	07/05/2013- 07/05/2017	1,208	21,860	(20,652)
Bond 150 ML	07/05/2014 - 07/01/2019	123,690	148,360	(24,670)
Bond 162 ML	21/04/2015 - 21/04/2022	149,769	0	149,769
Due to other sources of finance		**5,466**	**5,992**	**(526)**
Contigent liability for mall and business division		750	1,125	(375)
Sardaleasing for Bologna office	30/04/2009 - 30/04/2027	4,716	4,867	(151)
Total financial liabilities with third parties		**800,810**	**850,466**	**(49,656)**

Mortgage loans

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, and to the early repayment of the Centrobanca Conè Iper loan in June 2015. The average interest rate on adjustable-rate mortgage loans at 30 June 2015 was 1.26%.

Bonds

In response to the bond transaction approved by the Board of Directors on 8 April 2015, the terms of which are reported in the section on significant events during the period, on 14 April the company received (*i*) for the bonds maturing in 2017, offers for a total nominal amount of €136,900,000; and (*ii*) for the bonds maturing in 2019, offers for a total nominal amount of €25,100,000. On 21 April it therefore issued a new bond loan for €162 million. The cost of this transaction was €9,503K as cash consideration for the bonds exchanged, plus €5,952K in interest accrued on the existing bonds from the immediately preceding interest payment date (inclusive) until 21 April, for a total of €15,455K. Additional transaction costs came to €1,050K. Pursuant to IAS 39 (par. 40) and AG 62, IGD arranged to ensure that the contractual terms of the new bond did not differ substantially from those of the bonds being exchanged, so the transaction could be accounted for as debt restructuring rather than the settlement of a liability. Therefore, the difference of €1,981K between the carrying value of the loans at the exchange date and the redemption amount at maturity was included, along with the new transaction and buyback costs, in the calculation of amortized cost. The table below details these bond transactions:

Due for bonds	31/12/2014	Transaction costs amortization at 21/04/15	Exchange offer effects	Balance at 21/04/2015	Transaction costs amortization from 22/04/2015 to 30/06/2015	30/06/2015	Nominal interest rate	Effective tax rate
Bond 150 ML	150,000		(25,100)	124,900		124,900		
Transaction costs	(1,640)	114	256	(1,270)	60	(1,210)		
Total Bond 150 ML	**148,360**	**114**	**(24,844)**	**123,630**	**60**	**123,690**	**3.875%**	**4.17%**

Due for bonds	31/12/2014	Transaction costs amortization at 21/04/15	Exchange offer effects	Balance at 21/04/2015	Transaction costs amortization from 22/04/2015 to 30/06/2015	30/06/2015	Nominal interest rate	Effective tax rate
Bond 122,90ML	122,900		(116,115)	6,785		6,785		
Transaction costs	(1,939)	236	1,609	(94)	9	(85)		
Total Bond 122,90ML	**120,961**	**236**	**(114,506)**	**6,691**	**9**	**6,700**	**4.335%**	**5.07%**

Due for bonds	31/12/2014	Transaction costs amortization at 21/04/15	Exchange offer effects	Balance at 21/04/2015	Transaction costs amortization from 22/04/2015 to 30/06/2015	30/06/2015	Nominal interest rate	Effective tax rate
Bond 22 ML	22,000		(20,785)	1,215		1,215		
Transaction costs	(140)	17	116	(7)	0	(7)		
Total Bond 22 ML	**21,860**	**17**	**(20,669)**	**1,208**	**0**	**1,208**	**4.335%**	**4.63%**

Due for bonds	31/12/2014	Exchange offer effects	Buyback and transaction costs	Balance at 21/04/2015	Transaction costs amortization from 22/04/2015 to 30/06/2015	30/06/2015	Nominal interest rate	Effective tax rate
Bond 162 ML	0	162,000		162,000		162,000		
Transaction costs	0	(1,981)	(10,553)	(12,534)	303	(12,231)		
Total Bond 162 ML	**0**	**160,019**	**(10,553)**	**149,466**	**303**	**149,769**	**2.65%**	**3.94%**

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2015.

