REGISTRATION DOCUMENT

Issuer

Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.
Registered office: Via Agro Pontino 13, Ravenna (RA)
Operational headquarters: Via Trattati Comunitari Europei 1957-2007 13, Bologna
Subscribed and paid-up share capital €350,082,219.02
divided into 360,169,663 ordinary shares
VAT number and Ravenna Companies Register number 00397420399
Ravenna Economic Administrative Index: 88573
Company subject to management and coordination by Coop Adriatica S.c.a r.l.

Registration Document filed with CONSOB on 26 September 2014 following notice of approval dated 26 September 2014, reference no 0076492/14.

Publication of the Registration Document does not constitute an opinion by CONSOB as to the suitability of the proposed investment or the value of the related information.

The Registration Document is available at the Issuer's registered office at Via Agro Pontino 13, Ravenna, as well as on the websites of both the Issuer (www.gruppoigd.it).

The Issuer states that the option rights that will be issued under the scope of the capital increase resolved by the Issuer's Shareholders' Meeting on 7 August 2014 pertain to the shareholders of the Issuer. Since the conditions in Article 26-*bis* of (EC) Regulation No 809/2004 are valid, the Registration Document has been prepared in compliance with the schedule in annex XXIII of said Regulation and the level of information is proportional to that type of issue.

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Warning

In light of the financial position of the Company and of the Group, this 'Warning' section contains certain information considered to be important in order for investors to understand the context of and risk involved in the operation.

For more detailed information on risk factors pertaining to the Issuer please see Chapter III, Risk Factors, in this Registration Document.

Pursuant to Regulation (EC) No 809/2004 and the definition of working capital – as "*an Issuer's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due*" – contained in the ESMA/2013/319 Recommendations, the Issuer declares that on the Date of the Registration Document, the Group does not have sufficient working capital to meet its total net financial requirement for the 12 months following the Date of the Registration Document of approximately €73.98 million.

In order to cover the above amount, the Issuer intends to use the net proceeds of the Capital Increase, which, in the event of full subscription, net of approximately €94.77 million used for the Property Acquisition, are estimated at around €100.93 million, net of the ancillary costs of the operation.

If the Capital Increase is successful, the Group intends to: (*i*) have recourse to short-term revocable lines of credit, already granted to the Company for a total of €266 million, at the Date of the Registration Document, €221.37 million is available; or (*ii*) since the Group owns properties free from any encumbrances with a total value of around €360.69 million (of which 51.93% relating to Real Estate Assets in Italy and 48.07% to Real Estate Assets in Romania), to use these properties as security for financial transactions which, at the Date of the Registration Document, have not yet been subject to a resolution by the Issuer's Board of Directors. The above-mentioned financial transactions could lead to an increase in the cost of debt with a consequent negative impact on the Group's economic and financial position.

Finally, if necessary to reduce the total net financial requirement, the Company could also take further measures by rescheduling the timing of investments planned.

Without prejudice to the above matters, if the Capital Increase is not fully subscribed and/or if the Company were unable to complete successfully, in a short time period, the currently planned additional initiatives to cover the Group's net financial requirement for the 12 months following the Date of the Registration Document, the Company might not have sufficient cash flows available for the immediate needs of its activities, which might therefore be affected by this, with resulting adverse effects on the Group's economic results and financial and capital position. For a more detailed explanation of the risks and more information on the financial resources of the IGD Group, see Chapter III, paragraph 1.2, Chapter IV and Chapter XV of the Registration Document.

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DEFINITIONS

Below is a list of the definitions and terms used in this Registration Document. Unless specified otherwise, the terms and definitions have the following meanings.

Property Acquisition	The operation, approved by the Board of Directors of IGD on 7 July 2014, following a favourable opinion of the Committee for Related-Party Transactions, to acquire a real estate portfolio consisting of a Shopping Centre (Città delle Stelle at Ascoli Piceno, comprising a Shopping Arcade and a Hypermarket) and two Hypermarkets (Schio and Cesena Lungo Savio) owned by Coop Adriatica and two Supermarkets (Cecina and Civita Castellana) owned by Unicoop Tirreno, for a total value of approximately €92.665 million. At the same time as the acquisition of the above-mentioned real estate portfolio, it is planned to enter into leases, signed by IGD as lessor and by Coop Adriatica and Unicoop Tirreno as lessees of the Hypermarkets and Supermarkets sold by the latter companies, with a term of eighteen years and total rents of €4.593 million. In addition, completion of the Property Acquisition will entail termination of the usufruct agreement between IGD and Coop Adriatica, under which the Company has the use of the above-mentioned Shopping Arcade, with a consequent reduction of €1.9 million in the related annual costs incurred by IGD. The Property Acquisition is conditional on full subscription of the Capital Increase.
Capital Increase	The increase in the Issuer's share capital, against payment, in one or more tranches, to be carried out by 31 March 2015, for a total value of €200,000,000.00 including any premium, through the issue of ordinary shares with no indication of nominal value and regular dividend entitlement, to be offered under option to the Company's shareholders pursuant to Article 2441, paragraph 4 of the Italian Civil Code, in proportion to the number of shares held by them, approved by the Extraordinary Shareholders' Meeting on 7 August 2014.
Beni Stabili	Beni Stabili Società per Azioni Società di Investimento Immobiliare Quotata, with its registered office at Via Piemonte 38, Rome.
Borsa Italiana	Borsa Italiana S.p.A., with its registered office at Piazza degli Affari 6, Milan.
Corporate Governance Code	The Corporate Governance Code for listed companies, approved in December 2011 by the Corporate Governance Committee for listed companies, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
Code of Ethics	The code of ethics adopted by the Group, setting out the culture and values underlying IGD's principles of conduct with all internal and external parties with whom it has direct or indirect relations.
CONSOB	The Italian Securities and Exchange Commission, with its registered office at Via G.B. Martini 3, Rome.

Coop Adriatica	Coop Adriatica S.c.a r.l., with its registered office at Via Villanova 29/7, Villanova di Castenaso (Bologna).
Date of the Registration Document	Registration Document approval date.
Registration Document	This registration document.
Fair Value Hierarchy	IFRS 13 categorises fair value according to a hierarchy. This hierarchy breaks down the input of the valuation techniques used to determine fair value into three levels: • Level 1 inputs are quoted prices 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 market 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.
IGD Group or Group	Collectively, the Issuer and the companies directly or indirectly controlled thereby in accordance with Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Finance Act (TUF).
IFRS or International Accounting Standards	All the International Financial Reporting Standards, all the International Accounting Standards (IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC).

IGD, the Company or the Issuer	Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., with its registered office at Via Agro Pontino 13, Ravenna.
IMU	The Single Municipal Tax (Imposta Municipale Unica) introduced by Decree-Law 201 of 6 December 2011 on "*Measures for growth, equity and the consolidation of the public accounts*" converted by Law 214 of 22 December 2011, amended by subsequent legislation by means of Decree-Law 16 of 2 March 2012 on "*Urgent measures regarding tax simplification and rendering assessment procedures stronger and more efficient*" converted by Law 44 of 26 April 2012.
Ipercoop Tirreno	Ipercoop Tirreno S.p.A.
IRES	Corporate income tax.
IRPEF	Personal income tax.
Instructions	The instructions accompanying the Stock Market Regulations.
VAT	Value-added tax.
Monte Titoli	Monte Titoli S.p.A., with its registered office at Piazza degli Affari 6, Milan.
MTA	The Mercato Telematico Azionario (electronic stock exchange) organised and managed by Borsa Italiana S.p.A.
Exchange Offer	The exchange offer approved by the Issuer's Board of Directors on 18 April 2013, addressed to holders of the outstanding convertible bonds entitled "*€230,000,000 3.50 per cent. Convertible Bonds due 2013*" issued by IGD and having as payment newly issued unsecured fixed-rate senior bonds entitled "*€144,900,000 4.335 per cent. Notes due 7 May 2017*". The exchange offer is addressed exclusively to holders of "*€230,000,000 3.50 per cent. Convertible Bonds due 2013*" in Italy and abroad (excluding the United States of America pursuant to Regulation S of the 1933 United States Securities Act, as amended) who, on the basis of applicable legislation, are qualified investors – opened on 19 April 2013 and closed on 26 April 2013. The settlement of the exchange offer took place on 7 May 2013.
Real Estate Assets	The Company's real estate assets at the Date of this Registration Document.
Real Estate Portfolio	The real estate portfolio of both freehold and leasehold properties, the leasing of which is managed by the IGD Group.
2014-2016 Plan or the Plan	The 2014-2016 Strategic Plan approved by the IGD Board of Directors on 19 December 2013.
Regulation (EC) No 809/2004	Regulation (EC) No 809/2004 of the Commission of 29 April 2004 implementing Directive 2003/71/EC of the European

	Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended.
Stock Market Regulations	Regulations applying to markets organised and managed by Borsa Italiana, as resolved by the Board of Directors of Borsa Italiana on 9 December 2013 and approved by CONSOB with Resolution 18764 of 22 January 2014, as amended.
Issuers' Regulations	The regulations approved by CONSOB with Resolution 11971 of 14 May 1999, as amended.
Related-Party Regulations	The regulations approved by CONSOB with Resolution 17221 of 12 March 2010, as amended.
SIIQ (Listed Real Estate Investment Company)	*Società di Investimento Immobiliare Quotata* (Listed Real Estate Investment Company) governed by Article 1, paragraphs 119-141 of the 2007 Finance Act (Law 296 of 27 December 2006), as amended by the 2008 Finance Act (Law 244 of 24 December 2007), and by the Regulations containing provisions on SIIQs (Decree 174 of 7 September 2007 of the Ministry of Economy and Finance).
External Auditors	PricewaterhouseCoopers S.p.A.
Bylaws	The bylaws of IGD in force at the Date of the Registration Document.
Consolidated Finance Act (TUF)	Legislative Decree 58 of 24 February 1998, as amended.
Unicoop Tirreno	Unicoop Tirreno Società Cooperativa, with its registered office in Vignale Riotorto, Piombino (LI), S.S. 1 Via Aurelia, km 237.
Winmagazin	SC Win Magazin S.A., with its registered office at 25-29 Decebal Blvd., Olympia Tower Building, 9th Floor District 3, Bucharest (Romania).

GLOSSARY

Below is a list of the technical terms used in this Registration Document. Unless specified otherwise, these terms have the following meanings.

Agency	Activities aimed at identifying the most profitable Tenant Mix and negotiating leases for Shops in Shopping Arcades.
Shopping Centre	Property comprising a Hypermarket and a Shopping Arcade, with common infrastructures and service spaces.
City Centre	Type of commercial property complex located on the main streets of urban centres.
Facility Management	Supply of specialised services relating to Shopping Centres.
Shopping Arcade	Property comprising a collection of retail Shops and the common spaces around which they are situated.
Gearing	Ratio between net financial debt and net equity.
Exempt Operations	All income statement items deriving from the activity of leasing properties that are freehold or leasehold and the dividends from SIIQ. Following the amendment introduced by Decree Law no. 133 of 12 September 014, not yet converted into law, the exempt operations are intended to also include capital gains or capital losses relating to properties for leasing.
GLA	Gross Leasable Area.
Good secondary	Shopping Centres with GLA of 10,000 to 25,000 m^2 and vacancy not exceeding 5% (Source: CBRE).
Gross Initial Yield	Gross initial yield of the investment, calculated as a percentage of revenue for the first year based on the Discounted Cash Flow method and the fair value of the property.
ICR or Interest Cover Ratio	Ratio between EBITDA and net financial expenses
Property held for trading	Real Estate Assets intended to be sold.
Hypermarket	Property with a sales area greater than 2,500 m^2, used for the retail sale of food and non-food products.
Loan to Value or LTV	Ratio between the amount borrowed and the appraised value of the property acquired with the loan. At consolidated level, the ratio between the consolidated Net Financial Debt of the Group and the appraisal value of the consolidated Real Estate Portfolio of the Group.
Medium-sized Shop	Property with a sales area between 250 and 2,500 m^2, used for the retail sale of non-food consumer goods.

NAV	Net Asset Value, representing the difference between the value of the properties (Asset Value) and net financial debt.
Shop	Property intended for the retail sale of non-food consumer goods.
Oversight	Support service for the fitting-out of spaces and commercial units, consisting of the following steps: technical interfacing, technical/bureaucratic analysis and approval, monitoring during fitting-out phases, verification of regulatory and bureaucratic compliance of the works and the project completion documentation, assistance with the start-up of the space/commercial unit
Retail Park	Group of three or more complexes with a combined area of more than 4,500 m^2 and shared parking.
Prime spaces	Shopping Centres of significant size (GLA of at least 25,000 m^2) with 2-3% vacancy (Source: CBRE).
Net Sales Area	Surface area of a sales outlet, including the parts occupied by banks of shelving and the like but excluding those intended for storage, warehousing, workshops, offices and facilities.
Supermarket	Property with a sales area between 250 and 2,500 m^2, used for the retail sale of food and non-food products.
Tenant Mix	Combination of commercial operators and brands present within a Shopping Arcade.

CHAPTER I – RESPONSIBLE PERSONS

1.1 Persons responsible for the Registration Document

The Issuer assumes responsibility for the accuracy and completeness of the information and data contained in the Registration Document.

1.2 Declaration of responsibility

IGD, as the party responsible for preparing this Registration Document, hereby declares that it has undertaken all reasonable diligence for this purpose and that, to the best of its knowledge, the information contained herein is consistent with the facts and contains no omissions that could alter its interpretation.

The Registration Document complies with the form filed with CONSOB on 26 September 2014 following notice of approval dated 26 September 2014, reference no 0076492/14.

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CHAPTER II – EXTERNAL AUDITORS

2.1 The Issuer's External Auditors

On 18 April 2013 the Ordinary Shareholders' Meeting of the Issuer, on the basis of a reasoned proposal by the Board of Statutory Auditors, entrusted the task of auditing the 2013-2021 financial statements to PricewaterhouseCoopers S.p.A. (PWC), with registered office at Via Monte Rosa 91, Rome, entered in the special register of statutory auditors pursuant to Legislative Decree 39 of 27 January 2010.

This task covers, *inter alia*:

i) the audit of the Issuer's consolidated and separate financial statements;

ii) the limited audit of the consolidated and separate half-year financial statements;

iii) verification that the Company's accounts are properly kept and that operations are accurately reflected in the accounting records.

The financial information relating to financial year 2013 has been audited by the External Auditors, which expressed no reservations nor refused to certify any of this information.

The financial information relating to the period ended 30 June 2014 has been subjected to a limited audit by the External Auditors, which expressed no reservations nor refused to certify any of this information.

2.2 Information on the relationship with the External Auditors

At the Date of the Registration Document, the Issuer has not revoked the mandate given to the External Auditors, nor have the External Auditors withdrawn.

CHAPTER III – RISK FACTORS

This Chapter of the Registration Document describes the risk factors relating to the Issuer, Group companies, and the business sector in which it operates.

The risk factors described in this Chapter must be read in conjunction with the information contained in the Registration Document.

References to sections, chapters and paragraphs refer to the sections, chapters and paragraphs of the Registration Document.

1 RISK FACTORS RELATING TO THE ISSUER AND THE GROUP

1.1 Risks associated with transactions with the shareholders Coop Adriatica and Unicoop Tirreno and with other related parties

1.1.1 Risks associated with related-party transactions

The Group has had and continues to have commercial, financial and economic transactions with related parties. The most significant of these transactions are with Coop Adriatica and Unicoop Tirreno. In the period ended 30 June 2014, related-party transactions generated revenue of €19.96 million (32.28% of Group revenue), financial income of €0.003 million (4.81% of Group financial income), costs of €1.69 million (8.09% of Group costs) and financial expenses of €0.47 million (2.04% of Group financial expenses). During the year ended 31 December 2013, related-party transactions generated revenue of €38.62 million (30.41% of the Group's revenue), financial income of €0.001 million (0.31% of the Group's financial income), costs of €3.35 million (7.79% of the Group's costs) and financial expenses of €1.43 million (3.07% of the Group's financial expenses).

During the period for which the financial information included in the Registration Document refers, IGD's main transactions with related parties and, in particular, with the controlling entity Coop Adriatica, concerned, among others: (*i*) rental income earned by IGD from Hypermarkets forming part of the Real Estate Assets (as at 31 June 2014 and 31 December 2013, total revenue from lease and rental contracts with related parties, including the letting of retail space, was approximately €19.20 million and €37.13 million, respectively); (*ii*) rights of usufruct on Shopping Arcade properties owned by Coop Adriatica (for which costs, as at 30 June 2014 and 31 December 2013, amounted to approximately €0.93 million and €1.82 million, respectively); (*iii*) Coop Adriatica's provision of electronic data processing and data entry services; (i*v*) construction services relating to site expansions or new buildings; (*v*) acceptance of security deposits on leases; and (*vi*) the opening of current account overdraft facilities.

In particular, on 18 April 2013, the Issuer's Board of Directors approved the promotion of the Exchange Offer. Although made on equal conditions to a number of qualified investors, the Exchange Offer can be classified as a "Related-Party Transaction", particularly with Coop Adriatica and Unicoop Tirreno which, so far as the Company is aware, have subscribed for the "*€230,000,000 3.50 per cent. Convertible Bonds due 2013*" based on a total value of around €182 million. As a consequence, the above-mentioned resolution of the Board of Directors was passed with the approval of the Company's Committee for Related-Party Transactions issued on 17 April 2013, pursuant to Article 8 of CONSOB Regulation 17221 of 12 March 2010, as amended. So far as the Company is aware, Coop Adriatica and Unicoop Tirreno have subscribed for the Exchange Offer based on a total nominal value of €120 million.

In addition to the above, on 7 July 2014 the Board of Directors of the Issuer, following a favourable opinion of the Committee for Related-Party Transactions, approved the Property Acquisition and, in particular, the purchase by IGD of a real estate portfolio consisting of a

Shopping Centre (Città delle Stelle at Ascoli Piceno, comprising a Shopping Arcade and a Hypermarket) and two Hypermarkets (Schio and Cesena Lungo Savio) owned by Coop Adriatica and two Supermarkets (Cecina and Civita Castellana) owned by Unicoop Tirreno, for a total value of approximately €92.665 million.

At the same time as the Property Acquisition, it is planned to enter into leases relating to the above-mentioned assets, signed by IGD as lessor and by Coop Adriatica and Unicoop Tirreno as lessees of the Hypermarkets and Supermarkets sold by the latter companies, with a term of eighteen years and total rents of €4.593 million. In addition, completion of the Property Acquisition will entail termination of the usufruct agreement between IGD and Coop Adriatica, under which the Company has the use of the above-mentioned Shopping Arcade, with a consequent reduction of €1.9 million in the related annual costs incurred by IGD.

The Property Acquisition is conditional on full subscription of the Capital Increase. For more information about the properties forming the subject of the Property Acquisition, see Chapter V, Paragraph 5.1.4 of the Registration Document).

The impact of transactions with Coop Adriatica on the Group's statement of financial position and income statement as at 31 December 2013 was as follows:

(in €/000)	**Receivables and other current assets**	**Financial receivables**	**Payables and other current liabilities**	**Payables and other non-current liabilities(*)**	**Financial liabilities(**)**	**Other non-current assets**	**Increases in fixed assets**	**Decreases in fixed assets**
Coop Adriatica	48	0	2,262	9,322	28,856	1,869	24	0
Reported total	**92,208**	**1,223**	**19,636**	**20,475**	**1,094,556**	**31,307**		
Total increase/decrease in period							**25,866**	**57**
% share Coop Adriatica	**0.05%**	**0.00%**	**11.52%**	**45.53%**	**2.64%**	**5.97%**	**0.09%**	**0.00%**
% share of related-party transactions	**0.96%**	**98.39%**	**12.67%**	**63.06%**	**2.64%**	**5.97%**	**0.28%**	**0.00%**

(in €/000)	**Revenue from leasing, rentals and retail space concessions**	**Other income**	**Financial income**	**Costs**	**Financial expenses**
Coop Adriatica	23,165	70	0	2,105	1,363
Reported total	**126,995**		**338**	**42,985**	**46,667**
% share Coop Adriatica	**18.24%**	**0.06%**	**0.00%**	**4.90%**	**2.92%**
% share of related-party transactions	**30.41%**	**30.41%**	**0.31%**	**7.79%**	**3.07%**

(*) Liabilities for security deposits paid by Coop Adriatica as a tenant under lease agreements with the Group.

(**) Current account credit facility and long- and short-term loans granted by Coop Adriatica.

The impact of transactions with Coop Adriatica on the Group's statement of financial position and income statement as at 30 June 2014 was as follows:

(in €/000)	**Receivables and other current assets**	**Financial receivables**	**Payables and other current liabilities**	**Payables and other non-current liabilities(*)**	**Financial liabilities(**)**	**Sundry receivables and Other non-current assets**	**Increases in fixed assets**	**Decreases in fixed assets**
Coop Adriatica	60	0	1,134	9,322	15,409	942	9	10
Reported total	**90,157**	**1,369**	**28,838**	**20,085**	**1,048,232**	**1,041**		

Total increase/decrease in period							**21,381**	**46,739**
% share Coop Adriatica	**0.07%**	**0.00%**	**3.93%**	**46.41%**	**1.47%**	**90.52 %**	**0.04%**	**0.02%**
% share of related-party transactions	**2.31%**	**92.71%**	**8.71%**	**60.95%**	**1.47%**	**90.52 %**	**3.67%**	**0.03%**

(in €/000)	**Revenue from leasing, rentals and retail space concessions**	**Other income**	**Financial income**	**Costs**	**Financial expenses**
Coop Adriatica	11,635	29	0	1,087	455
Reported total	**61,829**		**60**	**20,878**	**22,828**
% share Coop Adriatica	**18.82%**	**0.05%**	**0.00%**	**5.21%**	**1.99%**
% share of related-party transactions	**32.28%**	**32.28%**	**4.81%**	**8.09%**	**2.04%**

In the Company's opinion, the related-party transactions are conducted under normal market conditions. However, there is no certainty that if these transactions had been concluded with third parties, the same contractual conditions would have been negotiated and applied.

It should be noted that on 11 November 2010, the Company adopted, effective from 1 January 2011, a procedure for related-party transactions in implementation of the provisions of the Related-Party Regulations. (See Chapter XIV of the Registration Document, as well as the Group's consolidated financial statements as at 31 December 2013, and the condensed half-yearly consolidated financial statements as at 30 June 2014, incorporated by reference in the Registration Document and publicly available at the registered office of IGD and on its website www.gruppoigd.it.)

1.1.2 Risks associated with the termination or possible non-renewal of leases with the shareholders Coop Adriatica and Unicoop Tirreno

At the Date of the Registration Document, the IGD Group's Real Estate Assets in Italy consist of: (*i*) 19 Hypermarkets and Supermarkets; (*ii*) 18 Shopping Arcades and Retail Parks (including a Shopping Arcade co-owned with Beni Stabili); (*iii*) one City Centre property; (*iv*) 4 plots of land for direct development; (*v*) a property complex known as "Progetto Porta a Mare"; and (*vi*) 7 other property units (offices, one shop, one wholesale area and one fitness area, belonging to freehold Shopping Centres).

At the Date of the Registration Document, of the properties forming part of the Real Estate Assets, 12 Hypermarkets and 1 Supermarket are leased to Coop Adriatica, while 8 Shops are leased to its subsidiaries, and 4 Hypermarkets are leased to Unicoop Tirreno and its subsidiaries. The related leases were concluded under market conditions.

As at 30 June 2014, approximately 31.05% of the Group's consolidated revenue came from commercial leases, business rental agreements and retail space concessions to related parties (as at 31 December 2013, this percentage was approximately 29.24%). In particular, (*i*) approximately 19.02% of the Group's revenue (around 18.44% as at 31 December 2013) came from Hypermarket or Shop leases to Coop Adriatica and with the subsidiaries controlled by Robintur S.p.A. and Viaggia con noi S.r.l. and (*ii*) approximately 6.63% from Hypermarket leasing and business rentals to Unicoop Tirreno and its subsidiaries (as at 31 December 2013, this percentage was approximately 6.36%). The average term of the Hypermarket and Supermarket leases in existence with the shareholders Coop Adriatica and Unicoop Tirreno at the Date of the Registration Document is approximately 7.85 years. Any termination, non-renewal or conclusion of leases under conditions other than those of the existing leases with Coop Adriatica, Unicoop Tirreno or companies within their respective groups could have adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

However, the Issuer believes that – given the location and technical characteristics of the properties and the particular nature of the retail trade conducted therein – the properties in question could be leased to other operators in the sector that hold the necessary commercial licences.

(See Chapter V, paragraph 5.1.2.2 of the Registration Document).

1.1.3 Purchase and sale transactions and future leases between IGD and the shareholders Coop Adriatica and Unicoop Tirreno: the Framework Agreement

On 27 October 2004, IGD, Coop Adriatica and Unicoop Tirreno entered into a framework agreement (the "**Framework Agreement**"), designed to regulate future sale and lease transactions between these parties under market conditions.

In particular, under the Framework Agreement (for which the initial term was set at 5 years, automatically renewable for a further 5 years), Coop Adriatica and Unicoop Tirreno agreed to offer IGD an exclusive option to purchase properties due to be built or already built, and that, in the case of sales involving Shopping Arcades, all licences and permits required to conduct commercial activities therein would be transferred to IGD.

The Framework Agreement requires IGD, upon the signature of the final sale contract, to lease the portion of the property used as a Hypermarket or Supermarket to Coop Adriatica and/or Unicoop Tirreno, for a term that may vary from a minimum of 12 to a maximum of 18 years, under an agreement in which the rent allows the company to earn an average income defined, at the date of entering into the Framework Agreement, as 7% of the purchase price, which the Parties will review annually, or at the time of specific transactions, in line with market conditions. In particular, the rent is in line with the average yield of IGD's Portfolio and of the real estate portfolios of companies operating in the large-scale retail sector.

In the event that IGD launches independent investment projects on land that it owns, the Company has undertaken to inform the shareholder cooperatives of such projects and to lease to them any properties that they might require. If the property is built by IGD at the request of the shareholder cooperatives, the latter will be required to rent the property upon completion of the works.

It should be noted that the weighted Gross Initial Yield for the Hypermarkets/Supermarkets leased to Coop Adriatica and Unicoop Tirreno was 6.66% as at 30 June 2014. This figure includes independent investment initiatives.

Although the Framework Agreement applies market conditions to purchase, sale and lease transactions between IGD, Coop Adriatica and Unicoop Tirreno, if the agreement were to cease to be effective or if it were not renewed on its expiry, any sale and lease contracts governed by the Agreement and concluded with third parties might not be concluded under the same conditions and in the same manner, with possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

The Issuer does not have any other master agreements in place with Coop Adriatica governing relations other than those covered by the Framework Agreement.

(See Chapter XIV of the Registration Document).

1.1.4 Risks associated with the control of Coop Adriatica

At the Date of the Registration Document, IGD is controlled, in accordance with Article 93 of the TUF, by Coop Adriatica, which owns 43.988% of IGD's share capital and exercises management and coordination activities with respect to IGD in accordance with Article 2497 of the Italian Civil Code.

Furthermore, at the Date of the Registration Document, Coop Adriatica and Unicoop Tirreno are party to a shareholders' agreement for the exercise of blocking and voting rights over IGD shares, pursuant to Article 122, paragraphs 1 and 5(a) and (b) of the TUF, with the aim of pursuing a common policy to decide on the Company's strategy and management. This shareholder's agreement will expire on 31 December 2014.

Under the terms of the above shareholders' agreement, Coop Adriatica, as the controlling shareholder, is entitled to appoint the majority of the members of IGD's Board of Directors and can influence, *inter alia*, the Issuer's investment policy and more generally its management. Consequently, the minority shareholders will have a limited ability to influence the decisions mentioned above. In this regard, it is noted that at the Date of the Registration Document, independent directors form the majority on the Company's Board of Directors.

(See Chapter VI, paragraph 6.1 and Chapter XIII, paragraph 13.4 of the Registration Document).

1.2 Risk factors relating to the financial position of the Group

Pursuant to Regulation (EC) No 809/2004 and the definition of working capital – as "*an Issuer's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due*" – contained in the ESMA/2013/319 Recommendations, the Issuer declares that on the Date of the Registration Document, the Group does not have sufficient working capital to meet its total net financial requirement for the 12 months following the Date of the Registration Document equal to approximately €73.98 million. This amount includes: (*i*) the Group's estimated working capital deficit (understood as the difference between current assets and current liabilities) of around €37.05 million at the Date of the Registration Document, part of which is attributable to the debt owed to banks for short-term revocable lines of credit; (*ii*) the estimated net financial requirement of roughly €36.93 million over the 12 months subsequent to the Date of the Registration Document (beyond the working capital deficit at the Date of the Registration Document).

The above twelve-month net financial requirement has been updated since the press release dated 4 August 2014, both due to the changes that took place between 30 June 2014 and the Date of the Registration Document as well as monetary items including: (i) the current portion of mortgage loans, short-term lines of credit and the debt payable for the "Katanè" mall, amounting to a total of around €103.28 million, which at the Date of the Registration Document are included in the estimated total net financial requirement among the working capital deficit items.

In order to cover the net total financial requirement of €73.98 million, the Issuer intends firstly to use the net proceeds from the Capital Increase, which in the event of a full subscription, net of approximately €94.77 million used for the purchase of properties, are estimated at around €100.93 million, net of the ancillary costs of the operation.

If the Capital Increase is not successful, the Group intends to have recourse to short-term revocable lines of credit, already granted to the Company for a total of €266 million, of which, at the Date of the Registration Document, €221.37 million is available; or as the Group owns properties free from any encumbrances with a total value of around €360.69 million (of which 51.93% relating to Real Estate Assets in Italy and 48.07% to Real Estate Assets in Romania), to use these properties as security for financial transactions which, at the Date of the Registration Document, have not yet been decided by the Issuer's Board of Directors. The above-mentioned financial transactions could lead to an increase in the cost of debt with a consequent negative impact on the Group's economic and financial position.

Finally, if necessary to reduce the total net financial requirement, the Company could also take further measures by rescheduling the timing of planned investments (see Chapter IV, Paragraphs 4.2.2 and 4.2.3 of the Registration Document).

Without prejudice to the above matters if the Company was unable to complete successfully, in a short time period, the currently planned additional initiatives to cover the Group's net total financial requirement for the 12 months following the Date of the Registration Document, the Company might not have sufficient cash flows available for the immediate needs of its activities which might therefore be affected by this, with the resulting adverse effects on the Group's economic results and financial and capital position.

If the Capital Increase is not fully subscribed - and given the irrevocable and unconditional commitment of Coop Adriatica and Unicoop Tirreno to subscribe their portions of the Capital Increase (for a total value of around €114 million) - if the guarantee commitments established in the guarantee agreement are not fulfilled, the Company intends to allocate around €94.765 million of the income from the Capital Increase to finance the Property Acquisition and the remaining part to partially cover the total net financial requirement. To cover the remaining financial requirement, the Group intends: (*i*) have recourse to short-term revocable lines of credit, already granted to the Company for a total of €266 million, of which, as at the Date of the Registration Document, €221.37 million is available; or (*ii*) since the Group owns properties free from any encumbrances with a total value of around €360.69 million (of which 51.93% relating to Real Estate Assets in Italy and 48.07% to Real Estate Assets in Romania), to use these properties as security for financial transactions which, at the Date of the Registration document, have not yet been decided by the Issuer's Board of Directors. In relation to the above, it is possible that expenses may increase due to the new guaranteed financial transactions or recourse to revocable lines of credit.

Finally, if necessary to reduce the total net financial requirement, the Company could also take further measures by rescheduling the timing of planned investments.

For further information on the financial resources of the IGD Group, see Chapter XV of the Registration Document, the condensed half-yearly consolidated financial statements as at 30 June 2014 and the consolidated financial statements as at 31 December 2013, which are available on the Issuer's website, www.gruppoigd.it.

1.3 Risks associated with the option to use the taxation applicable to SIIQs

The special rules applicable to SIIQs were introduced by Article 1, paragraphs 119-141 of Law 296 of 27 December 2006 (the 2007 Finance Act).

The regulatory framework was supplemented by Implementing Regulation 174/2007 of the Ministry of Economy and Finance and interpreted by the Revenue Agency in Circular 8/E of 31 January 2008.

Subsequently, Article 12 of Legislative Decree 135 of 25 September 2009 introduced a new paragraph 141-*bis* into Article 1 of Law 296 of 27 December 2006, removing the original Italian residency requirement for companies intending to opt for treatment under the SIIQ rules. Further clarifications in this regard were supplied in the Revenue Agency's Resolution 136 of 27 December 2010.

The above-mentioned regulation requires compliance of subjective, statutory and ownership requirements as well as objective requirements. As at 31 December 2013, IGD complied with all legal requirements in order to maintain the status of SIIQ, as described below.

Subjective requirements

- the Company must be incorporated in the form of a joint-stock company;
- the Company must be resident in Italy for tax purposes or – for companies with permanent establishments in Italy that engage primarily in real estate business – in a Member State of the European Union or a signatory country to the Agreement on the European Economic Area, included in the list contained in the Decree of the Ministry

of Economy and Finance, adopted pursuant to Article 168-*bis*, paragraph 1 of the TUIR approved by Presidential Decree 917 of 22 December 1986;

- the Company's shares must be traded on regulated markets.

Requirements concerning Bylaws

The Company's Bylaws must specify:

- the rules adopted with regard to investments;
- limits on the concentration of investment and counterparty risks;
- limits on the maximum financial leverage permitted.

Ownership requirements

- limited concentration of controlling interest ("Control requirement"): no shareholder may hold more than 51% of voting rights exercisable at Ordinary Shareholders' Meetings or more than 51% of dividend rights; specifically, non-conformity with this requirement results in the termination of the special regime;
- sufficient distribution and division of share capital ("Free float requirement"): at the time of exercising the option, at least 35% of the free float must be held by shareholders who own no more than 2% of the voting rights exercisable at Ordinary Shareholders' Meetings and no more than 2% of dividend rights (Article 1, paragraph 119 of Law 296/2006, as amended by Article 1, paragraph 374 of Law 244/2007).

Objective requirements

- at least 80% of the assets must be freehold properties ("**Asset Test**");
- at least 80% of the positive components on the income statement must represent rental revenue ("**Profit Test**").

The main feature of the special SIIQ rules is the possibility to adopt, subject to the satisfaction of certain legal requirements, a specific tax regime whereby profits are taxed only when they are distributed to shareholders, essentially reversing the principle of taxing profits when they are generated by the Company rather than when they are distributed.

Since the profits are subject to income tax only at the time of their distribution to shareholders, the law establishing the special SIIQ rules requires the distribution of at least 85% of the profits from rental activities.

With regard to verification of the above-mentioned eligibility requirements, the law expressly demands that the subjective, statutory and ownership requirements be met before the option is exercised, while verification of the objective requirements is deferred until after the close of the financial statements for the year in which the option is chosen. Further verifications are made at the end of each financial year to ensure that the requirements continue to be met.

As mentioned, in April 2008, once it was clear that all the subjective, statutory and ownership requirements had been satisfied, IGD opted for treatment under the special SIIQ rules as of 1 January 2008.

Entry into the special regime involved liability to a substitute tax for Ires and for Irap of 20% ("Entry tax") of the total capital gain, after any capital losses, resulting from the difference between the normal value of properties for rental, property rights to them and land rights and the relative tax value at the closing date of the latest financial statements under the normal regime.

As mentioned above, under the special SIIQ rules, the income generated by property rental activities is exempt from IRES and IRAP as long as the Company distributes at least 85% of the parent company's profits from those activities. With regard specifically to 2013, on 15 April 2014, the IGD Ordinary Shareholders' Meeting resolved to distribute a total sum of

€22,620,112 as a dividend. This amount included (*i*) approximately €13,118,467 representing 100% of the profits generated by exempt operations that were available for distribution after making the provisions required by law; (*ii*) €3,777,180 in income from exempt operations, available for distribution due to negative changes in the fair value of the investment properties, which resulted in a corresponding reduction of the Fair Value Reserve pursuant to Article 6, paragraph 3 of Legislative Decree 38 of 28 February 2005; and (*iii*) €5,724,465 from the reserve for retained earnings from exempt operations. At the Date of the Registration Document, retained earnings carried forward from exempt operations stood at €1,102,374; distribution obligations on these retained earnings from exempt operations were discharged.

In particular, based on IGD's financial position and cash flows as at 31 December 2013, the requirements of both the asset test and the profit test were satisfied, as they had been at the end of the previous financial year. With regard to the asset test, the value of the properties owned and intended for rental is more than 80% of the total value of the assets, and with regard to the profit test, the total revenue and dividends obtained from the leasing of properties owned outright or by virtue of some other real property right is more than 80% of the positive components of the income statement.

With regard to the individual requirements concerning Bylaws, the following should be noted.

With regard to investments, it is expressly provided in Article 4.3(i) of the Company's Bylaws that:

- "*The Company shall not, either directly or through its subsidiaries, invest more than 30% of its assets in a single property with unitary town-planning and functional characteristics, on the understanding that in the case of development plans covered by a single town-planning scheme, unitary town-planning characteristics shall cease to be held by those portions of the property that are covered by individual, functionally independent building permits or are equipped with sufficient town-planning works to provide the connection to public services*".

In this regard, the Company has not invested, either directly or through its subsidiaries, more than 30% of its assets in a single property with unitary town-planning and functional characteristics.

With regard to limits on the concentration of investment and counterparty risk, it is expressly provided in Article 4.3(ii) of the Company's Bylaws that:

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

In this regard, the income from a single tenant or from tenants belonging to a single group does not exceed 60% of total rental income. In particular, as at 30 June 2014, approximately 39.6% of total lease and rental income came from the Group's top ten customers, while the Group's main customer accounted for approximately 20.37% of total lease and rental income (the Group's top ten customers and main customer accounted for approximately 38.6% and 19.5% respectively of total lease and rental income as at 31 December 2013, compared with approximately 38.8% and 20.27%).

With regard to limits on the maximum financial leverage permitted, it is expressly provided in Article 4.3(iii) of the Company's Bylaws that:

- "*the maximum permitted financial leverage, at company or group level, is 85% of the assets*".

In this regard, the financial leverage, at both company and group level, does not exceed 85% of the assets. In particular, at 30 June 2014 the percentage of financial leverage was around 65% at individual level and around 56% at Group level (at 31 December 2013 the percentage of financial leverage was around 68% at individual level and around 57% at Group level).

As a consequence of the Issuer's requirement to distribute the profits generated by exempt leasing activities, the Issuer's ability to allocate earnings to operations or development could be limited.

The requirements originally established by the 2007 Finance Act, set forth above, were recently amended by Decree-Law 133 of 12 September 2014 published in the Official Gazette of 12 September, which entered into force on 13 September ("**Decree-Law 133/2014**"). These amendments regard, *inter alia*, the maximum limit on the stake that can be held by a single shareholder (increased from 51% to 60% of the voting rights and dividend rights, with the anticipation of suspension from the special regime if the above-mentioned threshold is exceeded following extraordinary corporate transactions or on the capital market, until the participatory requirement is re-established under the limits set by Decree Law 133/2014), as well as the free float threshold, which was reduced from 35% to 25% (in any event, this last requirement does not apply for companies whose share capital was already listed at the date of entry into force of Decree-Law 133/2014). Other amendments addressed the objective requirements of asset tests and profit tests and the percentage of the obligation to distribute profits, which decreased from 85% to 70%. Decree-Law 133/2014 should be converted into law within 60 days of its publication, and therefore it may be amended further.

As at the Date of the Registration Document, IGD satisfies all the requirements set out by the 2007 Finance Act and by Decree-Law 133/2014 for the maintenance of its SIIQ status.

Paragraph 131 of Art. 1 of Law 296 of 27 December 2006 (2007 Finance Act) established that under the special SIIQ regime, capital gains realised on rental properties should not be included in income from tax-exempt operations and, therefore, that these gains were subject to ordinary taxation.

Under the new provisions introduced by Art. 20 of Decree-Law 133/2014, capital gains and losses on rental properties are tax exempt.

Should the above regulation be converted without amendments within 60 days of its publication in the Official Gazette, in 2014 it will result in the reversal of deferred tax assets and liabilities recognised in the financial statements until 31 December 2013, equal to around €16.03 million and roughly €14.14 million, respectively, with a net negative impact on the income statement of approximately €1.89 million.

Please note that, as a result of the obligation to distribute profits generated by tax-exempt operations, imposed on the Issuer due to its SIIQ status, the Issuer´s ability to allocate earnings to cover the financial requirement of operations or development could be limited.

If in the future the Company ceases to meet all the requirements for application of the rules applicable to SIIQs, it could lose the associated tax benefits and consequently the Company´s tax burden could increase, since the income generated by leasing activities would be subject to ordinary taxation beginning in the year in which the event takes place.

1.4 Risks associated with investment planning

The Group's principal activity consists of the leasing or rental of property units within its Shopping Centres. The decision to invest in the acquisition or construction of a Shopping Centre is therefore linked to the expected profitability of leasing or renting its component Shops.

The Issuer's investment planning is divided into the following phases: (*i*) analysis of the suitability of the geographical location of the Shopping Centres to be developed, with respect to the potential customers in the reference area; (*ii*) identification of the offer and operator mix, with the objective of constructing or acquiring new Shopping Centres that meet the needs of the target customers in the reference area.

In particular, the appropriate offer and operator mix in qualitative terms is identified by (*i*) evaluating the location of the Shopping Centre; (*ii*) analysing the intrinsic characteristics of the Shopping Centre, including with the assistance of specialist professionals; and (*iii*) evaluating the local area.

In addition, all investments are made after conducting performance simulations with respect to the objectives provided for, defined strategies and operational plans for each individual investment.

The Issuer may also revise the timing of any investments, either due to a need to reduce the Group's financial requirements or in order to take account of any changes in the reference economic environment. However, where a contract has been entered into for the construction of particular investments, the Issuer, as the contracting authority, may (*i*) revise the schedule for the works and suspend the works at any time; or (*ii*) unilaterally withdraw from the contract at any time, without prejudice to the contractor's right to be compensated for any expenses incurred, works completed and any lost earnings.

Although, in the opinion of the Issuer, investment planning is carried out after detailed analysis and drawing on the Group's solid experience, possible errors in identifying the geographical location of new Shopping Centres or the offer and operator mix, or in the performance simulations, could have a negative impact in terms of finding parties interested in signing lease or rental contracts, as well as leading a decline in the level of sales achieved by operators in the Shopping Centres, with a consequent reduction in their ability to honour their contractual obligations to IGD. Furthermore, the decision to revise the timing of investments could entail increased costs for the Issuer. Such events could have possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraphs 5.1.2.1 and 5.1.2.2 of the Registration Document).

1.5 Risks associated with pre-letting

In the context of its activities relating to the construction of Shopping Centres, the Issuer carries out promotional activities prior to their opening and offers incentives to the new potential and existing portfolio of operators in order to optimise occupancy.

This includes activities aimed at concluding leases and rental contracts in relation to Shopping Centres under development ("pre-letting").

Furthermore, during the course of the life and operations of a Shopping Centre, the Issuer constantly monitors occupancy rates in order to weigh up suitable promotional strategies for maximising occupancy, and makes investments aimed at improving the quality and attractiveness of its properties.

In particular, the occupancy levels for the Group's Hypermarkets and Shopping Arcades in Italy were 100% and 94.73% respectively as at 30 June 2014 (100% and 96.2% as at 31 December 2013). In Romania, the occupancy level for the Group's Shopping Arcades was 86.34% as at 30 June 2014, up by approximately 1.84% compared with 31 December 2013 (84.5%).

Although pre-letting is entrusted to personnel with high experience in this sector, and the activities of promoting and monitoring the occupancy rates of the Shopping Centres are carried out continuously, if pre-letting is unsuccessful, any decline in the occupancy rate or any failure to let all the spaces in a Shopping Centre could result in lower rental income, with possible adverse effects on business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraph 5.1.3 of the Registration Document).

1.6 Risks associated with sources of funding

The IGD Group obtains the financial resources needed to carry out its activities through the banking system (mainly short-term credit lines and medium-/long-term variable-rate mortgage loans) and through recourse to the capital markets (mainly bond loans), with a cash flow planning strategy under which each medium-/long-term line of bank credit is used to finance a single project, in order to minimise any risks associated with the need to refinance. The Company will finance investments being developed (see Chapter IV, Paragraph 4.2.2 of the Registration Document) by making recourse to short-term revocable lines of credit, of which €266 million has already been granted to the Company, €221.37 million of which was available at the Date of the Registration Document. After projects are completed, the Company will decide whether to take any decisions concerning medium-/long-term financing operations. Loan agreements for the acquisition of properties are also structured to match the cash flows expected to be generated by the properties concerned, taking account of the management costs for which the owner is contractually liable.

