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

Registered office: Via Agro Pontino 13, Ravenna

Headquarters: Via Trattati Comunitari Europei 1957-2007, n. 13, Bologna

Share capital fully subscribed and paid-in: EUR 599,760,278.16

Represented by n. 813,045,631 ordinary shares

Ravenna Companies Register and tax identification no. 00397420399

Ravenna Chamber of Commerce (R.E.A.) no.: 88573

Company subject to the direction and control of Coop Alleanza 3.0 Soc. Coop.

EXTRAORDINARY MEETING OF THE SHAREHOLDERS OF IGD SIIQ S.P.A.

12 FEBRUARY - 13 FEBRUARY 2018

REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS 1 AND 2 OF THE AGENDA PREPARED IN ACCORDANCE WITH ART. 125-*TER* OF DECREE N. 58/1998, AS WELL AS ART. 72 OF THE CONSOB REGULATION ADOPTED IN RESOLUTION N. 11971/1999

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1. **Proposal to increase share capital, against payment, on one or more occasions, by up to a maximum of EUR 150,000,000.00, including any and all share premiums, through the issue of ordinary shares to be offered to shareholders in accordance with Art. 2441, first paragraph, of the Italian Civil Code. Consequent amendments to the corporate by-laws. Related and consequent resolutions.**
2. **Reverse stock split of IGD's ordinary shares at a ratio of 1 new ordinary share with dividend**

rights for every 10 ordinary shares held, after cancellation of 1 ordinary share in order to allow for a balanced transaction without a reduction in share capital. Consequent amendments to the corporate by-laws. Related and consequent resolutions.

Item 1 of the Agenda of the Extraordinary Shareholders' Meeting - Proposal to increase share capital, against payment, on one or more occasions, by up to a maximum of EUR 150,000,000.00, including any and all share premiums, through the issue of ordinary shares to be offered to shareholders in accordance with Art. 2441, first paragraph, of the Italian Civil Code. Consequent amendments to the corporate by-laws. Related and consequent resolutions.

Dear Shareholders,

you have been called to an extraordinary shareholders' meeting in order to approve a proposal to increase share capital, for cash, on one or more occasions, pursuant to Art. 2441, first paragraph, of the Italian Civil Code, by up to a maximum of EUR 150,000,000.00, including any share premium, through the issue of ordinary shares with dividend rights, without a stated par value, pari passu with existing shares. Option rights will be offered to shareholders. (the "**Capital increase**").

1. Reasons for and use of the capital increase

On 15 December 2017, IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("**IGD**") signed a preliminary agreement for the acquisition of a portfolio of 4 shopping malls and a retail park (the "**Portfolio**") from the Eurocommercial Properties Group ("**ECP**"), for a total of €187 million, in addition to ancillary costs and transfer taxes.

The acquisition of the portfolio will allow IGD to rebuild full ownership of the two shopping centers - where the Company already owns the hypermarkets - as well as further consolidate its leadership in the operation of shopping centers with a dominant position in the respective catchment areas of midsize Italian cities and high spending power.

The shopping malls and the retail park comprising the Portfolio have a total leasable area of 37,500 m^2 and are found in shopping centers which have a total leasable area of around 91,000 m^2. More in detail, the Portfolio comprises the following assets:

- Mall of the Leonardo Shopping Center (Imola): total leasable area of 14,731 m^2. IGD already owns the hypermarket anchoring the shopping center and manages the mall for ECP;
- Mall of the Lame Shopping Center (Bologna): total leasable area of 5,575 m^2. IGD already owns the hypermarket anchoring the shopping center and manages the mall for ECP ;
- Shopping Center mall and a portion of the La Favorita retail park (Mantua): total leasable area of 13,613 m^2. The hypermarket anchoring the shopping center and the La Favorita retail park are owned by Coop Alleanza 3.0; the acquisition, therefore, will make it possible for IGD to strengthen operating synergies with Coop, Italy's leading retail food brand;
- Mall of the CentroLuna Shopping Center (Sarzana): total leasable area of 3,576 m^2. The hypermarket anchoring the shopping center is owned by Coop Liguria, player known to IGD as it owns the hypermarket anchoring the Mondovicino Shopping Center owned by IGD.

The acquisition of the Portfolio is expected to generate a gross yield of 6.8% (net yield of 6.4%), including transfer costs.