	Name	Property	Owner	Type of product	Counterparty	Start date	End date	Repayment	Covenant	Indicator i)	Indicator ii)	Indicator iii)	Indicator iv)
04	04 BNL Rimini IGD	MALATESTA - Rimini	IGD SIIQ S.p.A.	Loan	Banca Nazionale del Lavoro	06/09/2006	06/10/2016	Straight-line amortization of principal: €1.9mn p.a.; balloon payment: €10mn	Financial condition of 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	0.68			
05	05 BreBanca IGD	MONDOVICINO (mall)	IGD SIIQ S.p.A.	Mortgage	Banca Regionale Europea	23/11/2006	10/01/2023	Amortization with increasing principal					
01	01 Unipol Larice	SARCA (mall)	IGD Management S.r.l.	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	1.02			
06	06 Unipol Lungosavio IGD	LUNGO SAVIO - Cesena (mall)	IGD SIIQ S.p.A.	Mortgage	Unipol Merchant	31/12/2008	31/12/2023	Amortization with increasing principal and balloon payment of €3.6mn					
07	07 Carige Nikefin Asti	I BRICCHI - Isola D'Asti (mall)	IGD SIIQ S.p.A.	Mortgage	Banca Carige	31/12/2008	31/03/2024	Amortization with increasing principal and balloon payment of €9.5mn					

	Name	Property	Owner	Type of product	Counterparty	Start date	End date	Repayment	Covenant	Indicator i)	Indicator ii)	Indicator iii)	Indicator iv)
08	08 Carisbo Guidonia IGD	TIBURTINO - Guidonia (mall + hypermarket)	IGD SIIQ S.p.A.	Mortgage	Cassa di Risparmio di Bologna	27/03/2009	27/03/2024	Straight-line amortization of principal: €4.1mn p.a€; balloon payment: €24mn	Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6 through to maturity	1.02			
09	09 Interbanca IGD	Iper LUGO - Ravenna, Iper MAESTRALE - Senigallia, Iper MIRALFIORE - Pesaro, CENTRO D'ABRUZZO - Pescara (hyper), LE PORTE DI NAPOLI - Afragola (mall + hyper) - PORTOGRANDE (hyper+mall), office building PORTOGRANDE, hyper LEONARDO	IGD SIIQ S.p.A.	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	1.02			
10	10 Mediocredito Faenza IGD	LE MAIOLICHE - Faenza)	IGD SIIQ S.p.A.	Loan	Mediocredi to Banca S.p.A.	05/10/2009	30/06/2029	Straight-line amortization of principal: €0.94mn p.a.	IGD SIIQ S.p.A. financial statements: ratio of external net debt to equity + intercompany loans must not exceed 2.7	0.73			
14	14 MPS Palermo	Palermo (mall)	IGD SIIQ S.p.A.	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%	1.02	49.82%		
15	15 CentroBanca Conè mall	Conè (mall)	IGD SIIQ S.p.A.	Loan	Centrobanca	22/12/2010	31/12/2025	Straight-line amortization of principal: €2.64mn p.a.; balloon payment: €10.56mn	Consolidated financial statements: ratio of net debt (including derivative assets and liabilities) to equity no higher than 2	1.02			
13	13 CR Veneto Mondovi	MONDOVICINO (Retail Park)	IGD SIIQ S.p.A.	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	1.02			
17	17 Carige Palermo IGD	Palermo (hypermarket)	IGD SIIQ S.p.A.	Mortgage	Banca Carige	12/07/2011	30/06/2027	Amortization with increasing principal					
03	03 BPV Porta Medicea	PORTA MEDICEA	PORTA MEDICEA	Mortgage	Banca Popolare di Verona	02/08/2011	25/07/2026	Straight-line amortization of principal: €0.8mn p.a.	Porta Medicea S.r.l.: i) debt/equity ≤ 1.0; ii) equity ≥ €55 mn	0.39	€55.53 mn		
18	18 CC Ipotecario - Tiraggi	1st mortgage Crema, 1st mortgage Le Fonti del Corallo (hyper)	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	Financial condition of 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.	1.02	2.03	50.14%	
23	23 BNP Paribas	sc Casilino - hyper Lame - mall Catania- sc ESP - sc Borgo	IGD PROPERTY SIINQ S.p.A.	Loan	BNP Paribas	03/12/2013	26/11/2018	Bullet	i) LTV ratio below 45%; ii) Interest cover ratio above 190%;	40.02%	2.63		
24	24 Notes 3.875% - Due 07/01/2019	unsecured	IGD SIIQ S.p.A.	Bond	Paying Agent - BNP Paribas	07/05/2014	07/01/2019	Bullet	i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	48.29%	2.05	29.81%	1.80
25	25 Notes 4.335% - Due 07/05/2017	unsecured	IGD SIIQ S.p.A.	Bond	Paying Agent - BNP Paribas	07/05/2013	07/05/2017	Bullet					
26	26 Notes 2.65% - 21/04/2022	unsecured	IGD SIIQ S.p.A.	Bond	Paying Agent - BNP Paribas	21/04/2015	21/04/2022	Bullet	i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	48.29%	2.05	29.81%	1.80

The table below shows the amount of loans directly allocable to investment property at 30 June 2015 and their average maturity:

Project / Real estate asset	Asset book vaue	Financial direct debt	Technical form	Average maturity
Property investments	1,832,410	472,460	Bullet loans and mortgages	7.61

Note 30) Provision for employee severance indemnities

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

Provisions for employee severance indemnities	Balance at 31/12/2013	Actuarial (gain)/losses	Utilization	Allocation	Financial charges - IAS 19	Balance at 31/12/2014
Provisions for employees severance indemnities	1,403	283	(58)	236	46	1,910

Provisions for employee severance indemnities	Balance at 01/01/2015	Actuarial (gain)/losses	Utilization	Allocation	Financial charges - IAS 19	Balance at 30/06/2015
TFR	1,910	0	(14)	159	18	2,073

DEMOGRAPHIC ASSUMPTIONS	*EMPLOYEES*
Probability of death	RG 48
Probability of long-term disability	INPS (national statistics) by age and gender
Probability of retirement	Achievement of retirement age under mandatory general insurance
Probability of resignation	2%
Probability of receiving TFR advance at beginning of the year (provisioned at 70%)	1%

FINANCIAL ASSUMPTIONS	*2014*
Cost of living increase	0.60% 2015 1.20% 2016 1.50% 2017 and 2018 2.0% from 2019 onward
Discount rate	1.86%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	1.95% 2015 2.40% 2016 2.625% 2017 and 2018 3.0% from 2019 onward

The provision qualifies as a defined benefit plan.

In accordance with paragraph 83 of IAS 19, the annual discount rate used to calculate the present value of the liability is based on the iBoxx Corporate A index with duration 10+ as of the measurement date. Use of a discount rate based on the Iboxx Corporate AA 10+ would not have made a significant difference.

Note 31) General provisions

General provisions	31/12/2014	Utilizations	Allocations	30/06/2015
Provision for taxation	638	(57)	181	762
Bonus provision	719	(707)	377	389
Other general provision	470		2,154	2,624
Totale	**1,827**	**(764)**	**2,712**	**3,775**

Provision for taxation

This provision covers the charges that might arise from tax audits and other likely tax liabilities. The increase consists of an additional allocation against pending IMU/ICI (local property tax) disputes, which mainly concern new classifications and cadastral rent calculations for two shopping centers.

Bonus provision

The bonus provision covers the variable compensation that will be paid to employees in 2016 on the basis of the Group's 2015 estimated results. The utilization refers to the payment made in the first half of 2015.

Provisions for future risks

These cover the risks arising from litigation in course, as well as probable future expenses. The allocation refers to potential liabilities from litigation commenced during the period.

See Note 45 for further information.

Note 32) Sundry payables and other non-current liabilities

Sundry payables and other non-current liabilities	30/06/2015	31/12/2014	*Changes*
Deferred income	6,233	6,233	0
Payables for substitue tax	153	230	(77)
Other liabilities	499	347	152
Total	**6,885**	**6,810**	**75**

This item mostly concerns the City of Livorno for additional secondary urban infrastructure works as provided for by contract (€2,783K) and works to be delivered to Porta a Mare S.p.A. (€3,450K).

Payables for substitute tax consist of the non-current portion of the substitute tax on the capital gain from the sale of Centro Lame hypermarket.

Related party payables are shown below:

Sundry payables and other non-current liabilities	30/06/2015	31/12/2014	Change
Parent	**11,514**	**11,074**	**440**
Security deposits from Coop Adriatica	11,514	11,074	440
Related parties	**2,408**	**2,418**	**(10)**
Security deposits from Unicoop Tirreno	1,957	1,939	18
Sucurity deposits from Vignale Comunicazione	0	25	(25)
Security deposits Campania Distribuzione Moderna	451	454	(3)
Total	**13,922**	**13,492**	**430**

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

Security deposits from Coop Adriatica increased due to the opening of the Clodì shopping center in Chioggia, leased to the controlling company against a deposit of €415K.

Security deposits from Vignale Comunicazione are now shown under Unicoop Tirreno as a result of the merger by absorption in April 2015.