The table below presents the components of net financial debt at the financial year closed at 31 December 2013 and the first half of 2014:

NET FINANCIAL DEBT			
(*in €/000*)	**30/06/2014**	**31/12/2013**	**Change**
Cash and cash equivalents	(12,632)	(8,446)	(4,186)
Related-party financial receivables and other current financial assets	(353)	(353)	0
Financial receivables and other current financial assets	0	(20)	20
CASH	**(12,985)**	**(8,819)**	**(4,166)**
Related party current financial liabilities	409	13,856	(13,447)
Current financial liabilities	36,009	176,633	(140,624)
Mortgage loans - current portion	70,119	82,281	(12,162)
Finance leases - current portion	289	284	5
Convertible bond loan - current portion	1,801	4,096	(2,295)
CURRENT FINANCIAL DEBT	**108,627**	**277,150**	**(168,523)**
NET CURRENT FINANCIAL DEBT	**95,642**	**268,331**	**(172,689)**
Non-current financial assets	(1,016)	(850)	(166)
Non-current financial liabilities due to other sources of finance	1,500	1,875	(375)
Finance leases - non-current portion	5,014	5,160	(146)
Non-current financial liabilities	627,474	653,368	(25,894)
Related party non-current financial liabilities	15,000	15,000	0
Bond loan	290,617	142,003	148,614
NET NON-CURRENT FINANCIAL DEBT	**938,589**	**816,556**	**122,033**
NET FINANCIAL DEBT	**1,034,231**	**1,084,887**	**(50,656)**
Net financial debt - ESMA/2013/319*	**1,035,247**	**1,085,737**	**(50,490)**

* ESMA net financial debt does not include non-current financial assets.

As at 30 June 2014, Gross Financial Debt (which does not include Cash and Non-Current Financial Assets, amounting to €12,985 thousand and €1,016 thousand respectively) stands at €1,048,232 thousand. In particular, approximately 10.36% of this relates to current gross current debt, amounting to €108,627 thousand, while approximately 86.64% relates to non-current gross debt, amounting to €939,605 thousand.

As at 30 June 2014, the main changes in non-current financial liabilities compared with 31 December 2013 relate to: (*i*) the bond issue on 7 May 2014 for a total amount of €150 million; (*ii*) the signature of the addendum to the loan agreement with Cassa di Risparmio del Veneto (maturing on 1 May 2014), amending the maturity to 1 November 2024 (the amount relating to this loan has been classified under non-current financial liabilities as at 30 June 2014), at the 6-month Euribor rate plus a spread of 3.60%; (*iii*) the extinguishment, on 24 March 2014, of the opening of the mortgage credit line taken out during 2012 with the credit institution Intesa San Paolo; (*iv*) the reclassification, under current financial liabilities, of the current portions of loans maturing before 30 June 2015. The Issuer also signed the addendum to the loan agreement with Cassa di Risparmio di Bologna (maturing on 27 March 2015), amending the maturity to 27 March 2024, at the 6-month Euribor rate plus a spread of 3.60%.

Current financial liabilities as at 30 June 2014 are down compared with 31 December 2013. This reduction is associated with the liquidity resulting from: (*i*) the sale of portions of property relating to the Shopping Arcade in the "Fonti del Corallo" Shopping Centre in Livorno, for a total amount of €47 million; (*ii*) the sale of all 10,976,592 treasury shares held, corresponding to 3.154% of the share capital at the date of the sale, for €12.07 million; (*iii*) the bond issue on 7 May 2014 for a total amount of €150 million; (*iv*) the subscription of 12,167,948 shares in relation to the capital increase carried out in June 2014 for a total amount of €14.05 million.

In addition, at the Date of the Registration Document, the Issuer has made early repayment of the unsecured loan of €6 million, stipulated on 7 August with EmilBanca and Iccrea Banca, which had been due to mature on 6 February 2015.

As at 31 December 2013, the Group's net financial debt amounted to €1,084,887 thousand, compared with a carrying value for Real Estate Assets of €1,890,860 thousand, including land and the properties of the "Porta a Mare" project (the market value of the Real Estate Assets as at 31 December 2013 was €1,891,283 thousand). In particular, in financial year 2013 the IGD Group obtained medium- and long-term financial resources from credit institutions and other lenders for a total amount of approximately €280 million, representing around 26% of the net financial debt.

There is no guarantee that the Group will be able in the future to negotiate and obtain the necessary financing to develop its business or to refinance loans at maturity under the same terms and conditions obtained up to the Date of the Registration Document. A possible increase in the financing costs could have an impact with regard to the covenants.

The financial covenants relating to outstanding loans and the main termination clauses of the existing loan agreements are as follows:

- The loan agreement with Interbanca S.p.A. signed on 1 August 2006 provides that the bank may terminate the agreement if, in the consolidated financial statements as at 31 December 2006 and until the maturity date, the following covenant is not complied with: the ratio between "net financial debt and net equity must not exceed 2.0". The agreement may also be terminated in other circumstances, such as creditor composition or insolvency proceedings, non-payment or breach of obligations contained in the agreement, a change in the Company's legal form, or mergers/demergers, and contains cross-default provisions whereby a default on any financial debt is considered to be a breach of contract if the default is not remedied within a given period of time. Furthermore, IGD must transfer to the lending bank (with guarantees as to the debtor's solvency) the rental income earned from leases with Coop Adriatica and Ipercoop Tirreno on the properties for which the loan was granted.
- The loan agreement signed with Banca Nazionale del Lavoro S.p.A. on 7 August 2006 provides that the bank may terminate the agreement if IGD's financial situation does not

comply with the following parameter: “the ratio between net financial position and net equity must not exceed 2.0 as of 31 December 2006 until the maturity of the loan”. The agreement may also be terminated or the acceleration clause invoked under certain conditions, including, inter alia, non-payment or breach of contract, or insolvency or enforcement proceedings that hinder IGD's ability to repay the loan. The bank is entitled to a lien on the sums paid by Coop Adriatica to IGD under the rental agreement for the “Malatesta” Hypermarket.

- The loan agreement signed with Unipol Banca S.p.A. and Unipol Merchant- Banca per le Imprese S.p.A. on 26 March 2007 provides that the bank may terminate the agreement if IGD's financial situation does not comply with the following parameter: “the ratio between net financial position and net equity must not exceed 2.3 as of 31 December 2007 until the maturity of the loan”. The loan agreement also provides for the agreed spread to be increased on the basis of the following criteria: (i) if the ratio between net financial position and net equity is less than or equal to 1.2, a spread of 0.55 will be applied, (ii) if the ratio between the net financial position and net equity is less than or equal to 1.5, a spread of 0.60 will be applied, and (iii) if the ratio between the net financial position and net equity is greater than 1.5, a spread of 0.65 will be applied. The bank may also terminate the agreement under certain conditions, such as the Company's dissolution or breach of contract not remedied within a given period of time, and contains termination and acceleration clauses if the Company should become bankrupt or choose to decrease any guarantees formerly granted.
- The loan agreement signed with Cassa di Risparmio di Bologna S.p.A. on 27 March 2009, with a scheduled maturity date of 27 March 2024, as confirmed by the addendum of 28 March 2014, provides that the Bank may terminate the agreement if the financial situation of the IGD Group does not comply with the following parameter: “the ratio between net financial position and net equity must not exceed 1.6 until the maturity of the loan”. The bank may also terminate the agreement under certain conditions, such as the establishment of assets intended for one specific purpose, and contains termination and acceleration clauses in the event of circumstances such as insolvency or non-payment if not remedied by a given deadline, as well as cross default provisions (in excess of specified amounts).
- The loan agreement signed with Cassa di Risparmio del Veneto S.p.A. on 8 October 2009, with a scheduled maturity date of 1 November 2024, as confirmed by the addendum of 28 March 2014, provides that “*The bank may terminate the agreement if the accounting results, calculated annually on the consolidated financial statements prepared by the Borrower, as of the financial statements for the year ended 31 December 2009, do not show compliance with the following covenant: the ratio between Net Financial Debt and Net Equity must not exceed 1.6*”. The bank may also terminate the loan for breach of contract or the establishment of capital earmarked for a specific use, and contains cross-default clauses (for debt in excess of given amounts) if the situation is not remedied by a certain deadline.
- The loan agreement with Banca Regionale Europea at 31 October 2007 in relation to the “Mondovicino” Shopping Arcade may be terminated under circumstances including breach of contract. The loan may be called in early in the event of creditor composition or insolvency proceedings, declaration of bankruptcy, or decrease in assets due to IGD's actions or the outcome of actions by third parties.
- The loan agreement signed with Mediocreval S.p.A. on 23 December 2009 provides that “*the bank may terminate the agreement if the Financial Position / Net Equity ratio is 2.30 or greater. This parameter will be calculated each year as of 31 December 2009 on the basis of the data contained in the consolidated financial statements of the Borrower as at 31 December of each year*”. In addition, Art. 13.1.8 of the above-mentioned agreement provides that “*the may also terminate the agreement if, from the date of use until the final maturity, the LTV ratio of the property exceeds 70%*”. The agreement may also be terminated or the acceleration clause invoked under circumstances including

insolvency or enforcement proceedings that hinder IGD's ability to repay the loan, or the sale of assets to creditors. Further grounds for termination are non-payment or breach of contract, if not remedied within a certain amount of time (including the establishment of capital earmarked for a specific use or the placement of encumbrances on IGD's assets other than those permitted by the agreement).

- The loan agreement signed with Mediocredito Italiano S.p.A. on 5 October 2009 by Faenza Sviluppo Area Marcucci (merged into IGD) provides that the bank may terminate the agreement if the financial statements of IGD for any given financial year show a ratio of more than 2.70 for Net External Debt / Net Equity plus intercompany financing. The bank may terminate the agreement under circumstances including the impairment of assets that results in the failure to guarantee the repayment of the relative debt, and breach of contract, if not remedied within a certain amount of time.
- The loan agreement signed with Monte dei Paschi di Siena S.p.A. on 21 December 2010 provides that the bank may terminate the agreement if the net financial position-to-equity ratio exceeds 1.7 and the single-asset Loan to Value ratio exceeds 70%. The agreement includes pari passu clauses (whereby repayment of the bank debt may not be deferred until after other lenders have been repaid), and requires early repayment in the event of a change of control, certain equity transactions or partial disposals of the property backing the loan. There are also cross-default provisions, for debt in excess of a certain amount that might have a negative impact on IGD's earnings or financial position. The agreement also contains termination and acceleration clauses applying to circumstances such as insolvency proceedings, breach of contract, or the removal of assets constituting collateral.
- The loan agreement signed with Centrobanca S.p.A. on 22 December 2010 provides that the bank may terminate the agreement if the Net Financial Position / Net Equity ratio is 2.0 or greater. IGD is in any case obliged not to distribute profits or reserves, issue bonds or take on new debt if this will result in a breach of covenant. The agreement includes acceleration clauses for circumstances such as insolvency proceedings or liquidation, the winding up or cessation of business, spin-offs, demergers, mergers, enforcements/protests for amounts exceeding a given sum, change of control, non-payment and breach of contract. The agreement also includes cross-default provisions (for debt in excess of a certain amount) and requires IGD to transfer to the lending bank the income it receives from its principal rental or business lease arrangements concerning the Conè Shopping Arcade.
- The loan agreement signed with Centrobanca S.p.A. on 30 June 2011 provides that: (i) the bank may terminate the agreement if the net financial position-to-equity ratio exceeds 2.0; and (ii) the bank may curtail the loan by written request, by an amount at its discretion, if the Loan to Value ratio exceeds 66.40%, such that this ratio is restored. IGD is in any case obliged, unless it has written consent from Centrobanca, not to distribute profits or reserves, issue bonds or take on new debt, or grant loans and/or issue guarantees in any form whatsoever or any type of bond either in favour or and/or in the interest of parent companies, subsidiaries or associates if this will result in a breach of covenant. The agreement also includes acceleration clauses for circumstances such as insolvency proceedings or liquidation, the winding up or cessation of business, spin-offs, demergers, mergers, enforcements/protests for amounts exceeding a given sum, change of control, and breach of contract. Finally, it includes cross-default provisions (for debt in excess of a certain amount) and requires IGD to transfer to the lending bank the income it receives from Coop Adriatica for leasing the Hypermarket.
- The loan agreement signed with Centrobanca S.p.A. on 15 December 2009 in relation to Palazzo Orlando and Officine contains acceleration clauses concerning Porta Medicea S.r.l., 80% owned by IGD, for circumstances including, inter alia, impairment of assets (linked to a deterioration of the legal, administrative, organisational, commercial, technical, financial and economic situation where such events might cause serious and substantial prejudice to the timely and full payment of the credit obligations of

Centrobanca S.p.A.), not remedied by a certain deadline, or Porta Medicea's insolvency or change of control.

- The loan agreement signed with Banca Popolare di Verona - S. Geminiano and S. Prospero S.p.A. on 25 July 2011 requires the borrower to maintain the net financial position-to-equity ratio of its subsidiary Porta Medicea S.r.l. below or equal 1, equity of at least €55 million, and a Loan to Value ratio of 65% or less (with regard to the property for residential use at Piazza Mazzini). The agreement includes pari passu clauses, a ban on encumbering assets other than as permitted under the agreement, and change of control and cross-default provisions.
- The loan agreement signed with Cassa di Risparmio di Firenze S.p.A. on 19 December 2011 gives the bank the right to terminate the agreement if the following ratios are not complied with: (i) EBITDA/financial expenses exceeding 1.5; (ii) net financial position-to-equity of 1.60 or less; and (iii) net financial position to total value of Group properties (per certified annual expert reports attached to IGD's consolidated financial statements) of 0.65 or less. The contract also includes acceleration clauses for circumstances such as insolvency proceedings or liquidation, financial hindrances in excess of a certain amount, non-payment and breach of contract, as well as cross default provisions (for default exceeding a given sum).
- The loan agreement signed with Unipol Banca S.p.A. on 18 December in relation to the “Lungo Savio” Shopping Arcade in Cesena includes acceleration clauses for circumstances such as breach of payment obligations, dissolution of the company, mergers, demergers and transfers not authorised by the bank, and breach of financial obligations not remedied within a certain period of time.
- The loan agreement signed with Cassa di Risparmio di Genova on 17 December 2008 in relation to the “I Bricchi” Shopping Arcade contains termination clauses for certain events such as the impairment of assets such that would substantially adversely affect the capacity to repay the remaining debt, mergers and demergers, insolvency proceedings and change of control.
- The loan agreement signed with Banca Carige on 12 July 2011 in relation to the “La Torre” Hypermarket in Palermo provides, inter alia, for the transfer with recourse of the rental income from the lease on this Hypermarket received from Ipercoop Sicilia.
- The loan agreement signed with Mediocredito Italiano S.p.A. on 5 November 2012 gives the bank the right to terminate the agreement if the following ratios are not complied with or the exceeding of these parameters is not re-established within a given period of time: (i) net financial position-to-equity of 1.60 or less; and (ii) net financial position to total value of Group properties (per certified annual expert reports attached to IGD's consolidated financial statements) of 0.65 or less. The contract also contains acceleration clauses for circumstances such as insolvency proceedings or liquidation, financial hindrances in excess of a certain amount, non-payment and breach of contract.
- The mortgage loan agreement signed with BNP Paribas (Italian Branch) on 26 November 2013. The loan agreement provides, inter alia, for compulsory early repayment in the following circumstances: (a) full repayment, in the event of a change of control of the Company, or if the Company no longer holds the entire share capital of IGD Property SIINQ S.p.A.; and (b) partial repayment, in relation to the portion of the loan allocated to the relative mortgaged property, if this property is sold, or if the Company receives indemnification and/or compensation and/or insurance premiums, or the LTV of this property is greater than 70% and/or the ICR of the property is less than 100%. Pursuant to the loan agreement, the Company is obliged, inter alia: (i) not to change or cease its corporate operations and to maintain all authorisations, permits, contracts and licences required to perform them, (ii) to maintain its SIIQ status (and/or SIINQ status in the case of IGD Property SIINQ); (iii) to maintain the shares representing its listed share capital on the Mercato Telematico Azionario, (iv) not to make pay-outs, except those provided for by law, in the event of a cash trap (a scenario

in which, on a given date, (i) the aggregate ICR of the real estate assets used as security is equal to or less than 190%, but in any event greater than 170%, and/or (ii) the aggregate LTV of the real estate assets used as security is greater than or equal to 45% but lower than 50%) or a cash sweep (a scenario in which, on a given date, (i) the aggregate ICR of the real estate assets constituting security is less than or equal to 170%, but in any event greater than 100%, and/or (ii) the aggregate LTV of the real estate assets constituting security is greater than or equal to 50% but less than 55%). If a Cash Trap event occurs at a verification date, the surplus cash with respect to the payments due (for example, payment of taxes, duties, insurance premiums, fees to the lending bank, etc.) must be credited to the reserve account pledged in favour of the lending bank. These sums may be used again if it is demonstrated that the financial parameters have been restored for two consecutive verification dates. If a Cash Sweep event occurs, the surplus cash with respect to the payments due, together with the amounts credited to the reserve account, must be used for compulsory early repayment of the loan. Under the loan agreement, the bank has the right to terminate the agreement unilaterally if, inter alia: (i) the aggregate LTV of the real estate assets is greater than 55%, or (ii) the aggregate ICR of the real estate assets is less than 100%. The agreement also contains termination and acceleration clauses in the event of circumstances including insolvency proceedings, breach of contract, cross default on debt of more than €5,000,000, delisting from the MTA and loss of SIIQ status. The agreement also contains pari passu clauses (whereby repayment of the bank debt may not be deferred until after other lenders have been repaid). The loan is supported, inter alia, by a level 1 mortgage on some real estate assets and a lien on shares in favour of the lending bank, comprising 100% of the share capital of IGD Property SIINQ, owned by the Company, as well as a lien on current accounts held by IGD Property SIINQ at the custodian bank and on the sums credited to those accounts from time to time.

- The settlement of the bond issue of 7 May 2014 for an amount of €150 million provides the right to repayment of the loan if the following financial parameters are not complied with: (i) LTV ratio not exceeding 60%; (ii) ICR (adjusted according to the cash principle for recurring items only) always not lower than 1.55; (iii) ratio between secured debt (understood as the portion of overall debt of the Group with collateral guarantees) and total value of properties not exceeding 45%; (iv) ratio between value of unmortgaged properties and total unsecured debt (understood as the total debt of the Group, after the portion with collateral guarantees) at least 0.90 for 2014, but from 1 January 2015 the ratio must be at least 1.00. The settlement of the issue also provides for the bondholders to demand early redemption of the bonds in the event of a change of control, in line with normal practice for similar operations.

The financial covenants associated with the Group's medium-/long-term loans are typical of the sector in which the Group operates.

Checks for breaches of the above-mentioned financial covenants are carried out as contractually required and mainly on an annual basis.

During the course of 2013 and as at 30 June 2014 all covenants listed were complied with.

Any non-compliance with the covenants, the contractual obligations and the clauses of the loan agreements could give rise to an obligation for the Issuer to repay the loans early, with consequent adverse effects on the income statement, financial capital position and cash flow of the Issuer and the Group. In addition, any breach of the contractual obligation not to distribute profits, as provided in the above-mentioned loan agreement with Centrobanca S.p.A., where such distribution results in breaches of the covenants stipulated in that agreement, could have an impact on compliance with the profit distribution obligations provided for by the SIIQ rules. Any loss of SIIQ status would also constitute grounds for withdrawal under the terms of the loan agreement concluded on 26 November 2013 with BNP Paribas (Italian Branch).

(See Chapter XV of the Registration Document, as well as the Group's consolidated financial statements as at 31 December 2013, and the condensed half-yearly consolidated financial statements as at 30 June 2014, incorporated by reference in the Registration Document and publicly available at the registered office of IGD and on its website www.gruppoigd.it.)

1.7 Risks associated with the inclusion of pro-forma data in the Registration Document

The Registration Document includes the consolidated income statements, consolidated statements of cash flows and pro-forma consolidated statements of financial position as at 31 December 2013 and 30 June 2014, accompanied by the related explanatory notes (hereinafter referred to jointly as the "**Pro-forma Consolidated Financial Statements**"), prepared to reflect the effects of the Capital Increase and the Property Acquisition (which is conditional on full subscription of the Capital Increase).

The Pro-forma Consolidated Financial Statements have been prepared, for illustrative purposes only, to provide a simulation of the possible effects of the Property Acquisition and the Capital Increase (intended to finance the Acquisition in full) on the statement of financial position and income statement of the IGD Group as though they had they taken place virtually on 31 December 2013 and 30 June 2014 (statement of financial position) and, with regard solely to the economic and financial effects (income statement and statement of cash flows), on 1 January 2013 and 1 January 2014. In accordance with the methodology for constructing pro-forma data, governed by CONSOB Communication DEM/1052803 of 5 July 2001, the Pro-forma Consolidated Financial Statements have been prepared by applying pro-forma adjustments to the historical data of the IGD Group as at 31 December 2013 and 30 June 2014, taken from the consolidated financial statements, prepared in compliance with the International Financial Reporting Standards adopted by the European Union on the same date, in order to provide a retroactive simulation of the main effects of the Capital Increase and the Property Acquisition.

Since the pro-forma data is constructed to reflect the effects of successive operations retroactively, despite compliance with the commonly accepted rules and the use of reasonable assumptions, there are limits connected with the very nature of the pro-forma data. Consequently, if the Capital Increase and the Property Acquisition had actually taken place on the hypothesised dates, the results presented in the Pro-forma Consolidated Financial Statements would not necessarily have been obtained. In addition, the Pro-forma Consolidated Financial Statements have been prepared to present only the effects of the Capital Increase and the Property Acquisition that can be isolated and objectively measured, without taking account of the potential effects resulting from any management choices and operating decisions made as a consequence of the presented operations. The Pro-forma Consolidated Financial Statements may therefore not be indicative of the economic results and financial and/or capital position of the IGD Group.

Given the different purposes of the pro-forma data with respect to the data of the historical financial statements and the different procedures used for calculating the effects, the pro-forma consolidated statement of financial position must be read and interpreted separately from the pro-forma consolidated income statement (and statement of cash flows), without seeking any accounting connections between them.

(See Chapter VI, paragraph 15.2 of the Registration Document).

1.8 Risks associated with interest rates

As at 30 June 2014, approximately 59% of the Group's debt was at variable rates, for a total of approximately €619.70 million (of which approximately €571.00 million in medium-/long-term debt and approximately €102.70 million in short-term debt).

As at 31 December 2013, approximately 86% of the Group's debt was conveyed at variable rates, for a total of approximately €943.68 million (of which approximately €673.53 million in medium-/long-term debt and €270.15 million in short-term debt).

The Group has implemented a policy aimed at minimising the cost of debt in general and in particular the effects of interest rate fluctuations, for which purpose it enters into interest rate swaps. As at 30 June 2014, 72.17% of the medium-/long-term variable-rate loans were covered by such interest rate swaps. In the first half of 2014, the costs incurred by IGD Group to minimise the impact of interest-rate fluctuations amounted to approximately €6.38 million. As at 31 December 2013, 75.32% of the medium-/long-term variable-rate loans were covered by such interest rate swaps. During the year ended 31 December 2013, the costs incurred by IGD Group to minimise the impact of interest-rate fluctuations amounted to approximately €14.0 million.

Although the Group has an active risk management policy, in the event of rising interest rates and insufficient hedges taken out by the Group, the increase in the financial expenses on its variable-rate debt could have adverse effects on the income statement, financial position and cash flow of the Issuer and of the Group.

(See Chapter XIV of the Registration Document, as well as the Group's consolidated financial statements as at 31 December 2013, and the condensed half-yearly consolidated financial statements as at 30 June 2014, incorporated by reference in the Registration Document and publicly available at the registered office of IGD and on its website www.gruppoigd.it.)

1.9 Risks associated with credit management for sale and leasing activities

The Group's activities are exposed to credit risk, i.e. the risk that operators in the Shopping Centres or purchasers of properties forming part of the Real Estate Assets may not honour their payment obligations or that difficulties may be encountered in recovering the sums owed by them.

In order to minimise credit risk, the Group selects potential customers, sometimes with external professional support, according to their financial reliability and solidity and the economic prospects of their business, and adopts internal credit management procedures. In addition, the Group requires all tenants to give guarantees and/or security deposits against the contractual commitments assumed, and monitors their creditworthiness and compliance with these commitments.

Nevertheless, any deterioration in the creditworthiness of the Group's debtors could adversely affect their ability to honour their commitments arising from lease or purchase contracts, resulting in possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

As at 30 June 2014, trade receivables amounted to approximately €17.2 million, of which approximately 6% were overdue by 30 days, 3% by 31 to 60 days, and 34% by 61 days to 1 year. Receivables overdue by more than 1 year account for approximately 1% of the total, while non-overdue trade receivables amount to approximately 28%. The remaining amount relates to receivables forming the subject of insolvency/bankruptcy proceedings, which, excluding the receivables relating to Magazzini Darsena S.p.A. (written down by approximately 94%, specifically: (*i*) €1,156 thousand in 2013, equivalent to 100% of the receivables matured as at 29 July 2013, (*ii*) €1,857 thousand in 2012, equivalent to 95% of the receivables matured during 2012, and (*iii*) €1,741 thousand in 2011, equivalent to approximately 90% of the receivables matured during 2011), are written down by around 79%, and to disputed receivables, which are written down by around 50%.

As at 30 June 2014, guarantees and security deposits covered around 42% of the total annual rental payments. As at the same date, the provision for doubtful accounts totalled approximately €15.64 million.

(See Chapter V, paragraphs 5.1.2.2 and 5.1.2.4, and Chapter XV, paragraph 15.8, of the Registration Document).

1.10 Risks associated with geographical concentration and intended use of the Group's Real Estate Portfolio

The Group mainly carries out its activities in Italy. As at 31 December 2013, approximately 92.09% of the Group's consolidated revenue was earned in Italy, while around 7.91% was earned in Romania. As at 30 June 2014, approximately 93.15% of the Group's consolidated revenue was earned in Italy, while around 6.85% was earned in Romania.

Thus, although the Group's activities are geographically distributed throughout Italy and Romania, they are nonetheless exposed to changes in the macroeconomic situation in these two countries.

In particular, a stagnation or reduction in Italy's gross domestic product and a rise in unemployment could lead to a fall in the level of consumption and consequently cause a reduction in demand for the services provided by the Group, resulting in adverse effects on its business, assets and liabilities and/or financial position.

Furthermore, during the year ended 31 December 2013, the half-year ended 30 June 2014, and at the Date of the Registration Document, approximately 99% of the GLA of the Group's Real Estate Portfolio is intended primarily for use in the commercial/retail segment, with reference to both the Real Estate Portfolio in Italy and to the entire Real Estate Portfolio (including the properties in Romania).

This concentration in terms of the intended use of the properties means that any economic downturn in this specific market segment could have adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraph 5.1 of the Registration Document).

1.11 Risks associated with possible withdrawal from or non-renewal of leases by tenants

The Group's activities consist primarily of the leasing and renting of businesses relating to property units in Shopping Centres. In particular, rental income represents 93% of the Group's revenue as at 30 June 2014. Of the Group's total rental income, 91% relates to properties owned by the Group and held under usufruct, while 9% relates to properties owned by third parties.

As at 30 June 2014, 39.6% of the Group's total rental revenue came from lease and rental agreements with its top ten customers (as at 31 December 2013 it stood at 38.8%).

In accordance with Italian legislation governing commercial leases, any tenant may unilaterally withdraw from such contracts where there are "serious reasons". The concept of "serious reasons" has been interpreted broadly by case law, and applies both to events relating to the tenant's business and to other kinds of event. If this right of withdrawal were to be exercised, any protraction of the time required to find a new tenant to whom to lease the property could affect the business, assets and liabilities and/or financial position of the Issuer and of the Group.

Please note that, at the Date of the Registration Document, the cash flows generated by properties are greater than the financial commitments associated with the financing, and therefore the Group's ability to satisfy its financial commitments is not impacted.

With reference to the Group's leasing of property units within Shopping Centres, the existing leases are for a specified term, at the end of which the tenant can exercise the right to give notice in accordance with the law. In particular, at the Date of the Registration Document, the total value of leases due to expire in the second-half of 2014 in Italy and Romania is €8.96 million, amounting to around 8% of the total rental income of the Group, while the total value of leases due to expire in the year 2015 in Italy and Romania is €9.12 million, amounting to around 8% of the total rental income of the Group. In such an event, any protraction of the time required to find a new tenant to whom to lease the property could affect the business, assets and liabilities and/or financial position of the Issuer and of the Group.

Furthermore, if the activity carried out in the leased property involves direct contact with the public, users and consumers, and if the non-renewal is for reasons other than notice given by the tenant, then if the lease is not renewed the tenant will be entitled to receive compensation equal to 18 months' rent, or 36 months if the property is subsequently used for activities similar to those of the tenant.

(See Chapter V, paragraph 5.1.2.2 of the Registration Document).

1.12 Risks associated with exchange rates

The Group's activities in relation to the Shopping Centres in Romania are conducted in lei, the Romanian currency. This exposes the IGD Group to risks associated with fluctuations in the euro exchange rate against the lei.

Although rents relating to leases with operators in the Romanian Shopping Centres are denominated in lei, they are tied to the trend in the euro, so any change in the euro exchange rate against the lei could affect their amount, making it difficult for the operators to fulfil their contractual obligations and resulting in possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

Furthermore, the euro is the currency of the Group's consolidated financial statements, so any negative changes in the lei could have adverse effects when converting the financial statements of the subsidiary Winmagazin into euro and could, in particular, result in impairments of properties forming part of the Romanian Real Estate Assets, with possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V of the Registration Document, as well as the Group's consolidated financial statements as at 31 December 2013, and the condensed half-yearly consolidated financial statements as at 30 June 2014, incorporated by reference in the Registration Document and publicly available at the IGD's registered office and on its website at www.gruppoigd.it).

1.13 Risks associated with failure to implement the 2014-2016 Plan

On 19 December 2013, IGD's Board of Directors approved the Group's 2014-2016 Business Plan. After that date, no amendment and/or addition to the Plan was approved by the Issuer's Board of Directors.

This Plan contains operational, economic and financial targets to 2016 based on a macroeconomic scenario of moderate growth and including clearly defined managerial actions.

The 2014-2016 Business Plan is based on a set of estimates and projections relating to future events and actions to be undertaken by the Issuer's directors. Some of the main assumptions underlying the Business Plan relate to the macroeconomic scenario, also with reference to the future performance of the property market over which the Issuer's directors have no control, and to the effects of specific actions or future events over which the Issuer's directors have only partial control and which might not be carried out or not take place according to the planned timescales. Results could therefore differ, even significantly, with respect to the projections.

As at the Date of the Registration Document, in view of: (*i*) the changes that have taken place and the new information available concerning the primary macroeconomic assumptions; (*ii*) the results of the IGD Group as at 30 June 2014 and the main business and financial trends recorded until the Date of the Registration Document; (*iii*) the Property Acquisition and Capital Increase transactions decided upon in July 2014, the Issuer declares that the Plan is confirmed and remains valid.

However, it should be pointed out that as a result of the randomness associated with the realisation of any future event, both as far as the realisation of the event is concerned and as regards the extent and timing of its manifestation, the differences between the recorded values and the estimated values could be significant, even if the events predicted under the scope of the hypothetical assumptions actually take place.

Lastly, it should be noted that in addition to rescheduling the timing of investments for which no binding commitment has been made in order to meet any need to reduce the Group's financial requirement, the Issuer may also do the same in order to take account of any changes in the reference macroeconomic scenario. This could also cause the results to differ from the projections contained in the 2014-2016 Plan.

(See Chapter VIII of the Registration Document).

1.14 Risks associated with statements of key information and with information about the evolution of the reference market

The Registration Document contains certain statements of key information and estimates regarding the Group's competitive positioning, prepared by the Group itself on the basis of its specific knowledge of its sector, the available data and its own experience. Such information is contained, for example, in the description of the Group's business, markets and competitive positioning (see Chapter V, paragraphs 5.1 and 5.3 of the Registration Document). This information has not been audited by independent third parties. The results, competitive positioning and performance of the Group in its business segments could experience significant divergences in the future with respect to those contemplated in the above-mentioned statements due to known and unknown risks, uncertainties and other factors described in the this Chapter on "Risk Factors".

1.15 Risks associated with uncertainties in determining the value of the Real Estate Assets

The Issuer commissions appraisals to determine the fair value of its Real Estate Assets as at 30 June and 31 December every year.

With reference to the financial year ended 31 December 2013, the valuation of the Italian Real Estate Assets was split between two independent experts, CB Richard Ellis ("**CBRE**") and Reag, both leading firms offering specialist investment property valuation services. For the first half of 2014, the above-mentioned independent experts CBRE and Reag were joined by the independent expert Cushman & Wakefield. The Real Estate Assets in Romania were appraised solely by CBRE as at 31 December 2013. As at 31 June 2014, the valuation of the Real Estate Assets in Romania was divided between the independent experts CBRE and Reag.

The valuations are conducted on the basis of standard valuation criteria. In particular, a Discounted Cash Flow model is used to assess properties that have already been completed, while the development method – based on the discounting of the future revenue streams from the rental of the property, net of construction costs and other expenses for which the owner is responsible, and of the cost of sales – is used to assess projects under development. However, these valuations do not take account of certain factors, such as the environmental impact of the buildings (i.e. possible presence of hazardous substances) or their compliance with applicable regulatory requirements (i.e. presence of the required building permits, or compliance with zoning schemes and intended uses). Consequently, when these factors exist and are deemed relevant by the Company, they are pointed out to the evaluator during appropriate due diligence activities carried out by third-party experts either at the time of the purchase of the property or subsequently during the course of ordinary operations.

Although the Company believes that the valuations take account of all relevant factors for determining the fair value of the Real Estate Assets, the consideration of other factors additional to those used, the lack of real comparison data due to the current slump in market transactions involving comparable assets, as well as any negative growth trend in the real estate sector, could lead to a different determination of fair value, with consequent adverse effects on the business, assets and liabilities and/or financial position of the Issuer and the Group.

The real estate investments and projects under development recognised at fair value in the financial statements correspond to approximately 94% of the value of the Real Estate Assets of the IGD Group and have been valued on the basis of Level 3 fair value measurement models, since the inputs not observable directly or indirectly on the market that are used in the valuation models are preponderant with respect to the inputs observable on the market.

In this regard, it should be noted that in 2013 the net write-down of the Real Estate Assets amounted to approximately €33.5 million. The valuation of the Real Estate assets as at 30 June 2014 was €13.755 million. In this regard it should be noted that as at 30 June 2014, gross write-downs amounted to approximately €30.103 million, while write-ups totalled around €16.348 million. The write-downs mainly concerned properties in the "Italian Shopping Arcades". As at 30 June 2014, the fair value of the Italian shopping arcades property category decreased by 0.5% on a like-for-like basis (i.e., around €4.5 million). There was also a 0.30% reduction (i.e., around €2.7 million) due to extraordinary maintenance and restyling, mainly at "Centro Sarca" and "Mondovì".

Also note that the effects of a significant write-down of the Romanian assets and of the "Millennium Center Rovereto" property could have an impact on the recoverability of recognised goodwill amounting to €5,409 thousand and €3,952 thousand, respectively, as at 30 June 2014.

Furthermore, a significant write-down of the Real Estate Assets could have an impact on the covenants connected to exceeding the threshold indicator represented by the Net Financial Debt and the total value of properties (Loan to Value) in the loan agreements, in addition to having a negative impact on net equity as well as on operating profit with a consequent reduction of the capacity to distribute earnings.

(See Chapter XV of the Registration Document, as well as the Group's consolidated financial statements as at 31 December 2013, and the condensed half-yearly consolidated financial statements as at 30 June 2014, incorporated by reference in the Registration Document and available to the public at IGD's registered office and on its website at www.gruppoigd.it).

1.16 Risks associated with legal proceedings in progress

In a measure dated 14 October 2009, the Bank of Italy imposed financial penalties, totalling €24,000 each, regularly paid off, on Mr Robert Chiusoli in his capacity as Chairman of the Board of Statutory Auditors of Unipol Banca S.p.A. and on Mr Gilberto Coffari in his capacity as a member of the Board of Directors of Unipol Banca S.p.A. These penalties were also imposed on other officers of Unipol S.p.A. – including all the members of the Board of Directors and the Board of Statutory Auditors – as part of an action against irregularities concerning deficiencies in the organisation and internal controls of certain divisions of Unipol Banca S.p.A. and failures to report to the supervisory authorities.

The director Gilberto Coffari, as legal representative of Coop Adriatica, is involved in the following criminal trials relating to work-related accidents: (*a*) a trial before the Court of Ancona for an alleged violation of Article 40, paragraph 2, Article 590 and Article 583, paragraph 1(1) of the Criminal Code relating to personal injury, as well as work safety regulations, in which a criminal conviction has been issued ordering the guilty party to pay a fine of €2,400, which has been appealed according to standard procedure. At the Date of the Registration Document, the proceedings were concluded with an acquittal on 26 June 2014, with the judgment filed on 7 July 2014; (*b*) two trials before the Court of Ravenna for alleged violations of Article 590 of the Criminal Code relating to personal injury, in which criminal convictions have been issued ordering the guilty party to pay a fine of €1,140, which has been appealed according to standard procedure. At the Date of this Registration Document, the cases were closed on the grounds of expiry of the limitation period, declared on 5 December 2013, and acquittal of the employer and Chairman concerned, declared on 20 December 2013; and (*c*) a trial before the Court of Chieti for the alleged violation of Article 590 of the Criminal Code relating to personal injury, in which a criminal conviction has been issued and which has been appealed according to standard procedure. At the Date of this Registration Document, the case was closed on 5 June 2014 with a full acquittal, declared on 15 July 2014. In relation to alleged town planning offences in his capacity as legal representative of Coop Adriatica, Gilberto Coffari was involved in a trial before the Court of Bologna for alleged violations of Article 81 of the Criminal Code, Article 44(c) of Presidential Decree 380/2001 and Article 169 of Legislative Decree 42/2004 relating to the offences of unauthorised building development and breach of listed building regulations concerning the "Ambasciatori" property, in which a criminal conviction was issued and the guilty party ordered to pay a fine of €19,800, which was appealed according to standard procedure. At the Date of Registration Document, the case was closed on 2 July 2014 on the grounds of expiry of the limitation period, declared on the same date (see Chapter IX, paragraph 9.1.1 of the Registration Document).

In addition, the Group is party to various administrative and judicial proceedings in the normal course of its operations.

As at 30 June 2014, the provisions made during the year for disputes in progress amount to approximately €62.5 thousand and relate to the estimated probable costs in connection with two IMU disputes. Overall, the related provisions amount to approximately €1,126 thousand.

However, it cannot be ruled out that the Group may in the future be required to pay costs and damages not covered or insufficiently covered by the provisions for legal disputes, with consequent negative impacts on the Group's income statement, financial position and cash flows (see Chapter XV, paragraph 15.8 of the Registration Document).

Lastly, it is noted that the IGD Group is also party to various pending civil, fiscal or administrative judicial proceedings for which the amounts in question are undetermined or not able to be determined.

In any event, the Group does not believe that any liabilities arising from the proceedings in progress would have a significant impact on its income statement, financial position and cash flows.

2. RISK FACTORS RELATING TO THE SECTOR IN WHICH THE ISSUER AND THE GROUP OPERATE

2.1 Risks associated with trends in the real estate market

Both the national and the international real estate markets are subject to cyclical trends and influenced by a number of macroeconomic variables relating, *inter alia*, to general economic conditions, changes in interest rates, inflation, taxation, market liquidity and the presence of profitable alternative investments.

Since 2008, the real estate market has experienced a slowdown across every segment (residential, commercial and tertiary), albeit with differing manifestations according to region and sector, showing a decline in demand, falling prices and a lengthening of the time taken to conclude sale and leasing operations. In operational terms, this has resulted in a decrease in trading transactions and an increase in vacant properties, as well as a reduction in rental payments.

The banking system has also experienced a general liquidity crisis, leading to a decrease in the total amount of loans granted by lenders, partly because of the amounts previously granted and the rigidity of the banking system, thus making it more difficult to obtain credit and purchase properties.

In 2013 there was a sharp rise in transactions, particularly in relation to the retail segment, also confirmed in the first-half of 2014.

The market value of the Real Estate Assets as at 30 June 2014 was €1,849.53 million (€1,891.28 million as at 31 December 2013).

The table below shows the market value as at 30 June 2014 and 31 December 2013 and the percentage change between those dates, broken down by use and geographical area.

Category (*€ million*)	Market value at 30/06/2014	Market value at 31/12/2013	Change 2014 -2013	% change
IGD Group Real Estate Assets				
Hypermarkets and Supermarkets	526.72	544.39	-17.67	-3.25%
Shopping Centres Italy	956.22	971.53	-15.31	-1.58%
City Centre	27.70	27.80	-0.1	-0.36%
Other	6.60	6.58	0.02	0.30%
Total Italy	**1,517.24**	**1,550.29**	**-33.05**	**-2.13%**
Shopping Centres Romania	170.10	170.00	0.1	0.06%
Other Romania	3.30	3.40	-0.1	-2.94%
Total Romania	173.40	173.40	0	0.00%
Total IGD Group	**1,690.64**	**1,723.69**	**-33.05**	**-1.92%**
Category	**Market value at 30/06/2014**	**Market value at 31/12/2013**	**Change 2014 -2013**	**% change**
Direct development projects				
Projects at an advanced stage of construction*	27.90	14.40		
Land and ancillary costs	46.18	39.19		
Total direct development projects	**74.08**	**53.59**	**20.49**	**38.23%**
Category	**Market value at 30/06/2014**	**Market value at 31/12/2013**	**Change 2014 -2013**	**% change**
"Porta a Mare" real estate project**	**84.81**	**114.00**	**-29.19**	**-25.61%**
Grand Total Market Value	**1,849.53**	**1,891.28**	**-41.75**	**-2.21%**

*At 30 June 2014, includes the Mazzini shopping complex. At 31 December 2013, included the Abruzzo Extension, which at 30 June was included under Shopping Centres Italy.

**Includes the shopping area under development.

Any changes in real estate sector growth trends, fluctuations in real estate sector performance or other factors could affect property values, which in turn could have adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraphs 5.1 and 5.3 of the Registration Document).

2.2 Risks associated with real estate activities in the large-scale retail sector

2.2.1 Risks associated with trends in the large-scale retail sector

In the period between July 2013 and June 2014, sales in the large-scale retail segment were positive, with a change marginally above zero (+0.3%). This result is linked to a slight improvement in the standard of living for households, particularly in the early months of 2014 (Source: 2014 Coop Report, Consumption and Distribution).

The large-scale retail sector is influenced by a series of macroeconomic, socio-cultural and institutional variables. Any negative trend in this sector could have significant effects on the business, assets and liabilities and/or financial position of the large-scale retailers present in the Shopping Centres, and in more serious cases could result in their insolvency, with consequent possible effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

In particular, the Issuer continuously monitors the creditworthiness of the operators in the Shopping Centres under its management in order to minimise credit risk. Nevertheless, any deterioration of the creditworthiness of these operators could have adverse effects on their ability to honour their lease commitments, resulting in possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraph 5.3 of the Registration Document).

2.2.2 Risks associated with the use of contractors for the performance of works

The IGD Group's strategies entail enhancing its Real Estate Assets by expanding, renovating and refurbishing the existing properties on the one hand, and by building Shopping Centres on the other. For the performance of these works, the Group not only calls on the services of engineering firms, but also enters into specific agreements with contractors. The contracts entered into by the Issuer contain clauses prohibiting the contractor from subcontracting the works, in accordance with the legislation in force, unless the client grants express authorisation in writing and without prejudice to the principal liability of the contractor. Furthermore, current legislation in Italy provides for the joint and several liability, within the limits of the fee payable for the works, of the client, the contractor and any subcontractors for certain charges relating to compensation, contributions and taxes arising from the contracted works and any subcontracted works. This means that any occurrence of events that affect the timing or construction costs of works performed by contractors, or of events that result in the legal joint and several liability of the Issuer in relation to the obligations of the contractor or any subcontractors, could have an impact on the business, assets and liabilities and/or financial position of the Issuer and of the IGD Group.

(See Chapter V, paragraph 5.1 of the Registration Document).

2.2.3 Risks associated with competition in the Shopping Centre real estate sector

The Italian real estate market is highly competitive. In this context, the Issuer has to compete not only with small and medium-sized real estate companies, but also with Italian and international groups that have undertaken various development projects in Italy in recent years. These current and potential competitors often have: (*i*) efficiently managed assets; (*ii*) significant financial resources; (*iii*) considerable investment capacity; and (*iv*) networks or brands with a high profile on the national and international markets.

The increase in competition in the Shopping Centre real estate market, or the saturation of the market in some geographical areas, could make it more difficult to conclude leases and business rentals for the properties of the Real Estate Assets and could affect the ability to invest in new projects, resulting in possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraph 5.3 of the Registration Document).

2.3 Risks associated with changes in legislation and regulations

The Issuer's activities are subject to national and local Italian laws and regulations, including the special SIIQ rules, as well as to EU legislation and regulations concerning the environment, town planning, enforcement of established safety and maintenance standards in buildings and associated facilities, relations between landlords and tenants and between lessors and lessees, and the taxation of real estate properties and the related income. In particular, the Shopping Centre real estate sector is governed by a particularly detailed regulatory regime with regard to administrative authorisations (the subject of recent legislation based on Decree-Law 201/2011, which introduced a nationwide general principle regarding the liberalisation of shop opening hours, and more recently Decree-Law 1 of 24 January 2012 – converted with Law 27 of 24 March 2012 – which abolished certain limits on the operation and opening hours of new retail businesses), as well as legislation concerning hygiene, sanitation and environmental protection.

The Issuer is also subject to the provisions of Legislative Decree 231/2001 concerning the criminal liability of legal entities, as well as current legislation on health and safety in the workplace.