The acquisition of the Portfolio was approved by IGD's Board of Directors, with the support of real estate appraisals provided by CBRE and Cushman & Wakefield, and, under the preliminary agreement, shall be completed by the first half of 2018.

Pursuant to the preliminary agreement, the definitive purchase price will be determined based on the consideration of €187 million, increased or decreased by the assets/liabilities related to the going concerns to be transferred, as per the updated financial statements to be prepared prior to the closing of the sale. Toward this end, please note that the mortgages on the Portfolio amount to around €88 million. The transfer of these loans to IGD is subject to the approval of the lending banks.

The proceeds from the capital increase which are estimated to amount to around €4 million, net of the relative costs, will be used to partially finance the acquisition of the Portfolio, while any remaining amount will be used to reduce the Group's debt and, consequently, strengthen the Company's capital and financial structure.

The Capital Increase will allow IGD to improve its leverage ratios, the trend for which is already in line with the targets disclosed to the market and included in the 2016-2018 Business Plan (Loan to Value between 45% and 50% and Interest Cover Ratio above 3x by the end of 2018). As the Capital Increase will represent almost 75% of the total investment, the Company expects its leverage ratios to improve with the respect to the figures reported in the third quarter of 2017 (Loan to Value of 48% and an Interest Cover Ratio of 2.89x).

Lastly, as a result of the Capital Increase, the Company's market capitalization will increase which will increase the visibility and liquidity of IGD's stock.

2. Financial impact of the Capital Increase

The composition of IGD's and the Group's net financial position at 30 September 2017 and at 31 December 2016 can be broken down as follows:

NET FINANCIAL POSITION OF IGD SIIQ S.p.A.		
Amounts in Euros	30/09/2017	31/12/2016
Cash and cash equivalents	(2,685,576)	(1,125,370)
Financial receivables and other current financial assets w. related parties	(93,444,030)	(187,018,210)
LIQUIDITY	**(96,129,607)**	**(188,143,580)**
Current financial liabilities w. related parties	776,808	18,170,927
Current financial liabilities	40,500,926	61,053,524
Mortgage loans – current portion	31,811,081	31,128,597
Leasing – current portion	320,591	312,892
Bond loans – current portion	8,434,663	20,340,585
CURRENT DEBT	**81,844,068**	**131,006,525**
CURRENT NET DEBT	**(14,285,539)**	**(57,137,055)**

Non-current financial assets	(100,000)	(100,000)
Leasing - non-current portion	4,009,377	4,250,791
Non-current financial liabilities	224,070,126	246,554,453
Bond loans	675,420,265	574,141,038
NON-CURRENT DEBT	**903,399,767**	**824,846,282**
NET FINANCIAL POSITION	**889,114,229**	**767,709,227**

CONSOLIDATED NET FINANCIAL POSITION		
Amounts in thousands of Euros	30/09/2017	31/12/2016
Cash and cash equivalents	(5,672)	(3,084)
Financial receivables and other current financial assets w	(466)	(151)
LIQUIDITY	**(6,138)**	**(3,235)**
Current financial liabilities	59,001	110,929
Mortgage loans - current portion	34,846	34,178
Leasing - current portion	321	313
Bond loans - current portion	8,435	20,340
CURRENT DEBT	**102,603**	**165,760**
CURRENT NET DEBT	**96,465**	**162,525**
Non-current financial assets	(368)	(393)
Leasing - non-current portion	4,009	4,251
Non-current financial liabilities	290,182	314,904
Bond loans	675,420	574,141
NON-CURRENT DEBT	**969,243**	**892,903**
NET FINANCIAL POSITION	**1,065,708**	**1,055,428**

As mentioned in section 1 above, the proceeds from the Capital Increase will be used to partially finance the acquisition of the Portfolio.

3. The Company's operating performance and information about the close of FY 2017

With regard to the operating performance for the current year, the following information is being provided in addition to the figures shown in the interim financial report at 30 September 2017 approved by the Board of Directors on 9 November 2017.