Note 33) Current financial liabilities

Current financial liabilities	Duration	30/06/2015	31/12/2014	Change
Banca Pop. Emilia Romagna - Hot Money	24/12/2014 - 13/01/2015	0	8,500	(8,500)
Banca Pop. Emilia Romagna - Hot Money	30/12/2014 - 20/01/2015	0	1,000	(1,000)
Carisbo - Hot Money	19/06/2015 - 21/09/2015	1,000	7,004	(6,004)
Cassa di Risparmio del Veneto	15/06/2015 - 15/09/2015	25,003	0	25,003
Banca Regionale Europea - Hot Money	29/06/2015 - 29/07/2015	5,500	0	5,500
Banca Regionale Europea - Hot Money	29/06/2015 - 29/07/2015	1,200	0	1,200
Mps c/anticipi	15/06/2015 - 16/07/2015	12,000	0	12,000
Mps c/anticipi	11/06/2015 - 13/07/2015	2,000	0	2,000
Mps c/anticipi	04/06/2015 - 06/07/2015	1,000	0	1,000
Bnl - Bologna	08/06/2015 - 08/09/2015	10,000	5,000	5,000
Cassa risp. Firenze hot money	19/06/2015 - 21/09/2015	15,001	0	15,001
Bnl - Bologna	a revoca	1,500	1,500	0
Banco S. geminiano	a vista	54	0	54
Banca Pop. Emilia Romagna	a vista	13	0	13
Mps c/c 195923	a vista	0	5,716	(5,716)
Mps c/anticipi	19/06/2015 - 20/07/2015	15,000	0	15,000
Emilbanca c/c 170056	a vista	0	1,398	(1,398)
Total due to banks		**89,271**	**30,118**	**59,153**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	1,858	1,861	(3)
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	945	927	18
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	550	534	16
09 Interbanca IGD	25/09/2006-05/10/2021	12,512	12,305	207
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4,137	4,142	(5)
01 Unipol SARCA	10/04/2007 - 06/04/2027	3,109	3,127	(18)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1,284	1,243	41
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1,754	1,763	(9)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	933	0
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	1,894	1,874	20
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1,520	1,504	16
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2,640	2,640	0
16 CentroBanca Cone (Iper)		0	800	(800)
02 CentroBanca Porta Medicea	24/06/2013 - 15/06/2015	0	11,002	(11,002)
03 BPV Porta Medicea	02/08/2011 - 25/07/2026	1,085	795	290
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	20,000	20,000	0
23 Finanziamento BNP	03/12/2013 - 26/11/2018	1,239	1,258	(19)
Total mortgage loans with banks		**55,460**	**66,708**	**(11,248)**
Sardaleasing for Bologna HQ	30/04/2009 - 30/04/2027	298	293	5
Other financial payables		750	2,904	(2,154)
Bond 122,90ML	07/05/2013 - 07/05/2017	43	3,474	(3,431)
Bond 22 ML	07/05/2013 - 07/05/2017	8	622	(614)
Bond 150 ML	07/05/2014 - 07/01/2019	2,307	3,843	(1,536)
Bond 162 ML	21/04/2015 - 21/04/2022	821	0	821
Total due to other sources of finance		**4,227**	**11,136**	**(6,909)**
Total current financial liabilities with third parties		**148,958**	**107,962**	**40,996**
Coop loan Le Maioliche		0	188	(188)
Total related parties		**0**	**188**	**(188)**
Total current financial liabilities with related parties		**0**	**188**	**(188)**

Current financial liabilities with third parties include the current portion of lease payments on the new head office, the current portion of the liability assumed for the acquisition of a business at Centro Sarca, and the current portion of outstanding mortgage loans, including interest accrued.

The principal changes in ***current financial liabilities*** relate to:

- ✓ new ultra-short-term loans taken out during the period;
- ✓ the repayment of principal falling due during the period on existing mortgage loans;
- ✓ the repayment of the short-term portion of the Centrobanca loan falling due by the end of June;
- ✓ the early repayment of the Centro Banca Conè Iper loan in June 2015;
- ✓ the elimination of current financial liabilities with related parties through payment of the interest due on the loan from Coop Adriatica, repaid in 2014.

Note 34) Net financial position

The table below presents the net financial position at 30 June 2015 and 31 December 2014. 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 €302.5 million, of which €209.86 million was unutilized at the close of the period.

See the section "Statement of financial position and financial review" of the Directors' Report for comments.

NET FINANCIAL POSITION	30/06/2015	31/12/2014
Cash and cash equivalents	(10,661)	(15,242)
Related party financial receivables and other current financial assets	(151)	(151)
LIQUIDITY	**(10,812)**	**(15,393)**
Related party current financial liabilities	0	188
Current financial liabilities	90,021	33,022
Mortgage loans - current portion	55,460	66,708
Leasing - current portion	298	293
Convertible bond loan - current portion	3,179	7,939
CURRENT DEBT	**148,958**	**108,150**
CURRENT NET DEBT	**138,146**	**92,757**
Non-current financial assets	(1,052)	(1,128)
Non-current financial liabilities due to other sources of finance	750	1,125
Leasing - non-current portion	4,716	4,867
Non-current financial liabilities	513,977	553,293
Related parties non-current financial liabilities	0	0
Convertible bond loan	281,367	291,181
NON-CURRENT NET DEBT	**799,758**	**849,338**
NET FINANCIAL POSITION	**937,904**	**942,095**

Note 35) Trade and other payables

Trade and other payables	30/06/2015	31/12/2014	Change
Trade payables	18,595	14,512	4,083

The increase in trade payables reflects construction and contract work carried out during the half-year, particularly for the investments at Centro Borgo, Chioggia, and Centrosarca.