Any future changes to the existing regulatory and legislative framework, including the tax rules applicable to real estate operators, or the interpretation or implementation of existing rules, could result in changes to operating conditions and require an increase in the Group's investments and entail higher costs, charges or levels of liability, with possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

Furthermore, any failure to comply with regulatory standards concerning town planning or environmental aspects of certain properties of the Real Estate Assets could adversely affect the value and/or marketability of the properties owned by the Group, or could lead to higher costs, charges or levels of liability for the Issuer, resulting in possible adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter XV of the Registration Document).

2.4 Risks associated with the current economic situation

The crisis that has hit the banking system and financial markets in recent years, as well as the consequent deterioration of macroeconomic conditions, translating into a decline in worldwide consumer spending and industrial output, has recently resulted in a tightening of access to credit and extreme volatility in the equity and bond markets, although conditions on the international financial markets have improved in the last few months[1].

The crisis in the banking system and the financial markets has led, along with other factors, to economic recession in some EU countries, including Italy and Romania. If this economic downturn were to persist over time in the countries where the Group operates, this could have adverse effects on the business, assets and liabilities and/or financial position of the Issuer and of the Group.

(See Chapter V, paragraph 5.3 of the Registration Document).

[1] Source: Bank of Italy – Bollettino Economico 3, July 2014

CHAPTER IV – ISSUER INFORMATION

4.1 Legal and commercial name of the Issuer

The Company's name is Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., or IGD SIIQ S.p.A. in its abbreviated form.

4.2. Main investments

4.2.1. Investments made

The following table provides a detailed breakdown of investments in property, plant and equipment and intangible assets, as well as the progress of the "Porta a Mare" project conducted by the Group during the financial year ended 31 December 2013 and in the half-year ended 30 June 2014.

	H1 2014	2013
(€ million)		
REAL ESTATE INVESTMENTS	**9.63**	**6.99**
ASSETS UNDER DEVELOPMENT	**11.12**	**18.05**
INTANGIBLE ASSETS	**0.00**	**0.02**
OTHER PROPERTY, PLANT AND EQUIPMENT	**0.63**	**0.79**
TOTAL INVESTMENTS IN FIXED ASSETS	**21.38**	**25.86**
Balance on Porta a Mare project	**0.52**	**5.74**
TOTAL INVESTMENTS	**21.90**	**31.60**

In the first-half of 2014 the total investments made in Italy amounted to approximately €18 million and related mainly to development projects totalling around €11.24 million, principally to finalise the expansion of the Shopping Arcade in the "Centro d'Abruzzo" Shopping Centre, which opened on 10 April 2014; to the continuation of construction works for the Mazzini sub-area intended for commercial use (now in the final phase), construction and urbanisation works relating mainly to the Mazzini residential area, and works relating to core walls of the Officine sub-area; to the continuation of construction works on the Chioggia Retail Park; and, marginally, to costs associated with the requested authorisations and building permits in relation to the "Esp Extension" and "Portogrande Extension" projects.

Work continued on extraordinary maintenance totalling around €6.79 million, relating mainly to layout modifications to the La Torre Shopping Centre (Palermo), the "Tiburtino" Shopping Centre (Guidonia) and the Mondovì Shopping Arcade, fitting-out works were completed on the pre-existing Centro d'Abruzzo Shopping Arcade. During the first half of 2014, the first phase of works to restyle and improve the environmental impact of the "Centro Sarca" Shopping Centre was completed (relating to the underground car parks and the connecting staircases), and restyling works on the inside of the Arcade were begun. Works were also begun to reduce the size of the Hypermarket and to restructure the Shopping Arcade in the "Le Porte di Napoli" and the Lugo Shopping Centre.

Extraordinary maintenance investments investments were made in Romania during the first half of 2014, such as the refurbishment of a facade at Piatra Neamt, as well as layout and fitting-out modification works for the insertion of new tenants (H&M at Galati and Ramincu Valcea; Flanco Elettronica at Cluj; Carrefour at Ramincu Valcea), for around €3.87 million.

In 2013, the IGD Group continued to develop new real estate, and to extend and restyle its existing Shopping Centres. It also took specific, targeted action to reduce energy consumption. Total investments came to approximately €31.6 million, including €26.92 million in Italy.

The main investments related to: the completion of the restyling and extension works at the Shopping Arcade in the "Centro d'Abruzzo" Shopping Centre; completion of the first lot of urbanisation works and the launch of construction of buildings in the Retail Park at Chioggia; execution of works to create the "Mazzini" sub-area (residential and commercial) and the start of works relating to the core walls for the "Officine" sub-area, a preliminary stage in the creation of car parks for the "Porta a Mare" project.

Works were also launched in 2013 relating to revised layouts for the "Tiburtino" Shopping Centre (Guidonia), the Mondovì Shopping Arcade and the "La Torre" Shopping Centre (Palermo). This involved a reconfiguration of the mix between Medium-sized Shops and neighbourhood shops. The first phase of restyling works inside the "Centrosarca" Shopping Centre also began.

As at 31 December 2013, investments made in Romania amounted to approximately €4.68 million, of which €2.53 million had not yet been completed. The investments relate to the building of a pedestrian walkway between the two Shopping Arcades at the "Grand Center Ploiestri" as well as refurbishments of shop fronts and internal layouts.

During the year 2013 and in the first-half of 2014, the Group made no significant investments in financial fixed assets.

The Group made no significant investments from 30 June 2014 until the Date of the Registration Document.

4.2.2. Investments being developed

Investments being developed, decided upon by the Issuer and scheduled for the months after 30 June 2014, refer to the project in Chioggia, where a Retail Park will be built for approximately €9.52 million. Provision has also been made for extraordinary maintenance works on the Italian Real Estate Portfolio, costing around €24.79 million, which include, *inter alia*, the continuation of works to modify the layout of the "Tiburtino" Shopping Centre (Guidonia), the Mondovì Shopping Arcade and the "La Torre" Shopping Centre (Palermo), carried out through a reconfiguration of the mix between Medium-sized Shops and neighbouring shops, as well as part of the restyling works in the "Centrosarca" Shopping Centre and the restructuring works on the Shopping Arcade in the "Le Porte di Napoli" Shopping Arcade and in Lugo. Provision has also been made for extraordinary maintenance works on the Romanian Real Estate Portfolio, costing around €0.31 million. At the Date of the Registration Document, there are no plans for any additional construction pipeline in Romania.

As well as these investments, a project to transform the Livorno seafront is planned totalling €0.10 million, relating to the completion of the core walls of the Officine sub-area.

With regard to the Mazzini Shopping Complex investment, a partial opening (9 points of sale) took place on 10 July 2014. The marketing of the property complex (including a medium-sized Supermarket and 35 shops) is in its final phase, and the remaining points of sale are expected to open in the last quarter of 2014. The completion of the works will therefore be linked to any internal layout arrangements defined with the operators.

The investments described above, decided upon by the Issuer, amount to approximately €34.73 million. The total relating to projects and extraordinary maintenance works in progress forming the subject of definitive commitments (contracts or formal undertakings) is approximately €24.28 million. This amount includes the investments relating to the Chioggia and Porta a Mare projects (work relating to the core walls of "Officine Storiche") and part of the extraordinary maintenance work in Italy (including the restyling works at the Sarca Shopping Centre for approximately €4 million) and in Romania, while subcontracting arrangements relating to the remaining investments, amounting to approximately €10.45 million, will be finalised during the year, with the option of rescheduling.

In relation to the "Officine Storiche" sub-area, it is specified that the continuation of work in addition to the aforementioned completion of the core walls has not yet been definitively approved, also in consideration of potential optimisations to the project currently underway.

The Company will finance these investments by using the the short-term revocable lines of credit already granted to it for a total of €266 million, of which €229.53 million is available at 30 June 2014. The IGD Group does not use short-term lines of credit dedicated specifically to individual projects or investments.

4.2.3. Future investments

The Company, in line with its 2014-2016 Plan, approved on 19 December 2013 by the Board of Directors, plans to make investments of approximately €195 million within the 2014-2016 Plan period.

In particular, the 2014-2016 Plan for years subsequent to 2013 provides for investments of approximately: (*i*) €75 million for 2014, (*ii*) €85 million for 2015 and (*iii*) €35 million for 2016.

The discrepancy between the investments set out in paragraph 4.2.2 above for 2014 compared with the provisions of the 2014-2016 Plan is due to the fact that some of the investments included in the 2014-2016 Plan at the Date of the Registration Document had not been specifically resolved upon by the relevant governance bodies of the Issuer, although they were in the process of being finalised.

Without prejudice to what was done up to 30 June 2014 and the provisions of paragraph 4.2.2, at the Date of the Registration Document, future investments definitely committed by the Issuer with reference to projects include the creation of the Chioggia Retail Park, which is scheduled to open in the first half of 2015 with a residual amount of approximately €6.21 million; and, with reference to extraordinary maintenance works on the Italy portfolio, the realisation of restyling works at the "Centro Sarca" Shopping Centre, with a residual amount of approximately €3 million.

With reference to the Porto Grande project, at the Date of the Registration Document the Issuer has not yet decided on the contractors to be used for the construction works.

The Company will finance these investments by using the the short-term revocable lines of credit already granted to it for a total of €266 million, of which €229.53 million is available at 30 June 2014.

With regard to extraordinary maintenance activity in Romania, the Company has assumed a definite commitment to invest in the restructuring of a point of sale to enable the entry of a new operator at the "Diana" Shopping Centre in Tulcea, for approximately €1.1 million, to be carried out in 2015.

On 7 July 2014, the Issuer's Board of Directors approved the Property Acquisition and, in particular, the signature of preliminary contracts for the purchase of two Hypermarkets, a Shopping Centre and two Supermarkets for a total amount of €92.665 million, plus transfer taxes and ancillary expenses of approximately €2.103 million. The Property Acquisition, which is not included in the investments provided for in the 2014-2016 Plan as set out above, is conditional on the approval and full subscription of the Capital Increase.

In addition, with respect to non-real estate investments, the Company has an agreement in place with UnipolSai Assicurazioni S.p.A. based on which IGD will acquire a 20% holding in the share capital of UnipolSai Investimenti SGR S.p.A., a wholly owned subsidiary of UnipolSai, for €4.2 million.

This shareholding acquisition will be financed using short-term revocable lines of credit already granted to the Company whose use is considered in the total net financial requirement as at the Date of the Registration Document.

This transaction is pending authorisation from the Bank of Italy.

For more information, please see Chapter XVII of the Registration Document.

CHAPTER V – OVERVIEW OF OPERATIONS

5.1 Main activities of the IGD Group

5.1.1. Introduction

The IGD Group is a key player in Italy in ownership and management of Shopping Centres in the organised large-scale retail sector. Since 2008, the Group has operated in Romania, through subsidiary Winmagazin, which owns the country's largest department store chain.

Specifically, the IGD Group's operations are divided into:

- **Property Management and Leasing**, the purpose of which is to add value to the Real Estate Portfolio over a medium-/long-term time horizon, by acquiring and renting property for commercial purposes, both already operational and newly constructed (Shopping Centres, Hypermarkets, Supermarkets and Shopping Arcades), and by optimising the return on property in the Real Estate Portfolio, including by selling Shopping Arcades; and
- **Services**, which comprise Agency Management and Oversight activities and Facility Management activities.

The following table shows the consolidated operating revenue by business area for the half-years ended 30 June 2014 and 2013, as well as for financial years ended 31 December 2013 and 2012.

Business sector* *(€ thousand)*	**30/06/2014**	**%**	**30/06/2013**	**%**	**31/12/2013**	**%**	**31/12/2012**	**%**
Property Management and Leasing	57,734	93%	58,032	96%	115,836	91%	118,140	96%
Services	2,710	5%	2,514	4%	4,996	4%	5,136	4%
Revenue from trading	1,385	2%	0	0%	6,163	5%		0%
Total	**61,829**	**100%**	**60,546**	**100%**	**126,995**	**100%**	**123,276**	**100%**

*For the purposes of this operating review, some cost and revenue items have been reclassified and/or offset with respect to figures in the financial statements.

The following table shows the consolidated operating revenue by business area and by geographical region for the half-years ended 30 June 2014 and 2013 and the financial years ended 31 December 2013 and 2012.

Business sector	**Italy**							
(€/000)								
	30/06/2014	**%**	**30/06/2013**	**%**	**2013**	**%**	**2012**	**%**
Property Management and Leasing	53,516	93%	52,743	96%	105,837	91%	107,038	96%
Services	2,691	5%	2,465	4%	4,948	4%	4,981	4%
Revenue from trading	1,385	2%	0	0%	6,163	5%		0%
Total	**57,592**	**100%**	**55,208**	**100%**	**116,948**	**100%**	**112,019**	**100%**
Business sector	**Romania**							
(€/000)								
	30/06/2014	**%**	**30/06/2013**	**%**	**2013**	**%**	**2012**	**%**
Property Management and Leasing	4,218	100%	5,289	99%	9,999	100%	11,102	99%
Services	19	0%	49	1%	48	0%	155	1%
Revenue from trading	0	0%	0	0%	0	0%		0%
Total	**4,237**	**100%**	**5,338**	**100%**	**10,047**	**100%**	**11,257**	**100%**

Revenue from property management and leasing refers to the leases and business rental agreements signed by the operators in the Shopping Arcades, and the leases and business rental agreements signed with Coop Adriatica, Unicoop Tirreno, Ipercoop Tirreno and Ipercoop Sicilia for the Hypermarkets inside the various Shopping Centres.

Revenue from Services mainly comprises revenue from Facility Management and from Oversight.

Revenue from trading in 2013 came from the sale of 18 residential units, 20 boxes and 3 car park spaces relating to the Mazzini sub-area in the "Porta a Mare" project in Livorno, while revenue in the first half of 2014 was generated by the sale of 4 residential units and appurtenances, along with other smaller amounts of trading revenue relating to the Mazzini sub-area in the "Porta a Mare" project in Livorno.

5.1.2 Property Management and Leasing

The IGD Group owns Real Estate Assets that mainly comprise Hypermarkets and Shopping Arcades inside mid/large-scale Shopping Centres.

At the Date of the Registration Document, IGD owns Shopping Centres in 11 Italian regions. Specifically, as at 30 June 2014, the IGD Group owns 19 Hypermarkets and Supermarkets, 18 Shopping Arcades and Retail Parks (including a Shopping Arcade jointly owned with Beni Stabili), a City Centre property, 4 plots of land for direct development, a property complex known as the "Porta a Mare" project and 7 real estate units of other kinds.

Since 2008, the Group has also been operating in Romania through its subsidiary Winmagazin, which owns the country's largest department store chain, with shops in 13 cities. At the Date of the Registration Document, the IGD Group owns 15 Shopping Centres and an office building in Romania.

The properties included in the Group's Real Estate Assets, together with leasehold properties, make up the Real Estate Portfolio.

The IGD Group's operations in Property Management and Leasing in respect of the Real Estate Portfolio include:

- the acquisition and construction of commercial property (Shopping Centres, Hypermarkets, Supermarkets and Shopping Arcades);
- the leasing of the property in the Group's Real Estate Portfolio;
- optimising the return on the property in the Portfolio, by means of: (*i*) commercial policies and marketing strategies that maintain the appeal and occupancy rates of Shopping Centres at high levels; (*ii*) policies for adding value to and managing properties through enhancement works such as extensions and restyling, and routine and extraordinary maintenance;
- the sale of freehold properties that are no longer strategic or that have reached an advanced stage in their lifecycle.

5.1.2.1 Acquisition and construction of commercial property

The IGD Group's Real Estate Portfolio was created through acquisitions and through extraordinary corporate transactions, such as mergers by absorption and transfers in kind.

When assessing the expedience of each investment, the IGD Group collaborates with specialist companies and carries out market research in the area, mainly aiming to analyse: (*i*) the social and demographic potential of the catchment area in which the Shopping Centre is located or will be built; (*ii*) the presence (actual or potential) of other sector operators in this area; and (*iii*) the spending power of the potential end customers of the Shopping Centre, by studying their purchasing habits and consumption requirements in order to identify the tenant mix, i.e. the ideal combination of businesses to lease the shops in the Shopping Arcade within the Shopping Centre. The market research also includes a prospective analysis of income/financial position to show the profitability of the investment and its financial structure and cost.

When the expedience of the investment has been assessed, the IGD Group commissions specialist companies in the sector to prepare appropriate market assessments and/or carry out due diligence.

If the investment relates to an existing Shopping Centre, the IGD Group usually asks the investment proposer to verify compliance with legal technical requirements and to carry out any improvement works. Conversely, when the investment relates to a Shopping Centre to be constructed, responsibility for the verification process will vary, depending on whether construction will take place on land owned by a third party or on land owned by IGD. If the Shopping Centre is to be constructed on third-party land, the Group intervenes in the planning phase to request any changes to the above-mentioned technical requirements in order to optimise the layout of the retail spaces according to its planned return objectives. If the Shopping Centre is to be constructed on Company land, the Company verifies directly whether the engineering companies and third-party subcontractors are complying with the technical requirements.

5.1.2.2 Leasing/rental of properties in the Real Estate Portfolio

The Group's main activity is stipulating leases and business rental agreements on the property in the Real Estate Portfolio.

The following table shows the revenue from rental payments in the first half-years of 2014 and 2013, as well as for financial years 2013 and 2012, broken down by type of property leased.

(€/000)	30/06/2014	30/06/2013	31/12/2013	31/12/2012
Freehold Hypermarkets	17,690	17,387	34,895	34,152
Leasehold Hypermarkets	59	58	116	114
Freehold Supermarkets	194	193	387	381
TOTAL HYPERMARKETS/SUPERMARKETS	**17,943**	**17,638**	**35,398**	**34,647**
Freehold Shopping Arcades in usufruct, offices and city centres	33,300	35,112	69,320	72,634
Leasehold Shopping Arcades	4,989	3,854	7,842	7,915
Revenue from other contracts and temporary rentals	1,502	1,428	2,969	2,783
TOTAL SHOPPING ARCADES	**39,791**	**40,394**	**80,131**	**83,332**
GRAND TOTAL	**57,734**	**58,032**	**115,529**	**117,979**

Leasing of Hypermarkets and Supermarkets

The management of Hypermarkets and Supermarkets primarily consists of managing and stipulating lease/rental agreements with mass market operators selling retail goods to the general public.

As at 30 June 2014, the IGD Group owned 19 Hypermarkets and Supermarkets. Hypermarket management also includes one leasehold Hypermarket in addition to the above Hypermarkets and Supermarkets.

The following table shows, for each of the Hypermarkets and Supermarkets managed by the IGD Group, the term of the lease, the date of expiry and the GLA as at 30 June 2014. Each of the leases may be renewed for a period of six years, with the option of further renewals every six years.

Property	Term of lease	Next expiry	GLA
Freehold Hypermarkets/Supermarkets			
CENTRO ESP	16+6	30/06/2019	16,536
CENTRO BORGO	8+6	30/06/2017	11,480
CENTRO LAME	15+6	30/06/2018	15,681
CENTRO LEONARDO	14+6	30/06/2017	15,862
LUGO	18+6	30/06/2021	7,937
AQUILEIA	6+6	22/07/2020	2,250
I MALATESTA	18+6	22/12/2023	10,232
LE MAIOLICHE	18+6	03/06/2027	9,277
CONE’	18+6	29/06/2029	9,498
CENTRO D’ABRUZZO	9+6	30/06/2018	14,127
PORTOGRANDE	8+6	30/06/2017	15,290
CASILINO	18+6	30/06/2021	14,567
LE PORTE DI NAPOLI	18+6	25/03/2027	9,800
FONTI DEL CORALLO	18+6	28/03/2022	15,371
KATANE’	18+6	28/10/2027	13,663
TIBURTINO	18	01/04/2027	7,125
MIRALFIORE	18+6	30/06/2021	10,356
IL MAESTRALE	6+6	30/06/2015	12,551
LA TORRE	18+6	11/07/2029	11,217
Leasehold Hypermarkets/Supermarkets			
CENTRO PIAVE	9	30/04/2022	15,826

At the Date of the Registration Document, most of the Hypermarkets and Supermarkets in the Group's Real Estate Portfolio were leased under market conditions, primarily to Coop Adriatica, Unicoop Tirreno and companies belonging to the relative groups.

The main terms and conditions of leases on the Hypermarkets and Supermarkets are set out below.

Term. As shown in the table above, lease terms vary from a minimum of 6 to a maximum of 18 years. For each lease there is tacit renewal on expiry every six years, pursuant to Article 28 of Law 392/78. All of the leases stipulate non-withdrawal by tenants, unless on the serious grounds set out in the final section of Article 27 of Law 392/78. This does not apply to contracts for the "Tiburtino" and "Centro Piave" Shopping Centres, as these are business rental agreements rather than leases.

Rental payments. Payments are set using a profitability parameter calculated on the sale or construction cost of the properties. Rental payments are guaranteed by a security deposit amounting to six months of rent. Rental payments include a minimum guaranteed component and, in certain cases, a variable component linked to the Hypermarket's sales.

Rental payment adjustments. The leases provide for annual increases indexed to 75% of the ISTAT index ("**ISTAT**") for the prior year, published in the Official Gazette. Only the two business rental agreements mentioned above have a higher ISTAT index (100% for the "Piave" Shopping Centre and 80% for the "Tiburtino" Shopping Centre).

Maintenance. Tenants are responsible for all routine maintenance of property and extraordinary maintenance of all systems and building interiors. IGD is responsible for external extraordinary maintenance.

Insurance. The tenant must stipulate the following insurance policies: (*i*) "fire and accessory guarantee", covering its merchandise, furniture and fittings, systems, equipment and any other property, with waiver of the insurer's right of recourse to the lessor and any sublessees; (*ii*) "third-party liability" covering the risks relating to the lease of the building and the systems pertaining to the building, and relating to ownership and management of the tenant's merchandise, furniture and fittings, systems, equipment and any other property. The fire insurance must provide for an insured sum equal to the replacement value of the goods insured. The lessor, meanwhile, must stipulate: (*i*) a "fire and accessory guarantee" policy, covering the building, fixed systems pertaining to the building, and communal areas and spaces; and (*ii*) "third-party liability", to cover any damage arising from ownership of the building and fixed systems pertaining to the building. However, "all risks" coverage, for which tenants are fully responsible, is provided for in policies stipulated for Hypermarkets/Supermarkets located inside the following Shopping Centres: "Le Porte di Napoli", "Fonti del Corallo", "Le Maioliche", "Coné", "Casilino", "La Torre", "I Malatesta", "Katanè", "Tiburtino", and for the "Aquileia" Supermarket in Ravenna.

Leasing of Shopping Arcades and Retail Parks

Italy

In Italy, the leasing of Shopping Arcades and Retail Parks as at 30 June 2014 involves 18 freehold Shopping Arcades and Retail Parks owned by the Group (including a Shopping Arcade jointly owned with Beni Stabili) and 4 leasehold Shopping Arcades.

With regard to the leasehold Shopping Arcades, IGD has stipulated six-year leases with the owners of these Shopping Arcades, a 24-year lease (with the possibility of withdrawal for IGD in the twelfth year) with the option of tacit renewal for a further 6 years and the option of tacit renewal every six years, and a usufruct agreement relating to another Shopping Arcade expiring on 31 December 2014. IGD subsequently subleases the Shops (or rents the relative business units) to commercial operators.

The following table shows, for each of the IGD Group's freehold Shopping Arcades, the GLA and the number of Shops that it comprises, updated as at 30 June 2014, in light of the requalification and optimisation of retail layouts that took place in 2014.

Property	GLA	Number of Shops
CENTRO BORGO	7,043	32
CENTRO ESP	14,993	44
CONE' (Shopping Arcade and Retail Park)	12,211+5,950	64
KATANE'	14,912	70
LA TORRE	14,338	59
CENTRO D'ABRUZZO	12,571+3,610	50
PORTOGRANDE	8,097	38
CASILINO	5,515	25
TIBURTINO	33,496	116
LE PORTE DI NAPOLI*	17,341	72
LE MAIOLICHE	21,717	48
MONDOVICINO (Shopping Arcade and Retail Park)	7,197 + 9,660	54
CENTRO SARCA (Shopping Arcade and multiscreen)	18,242 + 5,491	80
MILLENNIUM GALLERY	7,683	33
GRAN RONDO' (Shopping Arcade and external structures)	11,650	38
I BRICCHI	16,211	31
LUNGO SAVIO	2,917	24
CENTRO DARSENA	5,896 +6,424	31

(*) The increase in GLA and the number of shops is due to the reduction in the size of the Hypermarket and the creation of a new shopping arcade.

The following table shows the total of rental payments due, relative to the total leases on the property in the Real Estate Assets, broken down by year, valued in euros and as a percentage of total rental payments.

Total rental payments due in 2014 *(€ million)*	**Total rental payments due in 2015** *(€ million)*	**Total rental payments due in 2016** *(€ million)*	**Total rental payments due after 2016** *(€ million)*
8.13	7.69	9.94	43.37
Percentage of total rental payments due in 2014	**Percentage of total rental payments due in 2015**	**Percentage of total rental payments due in 2016**	**Percentage of total rental payments due after 2016**
11.76%	11.12%	14.39%	62.73%

The following table shows, for each of the leasehold Shopping Arcades and Retail Parks managed by the IGD Group, the relative owners and the number of Shops.

Property	Owner	Number of Shops	Next expiry
CENTRO PIAVE	C.S.I.I. S.P.A.	46	30/06/2016
CENTRO NOVA	C.S.I.I. S.P.A. AND LES COPAIN HOLDING S.P.A.	59	28/02/2015
CITTÀ DELLE STELLE	COOP ADRIATICA SOC COOP A R.L.	48	31/12/2014
FONTI DEL CORALLO	BNP PARIBAS REAL ESTATE S.G.R.P.A.	55	25/02/2038

In Italy, IGD stipulates one of the following agreements with individual tenants of the Shops in the Shopping Arcades: (*i*) business rental agreements, if the retail licence holder is an IGD

Group company; (*ii*) leases (or subleases), if the tenant provides services, or if the retail licence may only be issued *ad personam*; or (*iii*) leasing of temporary spaces.

As at 30 June 2014, the number of business rental agreements in Italy accounted for 84% of total agreements, and 87% of Shopping Arcade sales.

Business rental agreements. These agreements typically last for five years and the rents are determined on the basis of a minimum guaranteed component and a variable component, in proportion with the sales generated by the individual retailer. The rental payments are guaranteed by a surety/security deposit, usually amounting to six months of rent. The annual rent increases are 100% indexed to the ISTAT of the previous year.

Leasing (or subleasing). These agreements, pursuant to Article 27 of Law 392 of 27 July 1978, as amended, generally have a term of six years, with the option of tacit renewal every six years. The rental payments are guaranteed by a surety/security deposit, usually amounting to six months of rent. The annual rent increases are 75% indexed to the ISTAT of the previous year, and published in the Official Gazette.

Determination of the minimum guaranteed component and variable component of rent. The minimum component of rent (in both business rental agreements and subleasing agreements) is determined according to a range of factors: the position of the centre, the surface area of the point of sale and its location within the Shopping Arcade, the goods traded and the type of operator.

The minimum guaranteed component is adjusted by a variable component, calculated on the basis of the sales generated by the individual retail operator in the previous 12 months. Generally speaking, the benchmark parameter for calculating the variable component is, on average, 7% of sales after VAT. At the end of each contractual year, based on the VAT returns of the retail operator, IGD verifies whether applying the above-mentioned parameter to the sales generated by the operator gives a greater amount than the minimum component paid by the operator in the previous four quarters. If the above amount is greater than the minimum component paid in the previous four quarters, the retail operator will have to pay the difference between the two amounts in addition to the fixed component already paid. Conversely, if the amount is less than the minimum component paid by the individual retail operator in the previous four quarters, the operator will not be required to supplement the rent, which will be equal to the fixed component only.

Leasing of temporary spaces. The purpose of these agreements is to lease advertising displays and communal spaces within the Shopping Arcades, for terms that may be limited to only a few weeks. Especially in respect of communal spaces, the agreement very often takes the form of concession of spaces for product promotion (and therefore excludes product sales). The rent is usually correlated to traffic flows in each Shopping Centre.

<u>Romania</u>

The IGD Group also leases Shopping Arcades in Romania, where it operates with a Real Estate Portfolio comprising 14 Shopping Centres and an office building.

In Romania, the Group stipulates leases with Shopping Arcades of various terms, according to whether the tenants are (*i*) local operators, with an average agreement term of two years; (*ii*) national operators, with an average agreement term of five years; or (*iii*) international operators, with an average agreement term of ten years. Rents are usually indexed to trends in the euro.

The following table shows, for each of the IGD Group's freehold Shopping Arcades in Romania, the GLA and the number of Shops therein, updated as at 30 June 2014, in light of the requalification and optimisation of retail layouts that took place in 2014.

Property	GLA	Number of Shops
"GRAND OMNIA CENTRE" SHOPPING CENTRE - PLOIESTI *	17,860	100
"BIG" SHOPPING CENTRE - PLOIESTI	4,183	89
"MODERN" SHOPPING CENTRE - GALATI	8,492	47
"COZIA" SHOPPING CENTRE – RAMNICU VALCEA	7,953	34
"PETRODOVA" SHOPPING CENTRE – PIATRA NEAMT	6,030	67
"DUNAREA" SHOPPING CENTRE - BRAILA	7,260	49
"DACIA" SHOPPING CENTRE - BUZAU	5,498	32
"DIANA" SHOPPING CENTRE - TULCEA	3,779	40
"SOMES" SHOPPING CENTRE - CLUJI	7,710	40
"MAGURA" SHOPPING CENTRE - BISTRITA	5,032	32
"CRINUL NOU" SHOPPING CENTRE - ALEXANDRIA	3,356	28
"OLTUL" SHOPPING CENTRE - SLATINA	4,571	22
"CENTRAL" SHOPPING CENTRE - VASLUI	4,030	18
"BIG-TURDA" SHOPPING CENTRE	2,579	7
"JUNIOR" OFFICE BUILDING - PLOIESTI	2,237	2

* From 1 January 2014 the Ploiesti Shopping Centres "GRAND" and "OMNIA" are regarded as a single asset, following their unification through the creation of a linking tunnel during the course of 2013.

Leasing of City Centre properties

With the acquisition in April 2011 of the complex comprising several adjacent properties that are functionally linked, at Via Rizzoli in the centre of Bologna, the Group's Real Estate Assets also include the "City Centre" category of property.

The complex comprises approximately 2,500 m^2 of GLA distributed over three floors and fully rented out via multi-year contracts with high-profile operators.

For more information on the features of the City Centre property, please see paragraph 5.1.4 of this Chapter of the Registration Document.

5.1.2.3 Optimising the return of the Real Estate Assets held by the IGD Group

The Property Management and Leasing activity also consists of optimising the return on the Group's Real Estate Assets. This is achieved by (*i*) commercial policies and marketing strategies that maintain the appeal and occupancy rates of Shopping Centres at high levels; and (*ii*) policies for adding value and managing properties through enhancement works such as extensions and restyling.

This activity involves routine and extraordinary maintenance operations, extensions, restructuring and restoration of the property in the Real Estate Assets and renegotiation of business rental agreements and leases on Shops, as well as by monitoring and consequently optimising the tenant mix (for further information on the tenant mix, see Chapter V, paragraph 5.1.3 of the Registration Document). The extension, restructuring and restoration work is carried out by third-party subcontractors.

During the first-half of 2014, the IGD Group continued to carry out routine maintenance at its Shopping Centres, either directly, or through the consortia that manage the centres. Most resources are directed at bringing systems into compliance with new regulations and maintaining the quality of the property in the Real Estate Assets intact over time.

During the first half of 2014, the IGD Group continued the extraordinary maintenance (asset management) of the buildings in the portfolio.

Specifically, in 2014, (*i*) the fitting-out of the Shopping Arcade in the "Centro d'Abruzzo" Shopping Centre was completed; (*ii*) the first phase of works to restyle and improve the environmental impact of the "Centro Sarca" Shopping Centre was begun (relating to the underground car parks and the connecting staircases), and restyling works on the inside of the Arcade were begun, with completion scheduled for 2015; and (*iii*) part of the layout modification works on the "Tiburtino" Shopping Centre (Guidonia) and the Mondovì Shopping Arcade were carried out (with completion expected in the second half of 2014), and similar works were continued on the "La Torre" Shopping Centre (Palermo), with a reconfiguration of the mix of Medium-sized Shops and neighbourhood shops. The fit-out works, aimed at allowing the insertion of primary operators into spaces that IGD delivers already finished and complete according to the specifications requested by the business, which concerned the above-mentioned shopping centres, involving the amalgamation and remodelling of existing points of sale, required major building works (inside the points of sale) and systems works (new construction and sectioning-off of existing systems); (*iv*) requalification works were begun on the Lugo Shopping Centre, as were restructuring works on the Arcade in the "Le Porte di Napoli" Shopping Centre, and (*v*) works were completed for reducing the size of the "Le Porte di Napoli" Hypermarket.

The return on the Real Estate Assets was also optimised by improvements in the energy performance of the properties, by installing new systems and using new, more functional materials in the restructuring phase.

In Romania, also in the first-half of 2014, work continued to give the various department stores a more "European" feel, with the ultimate aim of attracting increasing numbers of international retail chains. The facades were a primary focus, with great emphasis given to the Shopping Arcade's biggest brands, alongside the Winmarkt logo, which was redesigned in line with the Company's corporate identity. The new, technology-inspired look for the facades also involves the use of maxi-screens. As well as scrolling advertising messages, they allow the colour of the lights to change during the day, varying the department store's appearance. The internal work on the buildings was done with the aim of making the new structures as flexible as possible, to facilitate the entry of new operators.

5.1.2.4 Disposal of the IGD Group's Shopping Arcades

The IGD Group periodically assesses the possibility of disposing of the Shopping Arcades, assuming that sufficient value has been added to them.

5.1.3 Services

As well as Property Management and Leasing, the Group also provides services. This activity is performed by IGD and comprises the provision of Agency Management and Oversight services and Facility Management services, both of which are intended for the owners and tenants of the Hypermarkets, Supermarket and Shops inside the Shopping Arcades.

At the Date of the Registration Document, the IGD Group provides these services for its shareholders, Coop Adriatica and Unicoop Tirreno (and their subsidiaries), as well as for third parties such as Eurocommercial Properties and CoopLombardia, through ad hoc ownership consortia.

As at 30 June 2014, revenue from services mainly comprised revenue from Facility Management (€2,316 thousand), which accounted for 85.46% of total revenue from services generated during the period.

Agency Management and Oversight

Agency Management and Oversight comprises:

(i) qualifying the Shopping Arcade, to identify whether its structure should be aimed exclusively at consumers in the surrounding catchment area, or should represent a

retail attraction hub involving other consumers (using parameters such as the size of the Shopping Arcade, the relationship with the region and the presence of any competing operators);

(ii) studying the synergies between the Hypermarket and the Shopping Arcade to ensure that the merchandise offered is complementary;

(iii) identifying the tenant mix, i.e. identifying the types of Shops and operators that rent/lease the Shops in the Shopping Arcade, including with regard to the categories of merchandise on offer;

(iv) choosing the most suitable operators within the various merchandise segments, using a selection process that takes account of their reliability;

(v) holding negotiations with operators pursuant to the profit targets identified in the feasibility study;

(vi) identifying guidelines for management of the Shopping Arcades and service quality standards;

(vii) managing current relations with tenants/lessees;

(viii) identifying new tenants/lessees and, more generally, turnover management.

Facility Management

Facility Management comprises:

(i) managing expenditure and general services relating to the Shopping Centres;

(ii) drawing up estimated and final budgets for management, promotional and advertising spending;

(iii) breaking down spending on the basis of ownership thousandths between operators, and calculating advance payments to be requested;

(iv) monitoring and controlling any legal disputes relating to receivables recovery;

(v) finding firms to carry out systems maintenance work and checking and supervising works;

(vi) consulting to continually verify that the Shopping Centre complies with the laws in force;

(vii) preparing the Shopping Centre's marketing plan, in line with its qualification and in agreement with the Hypermarket tenants and the individual Shops in the Shopping Arcade;

(viii) selecting suppliers and advertising agencies to produce graphic designs for campaigns and to ensure that entertainment events are properly run;

(ix) management reporting via monthly checks on the sales performance of operators.

In January 2012, IGD introduced the role of Facility Manager into this operating context. The manager is in direct contact with the network to assist Shopping Arcade managers with routine maintenance activities. The Facility Manager is also responsible for controlling workplace safety and energy consumption by the Shopping Centres.

5.1.4 Description of the IGD Group's Real Estate Assets

The IGD Group owns a Real Estate Portfolio that mainly comprises Hypermarkets and Shopping Arcades inside mid-to-large-scale Shopping Centres.

As at 30 June 2014, the IGD Group's Real Estate Assets comprised: (*i*) 19 Hypermarkets and Supermarkets; (*ii*) 18 Shopping Arcades and Retail Parks (including one Shopping Arcade jointly owned with Beni Stabili); (*iii*) a City Centre property; (*iv*) 4 plots of land for direct development; (*v*) a property complex known as the "Porta a Mare" project; and (*vi*) 7 real estate units of other kinds (offices, a shop, a wholesale area and a fitness area belonging to freehold Shopping Centres).

The Group owned freehold properties in 11 regions as at 30 June 2014:

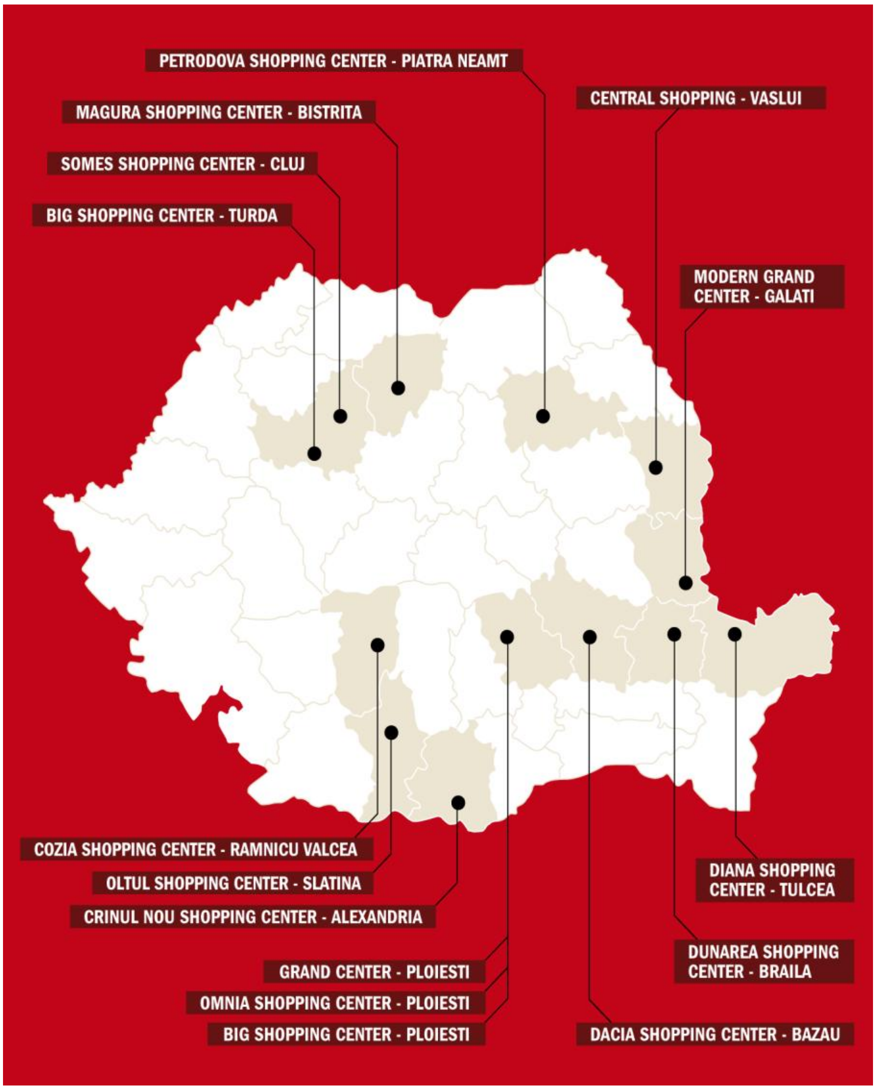
(i) in northern Italy: Emilia-Romagna (five Shopping Arcades, eight Hypermarkets and Supermarkets, a City Centre property, a plot of land and five real estate units of other kinds); Piedmont (a Shopping Arcade and a Retail Park); Lombardy (two Shopping Arcades), Trentino (a Shopping Arcade) and Veneto (a plot of land, a Retail Park and a Hypermarket); and

(ii) in central-southern Italy: Marche (a Shopping Arcade, three Hypermarkets, a plot of land and two real estate units of other kinds); Abruzzo (a Shopping Arcade, a Hypermarket and a plot of land); Lazio (two Shopping Arcades and two Hypermarkets); Tuscany (a Shopping Arcade, a Hypermarket, a property complex known as the "Porta a Mare" project); Campania (a Shopping Arcade and a Hypermarket) and Sicily (two Shopping Arcades and two Hypermarkets).

The graphic representation below shows the Group's presence in Italy at the Date of the Registration Document.

In Romania, the Group's Real Estate Assets comprise (*i*) 14 Shopping Centres (following the the unification of the Grand Center and Omnia centres in Ploiesti) and (*ii*) a building for office use. These properties are located in 13 medium-sized Romanian cities.

The graphic representation below shows the Group's presence in Romania at the Date of the Registration Document.



Breakdown of Real Estate Assets

As at 30 June 2014, the Group's Real Estate Assets had a total market value of €1,849.53 million (€1,891.28 million as at 31 December 2013).

The following table shows the market value of the freehold Real Estate Assets of the IGD Group, broken down by use, as at 30 June 2014 and 31 December 2013.

Category *(€ million)*	Market value at 30/06/2014	Market value at 31/12/2013
IGD Group's Real Estate Assets		
Hypermarkets and Supermarkets	526.72	544.39
Italian Shopping Arcades	956.22	971.53
City Centres	27.70	27.80
Other	6.60	6.58
Total Italy	**1,517.24**	**1,550.29**
Romanian Shopping Arcades	170.10	170.00
Other Romania	3.30	3.40
Total Romania	**173.40**	**173.40**
Total IGD Group	**1,690.64**	**1,723.69**
Category		**Market value at 31/12/2013**
Direct development projects		
Projects in advanced construction phase*	27.90	14.40
Plots of land and ancillary costs	46.18	39.19
Total direct development projects	**74.08**	**53.59**
Category		**Market value at 31/12/2013**
"Porta Mare" project property*	**84.81**	**114.00**
Total comprehensive market value	**1,849.53**	**1,891.28**
*At 30 June 2014, includes the Mazzini shopping complex. At 31 December 2013, included the Abruzzo Extension, which at 30 June was included under Shopping Centres Italy.		
**Includes the commercial segment under development.		

With reference to the 2013 financial year, the valuation of the Italian Real Estate Assets was divided between the independent experts CBRE and Reag. For the first half of 2014, the above-mentioned independent experts were joined by the independent expert Cushman & Wakefield.

As at 31 December 2013, the Real Estate Assets in Romania were appraised solely by CBRE. As at 31 June 2014, the valuation of the Real Estate Assets in Romania was divided between the independent experts CBRE and Reag. For more information regarding the performance of the Romanian property sector in the first half of 2014, refer to the Company's condensed consolidated half-year financial statements for the period ended 30 June 2014, included in this Registration Document.

Description of the properties included in the IGD Group Real Estate Assets

The properties in IGD's Real Estate Assets, broken down by type and geographical region, are described below.