In the first nine months of the year the positive operating performance recorded in the Italian shopping centers stabilized with retailers' sales in mall rising 1.8%, while footfalls were basically unchanged (+0.1%). In Romania footfalls were down (-2.2%) due mainly to internal fit-outs and increased competition linked to the opening of new shopping centers. The positive trend in pre-letting already reported in the first half continued. In Italy 134 leases (86 renewals and 48 turnover), were signed with an average upside of +5.7% and in Romania 317 leases were signed (187 renewals and 130 turnover) with an average upside of 2.3%. In Italy the average occupancy (malls and hyper) came to 96.8%, down slightly compared to the prior quarter (97.2%), while Romania was stable at 96.9%. The Group's consolidated net profit reached €64,677 thousand, an increase of €27,522 thousand compared to 30 September 2016; similarly, FFO also rose by around €9,111 thousand from €39,910 thousand to €49,021 thousand. These results were influenced by the opening of Maremà (in October 2016) and the Esp mall extension (in June 2017), in particular, as well as the good performance like-for-like.

With regard to the last quarter of 2017, in a context of generalized, albeit contained, economic recovery, the trend in operations along with the constant monitoring of the Company's economic, financial and leverage indicators show that the results forecast for year-end 2017 will basically be in line with the financial and economic results reported at 30 September 2017, to which reference should be made. In light of the positive results achieved, the Company expects to continue along its growth path with revenue rising both like-for-like (thanks to both inflation indexation and the upside on the renewed leases) and as a result of the FY contribution of the acquisitions and openings made in 2106, in addition to the opening in June 2017 of the Esp shopping center extension. Direct costs pertaining to the core business are expected to increase against the prior year due to the expanded perimeter of freehold properties which will fuel an increase in property taxes, direct personnel costs, condominium fees and pilotage costs (explained by the activities which also generated revenue). The cost of funding should continue to be low and the target for FFO growth is confirmed.

4. Underwriting consortium

On 15 December 2017, the Company signed a pre-underwriting agreement with Banca IMI S.p.A., BNP Paribas and Morgan Stanley & Co. International plc, who will act as Joint Global Coordinators and Joint Bookrunners, subject to customary terms and conditions, based on which the Joint Global Coordinators undertook to sign an underwriting agreement with the Company on or around the launch date and subscribe any of the newly issued shares which fail to subscribed, net of the maximum amount which Coop Alleanza 3.0 Soc. Coop has undertaken to subscribe as per section 7 below.

5. Other forms of placement

As this is a rights' issue, the shares issued as a result of the Capital Increase will be offered to shareholders directly by the Company. No other forms of placement are envisioned.

6. Issue price of the new shares

The proposal submitted to shareholders for approval calls for the issue price of the new shares to be determined by the Board of Directors, on or around the launch date, taking into account general market conditions, the stock market performance and volumes traded of the Company's existing shares on the market, as well as the Company's and/or Group's performance and financial position, and standard market practices for similar transactions. Without prejudice to these criteria, the issue price will be determined by applying, as per standard market practices, a discount to the Theoretical

Ex-Rights Price (TERP) of the existing shares calculated using current methodologies.

Once the subscription price has been determined (including any share premium), the Board of Directors will determine the maximum number of shares to be issued, as well as the issue ratio.

7. Shareholders who have indicated willingness to subscribe the Capital Increase

At the date of this Report, Coop Alleanza 3.0 Soc. Coop. has sent a letter of commitment to the Company based on which it will subscribe its portion of the Capital Increase, equal to 40.92%, for a total amount of the around €61 million.

8. Timing of the Capital Increase

Subject to receipt of the necessary authorizations from the competent authorities, the offer period for the option rights on the newly issued shares is expected to end by April 2018.

9. Rights and entitlments

The new shares issued as a result of the Capital Increase will have regular dividend rights and will be issued pari passu with the Company's outstanding shares on their issue date.

10. Dilutive impact

As this is a rights' issue, there are no dilutive effects in terms of the total interest in the share capital held by the Company shareholders who decide to adhere to the offer.

The Capital Increase, in fact, calls for each shareholder to be offered option rights.

Conversely, the interest of those shareholders who choose not to exercise their option rights will be diluted as result of the issue of the new shares and the discount on the Theoretical Ex-Rights Price (TERP) that is to be determined on or around the launch date.