Note 36) Related party trade and other payables

Related party trade and other payables	30/06/2015	31/12/2014	Change
Parent	181	263	(82)
Other related parties	471	259	212
Consorzio Lame	50	56	(6)
Consorzio La Torre - PA	104	71	33
Consorzio Conè	53	0	53
Consorzio Porta a Mare	104	55	49
Consorzio Chioggia	11	0	11
Consorzio Katanè	73	15	58
Consorzio Proprietari Leonardo	0	10	(10)
Consorzio I Bricchi	1	32	(31)
Unicoop Tirreno	30	10	20
Consorzio Crema	14	4	10
Consorzio Fonti del Corallo	31	2	29
Librerie Coop	0	4	(4)
Total related parties	**652**	**522**	**130**

See Note 40 for additional information.

Note 37) Current tax liabilities

Current tax liabilities	30/06/2015	31/12/2014	Change
Irpef including regional and municipal surtax	622	579	43
IRAP	111	88	23
IRES	158	138	20
VAT	114	39	75
Drainage consortium	11	11	0
Other taxes	270	22	248
Withholdings on dividends	1,741	0	1,741
Substitute tax	79	77	2
Total current tax liabilities	**3,106**	**954**	**2,152**

Most of the change in current tax liabilities 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 hikes that have taken effect in various municipalities.

Note 38) Other current liabilities

Other current liabilites	30/06/2015	31/12/2014	Change
Social security	323	361	(38)
Accrued liabilities and deferred income	665	640	25
Insurance	8	8	0
Due to employees	855	769	86
Security deposits	3,285	3,285	0
Unclaimed dividends	1	1	0
Advanced received, due within one year	181	231	(50)
Other liabilities	530	610	(80)
Total other liabilities	**5,848**	**5,905**	**(57)**

These consist mainly of security deposits received from tenants.

Related party payables are shown below:

Related parties other current liabilties	30/06/2015	31/12/2014	Change
Other payables	14	14	0
Total other current liabilites with related parties	**14**	**14**	**0**

See note 40.

Note 39) Dividends

During the period, as determined by the Annual General Meeting held to approve the 2014 financial statements on 15 April 2015, a dividend of €0.0375 was paid for each of the 756,356,289 shares outstanding, for a total of €28,363,360.84.

Note 40) Related party disclosures

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

	Related party disclosure	RECEIVABLES AND OTHER CURRENT ASSETS	FINANCIAL RECEIVABLES	CURRENT PAYABLES AND OTHER LIABILITIES	NON-CURRENT PAYABLES AND OTHER LIABILITIES	FINANCIAL PAYABLES	NON-CURRENT RECEIVABLES AND OTHER ASSETS	FIXED ASSETS - INCREASES	FIXED ASSETS - DECREASES
EV-Coop Adriatica	Coop Adriatica scarl	1,645	0	182	11,514	0	0	(1,230)	
LC-LIBRERIE COOP	Librerie.Coop spa	21	0	0	0	0	0		
AG-Adriatica Luce e Gas	Adriatica Luce e Gas	16	0	0	0	0	0		
CM-Campania Distribuzione Moderna	Campania Distribuzione Moderna	0	0	0	451	0	0		
UT-UNICOOP TIRRENO	Unicoop Tirreno Scarl	249	0	44	1,957	0	0		
FO-Consorzio prop. Fonti del Corallo	Consorzio prop. Fonti del Corallo	0	0	31	0	0	0	38	
CE-Consorzio Conè	Consorzio Cone'	53	0	53	0	0	0		
CH-Consorzio Clodì	Consorzio Clodì	6	0	11	0	0	0		
CR-Consorzio prop. Crema	Consorzio Crema	115	0	14	0	0	0		
BR-consorzio bricchi	Consorzio I Bricchi	5	0	1	0	0	0		
KA-Consorzio Katanè	Consorzio Katané	364	0	73	0	0	0		
LA-Consorzio Lame	Consorzio Lame	55	0	49	0	0	0	34	
PI-Consorzio dei prop. del Centro comm.le Leona	Consorzio Leonardo	0	0	0	0	0	0	4	
PA-Consorzio La Torre	Consorzio La Torre	69	0	104	0	0	0		
PM-Consorzio Porta a Mare	Consorzio Porta a Mare	97	0	104	0	0	0		
SA-Consorzio prop. Sarca	Consorzio Sarca	5	0	0	0	0	0		
DS-Distribuzione Lazio srl	Distribuzione Lazio s.r.l.	50	0	0	0	0	0		
IN-INIZIATIVE BOLOGNA NORD	Iniziative Bo Nord	0	463	0	0	0	0		
FE-RGD Ferrara 2013 srl	Rgd ferrara 2013	717	151	0	0	0	0		
VS-Virtus College srl	Virtus college	0	488	0	0	0	0		
	Total	**3,468**	**1,103**	**666**	**13,922**	**0**	**0**	**(1,154)**	**0**
	Total Financial Report	**89,369**	**1,203**	**25,109**	**20,807**	**949,768**	**77**		
	Total (increase)/decrease of the period							**19,581**	**28,438**
	% of total	**3.88%**	**91.68%**	**2.65%**	**66.91%**	**0.00%**	**0.00%**	**-5.89%**	**0.00%**