Italy

Shopping Centres

“LE PORTE DI NAPOLI” SHOPPING CENTRE – Via Santa Maria La Nuova 1 – Marziasepe Area – AFRAGOLA (NA)	
The “Le Porte di Napoli” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in a peripheral area of the municipal region of Afragola (NA), close to the municipality of Acerra.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	74,600,000
Estimated value as at 30 June 2014 (€)	74,600,000
Shopping Arcade GLA (m^2)	17,341
Shopping Arcade net sales area (m^2)	14,515
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	12,900,000
Estimated value as at 30 June 2014 (€)	12,900,000
Hypermarket GLA (m^2)	9,800
Hypermarket net sales area (m^2)	4,585
Hypermarket lessee	Ipercoop Tirreno

“CENTRO BORGO” SHOPPING CENTRE – Via Marco Emilio Lepido, 184-186 – BOLOGNA	
The “Centro Borgo” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in the Borgo Panigale area, approximately 6 km north-west of the city of Bologna, near Guglielmo Marconi civil airport.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	31,200,000
Estimated value as at 30 June 2014 (€)	31,200,000
Shopping Arcade GLA (m^2)	7,043
Shopping Arcade net sales area (m^2)	3,980
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	35,500,000
Estimated value as at 30 June 2014 (€)	35,500,000
Hypermarket GLA (m^2)	11,480
Hypermarket net sales area (m^2)	7,163
Hypermarket lessee	Coop Adriatica

“KATANÈ” SHOPPING CENTRE – Via Salvatore Quasimodo, SNC – GRAVINA DI CATANIA	
The “Katanè” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in a peripheral part of the city, near the Catania ring road exit.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	70,000,000
Estimated value as at 30 June 2014 (€)	70,000,000
Shopping Arcade GLA (m^2)	14,912
Shopping Arcade net sales area (m^2)	10,626
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	38,500,000
Estimated value as at 30 June 2014 (€)	38,500,000
Hypermarket GLA (m^2)	13,663
Hypermarket net sales area (m^2)	7,650
Hypermarket lessee	Ipercoop Sicilia

“CONE’” SHOPPING CENTRE – Via San Giuseppe – CONEGLIANO VENETO	
The “Conè” Shopping Centre, which comprises a Shopping Arcade, Retail Park and Hypermarket, is located in a peripheral position (south), close to the “Conegliano” exit from the A27 Mestre-Belluno motorway, known as “Alemagna”.	
Shopping Arcade and Retail Park	
Book value as at 30 June 2014 (€)	69,976,792
Estimated value as at 30 June 2014 (€)	69,976,792
Shopping Arcade GLA (m^2)	12,211
Shopping Arcade net sales area (m^2)	8,574
Retail park GLA (m^2)	5,950
Retail park net sales area (m^2)	4,090
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	23,595,408
Estimated value as at 30 June 2014 (€)	23,595,408
Hypermarket GLA (m^2)	9,498
Hypermarket net sales area (m^2)	6,399
Hypermarket lessee	Coop Adriatica

“DARSENA CITY” SHOPPING CENTRE – Via Darsena, 73 – FERRARA	
The “Darsena City" Shopping Centre is located in a semi-central area in relation to the historic centre. The property, 50% of which is owned by IGD, is for commercial use and is part of a larger property complex, “Darsena City Village”, which also includes university housing, traditional housing, offices and private studios.	
Book value as at 30 June 2014 (€)	17,830,000
Estimated value as at 30 June 2014 (€)	17,830,000
Shopping Arcade GLA (m^2)	5,896
Hypermarket GLA (m^2)	3,715
Shopping Arcade net sales area (m^2)	2,679
Hypermarket net sales area (m^2)	2,335
Multiscreen GLA (m^2)	6,424
Shopping Arcade lessee	Rgd Ferrara 2013 S.r.l.

“LE MAIOLICHE” SHOPPING CENTRE – Via Bisaura, 1/3 – FAENZA	
The “Le Maioliche” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in a peripheral position in the north-west of the municipality of Faenza, approximately 50 km south of Bologna and approximately 30 km south-west of Ravenna.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	66,500,000
Estimated value as at 30 June 2014 (€)	66,500,000
Shopping Arcade GLA (m^2)	21,717
Shopping Arcade net sales area (m^2)	17,244
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	20,500,000
Estimated value as at 30 June 2014 (€)	20,500,000
Hypermarket GLA (m^2)	9,277
Hypermarket net sales area (m^2)	5,875
Hypermarket lessee	Coop Adriatica

“LA TORRE” SHOPPING CENTRE – Via Torre Ingastone – Borgo Nuovo Area – PALERMO	
The “La Torre” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in a peripheral position in the city of Palermo, in the area bordering the districts of Borgo Nuovo and Cruillas.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	58,300,000
Estimated value as at 30 June 2014 (€)	58,300,000
Shopping Arcade GLA (m^2)	14,338
Shopping Arcade net sales area (m^2)	9,937
Shopping Arcade lessee	Individual operators
Hypermarket	
Restructuring/extension	
Book value as at 30 June 2014 (€)	38,400,000
Estimated value as at 30 June 2014 (€)	38,400,000
Hypermarket GLA (m^2)	11,217
Hypermarket net sales area (m^2)	6,049
Hypermarket lessee	Ipercoop Sicilia

“ESP” SHOPPING CENTRE – Via Marco Bussato, 7 – RAVENNA	
The “ESP” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in a south-western peripheral area in the municipality of Ravenna, at the intersection between Via Classicana and Via Vincenzo Randi, which is one of the city’s main access roads.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	62,000,000
Estimated value as at 30 June 2014 (€)	62,000,000
Shopping Arcade GLA (m^2)	14,993
Shopping Arcade net sales area (m^2)	8,032
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	38,200,000
Estimated value as at 30 June 2014 (€)	38,200,000
Hypermarket GLA (m^2)	16,536
Hypermarket net sales area (m^2)	9,500
Hypermarket lessee	Coop Adriatica

“CASILINO” SHOPPING CENTRE – Via Casilina 1011 – ROME	
The “Casilino” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located inside the GRA (“great ring road”) in the eastern quadrant of the municipality of Rome, in a semi-peripheral position.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	20,700,000
Estimated value as at 30 June 2014 (€)	20,700,000
Shopping Arcade GLA (m^2)	5,515
Shopping Arcade net sales area (m^2)	4,245
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	32,600,000
Estimated value as at 30 June 2014 (€)	32,600,000
Hypermarket GLA (m^2)	14,567
Hypermarket net sales area (m^2)	6,500
Hypermarket lessee	Unicoop Tirreno

“TIBURTINO” SHOPPING CENTRE – Via Tiburtina – Martellona Area – GUIDONIA MONTECELIO	
The “Tiburtino” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located in the south-western quadrant of the municipality of Guidonia Montecelio in the Martellona area.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	109,900,000
Estimated value as at 30 June 2014 (€)	109,900,000
Shopping Arcade GLA (m^2)	33,496
Shopping Arcade net sales area (m^2)	26,167
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	17,900,000
Estimated value as at 30 June 2014 (€)	17,900,000
Hypermarket GLA (m^2)	7,125
Hypermarket net sales area (m^2)	4,300
Hypermarket tenant	Unicoop Tirreno

“PORTO GRANDE” SHOPPING CENTRE – Via Pasubio, 114 – SAN BENEDETTO DEL TRONTO (PORTO D’ASCOLI)	
The “Porto Grande” Shopping Centre, which comprises a Shopping Arcade and a Hypermarket, is located near the S. Giovanni shopping area, 1 km from the S. Benedetto del Tronto – Ascoli Piceno exit.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	25,992,755
Estimated value as at 30 June 2014 (€)	25,992,755
Shopping Arcade GLA (m^2)	8,097
Shopping Arcade net sales area (m^2)	6,657
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	20,326,295
Estimated value as at 30 June 2014 (€)	20,326,295
Hypermarket GLA (m^2)	15,290
Hypermarket net sales area (m^2)	8,243
Hypermarket lessee	Coop Adriatica

“CENTRO D’ABRUZZO” SHOPPING CENTRE – Via Po, Sambuceto Area – SAN GIOVANNI TEATINO	
The “Centro d’Abruzzo” Shopping Centre is located adjacent to the Pescara-Chieti motorway junction, at the dedicated Asse Attrezzato (Sambuceto) exit.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	58,100,000
Estimated value as at 30 June 2014 (€)	58,100,000
Shopping Arcade GLA (m^2)	16,181
Shopping Arcade net sales area (m^2)	8,990
Shopping Arcade lessee	Individual operators
Hypermarket	
Book value as at 30 June 2014 (€)	23,100,000
Estimated value as at 30 June 2014 (€)	23,100,000
Hypermarket GLA (m^2)	14,127
Hypermarket net sales area (m^2)	7,785
Hypermarket lessee	Coop Adriatica

Shopping Arcades

"MILLENNIUM CENTER" SHOPPING ARCADE AND SHOPPING CENTRE – Via Del Garda 175 – ROVERETO	
The "Millennium Center" Shopping Centre is located to the south of the municipality of Rovereto, less than 3 km from the city centre, and easily accessible from the SS 12 (Trento-Verona), the A22 (Brennero motorway) and from Riva del Garda on the SS 240.	
Book value as at 30 June 2014 (€)	23,685,499
Estimated value as at 30 June 2014 (€)	23,685,499
Shopping Arcade GLA (m^2)	7,683
Shopping Arcade net sales area (m^2)	5,467
Shopping Arcade lessee	Individual operators

"I BRICCHI" SHOPPING ARCADE AND SHOPPING CENTRE – SS 231 Angolo Strada Pratoboschiero – ISOLA D'ASTI	
The "I Bricchi" Shopping Centre is located in the periphery of the city of Asti and near various road connections to Asti city centre and the municipality of Alba.	
Book value as at 30 June 2014 (€)	28,700,000
Estimated value as at 30 June 2014 (€)	28,700,000
Shopping Arcade GLA, external body B and C (m^2)	16,211
Shopping Arcade net sales area, external body B and C (m^2)	10,198
Shopping Arcade lessee	Individual operators

"GRAN RONDÒ" SHOPPING ARCADE AND SHOPPING CENTRE – Via Giorgio La Pira, 12 – CREMA	
The "Gran Rondò" Shopping Centre is located in the western area of the municipality of Crema, immediately next to the city centre.	
Book value as at 30 June 2014 (€)	52,239,531
Estimated value as at 30 June 2014 (€)	52,239,531
Shopping Arcade GLA (m^2)	5,993
Shopping Arcade net sales area (m^2)	4,100
External units and other surface area (GLA m^2)	5,657
Shopping Arcade lessee	Individual operators

"LUNGO SAVIO" SHOPPING ARCADE AND SHOPPING CENTRE – Via Arturo Carlo Jemolo 110 – CESENA	
The "Lungo Savio" Shopping Centre is located in a semi-central position, easily accessible from the historic city centre as well as from SS 9 ("Secante") and from the SS 3*bis*, which is approximately 3 km away.	
Book value as at 30 June 2014 (€)	19,300,000
Estimated value as at 30 June 2014 (€)	19,300,000
Shopping Arcade GLA (m^2)	2,917
Shopping Arcade net sales area (m^2)	2,450
Shopping Arcade lessee	Individual operators

“CENTROSARCA” SHOPPING ARCADE AND SHOPPING CENTRE – Via Milanese SNC – SESTO SAN GIOVANNI	
The “Centrosarca” Shopping Centre is located in the south-western area of the municipality of Sesto San Giovanni, very close to the Milan municipal border, in an urban area between Via Milanese, Via Granelli, Via Aldo Moro and Via Del Parco in the south-western quadrant of the city.	
Book value as at 30 June 2014 (€)	117,200,000
Estimated value as at 30 June 2014 (€)	117,200,000
Shopping Arcade GLA (m^2)	18,242
Shopping Arcade net sales area (m^2)	10,327
Multiscreen GLA (m^2)	5,491
Shopping Arcade lessee	Individual operators

“MONDOVICINO” SHOPPING ARCADE, SHOPPING CENTRE AND RETAIL PARK	
The “Mondovicino” Shopping Centre and Retail Park is located close to the “Turin-Savona” section of the A6, 5 km north-east of the city of Mondovì.	
Shopping Arcade	
Book value as at 30 June 2014 (€)	29,200,000
Estimated value as at 30 June 2014 (€)	29,200,000
Shopping Arcade GLA (m^2)	7,197
Shopping Arcade net sales area (m^2)	4,546
Shopping Arcade lessee	Individual operators
Retail Park	
Built	2007
Book value as at 31 December 2012 (€)	20,800,000
Appraised value as at 31 December 2012 (€)	20,800,000
Total GLA (m^2)	9,660
Retail net sales area (m^2)	7,633

Hypermarkets and Supermarkets

“AQUILEIA” SUPERMARKET – Via Aquileia 110-112 – RAVENNA	
The “Aquileia” Supermarket is located in the Darsena area, east of the historic city centre, towards Marina di Ravenna and Lidi di Adriano.	
Book value as at 30 June 2014 (€)	5,600,000
Estimated value as at 30 June 2014 (€)	5,600,000
Supermarket GLA (m^2)	2,250
Supermarket net sales area (m^2)	1,226
Hypermarket lessee	Coop Adriatica

“CENTRO LAME” HYPERMARKET – Via Marco Polo, 3 – BOLOGNA	
The Hypermarket is located inside a Shopping Arcade named “Centro Lame”, which is located in a semi-central position in the north of Bologna, in the “Lame” district.	
Book value as at 30 June 2014 (€)	45,400,000
Estimated value as at 30 June 2014 (€)	45,400,000
Hypermarket GLA (m^2)	15,681
Hypermarket net sales area (m^2)	7,916
Hypermarket lessee	Coop Adriatica

“CENTRO LEONARDO” HYPERMARKET – Viale Amendola, 129 – IMOLA	
The Hypermarket is located inside the “Leonardo” Shopping Arcade, located in a south-eastern position approximately 40 km from Bologna and approximately 3 km from the A14 motorway exit.	
Book value as at 30 June 2014 (€)	33,765,121
Estimated value as at 30 June 2014 (€)	33,765,121
Hypermarket GLA (m^2)	15,862
Hypermarket net sales area (m^2)	7,754
Hypermarket lessee	Coop Adriatica

“LUGO” HYPERMARKET – Via della Concordia, 36 – LUGO DI ROMAGNA	
The Hypermarket is located inside the “Il Globo” Shopping Arcade, in a western position approximately 30 km from Ravenna and 45 km south-east of Bologna.	
Book value as at 30 June 2014 (€)	14,600,000
Estimated value as at 30 June 2014 (€)	14,600,000
Hypermarket GLA (m^2)	7,937
Hypermarket net sales area (m^2)	4,468
Hypermarket lessee	Coop Adriatica

“MIRALFIORE” HYPERMARKET – Galleria dei Fonditori, 1 – PESARO (PU)	
The Hypermarket is located inside a tertiary business complex, to the west of Pesaro city centre.	
Book value as at 30 June 2014 (€)	31,706,479
Estimated value as at 30 June 2014 (€)	31,706,479
Hypermarket GLA (m^2)	10,356
Hypermarket net sales area (m^2)	5,258
Hypermarket lessee	Coop Adriatica

“I MALATESTA” HYPERMARKET – Via Emilia, 150 – RIMINI	
The Hypermarket is located inside the “I Malatesta” Shopping Centre, in a northern position in the city of Rimini, near the bypass that skirts the residential centre, at the intersection between Via Emilia Vecchia and Via Emilia.	
Book value as at 30 June 2014 (€)	38,300,000
Estimated value as at 30 June 2014 (€)	38,300,000
Hypermarket GLA (m^2)	10,232
Hypermarket net sales area (m^2)	4,667
Hypermarket lessee	Coop Adriatica

“IL MAESTRALE” HYPERMARKET – Strada Statale 16 Adriatica Nord, 91 – CESANO DI SENIGALLIA	
The Hypermarket is located inside the “Il Maestrale” Shopping Centre, in the north of the municipal region, approximately 5 km from Senigallia city centre, overlooking the main artery into the city centre.	
Book value as at 30 June 2014 (€)	21,227,792
Estimated value at 30 June 2014 (€)	21,227,792
Hypermarket GLA (m^2)	12,551
Hypermarket net sales area (m^2)	6,660
Hypermarket lessee	Coop Adriatica

“CENTRO LE FONTI DEL CORALLO” HYPERMARKET – Via Graziani, 6 – Livorno	
The Hypermarket is located inside the “Le Fonti del corallo” Shopping Arcade, on the north-eastern fringe of Livorno, in an area subject to recent expansion.	
Book value as at 30 June 2014 (€)	34.600.000
Estimated value at 30 June 2014 (€)	34.600.000
Hypermarket GLA (m^2)	15.371
Hypermarket net sales area (m^2)	8.500
Hypermarket lessee	Unicoop Tirreno

City Centre property

RIZZOLI CITY CENTRE – Via Rizzoli, 16-18 – BOLOGNA	
The City Centre property, which comprises two separate but connected buildings, is located in the historic centre of Bologna, very close to Piazza Maggiore, inside the busiest retail area of the city, and has artistic and architectural value.	
Book value as at 30 June 2014 (€)	27,700,000
Estimated value as at 30 June 2014 (€)	27,700,000
GLA (m^2)	2,350
Number of Shops	2

Plots of land

PLOT OF LAND – Brondolo S. Anna Area – CHIOGGIA	
The plot of land forms part of a level, regularly shaped lot located on the SS Romea, which links Chioggia with Ravenna, approximately 2 km south of Chioggia, in the Brondolo di Chioggia area. The plot will be used to construct a Retail Park with a sales area of 12,023 m^2 (GLA of 18,522 m^2). The Hypermarket will occupy a sales area of 4,490 m^2 for 7,550 m^2 of GLA, and an external area will be used for parking.	
Book value as at 30 June 2014 (€)	23,452,639
Estimated value as at 30 June 2014 (€)	23,452,639
Land area (m^2)	75,192

PLOT OF LAND – Via Marco Bussato – RAVENNA	
The plot of land, which is adjacent to the “ESP” Shopping Centre, will be used to add value to the existing retail hub, with a total area of 23,000 m^2, which is currently used for agriculture.	
Book value as at 30 June 2014 (€)	17,882,231
Estimated value as at 30 June 2014 (€)	18,900,000
Land area (m^2)	98,283

PLOT OF LAND – San Giovanni Area – SAN BENEDETTO DEL TRONTO	
The plot of land, which is located close to the Porto Grand Shopping Centre, contains an almost regularly shaped buildable area and will be used to build two Medium-sized Shops and a connecting Shopping Arcade, with a gross area of 4,991 m^2.	
Book value as at 30 June 2014 (€)	3,825,944
Estimated value as at 30 June 2014 (€)	3,825,944
Land area (m^2)	14,345

Mazzini Shopping Complex – Livorno	
Complex of commercial premises on the ground floor of the new multi-function property complex on via Mazzini in Livorno.	
Book value as at 30 June 2014 (€)	27,900,000
Estimated value as at 30 June 2014 (€)	27,900,000
GLA (m^2)	7,500

"Porta a Mare" project

DEVELOPMENT PROJECT – "Porta A Mare" – LIVORNO	
A real state complex located on the seafront area surrounding the Mediceo Port in Livorno, which includes historically important buildings and structures of interest. The real estate development entails the construction of property for residential, retail, tertiary and hospitality purposes, divided into the following five sub-areas: (i) MOLO MEDICEO, a sub-area for commercial, tertiary and tourism-hotel use; the related construction works are scheduled for launch from 2019; (ii) LIPS, a sub-area for commercial, tertiary and tourism-hotel use; the related construction works are scheduled for launch from second-half of 2017; (iii) ARSENALE, a sub-area for commercial and tourism-hotel use; the related construction works are scheduled for launch from 2019; (iv) PIAZZA MAZZINI, with the Palazzo Orlando annex, with portions for tertiary and residential use, which were completed at the Date of the Registration Document; (v) OFFICINE STORICHE, for commercial, residential and tertiary use, in the construction phase at the Date of the Registration Document and with completion scheduled at the end of 2016. At the Date of the Registration Document all licences for the construction of property had been issued.	
Book value as at 30 June 2014 (€)	84,810,000
Estimated value as at 30 June 2014 (€)	84,810,000
SLP (m^2)	62,500

Other properties

OFFICE BUILDING – Via dei Trattati Comunitari Europei 1957-2007 13 – BOLOGNA	
The property, which is located in a peripheral area to the north-east of Bologna, comprises a portion of an office building for management purposes within a newly built property complex ("Bologna Business Park").	
Book value as at 30 June 2014 (€)	4,520,000
Estimated value as at 30 June 2014 (€)	4,520,000
GLA (m^2)	1,539
Car parking spaces (garage)	16
Lessee	Hera Group, Librerie Coop

OFFICE BUILDING – San Giovanni Area – SAN BENEDETTO DEL TRONTO	
A detached office building, developed on floors above ground, and a smaller external building for a garage, located in the San Giovanni Area, approximately 1 km from the A14 “San Benedetto – Ascoli Piceno” motorway exit.	
Book value as at 30 June 2014 (€)	263,310
Estimated value as at 30 June 2014 (€)	263,310
GLA (m^2)	314
Garage area	40
Lessee	Individual operator

“MIRALFIORE” SHOP – Galleria dei Fonditori, 1 – PESARO (PU)	
The Shop is located to the west of Pesaro city centre, inside a complex for tertiary and commercial use.	
Book value as at 30 June 2014 (€)	214,872
Estimated value as at 30 June 2014 (€)	214,872
Shop GLA (m^2)	56
Shop lessee	Individual operator

“I MALATESTA” FITNESS CENTRE – Via Emilia 150 – RIMINI	
The property, which is used as a fitness centre, is located inside the “I Malatesta” Shopping Arcade in the north of the city of Rimini.	
Book value as at 30 June 2014 (€)	700.000
Estimated value as at 30 June 2014 (€)	700.000
Fitness area GLA (m^2)	882
Fitness area lessee	Individual operator

“I MALATESTA” WHOLESALE AREA – Via Emilia 150 – RIMINI	
The property, which is used as a wholesale area, is located inside the “I Malatesta” Shopping Arcade in the north of the city of Rimini.	
Book value as at 30 June 2014 (€)	700,000
Estimated value as at 30 June 2014 (€)	700,000
Wholesale area GLA (m^2)	203
Wholesale area lessee	Vacant

“AQUILEIA” SHOP – Via Aquileia 110-112 – RAVENNA	
The Shop is located in the Darsena area, east of the historic city centre near to the supermarket, towards Marina di Ravenna and Lidi di Adriano.	
Book value as at 30 June 2014 (€)	200,000
Estimated value as at 30 June 2014 (€)	200,000
Shop GLA (m^2)	185
Shop lessee	Individual operator

Romania

Shopping Centres

“GRAND OMNIA CENTER” SHOPPING CENTRE – 15-17-25, Bvd. Republicii – PLOIESTI*	
The “Grand Omnia Center” Shopping Centre is centrally located in the city of Ploiesti – the administrative centre of the Prahova region – approximately 60 km north of Bucharest, 70 km west of Buzau and 50 km east of Targoviste.	
Book value as at 30 June 2014 (€)	54,800,000
Estimated value as at 30 June 2014 (€)	54,800,000
Shopping Centre GLA (m^2)	17,860
Shopping Centre net sales area (m^2)	16,197
Shopping Arcade lessee	Individual operators

* From 1 January 2014 the Ploiesti Shopping Centres “GRAND” and “OMNIA” are regarded as a single asset, following their unification through the creation of a linking tunnel during the course of 2013.

“BIG” SHOPPING CENTRE – 8, Piata 1 Decembrie 1918 – PLOIESTI	
The “Big” Shopping Centre is semi-centrally located in the city of Ploiesti – the administrative centre of the Prahova region – approximately 60 km north of Bucharest, 70 km west of Buzau and 50 km east of Targoviste.	
Book value as at 30 June 2014 (€)	9,500,000
Estimated value as at 30 June 2014 (€)	9,500,000
Shopping Centre GLA (m^2)	4,183
Shopping Centre net sales area (m^2)	2,642
Shopping Arcade lessee	Individual operators

“MODERN” SHOPPING CENTRE – 24, Bvd. Domneasca – GALATI	
The “Modern” Shopping Centre is centrally located in the city of Galati, the administrative centre of the Galati region, which is located approximately 240 km north-west of Bucharest, 350 km south of Pitesti and approximately 190 km from Costanta.	
Book value as at 30 June 2014 (€)	20,300,000
Estimated value as at 30 June 2014 (€)	20,300,000
Shopping Centre GLA (m^2)	8,492
Shopping Centre net sales area (m^2)	6,758
Shopping Arcade lessee	Individual operators

“COZIA” SHOPPING CENTRE – 127, Bvd. Calea lui Traian – RAMNICU VALCEA	
The “Cozia” Shopping Centre is centrally located in the city of Ramnicu Valcea – the administrative centre of the Vâlcea region – approximately 195 km north-west of Bucharest, 120 km north of Craiova, 100 km south of Sibiu, 130 km from Târgu Jiu and 60 km from Pitesti.	
Book value as at 30 June 2014 (€)	14,000,000
Estimated value as at 30 June 2014 (€)	14,000,000
Shopping Centre GLA (m^2)	7,953
Shopping Centre net sales area (m^2)	7,649
Shopping Arcade lessee	Individual operators

“PETRODAVA” SHOPPING CENTRE – 1, Bvd. Decebal – PIATRA NEAMT	
The “Petrodava” Shopping Centre is centrally located in the city of Piatra Neamt – the administrative centre of the Neamt region – approximately 350 km north-east of Bucharest, 131 km west of Iasi, 60 km south of Bacau and 297 km from Cluj-Napoca.	
Book value as at 30 June 2014 (€)	13,000,000
Estimated value as at 30 June 2014 (€)	13,000,000
Shopping Centre GLA (m^2)	6,030
Shopping Centre net sales area (m^2)	4,516
Shopping Arcade lessee	Individual operators

“DUNAREA” SHOPPING CENTRE – 90, Bvd. Mihai Eminescu – BRAILA	
The “Dunarea” Shopping Centre is centrally located in the city of Braila – the administrative centre of the Braila region – approximately 213 km north-east of Bucharest, 178 km north-west of Costanta and 32 km north of Galati.	
Book value as at 30 June 2014 (€)	12,200,000
Estimated value as at 30 June 2014 (€)	12,200,000
Shopping Centre GLA (m^2)	7,260
Shopping Centre net sales area (m^2)	6,197
Shopping Arcade lessee	Individual operators

“DACIA” SHOPPING CENTRE – 1, Piata Daciei – BUZAU	
The “Dacia” Shopping Centre is centrally located in the city of Buzau – the administrative centre of the Buzau region – 110 km north-east of Bucharest, approximately 75 km south of Focsani, 136 km north from Galati and 230 km from Constanta.	
Book value as at 30 June 2014 (€)	10,800,000
Estimated value as at 30 June 2014 (€)	10,800,000
Shopping Centre GLA (m^2)	5,498
Shopping Centre net sales area (m^2)	4,837
Shopping Arcade lessee	Individual operators

“DIANA” SHOPPING CENTRE – 1, Piata Civica – TULCEA	
The “Diana” Shopping Centre is centrally located in the city of Tulcea – the administrative centre of the Tulcea region – 280 km north-east of Bucharest and approximately 120 km from Constanta and Galati.	
Book value as at 30 June 2014 (€)	8,100,000
Estimated value as at 30 June 2014 (€)	8,100,000
Shopping Centre GLA (m^2)	3,779
Shopping Centre net sales area (m^2)	3,316
Shopping Arcade lessee	Individual operators

“SOMES” SHOPPING CENTRE – Str. Izlazului – CLUJ NAPOCA	
The “Somes” Shopping Centre is semi-centrally located in the city of Cluj Napoca – the administrative centre of the Cluj region – which is 426 km north of Bucharest, 644 km north-east of Constanta, 390 km from Iasi and 264 km from Brasov.	
Book value as at 30 June 2014 (€)	8,000,000
Estimated value as at 30 June 2014 (€)	8,000,000
Shopping Centre GLA (m^2)	7,710
Shopping Centre net sales area (m^2)	5,292
Shopping Arcade lessee	Individual operators

“MAGURA” SHOPPING CENTRE – 17, Bvd. Garii – BISTRITA	
The “Magura” Shopping Centre is semi-centrally located in the city of Bistrita – the administrative centre of the region of Bistrita Nasaud –approximately 420 km north of Bucharest and 120 km north-east of Cluj-Napoca.	
Book value as at 30 June 2014 (€)	6,400,000
Estimated value as at 30 June 2014 (€)	6,400,000
Shopping Centre GLA (m^2)	5,032
Shopping Centre net sales area (m^2)	4,284
Shopping Arcade lessee	Individual operators

“CRINUL NOU” SHOPPING CENTRE – 242, Str. Libertatii – ALEXANDRIA	
The “Crinul Nou” Shopping Centre is centrally located in the city of Alexandria – the administrative centre of the Teleorman region – 87 km south-west of Bucharest, 114 km south of Pitesti, 40 km from Zimnicea and 48 km from Turnu Magurel.	
Book value as at 30 June 2014 (€)	5,000,000
Estimated value as at 30 June 2014 (€)	5,000,000
Shopping Centre GLA (m^2)	3,356
Shopping Centre net sales area (m^2)	3,107
Shopping Arcade lessee	Individual operators

“OLTUL” SHOPPING CENTRE – 20, Bvd. Al. I. Cuza – SLATINA	
The “Oltul” Shopping Centre is centrally located in the city of Slatina – the administrative centre of the Olt region – approximately 200 km west of Bucharest, 50 km east of Craiova and 75 km west of Pitesti.	
Book value as at 30 June 2014 (€)	2,300,000
Estimated value as at 30 June 2014 (€)	2,300,000
Shopping Centre GLA (m^2)	4,571
Shopping Centre net sales area (m^2)	3,583
Shopping Arcade lessee	Individual operators

“CENTRAL” SHOPPING CENTRE – 82, Bvd. Stefan cel Mare – VASLUI	
The “Central” Shopping Centre is centrally located in the city of Vaslui – the administrative centre of the Vaslui region – 332 km north of Bucharest, 170 km from Galati, 81 km from Bacau, 70 km south of Iasi and 362 km from Constanta.	
Book value as at 30 June 2014 (€)	3,400,000
Estimated value as at 30 June 2014 (€)	3,400,000
Shopping Centre GLA (m^2)	4,030
Shopping Centre net sales area (m^2)	3,676
Shopping Arcade lessee	Individual operators

“BIG” SHOPPING CENTRE – 34-36, Piata 1 Decembrie 1918 – TURDA	
The “Big” Shopping Centre, which is centrally located in the city of Turda – in the Cluj region – approximately 300 km north-west of Bucharest, 30 km south of Cluj-Napoca, 70 km from Targu-Mures and 70 km from Alba-Iulia.	
Book value as at 30 June 2014 (€)	2,300,000
Estimated value as at 30 June 2014 (€)	2,300,000
Shopping Centre GLA (m^2)	2,579
Shopping Centre net sales area (m^2)	2,415
Shopping Arcade lessee	Individual operators

Other properties

"JUNIOR" OFFICE BUILDING – 2, Str. Unirii – PLOIESTI	
The property, which will be used for offices, is centrally located in the city of Ploiesti – the administrative centre of the Prahova region – approximately 60 km north of Bucharest, 70 km west of Buzau and 50 km east of Targoviste.	
Book value at 30 June 2014 (€)	3,300,000
Estimated value at 30 June 2014 (€)	3,300,000
GLA (m^2)	2,237
Lessee	Vacant

The Property Acquisition

On 7 July 2014, the Issuer's Board of Directors approved the Property Acquisition and, in particular, the signature of:

(i) a preliminary contract with Coop Adriatica for the purchase of the following real estate assets:

- Arcade and Hypermarket in the "Ascoli Piceno – Città delle Stelle" Shopping Centre, for a price of €24,360,000 and €15,920,000 respectively;
- "Cesena – Lungosavio" Hypermarket, for a price of €19,000,000;
- "Schio" Hypermarket, for a price of €17,360,000.

The total price of the preliminary contract with Coop Adriatica is €76,640,000.

The preliminary contract with Coop Adriatica stipulated on 7 July 2014 provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Coop Adriatica, to lease to Coop Adriatica, for a term of eighteen years, the Hypermarkets forming the subject of the purchase, namely "Schio", "Cesena – Lungosavio" and "Ascoli Piceno – Città delle Stelle", for a total annual rent of €3,502,950.00.

With reference to the "Ascoli Piceno – Città delle Stelle" Shopping Centre – of which IGD has the use under a usufruct agreement with Coop Adriatica – pursuant to Art. 1014 of the Italian Civil Code, this contract will be terminated on completion of the purchase, with a consequent annual reduction of €1,856,815 in related costs (2013 figures).

(i) a preliminary contract with Unicoop Tirreno for the purchase of the following real estate assets:

- "Civita Castellana" Supermarket, for a price of €4,000,000;
- "Cecina" Supermarket, for a price of €12,025,000.

The total price of the preliminary contract with Unicoop Tirreno is €16,025,000.

The preliminary contract with Unicoop Tirreno stipulated on 7 July 2014 provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Unicoop Tirreno, to lease to Unicoop Tirreno, for a term of eighteen years, the Supermarkets forming the subject of the purchase, namely "Civita Castellana" and "Cecina", for a total annual rent of €1,090,000.

Total expenses linked to the Property Acquisition, including transaction costs, amount to around €2.103 million

The Board of Directors has also resolved that the Property Acquisition will be conditional on the approval and full subscription of the Capital Increase.

On 11 June 2014, IGD commissioned Cushman & Wakefield, a leading independent consulting firm in the real estate sector, to provide an assessment of the market value and market rent for each property as at 30 June 2014, in accordance with the "RICS Valuation -

Professional Standards" adopted by the Royal Institution of Chartered Surveyors in the UK, currently in force. On 3 July 2014, Cushman & Wakefield submitted its valuation reports to the Company, indicating the market value and market rent for each property. The properties were valued on an individual basis, and therefore the sum of the market values does not represent the market value of the real estate portfolio considered as a whole. Specific details on the individual valuations are provided in the applicable valuation reports. In particular, the properties were valued individually and not as an entire portfolio. Therefore, the value provided applies to the acquisition or sale of the individual asset, and not of the entire portfolio.

Additionally, on 24 June 2014, IGD appointed Reconta Ernst&Young as independent experts to certify the financial fairness of the Property Acquisition. On 4 July 2014, Reconta Ernst&Young issued its fairness opinion in support of the resolutions of IGD's Board of Directors, particularly with regard to (*i*) the consistency of the rental payments agreed upon and the associated contractual structures in cases of sale with simultaneous lease, (*ii*) the appropriateness of the valuation criteria and methods adopted, (*iii*) the consistency of the IGD acquisition prices and (*iv*) the consistency of the Property Acquisition with respect to IGD’s risk and investment return profiles.

On the basis of the analyses conducted, Reconta Ernst & Young deemed that the process used by the Company to determine the rental payment of the properties subject to the Property Acquisition was based on generally accepted market practices and that the rental payments agreed upon were in line with the market.

Reconta Ernst & Young also agreed with the valuation parameters adopted by Cushman & Wakefield to estimate the market value of the properties subject to the Property Acquisition as at 30 June 2014 and deemed that they were in line with what would normally be found in professional practice in the real estate sector. Elements of note were not highlighted with respect to the fairness of Cushman & Wakefield’s methodological procedures and calculations used to estimate the market value of the properties.

As regards the determination of the prices agreed upon for the properties subject to the Property Acquisition, Reconta Ernst & Young deemed that the price established for the Property Acquisition falls within the range of fairness.

In light of these analyses, Reconta Ernst & Young deemed that the Property Acquisition was consistent with IGD’s investment policies and the type of transactions that the Company has carried out in the past.

The main details of each property forming the subject of the Property Acquisition are given below.

ASCOLI PICENO SHOPPING ARCADE – CITTÀ DELLE STELLE – Via dei Mutilati ed Invalidi del Lavoro n. 94 – ASCOLI PICENO (AP)	
Shopping Arcade and multiscreen cinema located inside the "Città delle Stelle Shop & Show" Shopping Centre.	
Seller	Coop Adriatica S.c.ar.l.
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	24,360,000
Rents received in 2013 (in €)	1,720,496
Gross Initial Yield (on purchase price)	7.1%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	26,517,313
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	26,100,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	2,100,000
Gross Leasable Area (m^2)	17,203
Note: (*) IGD has use of the Shopping Arcade under a usufruct agreement with Coop Adriatica. Pursuant to Art. 1014 of the Italian Civil Code, this usufruct agreement will be terminated on completion of the purchase, with a consequent annual reduction of €1,856,815 in related costs. The payment received by IGD from Coop Adriatica for early termination of the usufruct right will be determined by dividing the annual amount by 365 and multiplying the result thus obtained by the number of days between the effective termination date and 31 December 2014. In addition, IGD already owns the business unit relating to the Shopping Arcade.	

ASCOLI PICENO HYPERMARKET – CITTÀ DELLE STELLE – Via dei Mutilati ed Invalidi del Lavoro n. 94 – ASCOLI PICENO (AP)	
Hypermarket located inside the "Città delle Stelle Shop & Show" Shopping Centre.	
Seller	Coop Adriatica S.c.ar.l.
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	15,920,000
Annual rent post-Operation (in €)	1,066,585
Gross Initial Yield (on purchase price)	6.67%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	16,906,381
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	16,700,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	1,080,000
Hypermarket sales in 2012 (in €)	30,815,000
Hypermarket sales in 2013 (in €)	28,818,000
Gross Leasable Area (m^2)	14,381
Sales area (m^2) (including the workshop area of 2,311 (m^2)	9,203

CESENA HYPERMARKET – LUNGOSAVIO - Via Arturo Carlo Iemolo n. 110 – CESENA (CF)	
Hypermarket located inside the “Lungosavio” Shopping Centre.	
Seller	Coop Adriatica S.c.ar.l.
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	19,000,000
Annual rent post-Operation (in €)	1,273,685
Gross Initial Yield (on purchase price)	6.7%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	20,091,314
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	19,800,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	1,270,000
Hypermarket sales in 2012 (in €)	36,142,000
Hypermarket sales in 2013 (in €)	36,391,000
Gross Leasable Area (m^2)	7,476
Sales area (m^2)	4,000
Note: the Arcade inside the Shopping Centre is already owned by IGD.	

SCHIO HYPERMARKET – Via Luigi della Via n. 9 int. 1 – SCHIO (VI)	
Hypermarket located inside a real estate complex that includes other medium-sized shops owned by third parties.	
Seller	Coop Adriatica S.c.ar.l.
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	17,360,000
Annual rent post-Operation (in €)	1,162,680
Gross Initial Yield (on purchase price)	6.7%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	18,205,729
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	17,900,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	1,140,000
Hypermarket sales in 2012 (in €)	27,780,000
Hypermarket sales in 2013 (in €)	29,067,000
Gross Leasable Area (m^2)	8,176
Sales area (m^2)	4,806

CIVITA CASTELLANA SUPERMARKET – Piazza Marcantoni, CIVITA CASTELLANA (VT)	
Supermarket located inside the "Piazza Marcantoni" Shopping Centre.	
Seller	Unicoop Tirreno Società Cooperativa
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	4,000,000
Annual rent post-Operation (in €)	285,000
Gross Initial Yield (on purchase price)	7.1%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	4,399,388
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	4,300,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	290,000
Supermarket sales in 2012 (in €)	12,670,782
Supermarket sales in 2013 (in €)	12,469,636
Gross Leasable Area (m^2)	3,020
Sales area (m^2)	1,510

CECINA SUPERMARKET – Via Pasubio n. 33 – CECINA (LI)	
Supermarket located inside the "Coop Shopping Centre".	
Seller	Unicoop Tirreno Società Cooperativa
Buyer	Immobiliare Grande Distribuzione SIIQ S.p.A.
Purchase price (in €) excluding transfer tax and ancillary expenses	12,025,000
Annual rent post-Operation (in €)	805,000
Gross Initial Yield (on purchase price)	6.7%
Market value as at 30 June 2014 (gross of acquisition costs) (in €) estimated by Cushman & Wakefield	13,600,080
Market value as at 30 June 2014 (net of acquisition costs) (in €) estimated by Cushman & Wakefield	13,400,000
Market rent as at 30 June 2014 (in €) estimated by Cushman & Wakefield	800,000
Supermarket sales in 2012 (in €)	35,634,106
Supermarket sales in 2013 (in €)	35,699,770
Gross Leasable Area (m^2)	5,749
Sales area (m^2)	3,155

5.2 Future plans and strategy

The Issuer aims to direct the Group's operating strategy towards confirming its leadership of the Shopping Centre retail property sector in Italy.

In particular, the strategy is focused on the medium- to long-term sustainability of revenue and cost of capital on the income statement, the maintenance over time of a high level of attractiveness and a high market value for the assets, and the maintenance of a balanced and sustainable financial structure geared towards the long term (in line with the high level of asset capitalisation).

For more information on the 2014-2016 Plan, see Chapter VIII, paragraph 8.1 of the Registration Document.

5.3 Main markets and competitive positioning

Italy

In Italy, Gross Domestic Product fell once again in the second quarter of 2014 (-0.3% on an annual basis)[2], although there were some positive signs during the first quarter, with a marginal increase in household spending (+0.1%[3]) for the first time since the beginning of 2011. However, a real recovery in spending, despite improvements in the confidence climate among households and businesses[4], was slowed by various factors such as fiscal pressure, unemployment (12.3% in June 2014[5]), credit restrictions, consolidation of savings, and uncertainties regarding the economic outlook[6]. The weakness of economic activity and domestic demand was also reflected in the trend of consumer prices: inflation in Italy continued to decline, falling to 0.3% in June 2014[7].

Real estate market

Foreign investors' interest in the Italian real estate market is consolidating in the first half of 2014, although the signs of recovery in the country's economy are struggling to find strength and the offering of suitable properties remains scant.

The offering and pipeline

The first half of 2014 saw the completion of the Nave De Vero Shopping Centre (Venice), owned by Corio, with a GLA of around 38,800 m^2, and the Shopping Brugnato Shopping Centre (La Spezia) with a GLA of around 22,500 m^2.

The table below shows the main retail projects in Italy completed during the first half of 2014 or under construction for 2014:

Centre	Progress	GLA (m^2)	Completion date
Nave De Vero (VE)	**Completed**	**38,800**	**Q2 2014**
Shopping Brugnato (SP)	**Completed**	**22,500**	**Q2 2014**
CC Maximo RM	**Under construction**	**60,625**	**Q4 2014**
CC Cascina Merlata	**Under construction**	**65,000**	**Q1 2016**
CC Arese (MI)	**Under construction**	**88,000**	**Q2 2015**

[2] Source: ISTAT, preliminary GDP estimate

[3] Source: Bank of Italy – Bollettino Economico 3/2014

[4] Source: Business confidence climate, July 2014, and Consumer confidence, July 2014

[5] Source: ISTAT – Employment and unemployment, July 2014

[6] Source: Confindustria Study Centre, June and July 2014

[7] Source: ISTAT – Consumer prices, July 2014

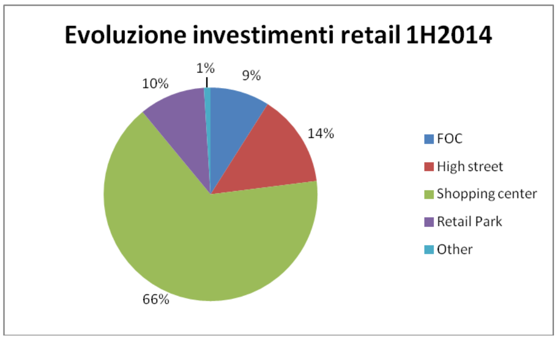
At the end of the first quarter of 2014, the stock of shopping centres in Italy with a GLA of more than 10,000 m^2 showed a value of 14.4 million, corresponding to a density of 241 m^2 of GLA per thousand inhabitants.

The volume under construction with delivery in the next three months is around 630,000 m^2 of GLA, of which around 80% is represented by shopping centres.

Worthy of particular note are the activities of refurbishment and enlargement of existing shopping centres. In this context, the most important enlargement announcement relates to the Oriocenter Shopping Centre.

Investments

The first half of 2014 confirms the retail sector as the one preferred by investors, accounting for 60% of the total volume of investment in Italy.



The main operations seen in the first half of 2014 were the acquisition, by a consortium led by Carrefour, of a pan-European portfolio of shopping arcades (including 7 in Italy) from the operator Klepierre, the acquisition by Blackstone of two shopping centres and a factory outlet from the DEgi Global Business and Degi International funds, and the acquisition by Allianz and Ing Insurance of the Fiumara Shopping Centre in Genoa.

Retailers and yield

Retailers' interest in prime or good secondary spaces in the Italian market remains high. Of particular note is the agreement reached by Gallerie Lafayette with Westfield and Gruppo Stilo to enter Italy, following the investor Westfield's development in the country.

As a result of this increased interest, yields in the first half of the year suffered a contraction of around 25 bps, with rates of 6.75% for prime centres and 8.25% for good secondary centres.

These rates are confirmed by the negotiations in progress and the pipeline of possible transactions by the end of the year is estimated at around €1.2-1.3 billion.

Romania

In Romania, although macroeconomic indicators were more positive than in Italy (GDP at approximately +35%, and unemployment at 7.1%[8]), there was only a slight improvement in the consumption growth rate (+3.0%[9]).

[8] Source: Raiffeisen research – Issue 6/2014

[9] Source: Raiffeisen research – Issue 6/2014

Real estate offer

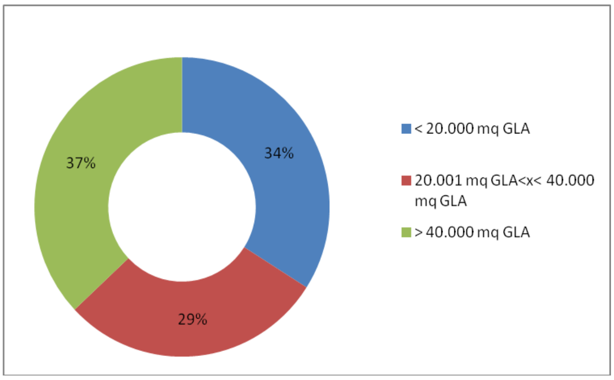
In the first half of 2014 there were no new openings of shopping centres in Romania.

The stock of retail spaces remained stationary at the level of around 2.8 million m^2 of GLA seen at the end of 2013. The Vulcan Value Center (Bucharest) and Targu Jui Shopping City are scheduled to open during the second half of 2014.

57% of the stock of retail properties consists of shopping centres, with 42% represented by retail parks and 1% by factory outlet centres.

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

Romania: breakdown of retail properties by size



The pipeline under construction for the two-year period 2014-2016 is estimated at around 350,000 m^2 of GLA. The main projects under construction are concentrated in Bucharest (ParkLake, Mega Mall, Ghencea Shopping Centre), Timisoara (Timisoara Shopping City) and Brasov (Coresi Shopping City).

On delivery of these projects, scheduled for mid-2016, the stock of retail spaces will amount to 3.15 million m^2 and the average retail density will be 158 m^2 per 1,000 inhabitants.