11. Amendments to the corporate by-laws and right of withdrawal

In the event the proposed Capital Increase described herein is approved, it will become necessary to amend Art. 6 of the corporate by-laws as shown below:

CURRENT TEXT	PROPOSED TEXT
Omissis.	*Omissis.*
	6.5 On 12 February 2018 the shareholders meeting in extraordinary session approved a proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 150 million (including any share premium) to be completed by 31 December 2018, through the issue of ordinary shares with dividend rights, without a stated par value, pari passu with existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. The shareholders meeting in extraordinary session granted the Board of Directors the amplest of powers to: (i) define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the Company's existing shares, as well as the Company's and/or Group's economic and financial performance, and standard market practices in similar transactions. Without prejudice to the above criteria, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex-Rights Price (TERP) of the existing IGD shares; (ii) determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune; and (iii) determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, by the final deadline of 31 December 2018.

The above amendments to the by-laws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

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In light of the above, the Board of Directors submits the following motion for your approval:

Proposal

"The shareholders of Immobiliare Grande Distribuzione SIIQ S.p.A. meeting in extraordinary session;

- *having examined the Board of Directors' Report and the proposal found therein;*
- *having acknowledged the Board of Statutory Auditors certification that the share capital of EUR 599,760,278.16 (five hundred ninety-nine million, seven hundred sixty thousand, two hundred seventy eight/16) is entirely subscribed, paid-in and current;*

resolves

1) *to approve the proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 150 million (including any share premium), through the issue of ordinary shares with dividend rights, without a stated par value, pari passu with existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held;*

2) *to set 31 December 2018 as the deadline for the execution of the capital increase and to establish, pursuant to Art. 2439, second paragraph of the Italian Civil Code, if not entirely subscribed the share capital will be considered increased by the amount subscribed at that deadline;*

3) *to grant the Board of Directors the amplest of powers to:*

   (i) *define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the IGD's existing shares, as well as the Company's and/or Group's economic and financial performance and the standard market practices for similar transactions. Without prejudice to the above criteria, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex-Rights Price (TERP) of the existing IGD shares, calculated using current methodologies*

   (ii) *determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune;*

   (iii) *determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, by the final deadline of 31 December 2018;*

4) *to amend Art. 6 of the corporate by-laws by including a new fifth paragraph as follows:* "6.5 On 12 February 2018 the shareholders meeting in extraordinary session approved a proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 150 million (including any share premium) to be completed by 31 December 2018, through the issue of ordinary shares with dividend rights, without a stated par value, pari passu with

existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. The shareholders meeting in extraordinary session granted the Board of Directors the amplest of powers to: (i) define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the Company's existing shares, as well as the Company's and/or Group's economic and financial performance, and standard market practices in similar transactions. Without prejudice to the above criteria, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex- Rights Price (TERP) of the existing IGD shares; (ii) determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune; and (iii) determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, by the final deadline of 31 December 2018.";

5) *to grant the Board of Directors – and on its behalf the Chairman, Vice Chairman and Chief Executive Officer, severally, including through delegation, the broadest powers to take all other action necessary or useful to implementing the above resolution in order to successfully complete the transaction including, for example, the power to:*

(i) *prepare and file all documentation needed for the execution of the capital increase approved, as well as complete all the formalities needed to proceed with the offer and list the newly issued shares on the Italian Stock Exchange, organized and managed by Borsa Italiana S.p.A., including the power to prepare and file with the competent authorities all requests, applications, documents or prospectuses deemed necessary or opportune;*

(Ii) *introduce any changes, adjustments or additions to the resolutions approved if deemed necessary and/or opportune, including in accordance with requests received from any and all authorities upon registration, and, in general, to carry out all acts deemed necessary to execute the resolutions completely, with any and all powers, without exceptions and without question, including the formalities needed to register the updated corporate by-laws with the Corporate Registrar".*

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Item 2 of the Agenda of the Extraordinary Shareholders' Meeting - 2. Reverse stock split of IGD's ordinary shares at a ratio of 1 new ordinary share with dividend rights for every 10 ordinary shares held, after cancellation of 1 ordinary share, in order to allow for a balanced transaction without a reduction in share capital. Consequent amendments to the corporate by-laws. Related and consequent resolutions.

Dear Shareholders,

IGD's share capital is equal to €599,760,278.16, broken down in 813,045,631 ordinary shares without a stated par value. As a result of the Capital Increase submitted to you for approval at this shareholders' meeting the number of shares outstanding will increase, including significantly.