	Related party disclosures	REVENUES OTHER INCOME	FINANCIAL INCOME	COSTS	FINANCIAL CHARGES
EV-Coop Adriatica	Coop Adriatica scarl	13,651	0	153	28
RO-Robintur	Robintur spa	119	0	0	0
VIAGGIA_NOI-Viaggia con noi	Viaggia con noi srl	7	0	0	0
LC-LIBRERIE COOP	Librerie.Coop spa	336	0	0	0
AG-Adriatica Luce e Gas	Adriatica Luce e Gas	70	0	0	0
CM-Campania Distribuzione Moderna	Campania Distribuzione Moderna	450	0	0	1
UT-UNICOOP TIRRENO	Unicoop Tirreno Scarl	3,122	0	28	5
CE-Consorzio Conè	Consorzio Cone'	82	0	76	0
CH-Consorzio Clodì	Consorzio Clodì	6	0	9	0
CR-Consorzio prop. Crema	Consorzio Crema	51	0	9	0
BR-consorzio bricchi	Consorzio I Bricchi	56	0	249	0
KA-Consorzio Katanè	Consorzio Katané	100	0	70	0
LA-Consorzio Lame	Consorzio Lame	89	0	0	0
PI-Consorzio dei prop. del Centro comm.le Leona	Consorzio Leonardo	115	0	0	0
PA-Consorzio La Torre	Consorzio La Torre	98	0	148	0
PM-Consorzio Porta a Mare	Consorzio Porta a Mare	38	0	150	0
SA-Consorzio prop. Sarca	Consorzio Sarca	116	0	0	0
DS-Distribuzione Lazio srl	Distribuzione Lazio s.r.l.	164	0	0	0
CS-Coop Sicilia	Coop Sicilia	2,495	0	0	0
FE-RGD Ferrara 2013 srl	Rgd ferrara 2013	246	3	0	0
	Total	**21,409**	**3**	**891**	**34**
	Amount reported	**63,344**	**22**	**21,099**	**20,304**
	% of total	**33.80%**	**12.17%**	**4.22%**	**0.17%**

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., Viaggia Con Noi S.r.l. and

Adriatica Luce e Gas S.r.l.), with various companies in the Unicoop Tirreno Group (Vignale Comunicazioni, Unicoop Tirreno and Ipercoop Tirreno), and with Coop Sicilia, Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno), and Distribuzione Lazio (owned 45% by Coop Adriatica and Unicoop Tirreno).
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 rental of investment property to Coop Adriatica for use as hypermarkets and supermarkets; rental income in the first half of 2015, including for retail premises, amounted to €14 million;
- 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;
- partial reimbursement the work on Chioggia retail park, amounting to €1.23 million for the first half of the year;
- current account loans with a balance of zero at 30 June 2015.

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 2015, €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 €336K under this arrangement.

Transactions with Adriatica Luce e Gas S.r.l. refer to the rental of part of the second floor of the building where IGD has its head office. For the half-year, the Group received €70K under this arrangement.

Transactions with Coop Sicilia

Transactions with Coop Sicilia, owned 50% by Coop Adriatica, concern receivables and income from the leasing of properties used as hypermarkets. In the period ended 30 June 2015 such income amounted to €2.5 million.

Transactions with Unicoop Tirreno

Transactions with Unicoop 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 €3.1 million under these arrangements;

Transactions with other Group companies

Transactions with Consorzio Proprietari Leonardo, Consorzio Lame, Consorzio Conè, Consorzio La Torre, Consorzio Crema, Consorzio Sarca, Consorzio Katanè, Consorzio Porta a Mare, Consorzio Clodì, 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, Consorzio Porta a Mare, Consorzio Clodì, and Consorzio Katanè refer to service charges for vacant units. Transactions with Consorzio Lame, Consorzio Conè, and Consorzio Proprietari Leonardo concern extraordinary maintenance work on buildings.