Prime rents for Shopping Centres rose in the first half of 2014, reaching €60/m^2/month, while prime yields remained stable at 8.25%.

The Romanian retail property market, which has achieved a fairly good goal of longevity, is seeing the first restyling activities for repositioning in the market (Iris Titan in Bucharest) and announcements of significant refurbishment programmes (Plaza Romania and Bucaresti Mall).

Competitive positioning

At the Date of the Registration Document, the IGD Group is one of the largest Italian entities operating in the retail segment of the real estate sector. The primary focus of the Group's business model is property and leasing and services activities. Due to the specific features of its business model, with a majority of revenue generated by rental and leasing, IGD was the first Italian company to obtain SIIQ status in 2008.

IGD has positioned itself in the retail segment, focusing mainly on the Italian market. Its Real Estate Portfolio had a market value of €1.8 billion as at 30 June 2014, and comprises 50 property units in Italy (including 18 Shopping Arcades and 19 Hypermarkets) and 14 Shopping Arcades in Romania.

In Italy, while companies Beni Stabili (the second company to obtain SIIQ status in Italy, in 2011), Risanamento, Brioschi, Aedes and Prelios are the main listed operators in the real estate sector, they do not have portfolios focused on the retail segment of the real estate market; their businesses are therefore not fully comparable with that of the Group[10].

IGD's biggest competitors, insofar as they are focused on the same segment, are foreign-owned companies. Of these, the listed companies are: (*i*) Klepierre S.A., which has a very extensive presence in Europe (11 countries) and owns 28 Shopping Centres in Italy[11]; (*ii*) Corio N.V., a company with a real estate portfolio focused on the foreign market (present in seven European countries), which owns 9 Shopping Centres in Italy; and (*iii*) Eurocommercial Properties (whose portfolio is divided between Italy, Scandinavia and France), which owns 10 Shopping Centres in Italy. Companies present in Italy but unlisted include Immochan (the international real estate branch of the Auchan group), which, through subsidiary Gallerie Commerciali Italia, owns and manages a total of 44 Shopping Centres and Hypermarkets and 6 Retail Parks.

5.4 Extraordinary factors

The information reported in paragraphs 5.1, 5.2 and 5.3 above was not influenced by extraordinary events in the periods under review.

5.5 Possible Issuer dependence on patents or licences; industrial, commercial or financial contracts; or new manufacturing processes

At the Date of the Registration Document, the Group's activity does not depend, to any significant extent, on trademarks, patents, licences or third-party manufacturing processes, or on industrial, commercial or financial contracts, considered individually.

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[10] Source: figures developed by the Company based on data published by Beni Stabili, Risanamento, Brioschi, Aedes and Prelios (taken from the most recently published financial statements and websites of these companies).

[11] On 29 July 2014, Klepierre SA and Corio NV announced that they had reached an agreement to create a leading real estate company in the European retail sector. The transaction will be carried out through a public exchange offer by Klepierre for 100% of Corio's shares.

CHAPTER VI – ORGANISATIONAL STRUCTURE

6.1 Description of the Group to which the Issuer belongs

The Company is controlled, pursuant to Article 93 of the TUF, by Coop Adriatica, which manages and coordinates the Company pursuant to Article 2497 of the Italian Civil Code. This activity is carried out through the appointment of the majority of the members of the Company's corporate governance bodies. In this regard, note that, at the Date of the Registration Document, the majority of the Company's Board of Directors comprises independent directors.

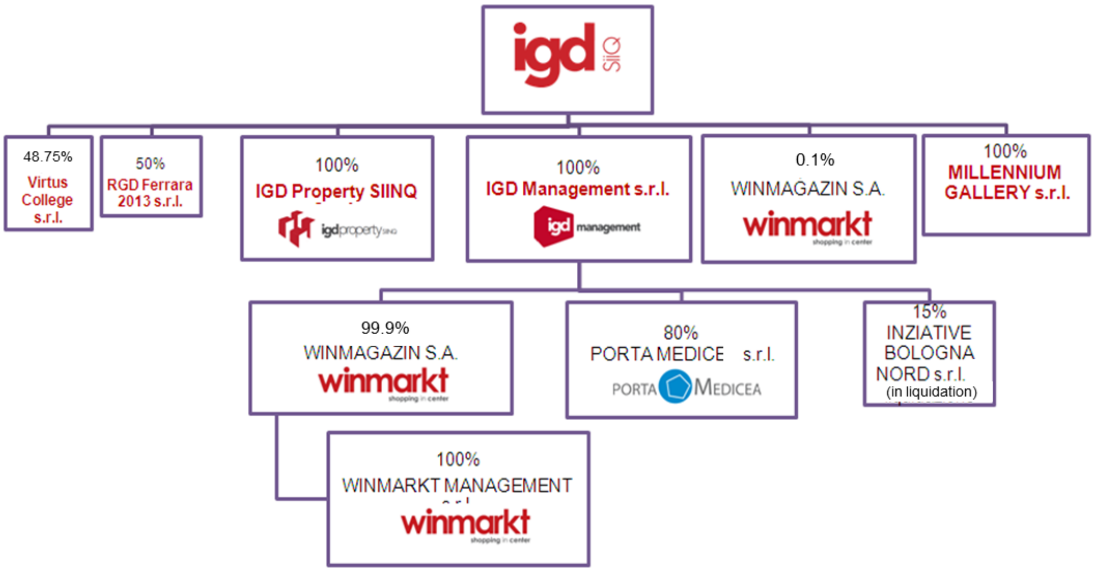
For more information on the relationship between IGD and Coop Adriatica, see Chapter XVI in the Registration Document.

The provisions of Title V, Book V, Chapter IX of the Italian Civil Code (Articles 2497 *et seq*.) stipulate, *inter alia*: (*i*) that the company carrying out management and coordination activity is directly liable in respect of the shareholders and corporate creditors of the companies being managed and coordinated (in the event that the managing and coordinating company – acting in its own business interests or in the business interests of others, in breach of the principles of proper corporate and business management of these companies – undermines profitability and shareholding value or damages the integrity of the company's assets in respect of its corporate creditors); and (*ii*) that directors of a company being managed and coordinated who neglect to comply with the advertising requirements set out in Article 2497-*bis* of the Italian Civil Code are liable for the harm caused to shareholders or third parties by the lack of knowledge of these facts.

The Issuer complies with the requirements set out in Article 37 of the Market Regulations approved by CONSOB in Resolution 16191 of 29 January 2007, as amended, for the listing of subsidiaries managed and coordinated by other, unlisted companies. Specifically, the Issuer (*i*) has fulfilled the advertising requirements set out in Article 2497-*bis* of the Italian Civil Code; (*ii*) negotiates independently with customers and suppliers; (*iii*) as of April 2011, has no cash pooling relationships in place with Coop Adriatica; and (*iv*) has a Control and Risk Committee, an Appointments and Remuneration Committee and a Committee for Related-Party Transactions, comprising independent directors pursuant to Article 37 of the Market Regulations.

6.2 Description of the Group's companies

At the Date of the Registration Document, the Issuer is the parent company of the IGD Group. The following diagram shows the structure of the IGD Group at the Date of the Registration Document.



The following table lists the companies directly and indirectly controlled by IGD at the Date of the Registration Document.

Name	Registered offices	Shareholder	Equity investment
IGD Management S.r.l.	Ravenna	IGD SIIQ S.p.A.	100%
Millennium Gallery S.r.l.	Ravenna	IGD SIIQ S.p.A.	100%
Porta Medicea S.r.l.	Bologna	IGD Management S.r.l.	80%
		F.IM.PAR.CO S.p.A.	20%
Win Magazin S.A.	Bucharest (Romania)	IGD Management S.r.l. 99.9%, IGD 0.1%	100%
Winmarkt management S.r.l.	Bucharest (Romania)	Win Magazin S.A.	100%
IGD Property SIINQ S.p.A.	Ravenna	IGD SIIQ S.p.A.	100%
"I Bricchi" consortium	Isola d'Asti	IGD SIIQ S.p.A.	72.25%
		Tiziano S.r.l.	27.75%
Leonardo Shopping Centre owners' consortium	Imola (Bologna)	IGD SIIQ S.p.A.	52.00%
		Eurocommercial Properties Italia S.r.l.	48.00%
Fonti del Corallo Shopping Centre owners' consortium	Livorno	IGD SIIQ S.p.A.	68.00%
		BNP PARIBAS REAL ESTATE S.G.R.P.A.	32.00%

With regard to subsidiary Porta Medicea S.r.l., the following agreements are in place with current shareholder F.IM.PAR.CO. S.p.A.:

i) agreements relating to the composition of the Board of Directors and the Board of Statutory Auditors;

ii) agreements relating to the voting rights of the Board of Directors;

iii) lock-up agreements with the minority shareholder (for a five-year period);

iv) reciprocal right of first refusal on the entire amount of any equity investment disposal;

v) IGD's commitment to maintain control of IGD Management S.r.l.

CHAPTER VII – INFORMATION ON EXPECTED TRENDS

7.1 Recent trends in the Group's markets

The general Italian macroeconomic context during the first six months of 2014 was characterised by a fluctuating trend, with some positive signals contrasted by others of a negative nature.

In particular, in the second quarter of 2014 there was an improved climate of confidence on the part of households and businesses[12]. There was also an increase in investments in machinery and equipment by companies (probably reflecting greater optimism regarding demand)[13], as well as in industrial production during the first half (+0.2% compared with 2013). There was also a rise in household consumption, which, albeit marginally, grew for the first time since 2011.[14]

In line with this context of improvement, as at 30 June 2014 the Group recorded positive performance for the sales of tenants in Italian arcades, which were up by 2.7% compared with the same period of 2013.

Despite these favourable signals, GDP fell for the second consecutive quarter (-0.3% for 2014[15]). With regard to consumption, tax pressures, unemployment (which has stopped rising but still stood at 12.3% in June[16]) and the general uncertainty about the economic outlook mean that there is no likelihood of improvement in the rest of 2014, with higher growth deferred until 2015. These factors are also reflected in the inflation rate, which fell further (+0.3% as at 30 June 2014[17] and at August 2014 equal to -0.1% on an annual basis[18]) which has a direct impact on the Group's results, since the majority of contracts are index-linked, inflation should hover around the current levels until autumn and then rise at the end of the year[19]. Furthermore, the contracts establish that when the index-linked adjustment is calculated, negative inflation rates will not result in a rent reduction.

With particular reference to the retail real estate market, the first half of 2014 saw a confirmation of the positive trend for investment and a consolidation of the revival of interest on the part of institutional investors, including Italian pension funds and foreign institutional investors, in this type of investment. The volume of retail investments in the second quarter of the current year began to grow, exceeding the 30% quarterly average of the last three years. The volume invested in the second quarter of 2014, at €645 million, was twice that of the previous quarter, particularly due to two major portfolio acquisitions that alone represented 60% of the quarterly volume (the acquisition of a pan-European portfolio of Klepierre shopping arcades by a consortium led by Carrefour and the acquisition by Blackstone of two shopping centres and a factory outlet).

The first six months of 2014 show an improvement, with a total volume of investments of almost €1 billion (more than twice the figure for the same period in 2013). The retail sector accounts for 60% of the total volume of investments in Italy[20].

With regard to trading activities in other segments of the Italian real estate market, and particularly in the residential segment, the Tecnocasa Research Unit forecasts a fall in values for 2014 (from -2% to -4% in the main centres) pending a revival of buying interest. No

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[12] Source: Business confidence climate, July 2014, and Consumer confidence, July 2014

[13] Source: Bank of Italy – Bollettino Economico 3, July 2014

[14] Source: Bank of Italy – Bollettino Economico 3, July 2014

[15] Source: ISTAT, preliminary GDP estimate, August 2014

[16] Source: ISTAT – Employment and unemployment, July 2014

[17] Source: ISTAT – Consumer prices, July 2014

[18] Fonte: ISTAT, Consumer prices, September 2014

[19] Source: ISTAT, Monthly update on the performance of the Italian economy, August 2014

[20] Source: CBRE

increases in value are expected for leasing. In the offices segment, demand for new spaces in Italy's two main cities (Rome and Milan) is low, while the supply of spaces is growing, particularly in non-central locations. Rents and rates of return are showing no significant changes only in prime locations[21].

With regard to leasing activities in the Italian retail property market, there is a trend towards the renegotiation of existing contracts at values broadly in line with those currently in effect. Demand for new sales spaces on the part of operators is focused on prime or good secondary locations, with a high degree of selectivity and caution in making their choices[22].

With reference to Romania, in the presence of more positive macroeconomic indicators compared with Italy (GDP at around +3.5% and unemployment at 7.1%)[23], the rate of growth in consumption was more substantial (+3.0%[24]). In the first half of 2014 there were no new openings of shopping centres, while the pipeline under construction for the two-year period 2014-2016 is estimated at around 350,000 m^2 of GLA. The main projects under construction are concentrated in Bucharest, Timisoara and Brasov.

7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year

At the Date of the Registration Document, with the exception of the Risk Factors described in Chapter III of this Registration Document and in paragraph 7.1 above, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

In particular, as at 30 June 2014, consolidated operating revenue was up (2.12%) compared with the same period of the previous year: added to the core business revenue from leasing activities is €1.38 million in trading revenue from the "Porta a Mare" project, relating mainly to the sale of 4 residential units and appurtenances. Conversely, core business revenue alone is slightly down by -0.32%, mainly due to the like-for-like revenue resulting from planned or strategic vacancy levels in Italian Shopping Arcades (already leased premises in which new layout works are in progress) and the decline in revenue from the Romanian Shopping Arcades due to planned vacancy levels and downsides on the renewal of leases from 2013 and the first quarter of 2014. The direct costs of core business increased by 10.25% compared with the same period in the previous year. The effect is mainly due to the increase in leasing and rental costs following the sale of the "Le Fonti del Corallo" Arcade in Livorno, which, as at the Date of the Registration Document, is managed under a long-term lease with the buyer.

Core business EBITDA as at 30 June 2014 amounted to €39.87 million, down by 4.25% compared with the same period of the previous year, while the core business operating margin stood at 66.11%, a decrease compared with the same period of the previous year, mainly due to the fall in core business revenue and the increase in the above-mentioned costs.

Financial management was down by 0.23% compared with the same period of the previous year.

As at 30 June 2014, Group profit was up (+9.82%) at €4.45 million.

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[21] Source: Cushman & Wakefield

[22] Source: CBRE

[23] Source: Raiffeisen research – Issue 6/2014

[24] Source: Raiffeisen research – Issue 6/2014

In line with Chapter VIII, Paragraph 8.3 of the Registration Document, the following additional profitability and financial structure indicators were used as at 30 June 2014: Funds from Operations, amounting to €17.2 million; Gearing Ratio of 1.3x; Loan to Value of 55.9% and Interest Cover Ratio of 1.75x. These results were basically in line with the operating and financial plans and projections for the comparable period set forth in the 2014-2016 Plan, and remained within the established ranges.

From 1 July 2014 to the Date of the Registration Document, there were no significant variances with respect to the operating and financial projections for the comparable period set forth in the 2014-2016 Plan.

CHAPTER VIII – PROFIT FORECASTS OR ESTIMATES

Introduction

On 19 December 2013, the Issuer's Board of Directors approved the 2014-2016 business plan (the "**2014-2016 Plan**" or the "**Plan**") containing the IGD Group's strategic guidelines and its operating, financial and equity objectives.

After that date, no amendment and/or addition to the Plan was approved by the Issuer's Board of Directors.

The Issuer declares that the assumptions, guidelines and goals identified in the 2014-2016 Plan remain valid, even in light of:

(i) the changes that have taken place and the new information available concerning the primary macroeconomic assumptions, as described in more detail in Paragraph 8.2. Those changes did not have a significant impact on the Plan.

(ii) the results of the IGD Group as at 30 June 2014; in particular, as described in more detail in Chapter VII, Paragraph 7.2, the actual consolidated results and the main operating and financial trends recorded until the Date of the Registration Document are substantially aligned with the operating and financial plans and projections set forth in the 2014-2016 Plan (also in terms of the core business operating margin).

(iii) the Property Acquisition and Capital Increase transactions decided upon in July 2014, as described in more detail in Paragraph 8.1. Please note that these transactions, which are aligned with the strategy and guidelines, were not expected when the Plan was prepared. The Issuer expects the Property Acquisition and the Capital Increase to have a positive impact on operating results and the financial position, and therefore help to achieve the Plan goals.

In light of the above, the Issuer declares that the Plan is confirmed and remains valid.

The 2014-2016 Plan was prepared based on the accounting policies used for the preparation of the 2013 Consolidated Financial Statements, presented in accordance with IAS/IFRS as adopted by the European Union.

The 2014-2016 Plan includes a set of estimates and assumptions relating to future events and actions to be undertaken by the Issuer's directors. These include, *inter alia*, hypothetical assumptions relating to future events and actions taken by the directors which may not necessarily occur, and events and actions over which the directors have little or no influence in terms of the major financial and economic factors or other factors that affect their performance (collectively, the "**Hypothetical Assumptions**").

For a better understanding of this chapter, please note that Paragraph 8.1 sets out the discretionary assumptions that the Directors may even only partially influence. Paragraph 8.2 sets out the assumptions that the Directors are not able to influence and the macroeconomic scenario, for which an update is provided as at the Date of the Registration Document. Lastly, the impacts of that update on the projection are described in Paragraph 8.3. Finally, details will be provided regarding the impact of the above-mentioned update on the project given in paragraph 8.3.

8.1 Discretionary assumptions and guidelines of the 2014-2016 Plan

Given the highly uncertain economic climate at the time of preparing the Plan, the preparation of the 2014-2016 Plan is based on the following principal Hypothetical Assumptions, of a discretionary nature on which the Directors can, only in part, influence:

1. the sale of assets (investment property and treasury shares) by 2016 for an estimated value of around €150 million;
2. the sale of property units in the "Porta a Mare" project for around €40 million by 2016;
3. successful completion of the refinancing of maturing debt, particularly in view of the additional financing needs arising from the planned investments. As at the Date of the Registration Document (also in light of the actions carried out, described above), the Issuer was not involved in any significant debt refinancing activities aside from those relating to the ordinary renegotiation of short-term lines of credit.

In more detail, the 2014-2016 Plan is based on strategic assumptions and guidelines set out below. Information will be given on the state of implementation of these guidelines as at the Date of the Registration Document:

1) Consolidation of operating results and profitability

The first course of action for the consolidation of operating results involves maintaining future leasing revenues and reducing the vacancy rate through:

- the capacity for innovation, by using attractive brands, offering personal services and showcasing local excellence;
- increased focus on interpreting changes in consumer demand in order to make swift adjustments to the merchandising mix;
- analysis of the operational and financial equilibrium of retailers, with the implementation of temporary, targeted support policies for retailers in difficulty, the total amount of which is however expected to decrease over the course of the 2014-2016 Plan.

In addition, the following are expected to have a positive impact on like-for-like core business revenue:

- index-linking of contracts, a gradual increase in the weighting of variable revenues to total revenues and a slight recovery in vacancy rate in 2015 and 2016;
- the gradual reduction in temporary discounts granted in view of the improving macroeconomic situation;
- a rise in rental payments by applying an increase of around 1% in the final year of the Plan;
- net revenue growth of Winmarkt in Romania, mainly due to the opportunities created by the redevelopment of the GLA and the positive impact of the most recent contracts, both in terms of step rent and in terms of index-linking mechanisms;
- the continuation of coordinated marketing plans to create a common identity for events and communication at the various centres located throughout Italy, delivering significant synergies;
- growth in service revenues based on an expected increase in management mandates.

In relation to direct costs, it has been assumed that a substantially stable level will be maintained, in absolute terms, for the duration of the 2014-2016 Plan.

The impact of these costs on total core business revenue is expected to fall to around 24% by the end of the 2014-2016 Plan.

In relation to general expenses, while a slight increase is forecast in absolute terms, their proportion relative to core business revenue is expected to fall to just over 8% in 2016.

Actions taken

The Company continued its activities in marketing and in improving the tenant/merchandising mix, for example by including new personal services (such as medical and dental clinics and fitness centres). These activities were also supported by layout modification works on shopping centres, such as the interventions in the "Tiburtino" centre (Guidonia) and the Mondovì arcade, with a reconfiguration of the mix between medium-sized shops and neighbourhood shops.

The occupancy level at 30 June 2014 (over 96%) confirms the high average levels (for hypermarkets and arcades in Italy) achieved by the Group.

2) Valuation of the existing portfolio and development pipeline

The valuation of the IGD Group portfolio is based on the implementation of projects already clearly identified, with a view to pursuing the following objectives:

- maintaining the appeal of the Shopping Centres in the Real Estate Portfolio, if necessary through their expansion and restyling;
- the opening of new Shopping Centres with local potential or the launch of innovative projects such as "Porta a Mare" (a retail development in a historical centre);
- continuing development efforts to allow recently opened Shopping Centres and those with the most potential to become fully profitable;
- keeping a strong focus on energy efficiency in both maintenance and new equipment to reduce general expenses and attract environmentally conscious tenants.

All planning activities are guided by commercial objectives.

The 2014-2016 Plan will require a total investment of around €195 million during the period 2014-2016, of which:

- €110 million will be invested in the existing portfolio, primarily for the expansion and restyling of major local Shopping Centres (such as the "ESP", "Centro d'Abruzzo", "Porto Grande", "Centro Sarca", "Gran Rondò" and "Le Porte di Napoli" Shopping Centres), and other extraordinary maintenance both in Italy and Romania in order to bring the facades and interior of Winmarkt department stores up to international standards, with a positive impact in terms of the possibility of attracting new high-profile retailers and potential investors in the near future; and
- €85 million will be invested in pipeline development projects, i.e. the new Shopping Centre in Chioggia and the Porta Medicea multipurpose development in Livorno.

More specifically, the 2014-2016 Plan involves investments of approximately: (*i*) €75 million for 2014, (*ii*) €85 million for 2015 and (*iii*) €35 million for 2016.

The difference between the investments referred to in paragraph 4.2.2 for 2014 compared with that provided for in the 2014-2016 Plan is due to the fact that certain investments included in the 2014-2016 Plan at the Date of the Registration Document are still awaiting a decision from the Issuer's governing bodies, although in the process of being finalised.

The 2014-2016 Plan also provides for the sale, by 2016, of investment property with a total estimated value of around €140 million, of which approximately €3.5 million relates to sales in Romania.

IGD may also consider potential opportunities for asset rotation and partnerships with institutional investors.

The aggregation strategy of third-party real estate portfolios is also still valid, again in the retail segment, and more specifically in the cooperative sector.

Actions taken

The Company continued the planned investment activities (see Chapter IV, paragraph 4.2, “Main investments”, of the Registration Document).

With regard to the disposal of real estate investments, on 26 February 2014 the Company sold the shopping arcade in the “Fonti del Corallo” shopping centre to a reserved real estate fund managed by BNP Paribas REIM SGR for a total of €47 million, in line with the book value as at 31 December 2013.

3) Financial sustainability

The Issuer’s financial strategy is aimed at gradual deleveraging; the 2014-2016 Plan effectively forecasts that the gearing ratio will settle at around 1.2x at the end of 2016, partly through the planned disposal of properties.

The Group also intends to start gradually reducing its bank borrowing through direct access to the bond market; at the same time, the Group will investigate the possibility of obtaining a rating from a prime ratings agency during the lifetime of the plan to gain more frequent access to the market.

The 2014-2016 Plan forecasts a long-term debt structure balanced against the high level of asset capitalisation, able to meet the increased financing needs arising from the planned investments through: (*i*) the refinancing of maturing debt; and (*ii*) the dividend reinvestment option in the context of a capital increase, to be proposed for each year of the 2014-2016 Plan when dividends are paid out, based on an estimated 50% of the total amount of dividends to be distributed. This strategic decision was made partly in view of the positive results of the first two dividend reinvestment options arranged in 2012 and 2013 in respect of the profit distribution obligations linked to its SIIQ status.

In addition, the 2014-2016 Plan provides for the sale of treasury shares for a total value of approximately €10 million by 2016. In terms of hedging the risk of interest rate changes on total debt, the intention is to maintain an essentially stable level of around 65% during the term of the 2014-2016 Plan, consistent with the performance of benchmark parameters and spreads.

Finally, in view of its SIIQ status and in the interests of sustainability, which characterises all aspects of the 2014-2016 Plan, the Issuer proposes to offer an attractive return to its shareholders. In this regard, the Issuer believes that the updates introduced by Decree-Law 133/2014, which reduces the obligation to distribute net profits from real estate leasing activities from 85% to 70% and establishes that capital gains and losses relating to rental properties are tax exempt, will not result in a substantial amendment to the dividend distribution policy and, therefore, will not have a significant impact on Plan goals.

Actions taken

- On 28 February 2014 the Company sold all the 10,976,592 treasuring shares in its possession, representing 3.15% of the share capital, to the investment fund Quantum Strategic Partners Ltd., managed by Soros Fund Management LLC, for a total of around €12 million (the figure envisaged in the Plan was around €10 million);
- On 7 May 2014, the Company issued unsecured senior bonds for a total amount of €150,000,000, maturing in January 2019 and with a fixed coupon of 3.875% on an annual basis. These bonds were placed in the context of a private placement aimed exclusively at qualified investors in Italy and abroad, handled by Morgan Stanley as Sole Bookrunner;
- On 30 May 2014, the Company completed the capital increase reserved for shareholders entitled to receive the 2013 dividend ("dividend reinvestment option"), with total subscriptions amounting to 77.8% of the shares offered, for a total of

approximately €14.05 million. This subscription percentage is higher than the results seen in similar operations carried out in 2013 and 2012 (respectively 76.1% and 69.7% of the shares offered), further confirming the interest of the Company's institutional and long-term investors, despite the Italian tax system, which is less favourable in comparison with real estate companies of other European and non-European countries.

Operations decided at the Date of the Registration Document

During the first half of 2014 the Company encountered two important trends on the market:

- confirmation of the positive trend of investments in the retail segment of the Italian real estate sector, and consolidation of the renewal of interest on the part of institutional investors in this type of investment (see Chapter VII, paragraph 7.1, “Recent trends in the Group’s markets”, of the Registration Document);
- the positive trend in both the national FTSE-MIB index (up by around 17%) and the EPRA/NAREIT index representing the main listed European real estate companies (also up by around 17%). In addition, the IGD share value rose by around 45% during the reference period, and over the last few months this growth was accompanied by a significant increase in the daily volume of trades in the shares (around +300% in the first six months compared with the same period of the previous year).

In addition, the Company's credit risk fell substantially over the last four months preceding 30 June 2014, as witnessed by the conditions of the bond issued on 7 May. The iTraxx Crossover index, which measures the credit risk of around 60 European sub-investment grade non-financial companies, fell from around 300 to around 245.

In July 2014, in view of these improvements in the macroeconomic context, in relation both to the Italian real estate market and to the financial markets, the Company decided to seize the opportunity:

- to acquire the real estate portfolio owned by Coop Adriatica and Unicoop Tirreno, in line with the second guideline of the Plan, regarding the enhancement of the existing portfolio and the development pipeline, and with the strategy of aggregating third-party real estate portfolios, particularly in the cooperative sector. The acquired properties are entirely consistent with the types of real estate invested in by the Company. Finally, it is estimated that the acquisition will make a positive contribution to the Company's growth in terms of size and market visibility, since it is based on the assumption that long-term leases will subsequently be stipulated with tenants of high reliability and excellent recognisability in the reference geographical areas;
- to propose to the shareholders a capital increase of €200 million. Although this increase is not provided for in the Plan prepared in December 2013 (when the real estate market, financial and stock market conditions were significantly worse), it is entirely consistent with the third guideline of the Plan, regarding financial sustainability. The capital increase will also help, in time, to improve access to the debt capital markets as an extra source of financing in addition to the banks.

These transactions, which are consistent with the IGD strategy, as highlighted above, were not expected when the Plan was prepared. In particular, the Property Acquisition is not included in the Plan pipeline in line with what is described in Chapter IV, Paragraph 4.2.3 of the Registration Document. The Issuer expects the above transactions to contribute to reaching the Plan's operating and financial goals. In this regard, please note that the Property Acquisition is expected to have positive effects on the stability of the Group's future cash flows and risk profile optimisation, considering the positive contribution from rental payments, limited additional operating costs and the absence of extraordinary maintenance for which the owner is responsible. Furthermore, as regards the Capital Increase, the Company intends to allocate the portion of net income exceeding the amount allocated to finance the Property Acquisition to cover the total financial requirement and reduce and/or refinance the debt to the banking system through the extinguishment of medium- and long-term bank debt. As a result, the estimated positive effect on the Company's financial leverage (projected Loan to Value of less than 50%, compared to around 57% at the end of 2013) will make it possible to achieve the deleveraging goals established in the Plan considerably sooner as well as stabilise the Company's financial profile in order to bring it into line with the main financial debt parameters (Loan To Value, Interest Cover Ratio, unmortgaged properties) observed in companies operating in the retail real estate sector at European level.

Please note that, since the Property Acquisition is subject to the full subscription of the Capital Increase, the Acquisition itself will have no impact on the Group's financial debt. Further, given the irrevocable and unconditional commitments of Coop Adriatica and Unicoop Tirreno to subscribe their portions of the Capital Increase for a total value of around €114 million as well as the Company's intention to proceed with the Property Acquisition for a value of roughly €94.765 million, even if the Capital Increase is not fully subscribed the Property Acquisition will have no negative impacts on the Group's financial debt.

8.2 Main general assumptions and macroeconomic scenario underlying the 2014-2016 Plan

The primary Hypothetical Assumption that is not influenced by the Directors is the projection that the majority of expenses for extraordinary maintenance expected over the 2014-2016 Plan period will not result in an increase in the fair value of investment property, in light of the macroeconomic scenario which was still uncertain at the time the Plan was prepared (in this regard, the IGD Board of Directors made no specific assumptions concerning the macroeconomic scenario that could impact the future trends of the real estate market). Therefore, it is expected that the majority of extraordinary maintenance expenses forecast for the 2014-2016 Plan period will not increase the value of the investment property, and rather will be recognised as costs in the income statement as a negative change in fair value.

Below are also the principal assumptions concerning the macroeconomic scenario used by the directors to prepare the 2014-2016 Plan.

Unless otherwise indicated, all macroeconomic data in the following paragraph are derived from the directors' calculations based on an analysis of various studies conducted by leading research institutes.

Benchmark assumptions for the Italian economy

See Chapter VII, paragraph 7.1 ("Recent trends in the Group's markets") of the Registration Document for an analysis of the macroeconomic trends in Italy. In particular, the assumptions about the performance of Italian GDP used for the preparation of the 2014-2016 Plan were +0.6% in 2014, +1.1% in 2015 and +1.7% in 2016. Taking account of the changes that have occurred and the new data available, as at the Date of the Registration Document it is estimated that the trend of Italian GDP may be as follows: +0.3% in 2014, +1.1% in 2015 and +1.5% in 2016.

Consumer price inflation was estimated at 1.5% for the entire lifetime of the Plan. Taking account of the changes that have occurred and the new data available, as at the Date of the Registration Document it is estimated that the trend of inflation in Italy may be as follows: +0.5% in 2014, +1% in 2015 and +1.5% in 2016.

In this economic climate, the spending behaviour of Italian households remains prudent, still influenced by disposable income and labour market conditions. In any case, in view of the steady improvement in the economic and employment situation, the estimates used for consumption trends were 0% in 2014, +0.6% in 2015 and +0.4% in 2016. Taking account of the changes that have occurred and the new data available, as at the Date of the Registration Document it is estimated that the trend of consumption in Italy may be as follows: +0.1% in 2014, +0.8% in 2015 and +1.1% in 2016.

Baseline assumptions for the Romanian economy

See Chapter VII, paragraph 7.1 ("Recent trends in the Group's markets") of the Registration Document for an analysis of the macroeconomic trends in Romania.

For the preparation of the 2014-2016 Plan, the estimates used for the trend of GDP were +2.3% in 2014, +2.5% in 2015 and +2.9% in 2016. Taking account of the changes that have occurred and the new data available, as at the Date of the Registration Document it is estimated that the trend of Romanian GDP may be as follows: +2.8% in 2014, +2.8% in 2015 and +2.9% in 2016.

In view of the index-linking of Romanian contracts to the eurozone inflation rate, the trend for this rate has been estimated at +1.4% in 2014, +1.4% in 2015 and +1.6% in 2016. Taking account of the changes that have occurred and the new data available, as at the Date of the Registration Document it is estimated that the trend of inflation in the eurozone may be as follows: +0.7% in 2014, +1.1% in 2015 and +1.4% in 2016.

Interest rates

The 3-month Euribor was forecast at 0.26% in 2014, 0.47% in 2015 and 0.91% in 2016.

Regarding the average spread on short-term loans, these are estimated at 2.9% in 2014 and 2.5% in 2015-2016, factoring in a potential new medium- to long-term loan at a fixed rate of 4.2%.

8.3 Targets of the 2014-2016 Plan

Based on the estimates and Hypothetical Assumptions described in paragraphs 8.1 and 8.2 above, the projection (the "**Projection**") included in the 2014-2016 Plan, as approved by the Issuer's directors on 19 December 2013, forecasts an "EBITDA Margin from the core business relating to the freehold shopping centres (freehold management)", defined as the ratio between the EBITDA from the core business relating to the freehold shopping centres and related revenue of more than 80% in 2016[25].

The Issuer declares that, as at the Date of the Registration Document, the Projection remains valid. In particular, the figure is also confirmed when account is taken of the changes, albeit insignificant, that have occurred in the macroeconomic context in which the Group operates

[25] The Forecast Data was already included in the Registration Document filed at Consob on 15 May 2014 following the announcement of the approval through a note on 15 May 2014, protocol no. 0040480/14. The External Auditors issued a report on 22 April 2014 on the procedures conducted on the Group's Forecast Data, attached to the above-mentioned Registration Document.

and the impacts of the two extraordinary Property Acquisition and Capital Increase operations described above.

The other targets envisaged in the 2014-2016 Plan are also reiterated:

- average annual compound growth in revenue from rental activities in Italy on a like-for-like basis (2014-2016): +1.5%;
- average annual compound growth in consolidated revenue from rental activities (2014-2016): +2.6%;
- Funds from Operations (or "FFO") during the period covered by the Plan: €30/35 million;
- Gearing of around 1.2x by the end of 2016;
- Loan To Value ("LTV")[26] of around 54% by the end of 2016;
- Interest cover ratio[27] of around 2x by the end of 2016;
- investments (2014 -2016): €195 million; and
- disposals (2014-2016) of €150 million.

With regard to these additional targets, the main economic and financial effects of the Property Acquisition and the Capital increase are estimated to be as follows:

- Funds From Operations (FFO)[28] over the timespan of the Plan up by around €10 million, and an improved Interest Cover Ratio of more than 2x at the end of 2016 (taking account of the incremental impacts on EBITDA arising from the Property Acquisition and the financial management savings linked mainly to the reduction in the net financial position as a result of the capital increase);
- Loan To Value (LTV) of around 50% by the end of 2016 (taking account of the impacts of the Capital Increase and the Property Acquisition on the Company's assets and liabilities).

8.4 External Auditors' Report on Projections

On 24 September 2014, the External Auditors issued a report on the methods used to prepare the Group's Projection as reported in Chapter VIII. A copy of this report is appended to this Registration Document.

[26] Funds from Operations (FFO) are calculated by adjusting pre-tax profit for non-monetary items (i.e. deferred taxes, depreciation and amortisation, provisions, impairment/reversals of assets under construction and goodwill, change in fair value), extraordinary items and gains on property disposals

[27] Loan to Value (LTV) is defined as the ratio of net financial debt to the total value of property assets.

[28] Interest cover ratio is defined as the ratio of EBITDA to interest expense.

[29] Funds from Operations (FFO) are calculated by adjusting pre-tax profit for non-monetary items (i.e. deferred taxes, depreciation and amortisation, provisions, impairment/reversals of assets under construction and goodwill, change in fair value), extraordinary items and gains on property disposals.

CHAPTER IX – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND KEY MANAGERS

9.1 Governing bodies and key managers

9.1.1 Board of Directors

At the Date of the Registration Document, the Issuer's Board of Directors (the "**Board of Directors**") in office was composed of 15 members, appointed by the Ordinary Shareholders' Meeting on 19 April 2012. The directors will remain in office until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2014.

Particulars on the members of the Board of Directors are given in the table below.

Name	Office	Place and date of birth
Gilberto Coffari (***)	Chairman	Bertinoro (FC), 12 June 1946
Sergio Costalli (**)	Vice Chairman	Rosignano Marittimo (LI), 8 March 1952
Claudio Albertini (***)	Chief Executive Officer	Bologna (BO), 16 April 1958
Roberto Zamboni (**)	Director	Conselice (RA), 7 July 1950
Aristide Canosani (**)	Director	Ravenna (RA), 24 December 1935
Leonardo Caporioni (**)	Director	Livorno (LI), 18 March 1964
Fernando Pellegrini (**)	Director	Cecina (LI), 2 February 1964
Fabio Carpanelli (*) (**)	Director	Crespellano (BO), 27 December 1938
Elisabetta Gualandri (*) (**)	Director	Modena (MO), 12 June 1955
Tamara Magalotti (*) (**)	Director	Civitella di Romagna (FC), 27 July 1948
Livia Salvini (*) (**)	Director	Rome (RM), 27 June 1957
Andrea Parenti (*) (**)	Director	Rome (RM), 22 October 1957
Riccardo Sabadini (*) (**)	Director	Ravenna (RA), 6 August 1957
Giorgio Boldreghini (*) (**)	Director	Goito (MN), 16 September 1944
Massimo Franzoni (*) (**)	Director	Bentivoglio (BO), 1 June 1956

(*) Independent in accordance with Article 148, paragraph 3 of the TUF and the Corporate Governance Code.

(**) Non-executive director.

(***) Executive director.

The members of the Board of Directors are domiciled in a professional capacity at the registered office of the Company situated at Via Agro Pontino 13, Ravenna.

With regard to the directors Fabio Carpanelli, Massimo Franzoni and Riccardo Sabadini, given the high level of professionalism and the activities carried out in recent years by them, although they have held office as directors for more than nine years, the Board of Directors of 27 February 2014 – also in light of the information reported by these directors – felt that these circumstances did not compromise their autonomy of judgement, and therefore it was considered that these directors are independent in accordance with the Corporate Governance Code. In line with the recommendations of the Corporate Governance Code, on 20 February 2014 the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors for determining the independence of its members. Below is a brief biography for each director, illustrating their business management skills and experience. For a list of offices held by members of the Board of Directors in the administrative, management or supervisory bodies of listed companies or partnerships – as well as an indication of the listed company or partnership in which members of the Board of Directors are shareholders – during the last five years, please see the following table.

Gilberto Coffari – Born in Bertinoro (FC) on 12 June 1946, Mr Coffari holds a diploma in Accountancy from the Ginanni Technical Institute in Ravenna. In 1970 he joined the Tax Assistance and Employment Legislation Office of the Provincial Association (ARCA) as head of the Employment Legislation, Tax Assistance and Contracts Office. In 1974 he became Provincial Manager of Cooperative Ortofruttivinicole. In 1975 he was elected Chairman of the Cooperativa Ala-Frutta (canned vegetable processing industry) and subsequently held the position of Chairman of the Associazione Provinciale Coop Agricole Ravenna (from 1982), Legacoop di Ravenna (1989-1998), Coop Adriatica (2006-2011) and Spring 2 S.r.l. (2009-2011), and Vice Chairman of Coop Adriatica (1998-2006) and Unipol Banca S.p.A. (from 2007). He has served as a member of the administrative and supervisory bodies of various companies, including as a director of Unipol Gruppo Finanziario S.p.A. (2007-2011). He has also been elected for public office as Mayor of Cervia, Municipal Councillor of Cervia and Provincial Councillor of the Province of Ravenna, as well as serving on the board of the Chamber of Commerce of Ravenna.

Sergio Costalli – Born in Rosignano Marittimo (LI) on 8 March 1952, Mr Costalli graduated in 1978 from the University of Pisa, where he gained a degree in Politics. He has written several publications. From 1981 to 1989 he was Coordinator of the Sector for Economic Development and Manufacturing and Head of the Commerce, Food Administration and Markets Department of the town of Cecina. From 1989 to April 2014 he has held various positions in Unicoop Tirreno, such as Chief Executive Officer, Vice Chairman and Chief Financial Officer. He currently holds the post of President of the Fondazione Memorie Cooperative and of the Chamber of Commerce of Livorno. He is also a member of the Board of Directors and the Chairman's Committee of Unipol Gruppo Finanziario S.p.A. and Director of Finsoe S.p.A. (since 2007).

Claudio Albertini – Born in Bologna on 16 April 1958, in 1977 Mr Albertini graduated in Accountancy from the L. Tanari Technical Institute in Bologna. He is a registered Chartered Accountant and Auditor in Bologna. Between 1978 and 1981 he worked at the Confederazione Nazionale dell'Artigianato in Bologna as an accounting and tax consultant for the Confederation's member companies. Between 1981 and 1985 he was an administrator at Legacoop Bologna, where he advised member companies on tax and administration. He was Head of Administration at Unifinass S.p.A., a financial firm controlled by Unipol Assicurazioni S.p.A. (1985-1989), Head of Administration and Control at Finsoe S.p.A., the holding company of the Unipol group (1989-1994), and at Unisalute S.p.A., a Unipol group company specialising in health insurance (1995). From 1996 to 2010 he held various positions at Unipol Merchant Banca per le Imprese S.p.A. (Vice Chairman, Managing Director and General Manager). During the period 2009-2010, Mr Albertini worked for Unipol Gruppo Finanziario as Head of Equity Investments, and in 2010 became Head of Investor Management; at the Date of the Registration Document, this last post had finished. He is a Director of FINPAS S.r.l. (since 1999).

Roberto Zamboni – Born in Conselice (RA) on 7 July 1950, Mr Zamboni obtained a degree in Civil Engineering from the University of Bologna in 1976. From 1977 to 1998 he worked at Cooperativa Ravennate Costruttori and then at ITER (Impresa Generale di Costruzioni), initially as an onsite engineer and then as Area Manager, before becoming Head of Construction Italy in 1985. In 1992 he became Head of Construction International. From 1998 to 1999 he served as Technical Director of the Consorzio Cooperative di Costruzione in Bologna and headed a company formed of several municipal utilities in the Emilia-Romagna region which was set up to build a gas distribution facility in Sardinia. Since 1999 he has been Technical Director as well as Head of Technical Initiatives and Development at Coop Adriatica, where he has been Head of Development and Asset Management since 2006.

Aristide Canosani – Born in Ravenna on 24 December 1935, Mr Canosani is a Statutory Auditor. He has held key positions in the public sector; in 1967 he was a Director at Ravenna's hospital and welfare institution (Ente Ospedaliero Istituzioni Assistenziali Raggruppate di Ravenna). From 1969 to 1980 he was Mayor of Ravenna, and from 1981 to

1984, he was a member of the National Council for Cultural Affairs and Director of the Regional Institute of Cultural Affairs for Emilia-Romagna. From 1981 to 1986 he was Chairman of Ravenna's provincial cooperative federation (Federazione delle Cooperative della Provincia di Ravenna) and Director of Unipol Assicurazioni and other associated companies. He was Chairman of the Board of Directors of Banca del Monte di Bologna e Ravenna, Istituto Regionale di Credito Agrario, Carimonte Banca and Rolo Banca 1473 S.p.A. From 2008 to 2010 he was Chairman of the new UniCredit Banca, the regional retail bank in northern Italy formed on 1 November 2008 following the corporate restructuring of the UniCredit group. He has also served – and continues to serve – as a director in various companies.

Leonardo Caporioni – Born in Livorno (LI) on 18 March 1964, Mr Caporioni graduated in Economics and Business from the University of Pisa in 1989. In 1991, he completed a masters in the management of retail businesses at IFOR in Milan. He is a Chartered Accountant and Auditor. Since December 1991, he has gained experience at different companies (commercial, as well as financial and real estate) within the Coop Toscana Lazio group (now the Unicoop Tirreno group), where he held various positions including Group Head of Administration and Group Head of Planning and Control. In 2005 he joined the management team at Unicoop Tirreno, where he was Group Head of Administration and Head of Planning and Control. Today he is Head of Administration and Financial Reporting and Special Representative. At IGD he has been a member of the Board of Directors since 2006 and was a member of its Internal Control Committee from 2006 to 2012. He was also elected for public office in his municipality of residence (municipal councillor from 1999 to 2006 and member of the finance committee).

Fernando Pellegrini – Born in Cecina on 2 February 1964, Mr Pellegrini graduated from the University of Pisa with a degree in Economics and Business in 1992. He has been a manager of Unicoop Tirreno Soc. Coop. since 2006, where he also holds the position of Chief Financial Officer, as well as Special Representative since 2011. He has held various roles within the Unicoop Tirreno group, such as Head of Administration at Vignale Informatica S.r.l. (1996-1997); Head of Administration at Vignale Immobiliare S.p.A. (1997-1998); Head of Administration and Management Control at Ipercoop Tirreno S.p.A. (1998-2000); Head of Treasury (2000-2004) and Head of Finance (2004-2011). Since 2011 he has been Chief Financial Officer of Unicoop Tirreno.