We are, therefore, asking you to approve a reverse stock split, which would reduce the number of shares outstanding, in order to simplify the administration of the shares deemed in the best interest of the shareholders.

This share rollback transaction will not affect the value of the interests held by shareholders, who would see a decrease in the number of shares and, at the same time, an increase in the stock price, without any change in the total value of the investment, as long as all other conditions are the same.

The proposed transaction consists in a reverse stock split at a ratio of 1 new ordinary share with dividend rights to 10 existing ordinary shares. As a result of this share rollback, the number of ordinary shares will drop from 813,045,631 to 81,304,563, without any change in the total share capital but with the cancellation of ordinary shares of IGD as described above.

The reverse stock split is expected to be completed before execution of the Capital Increase submitted to this Shareholders' Meeting for approval, in accordance with the timeframe and methodologies agreed upon with *Borsa Italiana* and the other competent authorities.

In order to allow for a balanced reverse stock split, the ordinary shares must be cancelled. Toward this end, the shareholder Coop Alleanza 3.0 Soc. Coop. has agreed to the cancellation of the ordinary shares currently held while leaving the amount of the share capital unchanged.

The share rollback will be done in accordance with applicable law by the authorized intermediaries who are part of the centralized depository managed by Monte Titoli S.p.A., without any expense to the shareholders.

With a view to simplifying the rollback for the individual shareholders and the management of any remainders which might materialize, we will make a service available to shareholders which will enable them to settle any shares that could not be consolidated based on official market prices, free of any costs, fees or stamps.

In light of the above, it will be necessary to amend Art. 6 of the corporate by-laws in order to acknowledge the total number of shares comprising share capital following the reverse stock split. We, therefore, propose to amend Art. 6 of the corporate by-laws as follows:

CURRENT TEXT	PROPOSED TEXT
Article 6 6.1 The share capital is EUR 599,760,278.16 (five hundred ninety-nine million, seven hundred sixty thousand, two hundred seventy-eight/16) broken down in 813,045,631 (eight hundred thirteen million, forty-five thousand, six hundred thirty-one) ordinary shares without a stated par value. *(omissis)*	**Article 6** 6.1 The share capital is EUR 599,760,278.16 (five hundred ninety-nine million, seven hundred sixty thousand, two hundred seventy-eight/16) broken down in **81,304,563** ~~813,045,631~~ (**eighty one million three hundred four thousand five hundred sixty-three** ~~eight hundred thirteen million, forty-five thousand, six hundred thirty-one~~) ordinary shares without a stated par value. *(omissis)*

The above amendments to the by-laws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

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In light of the above, the Board of Directors submits the following motion for your approval:

Proposal

“*"The shareholders of Immobiliare Grande Distribuzione SIIQ S.p.A. meeting in extraordinary session, having examined the Directors’ Report on the reverse stock split and the proposed amendment to Art. 6 of the corporate by-laws*

resolve

1. *to approve the reverse stock split of outstanding ordinary shares at a ratio of 1 new ordinary share for every 10 ordinary shares of the Company held, after cancellation of the ordinary shares held by Coop Alleanza 3.0 Soc. Coop. in order, solely, to achieve a balanced transaction, while leaving the total share capital unchanged;*
2. *to amend Art. 6 of the corporate by-laws as follows: “The share capital is EUR 599,760,278.16 (five hundred ninety-nine million, seven hundred sixty thousand, two hundred seventy-eight/16) broken down in 81,304,563 (eighty one million three hundred four thousand five hundred sixty-three) ordinary shares without a stated par value .”;*
3. *to grant the Board of Directors – and on its behalf the Chairman, Vice Chairman and Chief Executive Officer, severally, including through delegation, the broadest powers to take all other action necessary to implement the resolutions including, for example, the power to define with the competent authorities the timing and modalities of the transaction, as well as complete all formalities needed to proceed with the reverse stock split and ensure that all the*

resolutions approved today are approved by the law and, in general, take any and all steps need to execute the resolutions, with any and all powers deemed necessary and opportune, without exceptions and without question, including the power to introduce any changes, adjustments or additions to the resolutions approved, if not substantial and if deemed necessary and/or opportune, including in accordance with requests received from the authorities with respect to authorizations and upon registration, as well as file the updated corporate by-laws with the Corporate Registrar.

Bologna, 15 December 2017

For the Board of Directors
The Chairman
Elio Gasperoni