Transactions with Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Afragola hypermarket for €450K.

Transactions with Distribuzione Lazio (owned 45% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Guidonia hypermarket for €164K.

Transactions with Iniziative Immobiliari Bologna Nord, held 15%, refer to an interest-free loan with a balance of €673K (written down by €210K) at 30 June 2015.

Transactions with Virtus College S.r.l. (held 48.75% by IGD) concern an interest-free loan with a balance of €488K at the close of the period.

Transactions with RGD Ferrara 2013 S.r.l., 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 2015 amounted to €246K) and (*ii*) an interest-bearing loan in the amount of €150K, with interest charged at the 3-month Euribor plus a spread of 350 basis points.

Note 41) 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 about 87% 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 42 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 these risks, 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 or 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 0.95x at 31 December 2014 and 0.95x at 30 June 2015);
2. keeping the loan-to-value ratio under 60% (it was 48.29% at the close of the half-year, down from 48.28% at the end of 2014).

Note 42) Derivative instruments

The IGD Group has engaged in derivative contracts for the use of financial instruments 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	30/06/2015	31/12/2014	Change	Level
Derivative assets	28	49	(21)	2
Derivative liabilities	(36,047)	(43,961)	7,913	2
Interest rate swaps - net effect	**(36,020)**	**(43,912)**	**7,892**	

Most of the change at 30 June 2015 is due to the reduction in the notional amount and the increase in the long-term interest rate curve, which reduced the negative fair value of outstanding IRS contracts.

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	12,307,692	14,916,349	14,916,349	14,916,349	14,916,349	8,924,517	14,916,349	76,000,000
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-months Euribor	3-months Euribor	3-months Euribor	3-months Euribor	3-months Euribor	6 months Euribor	3-months Euribor	3-months 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	14,916,349	7,082,402	14,602,750	9,443,203	9,100,235	7,082,402	14,602,750	14,602,750
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-months Euribor	3-months Euribor	3-months Euribor	3-months Euribor	6 months Euribor	3-months Euribor	3-months Euribor	3-months 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	14,602,750	12,500,000	23,400,000	18,810,000	7,524,000	11,286,000	30,000,000
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-months Euribor	3-months Euribor	6 months Euribor	3-months Euribor	3-months Euribor	3-months Euribor	3-months Euribor
Customer rate	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	2.45%

Note 43) Subsequent events

At the approval date of the interim condensed consolidated financial statements, 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 44) Commitments

At 30 June 2015 the Group had the following major commitments:

- Contract for the commercial remodeling of the mall in Palermo, now underway, with the construction of a multi-screen cinema and improvements to the food court, for a remaining amount of €1.3 million.
- Contract for urban development and digging in relation to the ESP expansion (€4.7 million).
- Contract for the development of the "Officine Storiche" section, for a remaining amount of €33 million.
- Preliminary contract for the purchase from Unicoop Tirreno of the mall to be built inside the shopping center, currently under construction in Grosseto. The purchase price is €45 million, plus taxes and transaction costs. The sale depends on satisfaction of a suspensive condition. Payment is due upon transfer of title, after the opening scheduled for the second half of 2016.

Note 45) 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), over time and in agreement with IGD SIIQ S.p.A. it has filed 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 filed a response to the challenge, in case Partxco's receiver decided to pursue it. The first hearing was held on 2 December 2014, at which time the case was declared suspended due to Partxco's bankruptcy. The receiver had three months from that hearing (i.e. by 2 March 2015) to resume the case. With a statement filed on 27 February, the receiver summarized Partxco's challenge to the decision. At the hearing of 12 May 2015, the court announced that it would hand down a decision and set the legally required deadlines (60 and 90 days) for closing statements and replies.

- 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. Recently, an initial partial allotment was drawn up for the Darsena FM bankruptcy and the companies received their first payment.

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. Because Partxco was then declared bankrupt on 24 June 2014, this proceeding will also be suspended at the next scheduled hearing, subject to resumption by the receiver. IGD SIIQ S.p.A.'s lawyers are confident that the appeal will be rejected and the initial decision confirmed, given the logical arguments on which that decision was based and the documentation submitted as proof of IGD's proper and complete fulfillment of all obligations.

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, 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, and that in any case it wished to withdraw from the agreement; GAM denied that the due diligence outcome was negative and refused to allow the withdrawal.

The present lawsuit therefore alleged that the framework agreement was terminated for breach of obligation by IGD and asked for compensation of the damages allegedly suffered by GAM. IGD contested that claim and asked the court to rule that the framework agreement had lapsed for a number of reasons (including the negative due diligence and resulting withdrawal), filing a counterclaim against the plaintiff.