Fabio Carpanelli – Born in Crespellano (BO) on 27 December 1938, Mr Carpanelli has a diploma in Accountancy. He is a statutory auditor. He was Head of Administration (1964-1968) and Chairman (1968-1974) of Cooperativa Terraioli in Bologna; Director of AMNU – Azienda Municipalizzata di Bologna (1967-1972); Chairman of ANCPL-Legacoop in Rome (1976-1981); Chairman of SMAER, a business consultancy firm in Bologna (1982-1983). He has served on the Board of Directors of Finanziaria Fiere S.p.A. in Bologna (1982-1984) and Officine Ortopediche Rizzoli S.p.A. (1983-1988). From 1983 to 1993 he was Chairman of the Bologna cooperative builders' consortium (Consorzio Cooperative Costruzioni) and, from 1991 to 1995 and 2005 to 2013, he held the position of Chairman of the Board of Directors of Autostazione di Bologna S.r.l.

Elisabetta Gualandri – Born in Modena on 12 June 1955, Ms Gualandri graduated in Economics and Business from the University of Modena in 1979. She is a registered auditor. In 1979 she won a scholarship from Istituto Bancario San Paolo di Torino "Luciano Jona". In 1982 she obtained a Master's Degree in Financial Economics from the University of Bangor in Wales. From 2007 to 2012 she worked as a statutory auditor for the Bank of Italy. She teaches Banking and Finance at the University of Modena and Reggio Emilia and has written several publications. At the University of Modena and Reggio Emilia she was also elected as member of the university senate (2000-2003), Dean of the Department of Business Economics (2000-2005) and member of the University's Board of Directors from 1990 to 1992 and then again from 1997 to 2000. She is also member of (*i*) the European Association of University Teachers in Banking and Finance Wolpertinger; (*ii*) CEFIN (Centre for Banking and Finance Studies), where she has served on the board since 2006;

(*iii*) ADEIMF (Association of Lecturers in Banking and Financial Markets) where she was a member of the steering committee from 2006 to 2010; (*iv*) SUERF (Société Universitaire Européenne de Recherches Financiéres) and (*v*) AIDEA (Italian Academy of Business Economics). She has previously been an active member of the scientific committee of CNA Innovazione in Bologna (2005-2007) and a member of the advisory panel for the report published by PricewaterhouseCoopers entitled "*Study on the financial and macroeconomic consequences of the draft proposed new capital requirements for banks and investment firms in the EU*" (2003-2004).

Tamara Magalotti – Born in Civitella di Romagna (FC) on 27 July 1948, Ms Magalotti graduated in Economics and Business in 1973 from the University of Bologna. Between January 1975 and June 2011, she worked for Cooperativa Muratori & Cementisti (CMC) in a variety of roles, including as assistant in the Business Services, Public Tenders and Corporate Affairs Department, Manager of the Legal and Contractual Affairs Office, Head of Special Initiatives and Head of Contractual Support within the International Construction Division, as well as being a member of the Supervisory Board. She was elected as a (non-executive) member of the Board of Directors of the Cooperativa Muratori & Cementisti (CMC) in Ravenna for three three-year terms from 2002 to 2011. On 1st May 2009 she was honoured with the title "Maestri del Lavoro".

Livia Salvini – Born in Rome on 27 June 1957, Ms Salvini holds a degree in Law and a PhD in Tax Law. She is a professor of Tax Law at LUISS – Guido Carli University in Rome, and is Avvocato Cassazionista (Court of Cassation lawyer, the highest order of lawyers) in Rome. She is the author of two works on assessment procedures and VAT taxation and numerous studies regarding tax law. From 1990 to 1992 she was a research assistant in Tax Law for the Department of Law at the University of Rome Tor Vergata. From 1 November 1992 to 31 October 2001, she was an associate professor in Tax Law at the Department of Law at the University of Molise and then with the Department of Law at the University of Rome Tre. From 1 November 2001 to 30 October 2005, she was a visiting lecturer in tax law for the Law Department at the University of Molise. She has served on several ministerial and government commissions, including the commission for the reform of Book I, Title II of the Italian Civil Code (relating to legal persons and unidentified associations), the unit for regulatory simplification and quality and the Commission for VAT reform. She has in the past served as Chairman of the Taxpayers' Ombudsman for the Molise region. She has taught public accounting as well as finance and financial law at the University of Molise Law Faculty. She was also a lecturer at the "E. Vanoni" Tax Institute, as well as teaching core and advanced courses for tax specialists within the Italian financial police. She has lectured at the specialist school for the public administration, the University of Roma Tre – "Federico Caffè" Department of Economics (a course in the economics of cooperative businesses) and at the Luiss School of Management, as well as for the Master's Degree in Taxation at IPSOA in Milan.

Andrea Parenti – Born in Rome on 22 October 1957, Mr Parenti graduated in Economics and Business from the University of Florence in 1982. He is a Chartered Accountant and Auditor. He serves as a technical consultant for Prato District Court. In 2006 he founded his own corporate tax consultancy firm, after leaving the international company Ernst & Young where he had been a manager since 1988 and after working as a partner of a firm specialising in domestic and international tax law affiliated with Ernst & Young, where he headed the Florence office for over five years. During his professional career, which began in 1983, he has gained experience in auditing and corporate restructuring, and has been a member of the Board of Directors in defence, television and real estate companies, as well as Chairman and member of the Board of Statutory Auditors of various commercial, real estate and industrial companies. He has acted as a corporate consultant (as an advisor during acquisitions/sales of companies, mergers/spin-offs of company divisions; administrative/financial organisation and corporate restructuring). He is a tax consultant for Salvatore Ferragamo S.p.A. He has been involved in the privatisation of public companies and the transformation of municipal consortiums into joint-stock companies, as well an advisor in private equity transactions involving primarily public companies. He also acts as a consultant for various companies, including Consiag S.p.A. and ESTRA S.p.A. He has served on the boards of directors of defence, television, audiovisual distribution and real estate companies, with responsibility for administrative and financial matters.

Riccardo Sabadini – Born in Ravenna on 6 August 1957, Mr Sabadini graduated in Law from the University of Ferrara in 1981. He has been a solicitor since 1984, a lawyer since 1990, a Court of Cassation lawyer since 1998, and Justice of the Peace from 1984 to 1988. He has a law firm in Ravenna specialising in corporate law, corporate criminal liability and administrative law with a special focus on public procurement and planning. He works with the Universities of Ferrara and Forlì. He has served on Ravenna's Tax Appeal Board since 1988. He also acts as a consultant for various cooperatives owned by municipal authorities and other public entities. He has been involved as a consultant in a number of corporate transactions, including transformations, mergers and restructuring. He is the author of several publications on cooperatives and consortiums. He has collaborated on texts relating to corporate law reform for the IPSOA publishing house. He has also acted on several occasions as liquidator in proceedings concerning cooperatives and as trustee in bankruptcy.

Giorgio Boldreghini – Born in Goito (MN) on 16 September 1944, Mr Boldreghini graduated in Civil Engineering from the University of Bologna in 1969. He has been a registered engineer in the province of Bologna since 1969. From 1972 to 1977 he was Chief Executive Officer of Tecnoprogetti S.p.A., where he was Project Manager on a number of projects both in Italy and abroad with special responsibility for administrative management. From 1977 to 1994 he was Chairman of Tecnoprogetti S.c.a.r.l. From 1994 to 1998, he served as Vice Chairman and General Manager of Politecnica S.c.ar.l, an engineering company which was merged with Tecnoprogetti S.c.ar.l. In the past he has held several positions at Tecnopolis società cooperativa, including Chairman of the Board of Directors and Technical Director.

Massimo Franzoni – Born in Bentivoglio (BO) on 1st June 1956, Mr Franzoni graduated in Law from the University of Bologna in 1979. He was awarded scholarships and acted as a research assistant for the Department of Law at the University of Bologna. Since October 1990, he has served as tenured Professor of Civil Law and teaching Professor of Private Insurance Law at the same University department. He is also head of the graduate school for legal professions in Bologna. He is a member of the Scientific Committee of the Forensic Foundation in Bologna. He is also a member of the scientific committees of a number of legal journals, including *Contratto e impresa*, *Responsabilità civile e previdenza*, *Diritto dell'economia e dell'assicurazione* and *Danno e Responsabilità*. He argues cases before the highest courts (Court of Cassation lawyer) in Bologna and has a law firm in Bologna. In 2011, he was appointed as Honorary Member of the Cuban Association of Civil and Family Law. He is also joint representative of shareholders holding preference shares of Unipol Gruppo Finanziario S.p.A. He has been involved with the Commission for control of contractual abuse and consumer protection at the CCIAA in Bologna for several years. He has acted as both Vice Chairman and Chairman of two municipally owned companies in Bologna and was Director of the public utilities company created following the merger of these two municipally owned companies (Seabo S.p.A., which was subsequently named Hera S.p.A.).

Powers of the Board of Directors

Pursuant to Article 22.1 of the Bylaws, the Company's management is the exclusive province of the Board of Directors, which is vested with the broadest powers of the Company's ordinary and extraordinary administration and may take all actions it deems necessary for implementing and achieving the corporate purpose, excluding only those that are reserved for the Shareholders' Meeting by law or by the Bylaws.

More specifically, within the scope of its corporate powers and in compliance with the Corporate Governance Code, the Board of Directors:

- examines and approves the strategic, industrial and financial plans of the Company, the Company's corporate governance system, as well as that of its strategically important subsidiaries, periodically monitoring the implementation thereof; it also defines the corporate governance system of the Company and Group structure;

- defines the nature and the level of compatible risk in relation to the Company's strategic objectives;
- evaluates the adequacy of the organisational, administrative and accounting structure of the Company and its strategic subsidiaries, with particular reference to the internal control and risk management system;
- in order to encourage the maximum participation of directors and maintain the collegiate nature of the administrative body, institutes board committees and commissions deemed appropriate and necessary for the proper functioning of the Company, while also defining their proactive and advisory duties and functions;
- establishes the frequency, no less than quarterly, with which the delegated bodies must report to the Board of Directors on the activities delegated to them and on key management events for the period;
- evaluates general business performance, taking into account the information received from the delegated bodies, and periodically comparing actual results with forecasts;
- deliberates on the operations of the Company and its subsidiaries when said operations are of strategic, operational, economic or financial importance to the Company; for this purpose, it establishes the general criteria for defining material transactions and adopts measures to ensure that strategically important subsidiaries submit any such transactions to the Board of Directors of the Company for examination;
- evaluates, at least once a year, the size, composition and practices of the Board of Directors and its committees, taking into account the level of professionalism, management and other experience of its members and their length of time in office;
- in view of the considerations set forth in the previous point, prior to the appointment of the new Board of Directors, provides guidelines to shareholders on professionals whose presence on the Board is deemed appropriate;
- provides information in the corporate governance report on: (*i*) its composition, specifying the status of each member (executive, non-executive, independent), his or her role within the Board (e.g. Chairman or Chief Executive Officer), key professional skills as well as the length of time in office since first being appointed; (*ii*) the procedures for implementing the above and, in particular, the number and average duration of meetings of the Board and Executive Committee, if any, held during the financial year, as well as the level of attendance by each director; (*iii*) the procedures for evaluating the above; (*iv*) the timeliness and completeness of pre-meeting information, with an indication, *inter alia*, of the notice period generally considered appropriate – in accordance with the specific procedures adopted by the Company – for sending the documentation and indicating whether that period was normally observed;
- after the appointment of a director qualifying as independent, and thereafter on occurrence of events that could be material for the purposes of his/her independence, and at least once a year – based on the information received from the interested party or, at any rate, available to the Company – evaluates the independent status of its non-executive members: this independence is evaluated on the basis of the application criteria contained in the Corporate Governance Code and any other facts which could influence the decision in each case; the Board of Directors will advise the market of the results of its evaluations (upon appointment, in a press release and, subsequently, in the Corporate Governance Report). In these documents, the Board of Directors: (*i*) discloses whether evaluation parameters other than those specified in the Corporate Governance Code have been adopted and, if so, for what reason, particularly with reference to individual directors; and (*ii*) illustrates the quantitative and/or qualitative criteria that might be used to assess the significance of the relationships being assessed;

- based on information received from directors, discloses the directorships and auditorships held by each director in financial, banking or insurance companies or other major companies listed on Italian and foreign regulated markets in the annual corporate governance report;
- issues guidelines on the criteria to be applied when assessing the positions of director or statutory auditor in the companies referred to in the preceding paragraph, in order to determine whether they, by number and content, can be considered compatible with the effective performance of the role of director of the Company, taking into account the participation of the directors in committees established within the Board. To that end, using a special procedure, it identifies various general criteria, based on the commitment involved in each role (executive, non-executive or independent director), in relation to the nature and size of the companies in which the positions are held, and whether they belong to the same corporate group as the Company;
- after obtaining the opinion of the Appointments and Remuneration Committee, selects the Company's senior management, as well as members of the Boards of Directors, Statutory Auditors, Chief Executive Officers and General Managers of strategically important subsidiaries; having obtained the opinion of the Appointments and Remuneration Committee, sets their remuneration;
- promotes initiatives to encourage the widest possible informed participation by shareholders and to facilitate the exercise of their rights, ensuring the timeliness and completeness of the information sent to them;
- updates the Organisation, Management and Control Model required by Legislative Decree 231/2001, overseeing its effective compliance and mapping the risks of crime, in close connection with the activities of the Supervisory Board;
- appoints, subject to the opinion of the Board of Statutory Auditors, a Chief Financial Officer in accordance with the provisions of Law 262/2005;
- may appoint an independent director as lead independent director, who acts as a point of contact and coordination for the petitions and contributions of non-executive directors, particularly those who are independent;
- if the Shareholders' Meeting, in view of particular organisational requirements, gives its prior approval for general exceptions to the non-competition provisions of Article 2390 of the Italian Civil Code, assesses the merits of each case, reporting any critical issues at the next Shareholders' Meeting. To that end, each director shall inform the Board, upon accepting his/her appointment, of any activities carried out in competition with the Issuer and of any significant change thereafter;
- in order to ensure the proper management of corporate information, updates, on the proposal of the Chief Executive Officer or the Chairman of the Board of Directors, the procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to confidential information;
- considers whether to adopt a succession plan for executive directors after examination by the Appointments and Remuneration Committee.

The Issuer's Board of Directors, in accordance with Article 5.P.1 of the Corporate Governance Code, established the Appointments and Remuneration Committee, the Chairman's Committee, the Control and Risk Committee and the Committee for Related-Party Transactions. The members of each committee were appointed when the Board was last re-elected on 19 April 2012.

A brief description of the composition, duties and internal procedures of these Committees can be found below.

Control and Risk Committee

The Control and Risk Committee is composed of three non-executive independent directors: Elisabetta Gualandri (Chairwoman), Livia Salvini and Massimo Franzoni. The Board of Directors confirmed at the time of their appointment that the Committee members satisfy at least one of the parameters for assessing accounting and financial experience, consisting of at least three years' experience of the following: (*i*) managerial duties in the fields of administration, finance or control of a publicly listed company, or (*ii*) professional activity or university teaching in the field of law, economics or finance, or (*iii*) managerial duties at public agencies or public administrations operating in the banking, financial and insurance sector.

The Chairman of the Board of Directors, as the Director in charge of the internal control and risk management system, attends meetings of the Internal Control and Risk Committee, as does the Chairman of the Board of Statutory Auditors or another auditor appointed by him/her, although other Auditors may also attend. The Vice Chairman of the Board of Directors and the Chief Executive Officer are also invited to attend Committee meetings.

The Control and Risk Committee expresses its prior opinion to the Board of Directors in exercising the following powers: (*i*) definition of the guidelines for the Company's internal control and risk management system, so that the main risks faced by the Company and its subsidiaries are correctly identified, assessed, managed and monitored, while also evaluating the extent to which these risks are compatible with a business management approach consistent with the strategic objectives outlined; (*ii*) yearly evaluation of the adequacy of the internal control and risk management system in view of the nature of the business and risk profile undertaken, as well as its efficacy; (*iii*) approval, at least on a yearly basis, of the work plan drawn up by the Head of Internal Audit (Unilab S.r.l., to whom this function is outsourced), having consulted the Board of Statutory Auditors and the Director in charge of the internal control and risk management system; (*iv*) description in the corporate governance report of the main characteristics of the internal control and risk management system, expressing its opinion of the adequacy of this; (*v*) evaluation, having consulted the Board of Statutory Auditors, of the results submitted by the External Auditors in a letter of suggestions, if any, and in the report on the main issues that arise during the external audit; and (*vi*) appointment and removal, as proposed by the Director in charge of the internal control and risk management system, in consultation with the Board of Statutory Auditors, of the person in charge of the Internal Audit department.

The Control and Risk Committee, in addition to assisting the Board of Directors on the above matters, also directly performs the following duties:

- evaluates, along with the Chief Financial Officer and the auditors, the appropriateness of the accounting standards adopted and their uniformity with a view to the preparation of both the separate and consolidated financial statements;
- expresses opinions on specific aspects concerning the identification of the main business risks;
- analyses periodic reports on the evaluation of the internal control and risk management system and reports of particular relevance prepared by the Internal Audit department;
- monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit department;
- may ask the Internal Audit department to check specific operating areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- reports to the Board of Directors at least every six months, when the annual and half-yearly reports are approved, on the work performed and the adequacy and effectiveness of the internal control and risk management system.

The powers of the Control and Risk Committee are open-ended and may be supplemented with additional duties.

On the suggestion of the Control and Risk Committee, the Board of Directors makes sure that the committee has adequate support to prepare for the duties assigned to it.

<u>Appointments and Remuneration Committee</u>

The Appointments and Remuneration Committee consists of three non-executive independent directors appointed by the Board of Directors. At least one member of the Appointments and Remuneration Committee possesses adequate understanding and experience of finance, as assessed by the Board of Directors upon his/her appointment.

The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer automatically attend meetings of the Appointments and Remuneration Committee.

No director will participate in meetings of the Appointments and Remuneration Committee during which his/her remuneration is being discussed. The Chairman of the Board of Statutory Auditors, or another auditor designated by him/her, may also be invited to attend Committee meetings. On 19 April 2012, the Board of Directors appointed the following independent directors as members of the Appointments and Remuneration Committee: Andrea Parenti (Chairman), Fabio Carpanelli and Tamara Magalotti. The Board of Directors confirmed at the time of his appointment that Andrea Parenti possessed adequate understanding and experience of financial matters and remuneration policies.

The Appointments and Remuneration Committee has (*i*) a proactive and advisory role regarding the optimal composition of the Board of Directors, the choice of senior managers of the Company and the nomination of directors, statutory auditors and managers of subsidiaries held to be of strategic importance, in order to guarantee an adequate level of separation between directors and management, and (*ii*) a proactive, investigatory and advisory role regarding remuneration, helping to ensure that the Company's directors and managers with strategic responsibilities and directors of subsidiaries – while guided by the principles of moderation – receive adequate compensation for the position held and that the compensation offered helps to retain and motivate those possessing professional characteristics deemed useful to the successful management of the Company and its parent company.

Specifically, the Appointments and Remuneration Committee has the following functions:

a) to submit proposals to the Board of Directors on the compensation policy of Directors and managers with strategic responsibilities;

b) to evaluate on a periodic basis the adequacy, overall consistency and effective application of the compensation policy referred to in d) below, based, in the case of managers with strategic responsibilities, on the information provided by the Chief Executive Officer;

c) to submit proposals or opinions to the Board of Directors regarding the remuneration of Executive Directors and other directors holding special office, as well as the setting of performance targets for variable compensation, and to ensure that the Board's decisions are complied with, verifying in particular that performance targets have actually been reached;

d) to submit opinions to the Board regarding the compensation of the Chairmen, Vice Chairmen and General Managers (and/or Chief Executive Officers) of strategic subsidiaries, based on the proposals submitted by the Chairman and the Chief Executive Officer of the parent company;

e) to submit opinions to the Board regarding the overall compensation to be remitted to members of the Boards of Directors of subsidiaries;

f) to report to the Company shareholders on how the Committee is fulfilling its duties.

The Appointments and Remuneration Committee also nominates potential candidates to the Board for the position of director, in the case of co-opting, if independent directors need to be replaced, without prejudice to the relevant provisions of the Bylaws on the subject of replacement of members of the Board of Directors.

Furthermore, the Appointments and Remuneration Committee is also called on to submit opinions to the Board of Directors on the periodic self-assessment and the ideal size and composition of the Board, and to issue recommendations on the professionals whose presence on the Board could make it more efficient, as well as on the maximum number of directors and auditors and any exceptions to the non-competition clause.

The Chief Executive Officer also issues opinions on the type of governing body chosen (single member or board), on the number of members and candidates to be nominated for the position of director and auditor, as well as the Chairman, Vice Chairman and General Manager (and/or Chief Executive Officer) of subsidiaries and affiliated companies.

In carrying out its duties, the Appointments and Remuneration Committee collaborates with the relevant corporate structures.

Committee for Related-Party Transactions

The Company formed the Committee for Related-Party Transactions in accordance with Article 2391-*bis* of the Italian Civil Code and Article 4, paragraphs 1 and 3 of the Related-Party Regulations.

The Committee for Related-Party Transactions is composed of three independent directors: Riccardo Sabadini as Chairman and Giorgio Boldreghini and Andrea Parenti, appointed by the Board of Directors on 19 April 2012. The Committee's functions are governed by the Procedure for Related-Party Transactions approved by the Board of Directors on 11 November 2010 and summarised below.

Specifically, based on the specifications set forth in the above Procedure for Related-Party Transactions, the Committee for Related-Party Transactions essentially has the task of issuing reasoned opinions on the Company's interest in carrying out related-party transactions, expressing an opinion on whether the terms are advantageous and substantially fair, subject to receiving timely, comprehensive and adequate information on the nature of those transactions.

Chairman's Committee

The Company deemed it appropriate to create a Chairman's Committee within the Board of Directors, which is composed of the Chairman, the Vice Chairman, the Chief Executive Officer, as well as the director Roberto Zamboni, appointed by the Board of Directors on 19 April 2012.

The Chairman's Committee has an advisory and investigatory role and assists in determining the development policies, along with the strategic and operational guidelines, to be submitted to the Board of Directors, and oversees the correct implementation of the same. The committee is also called upon to express opinions regarding strategically relevant developments and investments, to the extent that the latter could have a significant impact on the value or composition of the Company's equity or stock price.

Powers granted to the Chief Executive Officer

Article 23.1 of the Bylaws states that the Board of Directors may delegate its powers, within the confines of Article 2381 of the Italian Civil Code and determining the limits of such authority, to an executive committee composed of some of its members and/or one or more members with the title of Chief Executive Officer(s).

On 19 April 2012, the Board of Directors appointed Claudio Albertini as Chief Executive Officer, granting him the following powers, subsequently integrated by resolution of 8 November 2012:

- to develop and propose – as agreed with the Chairman – the policies and programmes relating to the Company's real estate investments in accordance with the long-term strategic development plans approved by the Board of Directors;
- to develop and propose the strategies and financial policies of the Company and the Group in relation to the growth, profitability and risk objectives set by the Board of Directors, with responsibility for their implementation; to ensure that objectives are pursued in accordance with the guidelines set by the Board of Directors;
- to optimise the instruments and procedures of financial management and manage relations with the financial system;
- to develop and propose strategies for organisational development and policies for hiring, managing and training human resources;
- to recommend Group accounting standards and operating principles to the Board of Directors and ensure that the financial statements (separate, administrative and consolidated) are properly prepared; to ensure compliance with Group directives and with administrative, legal and tax regulations and laws;
- to coordinate the drafting of the business plans, long-term plans, annual budget and related reporting;
- to monitor and coordinate any activities pertaining to the Company's general services, legal and tax issues;
- to assume responsibility for the prompt and correct implementation of work on property carried out directly by the Company, in accordance with the plans, budgets and timeframes approved by the Board of Directors;
- to assume responsibility for operational supervision of the progress of turnkey contracts acquired from third parties;
- to assume responsibility for the proper maintenance of Real Estate Assets under the rental agreements and leases signed by IGD and third parties and the budgets approved by the Board of Directors, in compliance with the applicable provisions of law;
- to assume responsibility for preparing the annual schedule of works and the respective budget forecasts, with regard to both new construction and maintenance, subject to the approval of the Board of Directors;
- to interface, jointly with the Chairman, with the shareholder cooperatives on integration of the respective investment plans;
- to identify, jointly with the Chairman, the ideal size of the Board and candidates for the positions of director and auditor, as well as Chairman, Vice Chairman and/or Chief Executive Officer, of subsidiaries and associated companies, so that the Chairman may present them to the Appointments and Remuneration Committee;
- to oversee the management of the nomination process to cover the main managerial positions within the Group;
- to draw up, jointly with the Chairman, proposals for compensation of senior management of the Company and of the entire Group, to be submitted to the Appointments and Remuneration Committee for the relevant purposes;
- to ensure that the organisation, administrative and accounting structure of the Company is commensurate with the type and size of the business.

By resolution of 8 November 2012, the Board of Directors of the Company revoked the powers of the Chief Executive Officer as executive officer in charge of overseeing the internal control system, simultaneously appointing the Chairman of the Board of Directors as Director in charge of the internal control and risk management system.

The Chief Executive Officer of the Company can be considered primarily responsible for management of the business pursuant to the Corporate Governance Code. In this regard, please note that the Chief Executive Officer has not been appointed as director of another issuer outside the group in which a director of the Company is the Chief Executive Officer.

Chairman and Vice Chairman of the Board of Directors

Article 24 of the Bylaws states that the Chairman has signing authority for the Company and shall represent it as its legal representative before any legal or administrative authority and before third parties; if the Chairman is absent or unavailable, this authority is held by the Vice Chairman (if appointed), or by the most senior director in terms of age, if the Vice Chairman is also absent or unavailable. Unless otherwise provided in the resolution delegating authority, the Chief Executive Officer may also act as legal representative of the Company.

During the meeting held on 19 April 2012, the Board of Directors appointed Gilberto Coffari as Chairman and assigned him the following functions, subsequently integrated by resolution of 8 November 2012:

- to develop and propose – jointly with the Chief Executive Officer and on the latter's proposal – the policies and programmes relating to the company's real estate investments in accordance with the long-term strategic development plans approved by the Board of Directors;
- to coordinate the Company's programmed investments with the real estate projects undertaken by shareholder cooperatives;
- to interface with shareholder cooperatives on any integration of the respective investment plans;
- to maintain and develop – together with the Chief Executive Officer – relationships with consumer sector cooperatives in order to explore possible aggregations of the Shopping Centres contained in the Real Estate Portfolio;
- to serve as director in charge of the internal control and risk management system, liaising with the Chief Executive Officer wherever necessary to: (*i*) identify the main company risks, in consideration of the characteristics of the activities carried out by the Company and its subsidiaries; (*ii*) enforce the guidelines established by the Board of Directors, handling the planning, execution and management of the internal control and risk management system and constantly verifying its adequacy and efficacy; (*iii*) submit periodic reports, for review by the Board of Directors, as often as established by the Board, both on risk identification and on a more encompassing activity for management of the internal control system, its actual functioning and the specific measures adopted; (*iv*) adapt the system to the operating conditions and the legislative and regulatory context; (*v*) ask the Internal Audit department to check specific areas of operation and compliance with internal rules and procedures for the execution of Company operations, simultaneously notifying the Chairman of the Internal Control and Risk Committee and the Chairman of the Board of Statutory Auditors; (*vi*) promptly report to the Board any problems or issues that arise in the course of his/her work, or that he/she has gained knowledge of, so that the Board of Directors can take appropriate measures.

During the Board meeting of 8 November 2012, in order to adopt a system more in line with best practice through separate management control, the Company named the Chairman of the Board of Directors as Director in charge of the internal control and risk management system, who, by virtue of this appointment, is considered an executive director. The relevant powers originally granted to the Chief Executive Officer were simultaneously revoked.

During its meeting of 19 April 2012, the Board of Directors appointed Sergio Costalli as Vice Chairman, granting him the powers assigned to the Chairman to be exercised if the latter is absent and/or unavailable.

* * *

None of the members of the Board of Directors has any family ties with other members of the Issuer's Board of Directors, with members of the Board of Statutory Auditors or with the Company's key managers.

The following table shows the listed companies or partnerships in which members of the Board of Directors have been members of the administrative, management or supervisory bodies or shareholders in the last five years, with an indication of their status at the Date of the Registration Document.

Name	Company	Office in the company or interest held	Status at the Date of the Registration Document
Gilberto Coffari	Federcoop. S.c.p.A.	Member of the Board of Directors	Currently in office
	IGD Property SIINQ S.p.A.	Chairman of the Board of Directors	Currently in office
	Banca Sai S.p.A.	Member of the Board of Directors	Currently in office
	Coop. Ciconto	Chairman of the Board of Directors	No longer in office
	Unipol Banca S.p.A.	Vice Chairman of the Board of Directors	No longer in office
	Centrale Adriatica Soc. Coop	Member of the Board of Directors	No longer in office
	Holmo	Member of the Board of Directors	No longer in office
	Unipol Assicurazioni	Member of the Board of Directors	No longer in office
	Unipol Merchant Banca per le Imprese S.p.A.	Member of the Board of Directors	No longer in office
	Coop Italia S. C.	Member of the Supervisory Board	No longer in office
	Coop Adriatica S.c.ar.l.	Chairman of the Board of Directors	No longer in office
	Finsoe S.p.A.	Member of the Board of Directors	No longer in office
	Unipol Gruppo Finanziario S.p.A.	Member of the Board of Directors	No longer in office
	Lima S.r.l.	Chairman of the Board of Directors	No longer in office
	Spring 2 S.r.l.	Chairman of the Board of Directors	No longer in office
	Immobiliare Grande Distribuzione SIIQ S.p.A.	Shareholder	Current
	ENI S.p.A.	Shareholder	Current
	Enel S.p.A.	Shareholder	Current
	Unipol Gruppo Finanziario S.p.A.	Shareholder	Current
	Recordati S.p.A.	Shareholder	No longer in office
Sergio Costalli	Unipol Banca S.p.A.	Vice Chairman of the Board of Directors and Member of the Chairman's Committee	Currently in office
	Unipol Gruppo Finanziario S.p.A.	Member of the Board of Directors	Currently in office

	Finsoe S.p.A.	Member of the Board of Directors	Currently in office
	Unipol Merchant Banca per le Imprese S.p.A.	Chairman of the Board of Directors	No longer in office
	Unicoop Tirreno Società Cooperativa	Vice Chairman of the Board of Directors	No longer in office
	Fondiaria-Sai	Member of the Board of Directors	No longer in office
	Holmo del Tirreno S.p.A.	Chairman of the Board of Directors	No longer in office
	Vignale Comunicazione S.r.l.	Chairman of the Board of Directors	No longer in office
	Porta Medicea S.r.l.	Member of the Board of Directors	No longer in office
	Unipol Assicurazioni S.p.A.	Member of the Board of Directors	No longer in office
	Holmo S.p.A.	Member of the Board of Directors	No longer in office
Claudio Albertini	IGD Property SIINQ S.p.A.	Chief Executive Officer	Currently in office
	Virtus Pallacanestro Bologna S.p.A.	Vice Chairman of the Board of Directors	Currently in office
	Finanziaria di Partecipazione e Servizi S.r.l.	Member of the Board of Directors	Currently in office
	Cefla Capital Services S.p.A.	Statutory Auditor	Currently in office
	Protos S.p.A.	Member of the Board of Directors	No longer in office
	Holcoa S.p.A.	Member of the Board of Directors	No longer in office
	Nomisma – Società di Studi Economici S.p.A.	Member of the Board of Directors	No longer in office
	Pegaso Finanziaria S.p.A.	Member of the Board of Directors	No longer in office
	Sofinco S.p.A.	Member of the Board of Directors	No longer in office
	Unipol Merchant Banca per le Imprese S.p.A.	Vice Chairman and Member of the Board of Directors	No longer in office
	Sorin S.p.A.	Member of the Board of Directors	No longer in office
	Finanziaria Bolognese S.p.A.	Member of the Board of Directors	No longer in office
	Euromilano S.p.A.	Member of the Board of Directors	No longer in office
	Earchimede S.p.A.	Member of the Board of Directors	No longer in office
	UGF Private Equity S.g.r. S.p.A. in liquidation	Member and Chairman of the Board of Directors	No longer in office
	Unipol Leasing S.p.A.	Member of the Board of Directors	No longer in office
Roberto Zamboni	Sedicoop S.r.l.	Member of the Board of Directors	Currently in office
	C.B.E.G. S.c.ar.l.	Member of the Board of Directors	Currently in office
	Forum S.r.l.	Member of the Board of Directors	Currently in office
	Inres Soc. Coop.	Vice Chairman of the Board of Directors	Currently in office
	Unagro S.p.A.	Member of the Board of Directors	Currently in office
	Emiliana S.r.l.	Vice Chairman of the Board of Directors	Currently in office
	Enercoop Adriatica S.p.A.	Member of the Board of Directors	Currently in office
	Errichten S.r.l.	Sole Director	Currently in office

	Hope S.r.l.	Chairman of the Board of Directors	Currently in office
	Real Station S.r.l.	Member of the Board of Directors	Currently in office
	Faenza Sviluppo – Area Marcucci – S.r.l.	Chairman of the Board of Directors	No longer in office
	MAC S.r.l.	Sole Director	No longer in office
	I.B.N. S.r.l.	Member of the Board of Directors	No longer in office
	Schemaquattro S.r.l.	Sole Director	No longer in office
Aristide Canosani	Coop Adriatica S.c.ar.l.	Member of the Board of Directors	Currently in office
	CreditRas Assicurazioni S.p.A.	Chairman of the Board of Directors	No longer in office
	CreditRas Vita S.p.A.	Chairman of the Board of Directors	No longer in office
	Coop Ciconto S.r.l.	Member of the Board of Directors	No longer in office
	AVIVA S.p.A.	Member of the Board of Directors	No longer in office
	C.N.P. Vita S.p.A.	Member of the Board of Directors	No longer in office
	Unicredit Banca S.p.A.	Chairman of the Board of Directors	No longer in office
Leonardo Caporioni	Immobiliare Sviluppo della Cooperazione – ISC S.p.A.	Vice Chairman of the Board of Directors	Currently in office
	Distribuzione Roma S.r.l.	Statutory Auditor	Currently in office
	Cassa di assistenza dirigenti Coop di consumatori	Member of the Board of Directors	Currently in office
	Coop L'Avvenire 1921-CL'A s.c.	Chairman of the Board of Statutory Auditors	Currently in office
	Il Paduletto S.r.l.	Member of the Board of Directors	Currently in office
	Cooperativa Lavoratori delle Costruzioni Soc. Coop.	Member of the Board of Directors	Currently in office
	Axis S.r.l.	Member of the Board of Directors	Currently in office
	Compagnia Finanziaria ed Immobiliare Toscana S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Coopersalute (Association for the Management of Employee Health Plan)	Auditor	Currently in office
	Coop. di consumatori executive pension fund	Member of the Board of Directors	Currently in office
	Tirreno Logistica S.r.l.	Chairman and Vice Chairman of the Board of Directors	No longer in office
	Vignale Immobiliare S.p.A.	Member of the Board of Directors	No longer in office
	Cooperare S.p.A.	Member of the Board of Directors	No longer in office
	Coopfond S.p.A.	Member of the Board of Directors	No longer in office
Fernando Pellegrini	Simgest S.p.A.	Vice Chairman of the Board of Directors and Chairman of the Executive Committee	Currently in office
	Fondo Pensione Previcooper	Member of the Board of Directors	Currently in office
	Ipercoop Tirreno S.p.A.	Vice Chairman of the	Currently in office

		Board of Directors	
	Campania Distribuzione Moderna S.r.l.	Member of the Board of Directors	No longer in office
	So.Ge.Fin.	Chairman of the Board of Directors	No longer in office
	Tirreno Finanziaria S.r.l.	Chairman of the Board of Directors	No longer in office
	Holmo del Tirreno S.p.A.	Vice Chairman of the Board of Directors	No longer in office
Fabio Carpanelli	Manutencoop Facility Management S.p.A.	Chairman of the Supervisory Board	Currently in office
	Veicolo 5 S.r.l.	Sole Director	Currently in office
	Vetimec Soc. Coop.	Member of the Board of Directors	Currently in office
	Porta Medicea S.r.l.	Member of the Board of Directors	Currently in office
	Autostazione Bologna S.r.l.	Chairman of the Board of Directors	No longer in office
Elisabetta Gualandri	Banca Popolare dell'Emilia Romagna	Member of the Board of Directors	Currently in office
	DataRiver S.r.l.	Member of the Board of Directors	Currently in office
	Bank of Italy	Statutory Auditor	No longer in office
	Banca Popolare dell'Emilia Romagna	Shareholder	Currently in office
	Unicredit	Shareholder	Currently in office
	Expert System	Shareholder	Currently in office
	Moleskine	Shareholder	Currently in office
Tamara Magalotti	Cooperativa Muratori & Cementisti Soc. Coop.	Member of the Board of Directors and member of the Supervisory Board	No longer in office
	Cassa dei Risparmi di Forlì e della Romagna S.p.A.	Shareholder	No longer in office
Livia Salvini	Coopfond S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
Andrea Parenti	C.G. Home video S.r.l.	Member of the Board of Directors	Currently in office
	Aldo Galandi S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Binfi S.p.A.	Statutory Auditor	Currently in office
	Consorzio Macrolotto Industriale n. 2 di Prato	Auditor	Currently in office
	Commercial Ortoinvest S.r.l.	Statutory Auditor	Currently in office
	Egan Immobiliare S.r.l.	Sole Auditor	Currently in office
	F.lli Ciampolini & C. S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Fondazione Ospedale Pediatrico Meyer	Auditor	Currently in office
	Framafruit S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Fruttital Firenze S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Galandi & C. S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Giottofruit Commerciale S.r.l.	Sole Auditor	Currently in office
	Immobiliare Sud-Est	Chairman of the Board of Statutory	Currently in office

	S.p.A.	Auditors	
	Immobiliare Minerva S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Mega S.r.l.	Statutory Auditor	Currently in office
	Pentafin S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Pi.da S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	S.d.i. S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Tirreno Immobiliare S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Unica s.c. di abitazione	Statutory Auditor	No longer in office
	Edilsviluppo S.p.A.	Statutory Auditor	No longer in office
	Immo. Star S.p.A.	Statutory Auditor	No longer in office
	Luxor Immobiliare S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Monte Paschi Fiduciaria S.p.A.	Statutory Auditor	No longer in office
	Picchi S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Pvg Italy S.r.l.	Statutory Auditor	No longer in office
	Studio tributario societario	Shareholder	Current
	Proauditconsult S.r.l.	Shareholder	Current
	Studio legale tributario	Shareholder	No longer in office
Riccardo Sabadini	Sapir S.p.A.	Member of the Board of Directors	No longer in office
	Coopolis S.p.A.	Member of the Board of Directors	No longer in office
	Dinazzano Po S.p.A.	Member of the Board of Directors	No longer in office
	Unicredit S.p.A.	Shareholder	Current
	Banco Popolare s.c.	Shareholder	Current
	Immobiliare Grande Distribuzione SIIQ S.p.A.	Shareholder	Current
Giorgio Boldreghini	Tecnopolis S.p.A.	Chairman of the Board of Directors	Currently in office
	Tecnopolis Soc. Coop.	Chairman of the Board of Directors	No longer in office
	Tecnopolis S.p.A.	Shareholder	Current
	Tecnopolis Soc. Coop.	Shareholder	Current
Massimo Franzoni	Unipol Gruppo Finanziario S.p.A.	Representative of the Shareholders	Currently in office
	F&R 2010 S.r.l.	Vice Chairman of the Board of Directors	Currently in office
	Unicredit Private Banking S.p.A.	Member of the Board of Directors	No longer in office
	Carimonte Holding S.p.A.	Member of the Board of Directors	No longer in office
	F&R 2010 S.r.l.	Shareholder	Current

To the Company's knowledge, in the past five years, none of the Members of the Board of Directors has been found guilty of fraud or any crimes related to bankruptcy nor involved in bankruptcy trials, receiverships or compulsory liquidations nor, lastly, been officially charged and/or fined by public or regulatory authorities (including the relative professional associations) or banned by a court from holding administrative, managerial or supervisory roles with regard to the Issuer or carrying out management or operational duties for any Issuer, with the exception of the following: Gilberto Coffari, as legal representative of Coop Adriatica, is involved in the following criminal trials relating to work-related accidents: (*a*) a trial before the Court of Ancona for an alleged violation of Article 40, paragraph 2, Article 590 and Article 583, paragraph 1(1) of the Criminal Code relating to personal injury, as well as work safety regulations, in which a criminal conviction has been issued ordering the guilty party to pay a fine of €2,400, which has been appealed according to standard procedure. At the Date of the Registration Document, the proceedings were concluded with an acquittal on 26 June 2014, with the judgment filed on 7 July 2014; (*b*) two trials before the Court of Ravenna for alleged violations of Article 590 of the Criminal Code relating to personal injury, in which criminal convictions have been issued ordering the guilty party to pay a fine of €1,140, which has been appealed according to standard procedure. At the Date of this Registration Document, the cases were closed on the grounds of expiry of the limitation period, declared on 5 December 2013, and acquittal of the director concerned, declared on 20 December 2013; and (*c*) a trial before the Court of Chieti for the alleged violation of Article 590 of the Criminal Code relating to personal injury, in which a criminal conviction has been issued and which has been appealed according to standard procedure. At the Date of this Registration Document, the case was closed on 5 June 2014 with a full acquittal, declared on 15 July 2014. In terms of planning offences, a trial took place before the Court of Bologna for alleged violations of Article 81 of the Criminal Code, Article 44(c) of Presidential Decree 380/2001 and Article 169 of Legislative Decree 42/2004 relating to the offences of unauthorised building development and breach of listed building regulations concerning the "Ambasciatori" property, in which a criminal conviction was issued and the guilty party ordered to pay a fine of €19,800, which was appealed according to standard procedure. At the Date of the Registration Document, the case was closed on 2 July 2014 on the grounds of expiry of the limitation period for the alleged offences, declared on the same date. Furthermore, by decision of 14 October 2009, the Bank of Italy, pursuant to Article 145 of Legislative Decree 385/1993, fined Gilberto Coffari, as a member of the Board of Directors of Unipol Banca S.p.A., a total of €24,000, fully paid off. These fines were imposed on corporate officers of Unipol Banca S.p.A., including members of the Board of Directors and Board of Statutory Auditors, regarding irregularities linked to a lack of organisation and internal controls which caused certain activities not to be reported to the Supervisory Authorities.

9.1.2 Key managers

The following table contains information about the Issuer's key managers at the Date of the Registration Document.

Name	Title	Place and date of birth	Year began working for the Group
Daniele Cabuli	Chief Operating Officer – Head of Sales, Marketing and Network Management (*)	Bologna (BO), 9 June 1958	2008
Roberto Zoia	Head of Development and Asset Management	Mantua (MN), 18 June 1961	2006
Grazia Margherita Piolanti	Head of Administration and Corporate & Legal Affairs – Financial Reporting Officer	Ravenna (RA), 13 April 1953	2005
Andrea Bonvicini	Head of Finance and Treasury	Bologna (BO), 2 August 1963	2009

(*) *interim since September 2008.*

Below is a brief biography for each key manager, illustrating their business management skills and experience. For a list of offices held by key managers in the administrative, management or supervisory bodies of listed companies or partnerships – as well as an indication of the listed company or partnership in which key managers are shareholders – during the last five years, please see the following table.

Daniele Cabuli – After joining Coop Adriatica in 1986, in 1989 Mr Cabuli became Head of Marketing Division Projects. He gained experience as Regional Manager, Sector Manager and Head of Hypermarkets, until being appointed Head of Marketing and Commercial Development in 2003. In September 2008 he became Head of Sales and Network Management at IGD and in December 2009 he was appointed Chief Operating Officer.

Roberto Zoia – In 1986 Mr Zoia was already working with Coopsette as Business Manager, managing complex projects mainly involving Shopping Centres. In 1999 he joined the GS Carrefour Italia group as Head of Hypermarket and Shopping Centre Development. In 2005 he became Head of Asset Management and Development for Carrefour Italia. He has been Head of Asset Management and Development at IGD since 2006. He has been and is currently a member of the administrative and supervisory bodies of various companies, including Coopsette S.c.r.l. (1986-1999) and Carrefour – GS (1999-2006).

Grazia Margherita Piolanti – After spending the first half of the 1980s working as Head of Accounting for Cooperativa Ravennate Costruttori, in 1987 Ms Piolanti joined Coop Romagna Marche, where she became Head of Administration in 1989. In 1995 she became Head of Legal Affairs, Tax and Subsidiaries of the new Coop Adriatica group. She joined IGD when it was first established and is today Head of Administration, Legal and Corporate Affairs. She played a crucial role in the pioneering process involved in transforming IGD into a SIIQ. Grazia Margherita Piolanti is a registered Chartered Accountant and is a Certified Public Auditor.

Andrea Bonvicini – Mr Bonvicini has been Head of Finance for the IGD Group since September 2009. He has more than twenty years of experience in banking, first with Cooperbanca and then with Banca di Bologna, which he joined in 1997.

None of the Company’s key managers are related to or have family ties with the other key managers listed in the table above, or with the members of the Issuer’s Board of Directors or its Board of Statutory Auditors.

The following table shows the listed companies or partnerships in which the key managers have been members of the administrative, management or supervisory bodies or shareholders in the last five years, with an indication of their status at the Date of the Registration Document.

Name	**Company**	**Office in the company or interest held**	**Status at the Date of the Registration Document**
Daniele Cabuli	Consorzio Centro Perla Verde	Sole Director	Currently in office
	IGD Management S.r.l.	Chairman of the Board of Directors	Currently in office
	Millennium Gallery S.r.l.	Sole Director	Currently in office
	Porta Medicea S.r.l.	Member of the Board of Directors	Currently in office
	RGD Ferrara 2013 S.r.l.	Chief Executive Officer	Currently in office
	Win Magazin S.A.	Chairman of the Board of Directors	Currently in office
	Consorzio Bolognese Energia Galvani S.c.a r.l.	Member of the Board of Directors	Currently in office

	R.G.D. Gestioni S.r.l.	Member of the Board of Directors	No longer in office
	Riqualificazione Grande Distribuzione S.p.A.	Member of the Board of Directors	No longer in office
	Robintur S.p.A.	Member of the Board of Directors	No longer in office
Roberto Zoia	IGD Management S.r.l.	Member of the Board of Directors	Currently in office
	RGD Ferrara 2013 S.r.l.	Member of the Board of Directors	Currently in office
	Consorzio Proprietari del Centro Commerciale "Fonti del Corallo"	Sole Director	Currently in office
	Porta Medicea S.r.l.	Chairman of the Board of Directors	Currently in office
	Win Magazin S.A.	Member of the Board of Directors	Currently in office
	Win Magazin S.A.	Chairman of the Board of Directors	No longer in office
	Consorzio Forte di Brondolo	Liquidator	No longer in office
	Porta Medicea S.r.l.	Chief Executive Officer	No longer in office
	Faenza Sviluppo S.r.l.	Member of the Board of Directors	No longer in office
	Riqualificazione Grande Distribuzione S.p.A.	Chief Executive Officer	No longer in office
	New Shopping arcade S.p.A.	Sole Director	No longer in office
	R.G.D. Gestioni S.r.l.	Chief Executive Officer	No longer in office
	Immobiliare Grande Distribuzione SIIQ S.p.A.	Shareholder	Current
Grazia Margherita Piolanti	IGD Management S.r.l.	Vice Chairman of the Board of Directors	Currently in office
	IGD Property SIINQ S.p.A.	Member of the Board of Directors	Currently in office
	Porta Medicea S.r.l.	Member of the Board of Directors	Currently in office
	IGD Property SIINQ S.p.A.	Sole Director	No longer in office
	Iniziative Bologna Nord S.r.l.	Member of the Board of Directors	No longer in office
	Faenza Sviluppo S.r.l.	Vice Chairman of the Board of Directors	No longer in office
	Nikefin Asti S.r.l.	Sole Director	No longer in office
	Inres Soc. Coop.	Statutory Auditor	No longer in office
	R.G.D. S.p.A.	Member of the Board of Directors	No longer in office
	Enel S.p.A.	Shareholder	Current

	Immobiliare Grande Distribuzione SIIQ S.p.A.	Shareholder	Current
	Eni S.p.A.	Shareholder	Current
Andrea Bonvicini	Win Magazin S.A.	Member of the Board of Directors	No longer in office
	Cassa di Risparmio di Rimini S.p.A.	Shareholder	Current
	Banca di Bologna Credito Cooperativo Soc. Coop.	Shareholder	No longer in office

To the Company's knowledge, during the past five years, none of the key managers has been found guilty of fraud or any crimes related to bankruptcy nor involved in bankruptcy trials, receiverships or compulsory liquidations nor, lastly, been officially charged and/or fined by public or regulatory authorities (including the relevant professional associations), or banned by a court from holding administrative, managerial or supervisory roles with the Issuer or carrying out management or operational duties for any issuer.

9.1.3 Board of Statutory Auditors

The current Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of 19 April 2012. It will remain in office until the date of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2014.

At the Date of the Registration Document, the Board of Statutory Auditors is composed as follows:

Name	Office	Place and date of birth
Romano Conti	Chairman	Bologna (BO), 27 August 1948
Pasquina Corsi	Statutory Auditor	Piombino (LI), 8 February 1957
Roberto Chiusoli	Statutory Auditor	Bologna (BO), 15 September 1964
Isabella Landi	Alternate Auditor	Meldola (FC), 26 May 1964
Monica Manzini	Alternate Auditor	Bologna (BO), 16 September 1964

The members of the Board of Statutory Auditors are domiciled in a professional capacity at the registered office of the Company situated at Via Agro Pontino 13, Ravenna.

The members of the Board of Statutory Auditors meet the independence requirements of the TUF and Corporate Governance Code, as verified by the Board of Statutory Auditors at its meeting on 4 November 2013. With reference to the Chairman of the Board of Statutory Auditors, Mr Romano Conti, given the high level of professionalism and the activities carried out in recent years by him, although he has held office for more than nine years, the Issuer's Board of Statutory Auditors, partly based on the statements given by Mr Conti himself, felt that this did not compromise his independence of judgement, and that he was independent within the meaning of the Corporate Governance Code.

Below is a brief biography for each member of the Board of Statutory Auditors, illustrating their business management skills and experience. For a list of offices held by members of the Board of Statutory Auditors in the administrative, management or supervisory bodies of listed companies or partnerships – as well as an indication of the listed company or partnership in which members of the Board of Statutory Auditors are shareholders – during the last five years, please see the following table.

Romano Conti – Born in Bologna on 27 August 1948, Mr Conti holds a degree in Economics and Business from the University of Bologna. He is a Chartered Accountant and has been a partner in the Associazione Professionale Studio Gnudi since the firm's inception. He is a registered auditor. He works as a tax planning consultant and advises on

Italian accounting standards and tax disputes. He is also a partner in ACB Group S.p.A., a consultancy firm based in Milan. He is a director of the Association of Chartered Accountants in Bologna. He is also a member of the administrative and supervisory bodies of various companies.

Roberto Chiusoli – Born in Bologna on 15 September 1964, Mr Chiusoli holds a degree in Economics and Business from the University of Bologna. He is a Chartered Accountant and has been a registered member of the Association of Chartered Accountants in Bologna since 1992, as well as a registered auditor. From 1989 to 1991, he worked as a tax advisor for a law and tax consultancy firm. From 1991 to 1996, he was an auditor with Uniaudit S.p.A., where he ultimately became Head of Tax Audit. In the same sector, he worked for the auditors Reconta Ernst & Young. On 16 September 1996, he was appointed manager of Legacoop Bologna, where he was in charge of the tax advisory office. He is the coordinator of tax services for Legacoop Emilia-Romagna. He is a member of the supervisory board of several listed companies.

Pasquina Corsi **–** Born in Piombino (LI) on 8 February 1957, Ms Corsi obtained a diploma from the Technical Institute of Piombino in 1976. She passed her accountant’s exams in 1995. She is a registered member of the Association of Chartered Accountants for the province of Livorno and works in Campiglia Marittima (LI). She is also a registered auditor. She has previously served two terms on the Board of Auditors for the municipalities of Campiglia Marittima and Castagneto Carducci. She is a partner in the firm Studio Gargani Commercialisti Associati. She is sole auditor of the Fondazione Memorie Cooperative, established by Unicoop Tirreno Soc. Cooperativa. She has also served and continues to serve on the Board of Statutory Auditors of various companies.

Isabella Landi – Born in Meldola on 26 May 1964, Ms Landi graduated in Economics and Business in 1989 from the University of Bologna. She has been a member of the Association of Chartered Accountants of Forlì since 1990, is a registered auditor with the Ministry of Justice and is registered as a technical consultant at the Court of Forlì. Since 1994 she has worked as a Chartered Accountant in Forlì and is a partner at the auditing firm Labase Revisoni S.r.l. in Forlì. She is an expert in accounting and tax matters, corporate restructuring and business reorganisation (mergers, transfers, change of control, etc.) and in audits of ordinary companies and cooperatives. Her most relevant professional experience includes working for the province of Ravenna’s cooperative federation (Office of Legal and Tax Assistance, 1989-1993), as a consultant for Federcoop Ravenna S.c.a.r.l. (Office of Legal and Tax Assistance, 1994-1999), and as a consultant for the tax office of Legacoop Forlì-Cesena (2000-2006). She is the sole auditor of the municipality of Roncofreddo and Chairman of the Board of Statutory Auditors of the municipality of Forlì. Her other experience includes being a member of the Ravenna Prefecture’s Supervisory Commission for Cooperatives, from 1991 to 1996. She has held and currently holds various positions on the Boards of Statutory Auditors of cooperatives, listed companies and local authorities. She was member of the Board of Statutory Auditors for the municipality of Meldola for two terms and of the Chamber of Commerce of Forlì-Cesena. She has acted and continues to act as liquidator for different cooperatives and companies in voluntary liquidation and is official receiver for the Court of Forlì. She has also performed tax due diligence for major Italian companies.

Monica Manzini – Born in Bologna on 16 September 1964, Ms Manzini graduated in Economics and Business from the University of Bologna. She is a Chartered Accountant registered with the Association of Chartered Accountants of the Court of Bologna and is a registered auditor. She works as a Chartered Accountant and is a partner with the Associazione Professionale Studio Gnudi in Bologna. Her areas of specialisation mainly include corporate restructuring through extraordinary transactions (transfers, mergers, spin-offs and transformations), domestic tax, corporate earnings and issues in companies held primarily by public shareholders. She is a regular speaker at post-graduate seminars on tax issues and extraordinary transactions (transfers, mergers, spin-offs and transformations). She has also held and currently holds the position of auditor in various companies.

None of the members of the Board of Statutory Auditors has any family ties with other members of the Issuer's Board of Statutory Auditors, with the members of the Board of Directors or with the Company's key managers.

The following table shows all the listed companies or partnerships in which the members of the Board of Statutory Auditors have been members of the administrative, management or supervisory bodies or shareholders in the last five years, with an indication of their status at the Date of the Registration Document.

Name	Company	Office in the company or interest held	Status at the Date of the Registration Document
Romano Conti	Fin.gi S.r.l.	Sole Director	Currently in office
	Finmeco S.r.l.	Sole Director	Currently in office
	BPER Soc. Coop	Chairman of the Board of Statutory Auditors	Currently in office
	G.M.G. Group S.p.A.	Member of the Board of Directors	Currently in office
	Simbuleia S.p.A.	Member of the Board of Directors	Currently in office
	ACB Group S.p.A.	Member of the Board of Directors	Currently in office
	Majani 1796 S.p.A.	Chairman of the Management Control Committee	Currently in office
	Comet S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Comet Holding S.p.A.	Statutory Auditor	Currently in office
	Ferrario S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Seconda S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Penta S.p.A.	Statutory Auditor	Currently in office
	A.M. General Contractor S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Ducati Myers srl in liquidation	Liquidator	Currently in office
	Vis mobility srl	Member of the Board of Directors	Currently in office
	Società investimenti Romandiola srl – SIR srl	Member of the Board of Directors	Currently in office
	Zeroquattro S.r.l.	Sole Auditor	Currently in office
	D&C S.p.A.	Member of the Board of Directors	No longer in office
	Despina S.p.A.	Member of the Board of Directors	No longer in office
	Unicredit Leasing S.p.A.	Statutory Auditor	No longer in office
	Centro Sperimentale del Latte S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Cofim S.r.l.	Chairman of the Board of Directors	No longer in office
	Editoriale Corriere di Bologna S.r.l.	Statutory Auditor	No longer in office
	F.G.F. S.p.A.	Member of the Board of Directors	No longer in office
	Galotti S.p.A.	Statutory Auditor	No longer in office
	R.G.D. S.p.A.	Statutory Auditor	No longer in office
	Fin.gi S.r.l.	Shareholder	Current
	Simbuleia S.p.A.	Shareholder	Current
Pasquina Corsi	Immobiliare	Statutory Auditor	Currently in office

	Sviluppo della Cooperazione S.p.A.		
	Ipercoop Tirreno S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Piombino Patrimoniale S.r.l., single member	Statutory Auditor	No longer in office
	Indal 2000 S.p.A.	Statutory Auditor	No longer in office
	Società Cooperativa La Caravella	Statutory Auditor	No longer in office
	Vignale Immobiliare S.p.A.	Statutory Auditor	No longer in office
	Società Consortile Cooperativa Global Service Tirreno	Statutory Auditor	No longer in office
	Società Consortile Arco a r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Studio Gargani Commercialisti Associati	Shareholder	Current
Roberto Chiusoli	Unipol Gruppo Finanziario S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Manutencoop Facility Management S.p.A.	Member of the Supervisory Board	Currently in office
	Unipol Banca S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Granarolo S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	HPS S.p.A.	Statutory Auditor	Currently in office
	CAMST S.c.a.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Consorzio Castello	Statutory Auditor	Currently in office
	Atahotels S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Banca Sai S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Casa di Cura Villa Donatello S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Sacmi Imola Soc. Coop.	Statutory Auditor	Currently in office
	Unipol Finance S.r.l.	Statutory Auditor	Currently in office
	Consorzio Cooperative Costruzioni Società Cooperativa	Member of the Supervisory Board	Currently in office
	De' Toschi S.p.A.	Statutory Auditor	Currently in office
	Compagnia Assicuratrice Linear S.p.A.	Statutory Auditor	Currently in office
	Linear Life S.p.A.	Statutory Auditor	Currently in office
	Iniziative Bologna Nord S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Holmo S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Unipol Merchant – Banca per le Imprese S.p.A.	Statutory Auditor	No longer in office
	Banca di Bologna – Credito Cooperativo	Statutory Auditor	No longer in office

	S.c.ar.l.		
Isabella Landi	Apofruit Italia Soc. Coop.Agricola	Chairman of the Board of Statutory Auditors	Currently in office
	Giuliani Soc. Coop.	Chairman of the Board of Statutory Auditors	Currently in office
	Due Tigli S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Creditcomm Soc. Coop. a r.l. di garanzia	Statutory Auditor	Currently in office
	Romagna Compost S.r.l.	Statutory Auditor	Currently in office
	Almaverde Bio Italia S.r.l. Consortile	Statutory Auditor	Currently in office
	Assicoop Romagna S.p.A.	Statutory Auditor	Currently in office
	Mediterraneo Group S.p.A. Consortile Agricola	Chairman of the Board of Statutory Auditors	Currently in office
	Cooperativa Agricola Braccianti di Campiano Soc. Coop. Agr. p. A.	Chairman of the Board of Statutory Auditors	Currently in office
	Ce.Vi.Co. Società Cooperativa Agricola	Statutory Auditor	Currently in office
	Agrifutura S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Winex Società CooperativaAgricola	Statutory Auditor	Currently in office
	Isgas Elmas Società di Progetto S.r.l.	Statutory Auditor	Currently in office
	Isgas Carbonia Società di Progetto S.r.l.	Statutory Auditor	Currently in office
	Apoindustria Soc. Coop Agricola	Chairman of the Board of Statutory Auditors	Currently in office
	Sophia S.r.l.	Sole Director	Currently in office
	Labase Revisioni S.r.l.	Vice Chairman of the Board of Directors	Currently in office
	Orion Soc. Coop. agricola	Statutory Auditor	Currently in office
	IGD Property SIINQ S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Cooperativa edile di Predappio	Chairman of the Board of Statutory Auditors	Currently in office
	APO Servizi sooc. Cooperativa Agricola	Statutory Auditor	Currently in office
	Terme di Castrocaro S.p.A.	Chairman of the Board of Directors	Currently in office
	Cosmogas S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Rimini Parking Gest S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Cooperativa Forlivese Di Edificazione	Chairman of the Board of Statutory Auditors	No longer in office
	Cooperativa	Statutory Auditor	No longer in office

	Finanziaria Romagnola Co.Fi.Ro		
	Cooperativa Agricola Cesenate Soc. Coop.	Chairman of the Board of Statutory Auditors	No longer in office
	Laema S.r.l.	Statutory Auditor	No longer in office
	Immobiliare Cof. Con. S.r.l.	Statutory Auditor	No longer in office
	Co.Ro.Ga.	Statutory Auditor	No longer in office
	A.P.E. – Associati Piccoli Esercenti – S.r.l.	Statutory Auditor	No longer in office
	Egocentro S.r.l.	Statutory Auditor	No longer in office
	Ged S.r.l.	Statutory Auditor	No longer in office
	CAF Romagna Marche S.r.l.	Statutory Auditor	No longer in office
	Commercianti Indipendenti Associati Soc. Coop.	Statutory Auditor	No longer in office
	Createmotions S.r.l. in liquidation	Statutory Auditor	No longer in office
	ABBA S.r.l.	Sole Director	No longer in office
	Mpk Rating S.p.A.	Statutory Auditor	No longer in office
	Z.V. s.n.c. di Zanfini Vanni e Zanfini Cristian	Statutory Auditor	No longer in office
	Sophia S.r.l.	Shareholder	Current
	Labase Revisioni S.r.l.	Shareholder	Current
Monica Manzini	GMG Group S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Ducati Energia S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Immobiliare S. Nicolò S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Meliconi S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Nute Partecipazioni S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	PRB S.p.A.	Statutory Auditor	Currently in office
	Sansovino S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Simpa Immobiliare S.r.l.	Statutory Auditor	Currently in office
	Santander Consumer Unifin S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Del clima S.p.A.	Standing Auditor	Currently in office
	Sigma Soc. Coop.	Standing Auditor	Currently in office
	Ben Mach S.r.l.	Statutory Auditor	No longer in office
	Ducati Sistemi S.p.A.	Statutory Auditor	No longer in office
	Fin. San. S.r.l.	Statutory Auditor	No longer in office
	F.G.F. S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Ma.In Macchine Industriali S.r.l.	Statutory Auditor	No longer in office

	Nute S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Mak – Macchine per Costruire S.r.l. in liquidation	Standing Auditor	No longer in office
	Safin S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office

To the Company's knowledge, during the past five years, none of the members of the Board of Statutory Auditors has been found guilty of fraud or any crimes related to bankruptcy nor involved in bankruptcy trials, receiverships or compulsory liquidations nor, lastly, been officially charged and/or fined by public or regulatory authorities (including the relevant professional associations), or banned by a court from holding administrative, managerial or supervisory roles with the Issuer or carrying out management or operational duties for any issuer, with the exception of the following: with a provision dated 14 October 2009, the Bank of Italy, pursuant to Article 145 of Legislative Decree 385/1993, fined Roberto Chiusoli, as Chairman of the Board of Statutory Auditors of Unipol Banca S.p.A., €24,000 fully paid off, for irregularities linked to a lack of organisation and internal controls which caused certain activities not to be reported to the supervisory authorities.

9.2 Conflicts of interest of members of the Board of Directors, members of the Board of Statutory Auditors and key managers

At the Date of the Registration Document, there are no members of the Board of Directors, the Board of Statutory Auditors or any key managers of the Group with private interests that conflict with his/her duties linked to the office or position held with the Issuer. Please note, however, that the corporate tax advisory firm in which the Director Andrea Parenti is a shareholder has a contract for administrative and tax advisory services with Unicoop Tirreno worth €19,000.00. The Issuer, in consideration of the above amount, has not deemed this professional relationship to be material for the purpose of assessing Mr Parenti's independence.

At the Date of the Registration Document, there are no agreements or arrangements between the principal shareholders, clients, suppliers or other persons, pursuant to which the persons referred to in Chapter IX, paragraph 9.1 of the Registration Document have been appointed as members of the management, administrative or supervisory bodies or as senior managers of the Company.

At the Date of the Registration Document, the parties listed in the tables found in Chapter IX, paragraph 9.1 of the Registration Document have not agreed upon any restrictions on the disposal of any shares of the Issuer that they may hold in their portfolios.

CHAPTER X – REMUNERATION AND BENEFITS

Not applicable to the Company as an issuer of shares admitted for listing on the MTA, STAR segment.

For information on the remuneration and benefits paid to members of the administration, management or supervision bodies and to the key managers of the Company for 2013, see the remuneration report prepared by the Company pursuant to Art. 123-*ter* of the TUF and Art. 84-*quater* of the Issuers' Regulations.

This report is available to the public at IGD's registered office and on the Company's website at www.gruppoigd.it.

CHAPTER XI – BOARD PRACTICES

Not applicable to the Company as an issuer of shares admitted for listing on the MTA, STAR segment.

For information about Board practices and IGD's compliance with the corporate governance rules in force, see the 2013 Report on Corporate Governance and Ownership Structure, prepared by the Company pursuant to Art. 123-*bis* of the TUF and to the public at IGD's registered office and on the Company's website at www.gruppoigd.it.

CHAPTER XII – EMPLOYEES

12.1 Shareholdings and stock option plans

The following table shows the equity interests in IGD and other Group companies, held directly or indirectly by members of the administrative and supervisory bodies and by the Chief Operating Officer at the Date of the Registration Document and as at 31 December 2013.

Name	Office	Affiliated company	No of shares held at the end of 2013	No of shares purchased/ subscribed for	No of shares sold	No of shares held at the Date of the Registration Document
Gilberto Coffari	Chairman of the Board of Directors	IGD SIIQ S.p.A.	24,810	1,112	0	25,922
Sergio Costalli	Vice Chairman	-	-			
Claudio Albertini	Chief Executive Officer	-	-			
Roberto Zamboni	Director	-	-			
Leonardo Caporioni	Director	-	-			
Fernando Pellegrini	Director	-	-			
Aristide Canosani	Director	-	-			
Fabio Carpanelli	Director	-	-			
Massimo Franzoni	Director	-	-			
Andrea Parenti	Director	IGD SIIQ S.p.A.	50,136	2,252		52,388
Riccardo Sabadini	Director	IGD SIIQ S.p.A.	5,370	240		5,610
Giorgio Boldreghini	Director	-	-			
Tamara Magalotti	Director	-	-			
Livia Salvini	Director	-	-			
Elisabetta Gualandri	Director	-	-			
Romano Conti	Chairman of the Board of Statutory Auditors	-	-			
Roberto Chiusoli	Statutory Auditor	-	-			

Pasquina Corsi	Statutory Auditor	-	-			
Daniele Cabuli	Chief Operating Officer	-	-			

The following table shows the total equity interests held by managers with strategic responsibilities in IGD and its subsidiaries at the Date of the Registration Document and at 31 December 2013.

Affiliated company	No of shares held at the end of 2013	No of shares purchased/ subscribed for	No of shares sold	No of shares held at the Date of the Registration Document
IGD SIIQ S.p.A.	85,924	3,860	0	89,784

At the Date of the Registration Document, the Company has not adopted any share-based incentive plans.

12.2 Description of any agreements for the participation of employees in the capital of the Issuer

At the Date of the Registration Document, there are no agreements for the participation of employees in the capital of the Issuer.

CHAPTER XIII – MAJOR SHAREHOLDERS

13.1 Major shareholders

The following table lists the shareholders who, based on the stock register and other information available to the Issuer, held more than 2% of the ordinary shares of the Issuer's share capital at the Date of the Registration Document.

Shareholder	% of the share capital
Schroder Investment Management Ltd (1)	3.14
Coop Adriatica S.c.a.r.l.	43.99
Unicoop Tirreno Società Cooperativa	12.93
Soros Fund Management LLC (2)	5.00

(1) Equity holding as savings management

(2) Shares held as a manager of Quantum Strategic Partners Ltd.

13.2 Voting rights other than those held by the major shareholders

At the Date of the Registration Document, the Company has only issued ordinary shares and no shares with special voting or other rights have been issued.

13.3 Specification of the controlling entity pursuant to Article 93 of the TUF

At the Date of the Registration Document, Coop Adriatica exercises control over the Company pursuant to Article 93 of the TUF, as it holds a large enough shareholding to exert a dominant influence over the Shareholders' Meeting.

13.4 Agreements that could result in a change in control of the Issuer

On 20 December 2013, Coop Adriatica and Unicoop Tirreno agreed to the early termination of the shareholders' agreement signed by them on 12 June 2013. On the same date, the parties signed a new shareholders' agreement which establishes voting and blocking rights pursuant to Article 122, paragraphs 1 and 5(a) and (b) of the TUF, referencing as the subject IGD Shares, with the aim of pursuing a unified goal in the choice of Company strategy and its management (the "**Agreement**").

At the Date of the Registration Document, the Agreement involved 204,999,417 ordinary shares of the Company, or 56.92% of the Company's ordinary share capital, transferred to the voting syndicate (the "**Syndicated Shares**"), and 183,686,528 ordinary shares, or 51.00% of the ordinary share capital, transferred to a blocking syndicate (the "**Block Shares**").

The table below shows the parties to the agreement, the number of shares transferred by each one and the percentage of shares transferred relative to the total number of shares transferred and the total number of shares comprising the share capital.

Shareholder	No of Syndicated Shares	% shares relative to the total Shares Transferred	% of IGD's capital	No of Block Shares	% shares relative to the total Shares Blocked	% of IGD's capital
Coop Adriatica	158,433,181	77.28	43.99	141,961,579	77.28	39.42
Unicoop Tirreno	46,566,236	22.72	12.93	41,724,949	22.72	11.58
Total	**204,999,417**	**100.00**	**56.92**	**183,686,528**	**100.00**	**51.00**

The table shows the total number of shares contributed to the Agreement, as last published on 1 July 2014 to reflect the changes in the number of shares contributed to the Agreement following the completion of the capital increase reserved for shareholders entitled to receive the 2013 dividend.

Below is an excerpt of the provisions relating to the content and duration of the Agreement, as referenced in the notice sent to CONSOB pursuant to Article 122 of the TUF.

"*The Agreement governs specific arrangements between Coop Adriatica and Unicoop Tirreno relating to (*i*) the appointment of members of the Company's Board of Directors and members of its Board of Statutory Auditors; (*ii*) a syndicate for the exercise of the parties' voting rights at the Company's Extraordinary Shareholders' Meeting; (*iii*) a block syndicate; as well as (*iv*) the right of first refusal.*

Appointment of members of the Board of Directors

Based on the Agreement, the IGD Board of Directors shall comprise 15 members for the duration of the Agreement, in view of the provisions of Law 120 of 12 July 2011 relating to gender equality within governing bodies. In the event that the Board of Directors is re-elected, the Parties agree to submit and vote on a list of 15 candidates, consisting of seven directors designated by Coop Adriatica (three of whom are independent pursuant to Borsa Italiana's Corporate Governance Code, and at least one of whom satisfies the requirements pursuant to Article 148, paragraph 3 of Legislative Decree 58/1998), five directors designated by Unicoop Tirreno (two of whom are independent pursuant to Borsa Italiana's Corporate Governance Code, and at least one of whom satisfies the requirements pursuant to Article 148, paragraph 3 of Legislative Decree 58/1998), and three directors designated jointly by Coop Adriatica and Unicoop Tirreno (independent pursuant to Borsa Italiana's Corporate Governance Code).

*The list shall be compiled in accordance with the following criteria and in descending order: (*i*) four directors designated by Coop Adriatica, from first to fourth place; (*ii*) three directors designated by Unicoop Tirreno, from fifth to seventh place; (*iii*) three directors designated by Coop Adriatica, from eighth to tenth place (two of whom are independent pursuant to Borsa Italiana's Corporate Governance Code and one of whom satisfies the requirements pursuant to Article 148, paragraph 3 of Legislative Decree 58 of 24 February 1998); (*iv*) two directors designated by Unicoop Tirreno, from eleventh to twelfth place (two of whom are independent pursuant to Borsa Italiana's Corporate Governance Code and one of whom satisfies the requirements pursuant to Article 148, paragraph 3 of Legislative Decree 58 of 24 February 1998); and (*v*) three directors designated jointly by Coop Adriatica and Unicoop Tirreno, from thirteenth to fifteenth place (independent pursuant to Borsa Italiana's Corporate Governance Code). In the event that the Parties fail jointly to designate the three candidates called on to fill the thirteenth, fourteenth and fifteenth places, without prejudice to the above, two of said directors shall be designated by Coop Adriatica and one by Unicoop Tirreno. Based on the Agreement and in accordance with Article 16.7 of the Bylaws, if one or more of the minority lists are presented, at least one director must be appointed from a minority list. Thus, in accordance with the nomination criteria, if the candidates ranked with the highest quotients come from a single list, the candidate from the minority list who has earned the highest quotient shall be elected in place of the candidate at the bottom of the ranking.*

If it becomes necessary to co-opt new IGD directors to replace those initially designated by the Parties, the substitute director or directors shall be appointed by the Party who originally designated the directors replaced or being replaced.

Based on the Agreement, the Chairman of the Board of Directors and the Chief Executive Officer – who, in addition to powers of legal representation, shall also be granted all powers of ordinary administration – shall be appointed from among the directors designated by Coop Adriatica and the Vice Chairman from among those designated by Unicoop Tirreno.

Appointment of members of the Board of Statutory Auditors

Based on the Agreement, the Board of Statutory Auditors is to be composed of three statutory and three alternate auditors, to be elected on the basis of preference lists, in accordance with Legislative Decree 58/1998 and in view of the provisions of Law 120 of 12 July 2011 relating to gender equality within governing bodies. Two statutory auditors and two alternate auditors shall be appointed from the majority list submitted jointly by Coop Adriatica and Unicoop Tirreno; the third statutory auditor, who shall also act as Chairman of the Board of Statutory Auditors, and the third alternate auditor shall be appointed from the minority list obtaining the second highest number of votes. More specifically, one statutory auditor and one alternate auditor shall be appointed by Coop Adriatica and one statutory auditor shall be appointed by Unicoop Tirreno.

Voting syndicate

The Parties agree that, at Extraordinary Shareholders' Meetings, resolutions shall be carried by a vote in favour of both Parties. To this end, the Parties shall consult with one another prior to the meetings and ensure that the voting rights pertaining to the Syndicated Shares are exercised in full. Based on the Agreement, in the event that the number of shares held by the Parties should increase following the purchase or transfer of stock made in accordance with this Agreement, the additional shares shall automatically be considered part of the voting syndicate.

Blocking syndicate

For the duration of the Agreement, neither Party may transfer, sell and/or dispose of, for any reason, the Block Shares without having first honoured the other Party's right of first refusal under this Agreement. Under no circumstances may the Block Shares be sold, in whole or in part, on the market. For the duration of the Agreement, neither Party may enter into agreements or negotiations, including with third parties, which could trigger an obligatory takeover bid without having first received express, written consent from the other Party. Without prejudice to the penalty established in this Agreement, in the event that such agreements or negotiations trigger an obligatory takeover bid, the Party in violation of this Agreement must indemnify, release and hold harmless the other Party from any responsibility, liability, charge, expense or fee connected with and resulting from said violation.

*Based on the Agreement, in the event that extraordinary transactions should cause the percentage of IGD's share capital represented by the Block Shares to fall below 51%, the number of shares that are not part of the blocking syndicate (the "**Free Shares**") held at that time by each Party shall be reduced proportionately until the number of Block Shares reaches a total of 51%. Based on the Agreement, in the event that, following the transfer of Free Shares, the number of Free Shares held by the Parties is not sufficient, proportionately, to reach 51% of the share capital, the Parties are not obligated to acquire the missing shares on the market or from third parties. Without prejudice to the above, each Party shall, for the duration of the Agreement, endeavour to maintain the level of Block Shares at 51% of IGD's share capital. The Free Shares may be sold freely to third parties or on the market, provided the other Party is notified thereof in a timely manner.*

Right of first refusal

*In the event that either of the Parties begins negotiations to dispose of some or all of the Block Shares held, said Party (the "**Offeror**") must advise the other Party that such negotiations are under way in a timely manner via a notice sent by certified registered mail in which the terms and conditions of the transaction subject to negotiation are summarised. If the Offeror decides to dispose of the Block Shares, the latter must notify the other Party via certified registered mail offering the right of first refusal to the other Party ("**Pre-emptive Offer**") and indicating the number of Block Shares being disposed of, the potential third-party purchasers and other conditions, including the price, under which the Block Shares are to be sold or otherwise transferred.*

Upon receipt of the Pre-emptive Offer, the other Party has 90 days to advise the Offeror as to whether or not it intends to accept the Pre-emptive Offer unconditionally. If the Party intends to accept the Pre-emptive Offer, it must advise the Offeror of same by certified registered mail within said 90-day period; if the other Party accepts the Pre-emptive Offer, the Block Shares shall be considered as having been definitively and unconditionally sold to that Party. The Party exercising the right of first refusal must pay the price indicated for the Block Shares in the Pre-emptive Offer.

The other Party must also send notice if it does not intend to accept the Pre-emptive Offer within the above-mentioned period of 90 days. The Offeror may dispose of the Block Shares as per the terms and conditions of the Pre-emptive Offer within 30 days of having received the other Party's refusal of the Pre-emptive Offer or within 30 days of the expiration of the above-mentioned 90-day period.

*This provision shall not apply if the Offeror intends to transfer its Block Shares to its wholly owned direct or indirect subsidiaries, pursuant to and in accordance with Article 2359, paragraphs 1 and 2 of the Italian Civil Code ("**Subsidiary**"), provided that, upon transfer to the Subsidiary (*i*) the Offeror agrees with the Subsidiary and the other Party to repurchase the Block Shares transferred in the event of a change in control of the Subsidiary; (*ii*) the Subsidiary agrees with the Offeror and the other Party to sell the Block Shares to the Offeror; (*iii*) the Subsidiary of the Offeror accepts the provisions of this Agreement in full (without prejudice to the joint and several liability of the Offeror).*

<u>*Duration of the Agreement*</u>

The Agreement shall expire on 31 December 2014.

<u>*Penalty clauses*</u>

Based on the Agreement, in the event that either of the Parties should fail to comply with the obligations under the voting syndicate, said Party must pay a penalty equal to 50% of the shares held. If either Party fails to comply with the obligations under the blocking syndicate and the right of first refusal, said Party must pay the other Party a penalty equal to the amount offered or received from third parties in violation of the above, without prejudice to the right to obtain greater damages."

With the exception of the above-mentioned Agreement, at the Date of the Registration Document, there are no shareholder agreements or arrangements pursuant to Article 122 of the TUF that could result in a change in control of the Issuer.

CHAPTER XIV – RELATED-PARTY TRANSACTIONS

Introduction

On 11 November 2010, the Issuer's Board of Directors, subject to the favourable opinion of the Committee for Related-Party Transactions, approved the new Procedure for Related-Party Transactions, in force since 1 January 2011, drafted in accordance with the Related-Party Regulations.

In line with that recommended in CONSOB Communication DEM/10078683 of 24 September 2010, on 7 November 2013, taking into account the experience gained by the Company during the period 2010-2013, which highlighted how the Procedure was able to effectively ensure the transparency and substantive and procedural correctness of related-party transactions, and in view of the opinion expressed by the Committee for Related Parties, the Board of Directors has approved the appropriateness of the Company's Procedure for Related-Party Transactions, and has therefore decided not to make changes to this.

The purpose of the Procedure is to define the rules, procedures and principles in order to ensure the transparency and substantive and procedural fairness of Related-Party Transactions entered into by the Company, directly or through its subsidiaries.

IGD's Procedure for Related-Party Transactions is available to the public at the Issuer's registered office and on the website www.gruppoigd.it.

For the purposes of the Procedure, the Company has applied the concept of "Related Party" as defined by Article 3, paragraph 1(a) and Annex 1 of the Related-Party Regulations, according to the definition contained in IAS 24, with effect from the effective date of the Related-Party Regulations. In order to maintain consistency in the financial statements, the Company has decided to extend the Procedure to the subsidiaries of Unicoop Tirreno pursuant to Article 4, paragraph 2 of the Related-Party Regulations.

For the purposes of this Procedure, Related-Party Transactions are transactions in which there is a transfer of resources, services or obligations between one or more Related Parties, regardless of whether a price is charged.

The Procedure distinguishes between:

1) Transactions of greater importance (taken individually or together) in which at least one of the following parameters has a value of 5% or more:

   i) transaction materiality ratio: this is the ratio between the amount of the transaction and the higher of the amount of consolidated equity or the market capitalisation of IGD, measured at the close of the last trading day of the period covered by the most recently published financial documents;

   ii) assets materiality ratio: the ratio between the total assets of the entity involved in the transaction and the total assets of IGD;

   iii) liabilities materiality ratio: the ratio between the acquired entity's total liabilities and the total assets of IGD.

2) Transactions of lesser importance, which include all other transactions and those not considered as transactions for smaller amounts (as defined below).

In particular, in accordance with the provisions of Articles 7 and 8 of the Related-Party Regulations, the Procedure states that:

- transactions of lesser importance may be approved by the body competent to decide on the same following receipt of a non-binding reasoned opinion from the Committee for Related-Party Transactions on the Company's interest in carrying out the transaction, and on whether the terms are advantageous and substantially fair. To that end, the Committee must receive, if necessary at a meeting called specifically for this purpose, comprehensive and adequate information on the nature of the transaction that the Company intends to carry out. If the Committee for Related-Party Transactions considers it necessary or appropriate, it may seek advice from one or more independent experts of its choice before issuing its non-binding opinion;

- in the case of transactions of greater importance, except where the transactions concerned come within the purview of the Shareholders' Meeting or have to be authorised by the latter, they will be decided on by the Company's Board of Directors following receipt of a reasoned opinion from the Committee for Related-Party Transactions on the Company's interest in carrying out the transaction, and on whether the terms are advantageous and substantially fair. To that end, the Committee, possibly through one or more of its members with the relevant delegated powers, will be involved during the negotiations and the due diligence stage, receiving comprehensive and timely information from the local management, if necessary at meetings specifically called for this purpose. If the Committee for Related-Party Transactions considers it necessary or appropriate, it may seek advice from one or more independent experts of its choice before issuing its binding opinion. If the Committee for Related-Party Transactions issues an opinion opposing the transaction, as provided for in the Bylaws, the Board of Directors may still proceed with the transaction subject to the approval of the Shareholders' Meeting. In this case, if the Board of Directors intends to present the transaction of greater importance to the Shareholders' Meeting, despite the negative opinion or without otherwise taking into account the observations of the Committee for Related-Party Transactions, the transaction may not be carried out if the majority of non-related voting shareholders effectively vote against the transaction, on condition however that the non-related shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital ("whitewash").

In the case of Related-Party Transactions that fall within the purview of the Shareholders' Meeting, or which must be authorised by the latter pursuant to Article 2364, paragraph 1(5) of the Italian Civil Code, the procedural safeguards described in the previous points will apply, *mutatis mutandis*, for the negotiation and due diligence stages, as well as the approval stage of the resolution to be submitted to the Shareholders' Meeting.

The Procedure also makes provision for information to be sent at least once a quarter to the Board of Directors and Board of Statutory Auditors on the Related-Party Transactions carried out. Furthermore, in compliance with the provisions in force (Article 13 of the Related-Party Regulations), the Procedure also set outs the criteria for the identification of transactions to which the above Procedure does not apply, such as:

1) Transactions for smaller amounts: Related-Party Transactions below the threshold of €250,000.00 per transaction;
2) Resolutions relating to the remuneration of executive directors (Chairman, Chief Executive Officer, Committee members), other than those set down in Article 13, paragraph 1 of the Related-Party Regulations, as well as managers with strategic responsibilities, provided that the requirements set down in Article 13, paragraph 3(b) of the Related-Party Regulations are met;
3) Share-based incentive plans approved pursuant to Article 114-*bis* of the TUF;
4) Routine transactions concluded in accordance with market-equivalent or standard terms;
5) Transactions with or between subsidiaries and associates (where these do not involve material interests of other Related Parties, and subject to periodic accounting information);
6) Urgent transactions, which do not fall within the purview of the Shareholders' Meeting or which need not be authorised by it, provided that the requirements are

met pursuant to Article 13, paragraph 6 of the Related-Party Regulations as permitted by Article 22.1(c) of the Bylaws.

With regard to transparency and the information to be provided to the market concerning Related-Party Transactions carried out by the Issuer, the Procedure fully reflects all provisions contained in the relevant Related-Party Regulations (Articles 5 and 6 of the Related-Party Regulations).

For the purposes of financial reporting, please note that, in accordance with Commission Regulation (EU) No 632/2010 of 19 July 2010, the new text of IAS 24 has been in effect since 1st January 2011. By comparison with the standard in effect until 31 December 2010, the new IAS 24 emphasises the need for consistency when identifying related parties and also considers entities controlled by related entities as related parties, as well as defining more clearly the circumstances in which persons and managers with strategic responsibilities are to be considered related parties. Secondly, the amendment introduces an exemption based on which transactions undertaken with a government, with its directly or jointly controlled entities or entities subject to significant influence by a government are not subject to the general disclosure requirements.

14.1 Related-party transactions

The information relating to inter-company transactions with associated companies and other related parties can be found in the condensed half-yearly consolidated financial statements as at 30 June 2014 (Notes to the Financial Statements, Note 42 Information on Related Parties from page 83) and in the separate and consolidated financial statements for 2013 (Notes to the Financial Statements, Note 40 Information on Related Parties from page 185).

The Issuer opts for incorporation by reference of the documents specified above, pursuant to Article 11 of Directive 2003/71/EC and Article 28 of Commission Regulation (EC) No 809/2004. These documents were published and filed with CONSOB and made available to the public on the Issuer's website (www.gruppoigd.it), as well as at the registered offices of the Issuer and Borsa Italiana.

A brief description of the Related-Party Transactions entered into by IGD during the year ended 31 December 2013, and in the first-half of 2014 can be found below.

During these periods no "atypical or unusual" transactions were entered into. Transactions with related parties, including inter-company transactions, come within ordinary activities for Group companies and are aligned with normal market conditions.

On 18 April 2013, the Issuer's Board of Directors approved the promotion of an Exchange Offer. Although made on equal conditions to a number of qualified investors, the Exchange Offer can be classified as a "Related-Party Transaction", particularly with Coop Adriatica and Unicoop Tirreno which, so far as the Company is aware, have subscribed for the "*€230,000,000 3.50 per cent. Convertible Bonds due 2013*" based on a total value of around €182 million. As a consequence, the above-mentioned resolution of the Board of Directors was passed with the approval of the Company's Committee for Related-Party Transactions issued on 17 April 2013, pursuant to Article 8 of CONSOB Regulation 17221 of 12 March 2010, as amended.

So far as the Company is aware, Coop Adriatica and Unicoop Tirreno accepted the Exchange Offer for a total nominal value of €120 million.

The prospectus for the Exchange Offer, drawn up pursuant to Article 5 of the Related-Party Regulations and Article 11 of the IGD Procedure for Related-Party Transactions, is available to the public on the Issuer's website at www.gruppoigd.it.

On 7 July 2014, the Issuer's Board of Directors approved the Property Acquisition and, in particular, the signature of:

(*i*) a preliminary contract with Coop Adriatica for the purchase of the following real estate assets:

- Arcade and Hypermarket in the "Ascoli Piceno – Città delle Stelle" Shopping Centre, for a price of €24,360,000 and €15,920,000 respectively;
- "Cesena – Lungosavio" Hypermarket, for a price of €19,000,000;
- "Schio" Hypermarket, for a price of €17,360,000.

The total price of the preliminary contract with Coop Adriatica is €76,640,000.

The preliminary contract with Coop Adriatica provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Coop Adriatica, to lease to Coop Adriatica, for a term of eighteen years, the Hypermarkets forming the subject of the purchase, namely "Schio", "Cesena – Lungosavio" and "Ascoli Piceno – Città delle Stelle", for a total annual rent of €3,502,950.00.

With reference to the "Ascoli Piceno – Città delle Stelle" Shopping Centre – of which IGD has the use under a usufruct agreement with Coop Adriatica – pursuant to Art. 1014 of the Italian Civil Code, this contract will be terminated on completion of the purchase, with a consequent annual reduction of €1,856,815 in related costs (2013 figures).

(*ii*) a preliminary contract with Unicoop Tirreno for the purchase of the following real estate assets:

- "Civita Castellana" Supermarket, for a price of €4,000,000;
- "Cecina" Supermarket, for a price of €12,025,000.

The total price of the preliminary contract with Unicoop Tirreno is €16,025,000.

The preliminary contract with Unicoop Tirreno provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Unicoop Tirreno, to lease to Unicoop Tirreno, for a term of eighteen years, the Supermarkets forming the subject of the purchase, namely "Civita Castellana" and "Cecina", for a total annual rent of €1,090,000.

The Property Acquisition is conditional on full subscription of the Capital Increase.

On 11 June 2014, IGD commissioned Cushman & Wakefield, a leading independent consulting firm in the real estate sector, to provide an assessment of the market value and market rent for each property as at 30 June 2014, in accordance with the "RICS Valuation - Professional Standards" adopted by the Royal Institution of Chartered Surveyors in the UK, currently in force. On 3 July 2014, Cushman & Wakefield submitted its valuation reports to the Company, indicating the market value and market rent for each property. The properties were valued on an individual basis, and therefore the sum of the market values does not represent the market value of the real estate portfolio considered as a whole.

Additionally, on 24 June 2014, IGD appointed Reconta Ernst&Young as independent experts to certify the financial fairness of the Property Acquisition. On 4 July 2014, Reconta Ernst&Young issued its fairness opinion in support of the resolutions of IGD's Board of Directors.

The Property Acquisition qualifies as a transaction of greater importance for IGD, within the meaning of the Related Parties Procedure adopted by the Company. Accordingly, on 7 July 2014 the Issuer's Board of Directors approved the Property Acquisition following a favourable opinion of the Committee for Related-Party Transactions. (See Chapter V, paragraph 5.1.4 of the Registration Document)

The information document relating to the Property Acquisition, prepared pursuant to Article 5 of the Related-Party Regulations and Article 11 of IGD's Procedure for Related-Party Transactions, is available to the public on the Issuer's website at www.gruppoigd.it.