Given the groundlessness of GAM's claims, as confirmed by its legal advisors, IGD had recognized no liability in this regard. The Court of Milan settled the dispute at the lower-court level with decision 628 of December 2014, published on 19 January 2015, which logically and coherently rejects all of GAM's claims against IGD by agreeing with the basis of the negative due diligence report and therefore with IGD's legitimate withdrawal from the (no longer valid) framework agreement, ordering the plaintiff not only to reimburse IGD's legal expenses but also to pay it damages for frivolous action in accordance with Art. 96 of the Code of Civil Procedure.

On 10 April 2015, GAM notified IGD that it had appealed the lower-court decision and asked for enforcement of that ruling to be suspended. On 30 June 2015, IGD filed an appearance and response, including a cross-appeal contesting all of its adversary's pleas. GAM's appeal demands the reversal of decision 628/2015 based on the same arguments it put to the Court of Milan, which that court rejected as baseless in a sound and logical explanation. At present, as the arguments previously rejected have simply been restated at the appeal level, IGD—along with its legal advisors—expects the lower-court decision to be upheld. To ensure a watertight defense, however, IGD has filed a cross-appeal as there are other reasons to find that the framework agreement is no longer valid that were not given enough weight or emphasis in the lower-court decision, leading to our legitimate withdrawal from the agreement following the negative due diligence report. Meanwhile, the amount GAM has been ordered to pay IGD is in the process of being collected.

Iniziative Immobiliari Siciliane S.r.l.

During the half-year, Iniziative Immobiliari Siciliane S.r.l. (IIS) filed a lawsuit in Ravenna against IGD SIIQ S.p.A. concerning the purchase of a mall, within the broader purchase of the Katanè shopping center in Gravina di Catania, under a contract signed on 29 October 2009. At issue is whether IIS should receive a supplement on the agreed price, under Art. 2 of that contract, to be quantified after the fifth anniversary of the shopping center's grand opening on the basis of certain variables.

The dispute is over what to include in the calculation of rent for the purpose of determining the price supplement (if any), and what to include in the initial calculation of rent to determine whether it increased. Specifically, IIS has asked the Court of Ravenna to find that for the purposes of calculating a price supplement, certain items should be included which in IGD's opinion should not.

On 25 June 2015, IGD filed an appearance and response contesting all of its opponent's claims, stating that it owes no price supplement to IIS, as the amount of rent for the purposes of this calculation had not increased with respect to the threshold agreed. On the basis of the arguments filed, IGD asked the Court of Ravenna to reject all demands made by IIS. As a subordinate measure, IGD objected that a different interpretation of the clause on how to quantify a price supplement should be considered null and void, as the object of the contract would be undetermined and undeterminable.

The hearing, set for 15 July 2015 in the summons, was postponed by the court to 20 July. On that date, the deadlines were set in accordance with Art. 183(6) of the Code of Civil Procedure, with the discussion of the parties' preliminary motions scheduled for 15 December 2015.

The interpretation of the price supplement clause that IGD has argued in its defense is also supported by its legal advisors and suggests that the case will be concluded in IGD's favor.

Note 46) Tax litigation

Following the tax audit concluded on 11 September 2008, IGD received an audit report without significant findings, but with a recommendation to revalue closing inventories for about €645K; this generated an IRES (corporate tax) charge of €213.1K and an IRAP (regional business tax) charge of €27.4K plus penalties of €240.5K, all of which has been paid.

IGD then received an assessment claiming that it 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 was rejected with a ruling of January 2011.

In September 2011 IGD 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.

In May 2014 the Regional Commission rejected the appeal and on 28 August IGD was ordered to settle the remaining third of the taxes and penalties charged, which it paid on 24 October 2014.

In December 2014 IGD appealed to the Court of Cassation; after that final ruling, it plans to request that the tax be refunded because any error caused a simple carry-over effect from one year to the next.

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)

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 2015.

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, 6 August 2015

Claudio Albertini	Grazia Margherita Piolanti
Chief Executive Officer	Financial Reporting Officer

External Auditors' Report

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Foreword

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 2015 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 the Company are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution n° 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that consolidated condensed interim financial statements of IGD Group as of 30 June 2015 are not prepared, in all

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material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, 6 August 2015

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Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original 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.

HYPERMARKET

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

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.

NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV)

The equity pertaining to the Group, calculated based on EPRA indications which call for a few adjustments.

Certain items are excluded from the NAV calculation for lack of relevance in a business model with a long term view like the Group's. NNNAV provides more relevant information about the fair value of assets and liabilities. The NAV is adjusted to take into account the fair value of (i) hedges, (ii) debt and (iii) deferred taxes.

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.