IGD maintains, *inter alia*, financial and economic relations with the controlling entity Coop Adriatica, with other companies of the Coop Adriatica group (Robintur S.p.A., a company controlled by Coop Adriatica with 69.73% of the share capital, Librerie Coop S.p.A., a company in which Coop Adriatica owns 42.86% of the share capital, and Viaggia con noi S.r.l., a company controlled by Robintur S.p.A. with 60% of the share capital), with a number of companies in the Unicoop Tirreno group (Vignale Comunicazioni, Unicoop Tirreno and Ipercoop Tirreno) and with IperCoop Sicilia. Most related-party transactions are with Coop Adriatica and Unicoop Tirreno.

Transactions with Coop Adriatica and its subsidiaries

At the Date of the Registration Document, IGD is controlled, in accordance with Article 93 of the TUF, by Coop Adriatica, which owns 43.988% of IGD's share capital and exercises management and coordination activities for it in accordance with Article 2497 of the Italian Civil Code.

Under the shareholders' agreement with Unicoop Tirreno (see Chapter XIII, paragraph 13.4), as the controlling shareholder Coop Adriatica is entitled to appoint the majority of members of IGD's Board of Directors and can influence, *inter alia*, the Issuer's investment policy and management in general. It is noted that at the Date of the Registration Document, independent directors form a majority on the Company's Board of Directors. Nevertheless, the ability of non-controlling shareholders to influence decisions may be limited (see Chapter VI, paragraph 6.1).

Transactions with the controlling entity Coop Adriatica consist of:

- the leasing, by IGD, of Hypermarkets in the Real Estate Assets. As at 30 June 2014, lease payments received, including leases for commercial spaces, amounted to approximately €11.7 million (around €23.16 million as at 31 December 2013);
- payables and costs for the rental/use of Shopping Arcades owned by Coop Adriatica. As at 30 June 2014, the cost of these transactions was approximately €0.9 million (around €1.82 million as at 31 December 2013);
- provision by Coop Adriatica of electronic data processing services;
- outsourcing of services in connection with expansion or new construction projects;
- payables associated with lease security deposits;
- financial collection and payment transactions in the context of treasury services, which ended in April 2011. The prevailing conditions at the time involved interest payable at the 3-month Euribor plus a spread of 150 basis points;
- opening of a current account credit facility. As at 30 June 2014, the balance was €158 thousand at a rate of 2.555% (3-month Euribor plus a spread of 230 basis points). As at 31 December 2013, the balance was €13,606 thousand at a rate of 3.372% (3-month Euribor plus a spread of 310 basis points). This current account has been maintained for the sole purpose of using the credit facilities granted, amounting to a total of €50 million;
- the 15 million loan taken out for "Le Maioliche" Shopping Centre in Faenza; as at 30 June 2014, the interest rate on this loan is 3.372% (as at 31 December 2013 it was 3.31%).

More specifically, the transactions entered into with Coop Adriatica during the period 2013 and the first-half of 2014 are as follows:

- the signing of a contract for the performance of all activities necessary and appropriate for obtaining the permits required for the extension of the "ESP" Shopping Centre, valid from 1 January 2013 to 31 December 2013, for a total consideration of €30,000;
- the opening of a current account credit.

The transactions with Robintur S.p.A. and Viaggia con noi S.r.l. (so far as the latter is concerned, since 20 October 2012) consist of the leasing of units in Shopping Centres and the provision of services. As at 30 June 2014, the total payments received by the Issuer with respect to leases with Robintur S.p.A. and Viaggia con noi S.r.l. amounted to approximately €119 thousand and €7 thousand respectively. As at 31 December 2013, the total payments received by the Issuer with respect to leases with Robintur S.p.A. and Viaggia con noi S.r.l. amounted to approximately €236 thousand and €15 thousand respectively.

Transactions with Librerie Coop S.p.A. concern receivables and income for the business leasing of units in Shopping Centres and, from 2011, the leasing of the third floor of the building that houses IGD's headquarters. As at 30 June 2014, the total payments received by the Issuer with regard to this lease amounted to approximately €345 thousand. As at 31 December 2013, the total payments received by the Issuer with regard to this lease amounted to approximately €650 thousand.

Transactions with Ipercoop Sicilia

Transactions with Ipercoop Sicilia, which is 50% owned by Coop Adriatica, concerned receivables and income from the leasing of Hypermarkets. The purchase price was €36 million, in addition to taxes and transaction costs, financed by a mortgage for €25 million, with the remainder paid by IGD on the signing of the final contract. The Hypermarket has been valued by the third-party expert Reag using the discounted cash flow method based on the discounting of future net income from the leasing of the property. As at 30 June 2014, lease payments amounted to approximately €2.49 million. As at 31 December 2013, lease payments amounted to approximately €4.84 million.

Transactions with Unicoop Tirreno and its subsidiaries

Transactions with Unicoop Tirreno, which holds a 12.93% stake of IGD's share capital and Ipercoop Tirreno consist of:

- security deposits received on leases;
- receivables and income from the leasing of properties to be used as Hypermarkets. As at 30 June 2014, the payments received by the Issuer for these leases amounted to approximately €3.9 million. As at 31 December 2013, the payments received by the Issuer for these leases amounted to approximately €7.6 million.
- extraordinary maintenance works relating mainly to the reduction in the size of the "Le Porte di Napoli" Hypermarket, amounting to approximately €722 thousand.

Transactions with Vignale Comunicazione, a subsidiary of Unicoop Tirreno, consist of receivables and income from the leasing of spaces in Shopping Centres. In 2013, six leases were agreed on such spaces between IGD and Vignale Comunicazione for Shopping Arcades at "Le Porte di Napoli", "Casilino", "Katanè", "Fonti del Corallo", "Tiburtino" and "La Torre" Shopping Centres, valid from 1 January 2013 to 31 December 2014. As at 30 June 2014, lease payments amounted to approximately €0.23 million.

The following table shows the expiry date for each lease with related parties at the Date of the Registration Document.

Property	Next expiry date
Hypermarkets/Supermarkets owned by the Company	
CENTRO ESP	30/06/2019
CENTRO BORGO	30/06/2017
CENTRO LAME	30/06/2018
CENTRO LEONARDO	30/06/2017
LUGO	30/06/2021
AQUILEIA	22/07/2020
I MALATESTA	22/12/2023
LE MAIOLICHE	03/06/2027
CONE’	29/06/2029
CENTRO D’ABRUZZO	30/06/2018
PORTOGRANDE	30/06/2017
CASILINO	30/06/2021
LE PORTE DI NAPOLI	25/03/2027
FONTI DEL CORALLO	28/03/2022
KATANE’	28/10/2027
TIBURTINO	01/04/2027
MIRALFIORE	30/06/2021
IL MAESTRALE	30/06/2015
LA TORRE	11/07/2029
Hypermarkets/Supermarkets owned by third parties	
CENTRO PIAVE	30/04/2022

Framework Agreement with Coop Adriatica and Unicoop Tirreno

On 27 October 2004, IGD, Coop Adriatica and Unicoop Tirreno entered into a framework agreement (the “**Framework Agreement**”), designed to regulate future sale and lease transactions between these parties under market terms and conditions.

In particular, under the Framework Agreement (with an initial term set at five years, automatically renewable for a further five years), Coop Adriatica and Unicoop Tirreno agreed to offer IGD an exclusive option to buy property due to be built or already built, and that, in the event of sales involving Shopping Arcades, they would transfer to IGD all the licences and permits required to conduct business in the same.

On the signing of the final sale contracts, the Framework Agreement requires IGD to grant a lease to Coop Adriatica and/or Unicoop Tirreno, for a period of time which can vary from a minimum of 12 to a maximum of 18 years, for the portion of the property used as a Hypermarket or Supermarket, under an agreement in which the rent allows the company to earn an average income defined, at the date of the Framework Agreement, as 7% of the purchase price, which the Parties will review annually, or for specific transactions, based on the market conditions. In particular, the rent is in line with the average yield of the IGD Portfolio and the real estate portfolios of companies operating in the large-scale retail sector.

If it is IGD that initiates independent investment projects on land that it owns, the Company has agreed to inform the shareholder cooperatives of such projects and to lease them the properties that they might require. If the property is built by IGD at the request of the shareholder cooperatives, the latter will be required to rent the property upon completion of the work.

For the Hypermarkets/Supermarkets leased to Coop Adriatica and Unicoop Tirreno, the weighted Gross Initial Yield as at 30 June 2014 was 6.66%. This value also included independent investment initiatives.

Although the Framework Agreement applies market conditions to purchase, sale and lease transactions between IGD, Coop Adriatica and Unicoop Tirreno, if the agreement should cease to be valid or not be renewed at its expiry, sale and lease contracts governed by the Agreement that might be concluded with third parties might not be concluded under the same conditions and in the same manner.

Finally, even though the Issuer intends to assess the possible renewal of the Framework Agreement, due to expire on 27 October 2014, in the Issuer's view any failure to renew said contract at the above expiry date will not have a significant impact on the income statement, financial position and cash flow of the Company.

Transactions with Group companies

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

For financial year 2013 and the first-half of 2014, transactions with Iniziative Immobiliari Bologna Nord, a company 15% owned by IGD, concern a loan granted to the company at market rates and subsequently repaid, and an interest-free loan for an amount, as at 30 June 2014, of approximately €673 thousand.

In 2013, an interest-free loan was granted to the company Virtus College S.r.l. (of which, at the Date of the Registration Document, IGD owns 48.75% of the share capital) for approximately €378 thousand. During the first half of 2014, a further interest-free loan was granted for an amount of approximately €67 thousand.

Transactions with RGD Ferrara 2013, a company formed on 30 September 2013 to manage the "Darsena City" Shopping Centre in Ferrara (a joint venture between IGD and Beni Stabili), concern: (*i*) the leasing by IGD of the Darsena property (as at 30 June 2014, the consideration for the lease amounted to around €506 thousand); and (*ii*) a loan maturing on 31 December 2014 for around €150 thousand, plus interest calculated at the 3-month Euribor plus a spread of 350 basis points, capitalised annually and paid at maturity.

Transactions with Group companies consist of loans granted under standard market conditions and technical/administrative service contracts.

No new significant Related-Party Transactions were carried out between 30 June 2014 and the Date of the Registration Document.

The following tables show the impact on the consolidated financial position of Related-Party Transactions for the half-year ended 30 June 2014 and financial year 31 December 2013 in light of the definition of related-party contained in IAS 24, as amended, effective 1 January 2011.

Half-year ended 30 June 2014

Related-party disclosures	Receivables and other current assets	Financial receivables	Current payables and other liabilities	Non-current payables and other liabilities	Financial liabilities	Other non-current assets	Fixed assets-increases	Fixed assets-decreases
Coop Adriatica S.c.a.r.l.	60	0	1,134	9,322	15,409	942	9	10
Robintur S.p.A.	0	0	0	0	0	0		
Viaggia con noi S.r.l.	0	0	1	0	0	0		
Librerie.Coop S.p.A.	42	0	0	0	0	0		
Unicoop Tirreno S.c.a.r.l.	78	0	138	1,935	0	0		
Ipercoop Tirreno S.p.A.	692	0	914	959	0	0	722	
Vignale Comunicazioni S.r.l.	132	0	0	25	0	0		
Cons.Prop. Fonti del Corallo	0	0	84	0	0	0	18	
Consorzio Cone'	2	0	1	0	0	0		
Consorzio Crema	94	0	23	0	0	0		
Consorzio I Bricchi	2	0	1	0	0	0		
Consorzio Katané	280	0	104	0	0	0	9	
Consorzio Lame	1	0	25	0	0	0	16	
Consorzio Leonardo	0	0	11	0	0	0	10	3
Consorzio La Torre	147	0	75	0	0	0		
Consorzio Sarca	2	0	0	0	0	0		
Iniziative Bo Nord	0	673	0	0	0	0		
Ipercoop Sicilia Spa	0	0	0	0	0	0		
RGD Ferrara 2013	547	151	0	0	0	0		
Virtus college	0	445	0	0	0	0		
Total	**2,080**	**1,269**	**2,511**	**12,241**	**15,409**	**942**	**784**	**13**
Total	**90,157**	**1,369**	**28,838**	**20,085**	**1,048,232**	**1,041**		
Amount reported							**21.381**	**46.739**
Total increase/decrease for the period	**2.31%**	**92.71%**	**8.71%**	**60.95%**	**1.47%**	**90.52%**	**3.67%**	**0.03%**

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

Year ended 31 December 2013

Related-party disclosures	Receivables and other current assets	Financial receivables	Current payables and other liabilities	Non-current payables and other liabilities	Financial liabilities	Other non-current assets	Fixed assets – increases	Fixed assets – decreases
Coop Adriatica S.c.a.r.l.	48	0	2,262	9,322	28,856	1,869	24	0
Robintur S.p.A.	1	0	0	0	0	0	0	0
Librerie.Coop S.p.A.	34	0	0	0	0	0	0	0
Unicoop Tirreno S.c.a.r.l.	41	0	16	2,413	0	0	0	0
Vignale Comunicazione S.r.l.	145	0	0	25	0	0	0	0
Ipercoop Tirreno S.p.A.	0	0	0	1,152	0	0	0	0
Rgd Ferrara 2013 S.r.l.	148	152	0	0	0	0	0	0
Cons. Proprietari Leonardo	1	0	24	0	0	0	32	0
Consorzio Bricchi	1	0	0	0	0	0	0	0
Consorzio Lame	1	0	12	0	0	0	12	0
Consorzio Katanè	238	0	82	0	0	0	0	0
Consorzio Conegliano	1	0	0	0	0	0	0	0
Consorzio Palermo	196	0	89	0	0	0	0	0
Consorzio Crema	31	0	4	0	0	0	3	0
Consorzio Sarca	1	0	0	0	0	0	0	0
Virtus College	0	378	0	0	0	0	0	0
Iniziative Bologna Nord	0	673	0	0	0	0	0	0
Total	**887**	**1,203**	**2,489**	**12,912**	**28,856**	**1,869**	**71**	**0**
Amount reported	**92,208**	**1,223**	**19,636**	**20,475**	**1,094,556**	**31,307**		
Total increase/decrease for the period							**25,866**	**57**
% of total	**0.96%**	**98.39%**	**12.67%**	**63.06%**	**2.64%**	**5.97%**	**0.28%**	**0.00%**

Related-party disclosures	Revenue – other income	Financial income	Costs	Financial expenses
Coop Adriatica S.c.a.r.l.	23,235	0	2,105	1,363
Robintur S.p.A.	236	0	0	0
Librerie.Coop S.p.A.	650	0	0	0
Unicoop Tirreno S.c.a.r.l.	5,426	0	102	48
Vignale Comunicazione S.r.l.	496	0	0	0
Ipercoop Tirreno S.p.A.	2,166	0	0	23
Ipercoop Sicilia	4,841	0	0	0
Rgd Ferrara 2013 S.r.l.	148	1	0	0
Viaggia con noi	15	0	0	0
Cons. Proprietari Leonardo	227	0	0	0
Consorzio Bricchi	112	0	541	0
Consorzio Lame	177	0	4	0
Consorzio Katanè	199	0	158	0
Consorzio Conegliano	162	0	167	0
Consorzio Palermo	194	0	224	0
Consorzio Crema	101	0	48	0
Consorzio Sarca	231	0	0	0
Total	**38,616**	**1**	**3,349**	**1,434**
Amount reported	**126,995**	**338**	**42,985**	**46,667**
% of total	**30.41%**	**0.31%**	**7.79%**	**3.07%**

CHAPTER XV – FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, LIABILITIES, FINANCIAL POSITION, PROFITS AND LOSSES

15.1Financial information for the past years

Information on the income statement, financial position and cash flows of the IGD Group is reported below for the years ended 31 December 2013 and 2012; this information has been taken from the directors' report and consolidated financial statements of the IGD Group for the year ended 31 December 2013 (the "**2013 Financial Statements**"). The 2013 Financial Statements have been audited by the External Auditors, who issued their report on 20 March 2014.

The Issuer opts for incorporation by reference of the documents specified above, pursuant to Article 11 of Directive 2003/71/EC and Article 28 of Commission Regulation (EC) No 809/2004, with reference to Chapter XV Financial information concerning the issuer's assets and liabilities, financial position and profits and losses. These documents have been published and filed with CONSOB and are available to the public on the Issuer's website (www.ubibanca.it) or from the registered offices of the Issuer and Borsa Italiana.

CONSOB may conduct inspections on the 2013 Financial Statements under the terms provided for by the law.

The External Auditors´ reports on the consolidated financial statements and on the separate financial statements of IGD as at 31 December 2013 are provided below.

External Auditors' Report on the consolidated financial statements as at 31 December 2013

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RELAZIONE DELLA SOCIETA' DI REVISIONE AI SENSI DEGLI ARTICOLI 14 E 16 DEL DLGS 27 GENNAIO 2010, N° 39

Agli azionisti della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dalla situazione patrimoniale-finanziaria consolidata, dal conto economico consolidato, dal conto economico complessivo consolidato, dal prospetto delle variazioni del patrimonio netto consolidato, dal rendiconto finanziario consolidato e dalle relative note di commento, della Immobiliare Grande Distribuzione SIIQ SpA (di seguito anche la "Società") e sue controllate (di seguito anche il "Gruppo IGD") chiuso al 31 dicembre 2013. La responsabilità della redazione del bilancio consolidato in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005, compete agli amministratori della Immobiliare Grande Distribuzione SIIQ SpA. E' nostra la responsabilità del giudizio professionale espresso sul bilancio consolidato e basato sulla revisione contabile.

2 Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio consolidato, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione emessa da altro revisore in data 25 marzo 2013.

3 A nostro giudizio, il bilancio consolidato del Gruppo IGD al 31 dicembre 2013 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa del Gruppo IGD per l'esercizio chiuso a tale data.

4 La Società, come richiesto dalla legge, ha inserito nelle note di commento i dati essenziali dell'ultimo bilancio della società che esercita su di essa l'attività di direzione e coordinamento. Il giudizio sul bilancio consolidato della Immobiliare Grande Distribuzione SIIQ SpA non si

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estende a tali dati.

5 La responsabilità della redazione della Relazione sulla gestione e della Relazione sul governo societario e gli assetti proprietari in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli amministratori della Società. E' di nostra competenza l'espressione del giudizio sulla coerenza della Relazione sulla gestione e delle informazioni di cui al comma 1, lettere c), d), f), l), e m) e al comma 2, lettera b) dell'articolo 123-bis del DLgs 58/98, presentate nella Relazione sul governo societario e gli assetti proprietari, con il bilancio consolidato, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla CONSOB. A nostro giudizio la Relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f), l) e m) e al comma 2, lettera b) dell'articolo 123-bis del DLgs 58/98 presentate nella Relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio consolidato del Gruppo IGD.

Bologna, 20 marzo 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti

Roberto Sollevanti
(Revisore legale)

External Auditors' Report on the separate financial statements as at 31 December 2013

RELAZIONE DELLA SOCIETA' DI REVISIONE AI SENSI DEGLI ARTICOLI 14 E 16 DEL DLGS 27 GENNAIO 2010, N° 39

Agli azionisti della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo svolto la revisione contabile del bilancio d'esercizio, costituito dalla situazione patrimoniale-finanziaria, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note di commento, della Immobiliare Grande Distribuzione SIIQ SpA (di seguito la "Società") chiuso al 31 dicembre 2013. La responsabilità della redazione del bilancio d'esercizio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005, compete agli amministratori della Immobiliare Grande Distribuzione SIIQ SpA. E' nostra la responsabilità del giudizio professionale espresso sul bilancio d'esercizio e basato sulla revisione contabile.

2 Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio d'esercizio sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio d'esercizio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione emessa da altro revisore in data 25 marzo 2013.

3 A nostro giudizio, il bilancio d'esercizio della Immobiliare Grande Distribuzione SIIQ SpA al 31 dicembre 2013 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del DLgs n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa della Immobiliare Grande Distribuzione SIIQ SpA per l'esercizio chiuso a tale data.

4 La Società, come richiesto dalla legge, ha inserito nelle note di commento i dati essenziali dell'ultimo bilancio della società che esercita su di essa l'attività di direzione e coordinamento. Il giudizio sul bilancio d'esercizio della Immobiliare Grande Distribuzione SIIQ SpA non si estende a tali dati.

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5 La responsabilità della redazione della Relazione sulla gestione e della Relazione sul governo societario e gli assetti proprietari in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli amministratori della Società. E' di nostra competenza l'espressione del giudizio sulla coerenza della Relazione sulla gestione e delle informazioni di cui al comma 1, lettere c), d), f), l), e m) e al comma 2, lettera b) dell'articolo 123-bis del DLgs 58/98, presentate nella Relazione sul governo societario e gli assetti proprietari, con il bilancio d'esercizio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla CONSOB. A nostro giudizio la Relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f), l) e m) e al comma 2, lettera b) dell'articolo 123-bis del DLgs 58/98 presentate nella Relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio d'esercizio della Immobiliare Grande Distribuzione SIIQ SpA.

Bologna, 20 marzo 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti

Roberto Sollevanti
(Revisore legale)

Group consolidated financial statements at 31 December 2013 (fully audited) and their annexes:

- Consolidated income statement: p. 138.
- Consolidated statement of financial position: p. 140.
- Consolidated statement of changes in equity: p. 141.
- Consolidated statement of cash flows: p. 142.
- Notes to the financial statements: p. 143.
- External Auditors' report: p. 202.

* * *

Year ended 31 December 2013

The following table presents the consolidated income statement for the years ended 31 December 2013 and 2012.

Consolidated income statement	**31/12/2013**	**31/12/2012**	**Change**
(€/000)	(A)	(B)	(A-B)
Revenue:	**115,529**	**117,979**	**(2,450)**
- from third parties	78,400	81,778	(3,378)
- from related parties	37,129	36,201	928
Other income:	5,303	5,278	25
- from third parties	3,816	3,799	17
- from related parties	1,487	1,479	8
Revenue from property sales	**6,163**	**0**	**6,163**
Total revenue and EBIT	**126,995**	**123,257**	**3,738**
Change in work-in-progress inventories	754	7,976	(7,222)
Total revenue and change in inventory	**127,749**	**131,233**	**(3,484)**
Cost of work in progress	5,743	7,313	(1,570)
Service costs	19,611	19,451	160
- third parties	16,262	15,981	281
- related parties	3,349	3,470	(121)
Staff costs	8,432	8,217	215
Other operating costs	9,199	8,511	688
Total operating costs	42,985	43,492	(507)
(Depreciation, amortisation and provisions)	(3,531)	(3,864)	333
(Impairment)/reversals on work in progress and goodwill	1,015	(1,211)	2,226
Change in fair value – increases/(decreases)	(34,502)	(29,383)	(5,119)
Total depreciation, amortisation, provisions, impairment and change in fair value	**(37,018)**	**(34,458)**	**(2,560)**
EBIT	**47,746**	**53,283**	**(5,537)**
Profit/(loss) from equity investments	**(498)**	**(746)**	**248**
Profit/(loss) from equity investments	(498)	(746)	248
Financial income:	**338**	**554**	**(216)**
- third parties	337	545	(208)
- related parties	1	9	(8)
Financial expenses:	**46,666**	**48,124**	**(1,458)**
- third parties	45,232	45,887	(655)
- related parties	1,434	2,237	(803)
Net financial income (expenses)	**(46,328)**	**(47,570)**	**1,242**

PRE-TAX PROFIT	**920**	**4,967**	**(4,047)**
Income taxes for the period	(3,244)	(6,185)	2,941
NET PROFIT FOR THE PERIOD	**4,164**	**11,152**	**(6,988)**
Profit/(loss) for the period attributable to non-controlling interests	834	136	698
Profit/(loss) for the period attributable to the parent company	**4,998**	**11,288**	**(6,290)**
- basic earnings per share	0.015	0.036	
- diluted earnings per share	0.015	0.062	

The following table presents the consolidated statement of financial position for the years ended 31 December 2013 and 2012.

Consolidated statement of financial position	31/12/2013	31/12/2012	Change
(€/000)	(A)	(B)	(A-B)
NON-CURRENT ASSETS:			
Intangible assets			
Intangible assets with a finite useful life	92	98	(6)
Goodwill	11,427	11,427	0
	11,519	**11,525**	**(6)**
Property, plant and equipment			
Investment property	1,723,693	1,754,550	(30,857)
Buildings	9,105	9,349	(244)
Plant and machinery	1,200	1,271	(71)
Equipment and other assets	1,785	2,179	(394)
Leasehold improvements	1,503	1,317	186
Assets under construction	100,249	76,376	23,873
	1,837,535	**1,845,042**	**(7,507)**
Other non-current assets			
Prepaid tax assets	27,774	29,280	(1,506)
Sundry receivables and other non-current assets	1,992	3,828	(1,836)
Equity investments	309	304	5
Non-current financial assets	850	25	825
Derivatives	382	150	232
	31,307	**33,587**	**(2,280)**
TOTAL NON-CURRENT ASSETS (A)	**1,880,361**	**1,890,154**	**(9,793)**
CURRENT ASSETS:			
Work-in-progress inventory and advances	73,009	78,039	(5,030)
Trade and other receivables	14,643	14,441	202
Related-party trade and other receivables	887	531	356
Other current assets	3,669	3,144	525
Related-party financial receivables and other current financial assets	353	734	(381)
Financial receivables and other current financial assets	20	41	(21)
Cash and cash equivalents	8,446	7,545	901
TOTAL CURRENT ASSETS (B)	**101,027**	**104,475**	**(3,448)**
TOTAL ASSETS (A + B)	**1,981,388**	**1,994,629**	**(13,241)**
NET EQUITY:			
Share capital	325,052	311,569	13,483
Share premium reserve	147,730	147,730	0
Other reserves	246,916	240,938	5,978
Group profit	33,152	41,653	(8,501)
Total Group net equity	**752,850**	**741,890**	**10,960**
Capital and reserves attributable to non-controlling interests	10,842	11,676	(834)
TOTAL NET EQUITY (C)	**763,692**	**753,566**	**10,126**
NON-CURRENT LIABILITIES:			
Liabilities for derivatives	33,684	54,125	(20,441)
Non-current financial liabilities	802,406	559,359	243,047
Related-party non-current financial liabilities			0

	15,000	15,000	
Provision for employee severance indemnities	1,403	1,191	212
Deferred tax liabilities	44,832	45,422	(590)
Provisions for future liabilities and expenses	1,809	1,667	142
Sundry payables and other non-current liabilities	7,563	7,398	165
Related-party sundry payables and other non-current liabilities	12,912	12,842	70
TOTAL NON-CURRENT LIABILITIES (D)	**919,609**	**697,004**	**222,605**
CURRENT LIABILITIES:			
Current financial liabilities	263,294	501,834	(238,540)
Related-party current financial liabilities	13,856	21,783	(7,927)
Trade and other payables	12,083	8,287	3,796
Related-party trade and other payables	2,475	4,359	(1,884)
Current tax liabilities	1,301	836	465
Other current liabilities	5,064	6,946	(1,882)
Related-party other current liabilities	14	14	0
TOTAL CURRENT LIABILITIES (E)	**298,087**	**544,059**	**(245,972)**
TOTAL LIABILITIES (F = D + E)	**1,217,696**	**1,241,063**	**(23,367)**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**1,981,388**	**1,994,629**	**(13,241)**

The table below shows the consolidated statement of changes in equity for the year ended 31 December 2013.

	Share capital	**Share premium reserve**	**Other reserves**	**Group profit**	**Group net equity**	**Capital and reserves attributable to non-controlling interests**	**Total net equity**
Balance as at 01/01/2013	**311,569**	**147,730**	**240,938**	**41,653**	**741,890**	**11,676**	**753,566**
Profit for the period	0	0		4,998	4,998	(834)	4,164
Valuation of cash flow hedge derivatives			15,235	0	15,235	0	15,235
Other comprehensive income (losses)	0	0	(422)	0	(422)	0	(422)
Total comprehensive income (losses)	**0**	**0**	**14,813**	**4,998**	**19,811**	**(834)**	**18,977**
Allocation of 2012 profit							
dividends paid	0	0	0	(22,333)	(22,333)	0	(22,333)
capital increase	13,483	0	0	0	13,483	0	13,483
to legal reserve	0	0	1,019	(1,019)	0	0	0
to other reserves	0	0	(9,854)	9,854	0	0	0
Balance as at 31 December 2013	**325,052**	**147,730**	**246,916**	**33,152**	**752,850**	**10,842**	**763,692**

The following table presents the consolidated statement of cash flows for the years ended 31 December 2013 and 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS	31/12/2013	31/12/2012
(€/000)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	**920**	**4,967**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Non-monetary items	9,582	8,186
(Depreciation, amortisation and provisions)	3,531	3,864
(Impairment)/Reversal of assets under construction and inventories	(1,015)	1,211
Change in fair value – increases/(decreases)	34,502	29,383
Equity investments	0	746
CASH FLOW FROM OPERATIONS	**47,520**	**48,357**
Current income tax	(1,588)	(1,270)
CASH FLOW FROM OPERATIONS AFTER TAX	**45,932**	**47,087**
Change in inventories	(322)	(6,880)
Net change in third-party current assets and liabilities	(1,642)	(6,115)
Net change in related-party current assets and liabilities	(2,240)	2,164
Net change in third-party non-current assets and liabilities	2,285	(1,486)
Net change in related-party non-current assets and liabilities	70	71
CASH FLOW FROM OPERATING ACTIVITIES	**44,083**	**34,841**
(Investments) in fixed assets	(25,866)	(13,805)
Disposals of fixed assets	57	30
Disposals of equity investments	55	0
(Investments) in equity investments	(60)	(108)
CASH FLOW USED IN INVESTMENT ACTIVITIES (b)	**(25,814)**	**(13,883)**
Change in non-current financial assets	(826)	15
Change in third-party financial receivables and other current financial assets	21	237
Change in related-party financial receivables and other current financial assets	381	692
Dividend reinvestment option	13,070	12,712
Dividend payments	(22,333)	(23,862)
Change in third-party current debt	(127,206)	317,387
Change in related-party current debt	(7,927)	(28,686)
Change in third-party non-current debt	127,477	(306,298)
Change in related-party non-current debt	0	0
CASH FLOW FROM FINANCING ACTIVITIES (c)	**(17,343)**	**(27,803)**
Exchange gains/(losses) on cash and cash equivalents	(25)	(43)
NET INCREASE (DECREASE) ON CASH AND CASH EQUIVALENTS	**901**	**(6,888)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**7,545**	**14,433**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**8,446**	**7,545**

15.2 Pro-forma financial information

15.2.1 Introduction

This paragraph presents the consolidated income statement, the consolidated statement of cash flows and the pro-forma consolidated statement of financial position as at 31 December 2013 and 30 June 2014 for the IGD Group, accompanied by the relevant explanatory notes (hereinafter the "**Pro-forma Consolidated Financial Statements**"). The Pro-forma Consolidated Financial Statements have been prepared for inclusion in the Registration Document to be drawn up pursuant to Art. 94, paragraph 4, of the TUF and articles 4 and 5, paragraph 4-bis of the Issuers' Regulations, in compliance with the provisions of (EC) Regulation 809/2004, in the context of the option offer to shareholders and admission for listing on the Mercato Telematico Azionario (electronic stock exchange), organised and managed by Borsa Italiana S.p.A., of ordinary shares of IGD SIIQ S.p.A.

The Pro-forma Consolidated Financial Statements have been prepared in relation to the operations implemented by IGD for the Capital Increase and the Property Acquisition, conditional on approval and full subscription of the Capital Increase comprising a Shopping Arcade and three Hypermarkets owned by Coop Adriatica and two Supermarkets owned by Unicoop Tirreno, for a total value of around €94.765 million (of which €92.665 million relating to the purchase price of the properties plus transfer taxes and ancillary expenses estimated at €2.1 million), with simultaneous leasing of these properties.

In particular, the Issuer considers the Property Acquisition to be a significant financial commitment pursuant to the provisions of Article 4 bis of Regulation 809/2004/EC, which results in a significant change in the Issuer's situation. Therefore, the Registration Document includes the pro-forma consolidated income statement, statement of cash flows and statement of financial position in order to represent the effects of the Property Acquisition on the Issuer's business and financial position. Furthermore, the Issuer considers the Property Acquisition and the Capital Increase to be two associated transactions (the condition precedent of the Property Acquisition is the full subscription of the Capital Increase, a significant part of which will be used to finance the Property Acquisition). As a result, the pro-forma data provided in the Registration Document also reflect the effects of the Capital Increase.

The Pro-forma Consolidated Financial Statements have been prepared in order to simulate the effects of the Property Acquisition and the Capital Increase (intended to finance the Acquisition in full) on the IGD Group's financial performance and statement of financial position as though they had taken place virtually on 31 December 2013 and 30 June 2014 (statement of financial position) and, with regard solely to the economic and financial effects (income statement and statement of cash flows), on 1 January 2013 and 1 January 2014. However, it should be noted that if the operations had actually taken place on the hypothesised date, the results presented here would not necessarily have been obtained.

Finally, it is noted that the pro-forma consolidated Financial Statements presented below are not intended in any way to constitute a forecast of the future results of the IGD Group and should therefore not be used in this way.

The Pro-forma Consolidated Financial Statements should be read in conjunction with the Group's consolidated financial statements as at 31 December 2013 and the condensed half-yearly consolidated financial statements as at 30 June 2014, subjected respectively to an audit and a limited audit by PricewaterhouseCoopers S.p.A., who issued their reports without reservations on 20 March 2014 and 8 August 2014 respectively.

15.2.2 Basic assumptions and accounting principles used for preparing the pro-forma consolidated Financial Statements

In accordance with the methodology for constructing pro-forma data, governed by CONSOB Communication DEM/1052803 of 5 July 2001, the Pro-forma Consolidated Financial

Statements have been prepared by adjusting the historical data of the IGD Group as at 31 December 2013 and 30 June 2014, taken from the consolidated financial statements, prepared in compliance with the International Financial Reporting Standards adopted by the European Union on the same date, in order to simulate the main effects on the Group's economic results and financial and capital position that might result from the Capital Increase and the Property Acquisition.

However, it should be noted that the information contained in the Pro-forma Consolidated Financial Statements represents, as indicated earlier, a simulation of the possible effects that might be produced by the Capital Increase and the Property Acquisition, and is provided for illustrative purposes only. In particular, since the pro-forma data is constructed to reflect the effects of successive operations retroactively, despite compliance with the commonly accepted rules and the use of reasonable assumptions, there are limits connected with the very nature of the pro-forma data. In addition, given the different purposes of the pro-forma data with respect to the data of the historical financial statements and the different procedures used for calculating the effects, the pro-forma consolidated statement of financial position must be read and interpreted separately from the pro-forma consolidated income statement and from the statement of cash flows, without seeking any accounting connections between them.

Where not specifically indicated, the accounting principles used for the preparation of the Pro-forma Consolidated Financial Statements are the same as those used for the preparation of the IGD Group's consolidated financial statements for the year ended 31 December 2013 and condensed half-yearly consolidated financial statements for the period ended 30 June 2014, to which the reader is referred.

It should also be noted that since the Offer Price, the maximum number of Shares to be issued and the option allocation ratio will be determined by IGD's Board of Directors close to the time of the start of the Offer, the Pro-forma Consolidated Financial Statements do not contain any data relating to earnings per share.

15.2.3 Description of the Property Acquisition and the Capital Increase

On 7 July 2014, IGD's Board of Directors approved the Property Acquisition and, in particular, the signature of:

(i) a preliminary contract with Coop Adriatica for the purchase of the following real estate assets:

- Arcade and Hypermarket in the “Ascoli Piceno – Città delle Stelle” Shopping Centre, for a price of €24,360,000 and €15,920,000 respectively;
- “Cesena – Lungosavio” Hypermarket, for a price of €19,000,000;
- “Schio” Hypermarket, for a price of €17,360,000.

The total price of the preliminary contract with Coop Adriatica is €76,640,000.

The preliminary contract with Coop Adriatica provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Coop Adriatica, to lease to Coop Adriatica, for a term of eighteen years, the Hypermarkets forming the subject of the purchase, namely “Schio”, “Cesena – Lungosavio” and “Ascoli Piceno – Città delle Stelle”, for a total annual rent of €3,502,950.

With reference to the “Ascoli Piceno – Città delle Stelle” Shopping Centre – of which IGD has the use under a usufruct agreement with Coop Adriatica – pursuant to Art. 1014 of the Italian Civil Code, this contract will be terminated on completion of the purchase, with a consequent annual reduction in related costs. In particular, the costs relating to the usufruct amount to €1,819,300 plus €37,515 in registration taxes for 2013 and €1,869,300 plus €37,515 in registration taxes for 2014;

(ii) a preliminary contract with Unicoop Tirreno for the purchase of the following real estate assets:

- "Civita Castellana" Supermarket, for a price of €4,000,000;
- "Cecina" Supermarket, for a price of €12,025,000.

The total price of the preliminary contract with Unicoop Tirreno is €16,025,000.

The preliminary contract with Unicoop Tirreno provides for the commitment by IGD, subject to the signing of the definitive purchase contract with Unicoop Tirreno, to lease to Unicoop Tirreno, for a term of eighteen years, the Supermarkets forming the subject of the purchase, namely "Civita Castellana" and "Cecina", for a total annual rent of €1,090,000.

Other directly attributable costs linked to the acquired properties relate to IMU and are estimated at a total of €292 thousand on an annual basis. It should be noted that IGD already owns the business unit relating to the Arcade in the "Ascoli Piceno – Città delle Stelle" Shopping Centre and has carried out extraordinary maintenance works on the related systems, and these assets have therefore been reclassified under Real Estate Investments in the preparation of the Pro-forma Consolidated Financial Statements.

IGD's Board of Directors has also resolved that the Property Acquisition will be conditional on the approval and full subscription of the Capital Increase.

Some of the resources obtained from the Capital Increase will be used for the full financing of the Property Acquisition.

On 7 August 2014, the Extraordinary Shareholders' Meeting approved an increase in IGD's share capital, against payment, in one or more tranches, to be carried out by 31 March 2015, for a total value of €200,000,000 including any premium, through the issue of ordinary shares with no indication of nominal value and regular dividend entitlement, to be offered under option to the Company's shareholders pursuant to Article 2441, paragraph 4 of the Italian Civil Code, in proportion to the number of shares held by them.

15.2.4 Pro-forma Consolidated Financial Statements as at 31 December 2013 and Notes to the Financial Statements

Below are the pro-forma consolidated income statement, the pro-forma consolidated statement of cash flows and the pro-forma consolidated statement of financial position as at 31 December 2013.

Consolidated income statement	**31/12/2013**	**Pro-forma adjustments**	**Pro-forma adjustments**	**31/12/2013**
(€/000)	Historical data	Capital Increase	Property Acquisition	Pro-forma
Revenue:	**115,529**	**0**	**4,593**	**120,122**
- from third parties	78,400			78,400
- from related parties	37,129		4,593	41,722
Other income:	**5,303**	**0**	**0**	**5,303**
- other income from third parties	3,816			3,816
- from related parties	1,487			1,487
Revenue from property sales	**6,163**			**6,163**
Total revenue and EBIT	**126,995**	**0**	**4,593**	**131,588**
Change in work-in-progress inventories	754			754
Total revenue and change in inventory	**127,749**	**0**	**4,593**	**132,342**
Cost of work in progress	5,743			5,743
Material and service costs:	19,611	0	(1,819)	17,792
- material and service costs from third parties	16,262		0	16,262
- related-party material and service costs	3,349		(1,819)	1,530
Staff costs	8,432			8,432
Other operating costs	9,199		255	9,454
Total operating costs	**42,985**	**0**	**(1,565)**	**41,420**
(Depreciation, amortisation and provisions)	(3,531)		64	(3,467)
(Impairment)/reversals on work in progress and inventory	1,015			1,015
Change in fair value - increases/(decreases)	(34,502)			(34,502)
Total depreciation, amortisation, provisions, impairment and change in fair value	**(37,018)**	**0**	**64**	**(36,954)**
EBIT	**47,746**	**0**	**6,222**	**53,968**
Profit/(loss) from equity investments	**(498)**	**0**	**0**	**(498)**
Profit/(loss) from equity investments	(498)			(498)
Financial income:	**338**	**0**	**0**	**338**
- third parties	337			337
- related parties	1			1

Financial expenses:	**46,666**	**(2,748)**	**(105)**	**43,813**
- third parties	45,232	(2,748)	(105)	42,379
- related parties	1,434			1,434
Net financial income (expenses)	**(46,328)**	**2,748**	**105**	**(43,475)**
PRE-TAX PROFIT	**920**	**2,748**	**6,326**	**9,994**
Income taxes	(3,244)			(3,244)
NET PROFIT	**4,164**	**2,748**	**6,326**	**13,238**
Profit/(loss) for the period attributable to non-controlling interests	834			834
Profit/(loss) for the period attributable to the parent company	**4,998**	**2,748**	**6,326**	**14,073**

CONSOLIDATED STATEMENT OF CASH FLOWS	31/12/2013	Pro-forma adjustments	Pro-forma adjustments	31/12/2013
(In €/000)	**Historical data**	**Capital Increase**	**Property Acquisition**	**Pro-forma**
CASH FLOW FROM OPERATING ACTIVITIES:				
Pre-tax profit	**920**	**2,748**	**6,326**	**9,994**
Adjustments to reconcile net profit for the period with cash flow generated (absorbed) by operating activities:				
Non-monetary items	9,582			9,582
Depreciation, amortisation and provisions	3,531		(64)	3,467
(Impairment)/reversal of assets under development and goodwill	(1,015)			(1,015)
Change in fair value – increases/(decreases)	34,502			34,502
CASH FLOW FROM OPERATIONS	**47,520**	**2,748**	**6,262**	**56,530**
Current income tax	(1,588)			(1,588)
CASH FLOW FROM OPERATIONS AFTER TAX	**45,932**	**2,748**	**6,262**	**54,942**
Change in inventories	(322)			(322)
Net change in third-party current assets and liabilities	(1,642)		0	(1,642)
Net change in related-party current assets and liabilities	(2,240)		(1,869)	(4,109)
Net change in third-party non-current assets and liabilities	2,285		1,907	4,192
Net change in related-party non-current assets and liabilities	70			70
CASH FLOW FROM OPERATING ACTIVITIES	**44,083**	**2,748**	**6,300**	**53,131**
(Investments) in fixed assets	(25,866)		0	(25,866)
Disposals of fixed assets	57			57
Disposals of equity investments	55			55
(Investments) in equity investments	(60)			(60)
CASH FLOW USED IN INVESTMENT ACTIVITIES (b)	**(25,814)**	**0**	**0**	**(25,814)**
Change in non-current financial assets	(826)			(826)
Change in third-party financial receivables and other current financial assets	21			21
Change in related-party financial receivables and other current financial assets	381			381
Dividend reinvestment option	13,070			13,070
Distribution of dividends	(22,333)			(22,333)
Change in third-party current financial debt	(127,206)	(2,748)	(6,300)	(136,254)
Change in related-party current financial debt	(7,927)			(7,927)
Change in third-party non-current financial debt	127,477			127,477
CASH FLOW FROM FINANCING ACTIVITIES (c)	**(17,343)**	**(2,748)**	**(6,300)**	**(26,391)**
Exchange gains/(losses) on cash and cash equivalents	(25)			(25)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**901**	**0**	**0**	**901**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**7,545**	**0**		**7,545**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**8,446**	**0**	**0**	**8,446**

Consolidated statement of financial position	31/12/2013	Pro-forma adjustments	Pro-forma adjustments	31/12/2013
(In €/000)	Historical data	Capital Increase	Property Acquisition	pro-forma
NON-CURRENT ASSETS:				
Intangible assets				
Intangible assets with a finite useful life	92			92
Goodwill	11,427		(65)	11,362
	11,519	**0**	**(65)**	**11,454**
Property, plant and equipment				
Real estate investments	1,723,693		95,288	1,818,981
Buildings	9,105			9,105
Plant and machinery	1,200		(455)	745
Equipment and other assets	1,785			1,785
Leasehold improvements	1,503			1,503
Assets under construction	100,249			100,249
	1,837,535	**0**	**94,833**	**1,932,368**
Other non-current assets				
Prepaid tax assets	27,774	38		27,812
Sundry receivables and other non-current assets	1,992		(1,907)	85
Equity investments	309			309
Non-current financial assets	850			850
Derivatives	382			382
	31,307	**38**	**(1,907)**	**29,438**
TOTAL NON-CURRENT ASSETS (A)	**1,880,361**	**38**	**92,861**	**1,973,260**
CURRENT ASSETS:				
Work-in-progress inventory and advances	73,009			73,009
Trade and other receivables	14,643			14,643
Related-party trade and other receivables	887			887
Other current assets	3,669			3,669
Related-party financial receivables and other current financial assets	353			353
Financial receivables and other current financial assets	20			20
Cash and cash equivalents	8,446			8,446
TOTAL CURRENT ASSETS (B)	**101,027**	**0**	**0**	**101,027**
TOTAL ASSETS (A + B)	**1,981,388**	**38**	**92,861**	**2,074,287**
NET EQUITY:				
Share capital	325,052	200,000		525,052
Share premium reserve	147,730			147,730
Other reserves	246,916	(4,262)		242,654
Group profit				33,152

	33,152			
Total Group net equity	**752,850**	**195,738**	**0**	**948,588**
Capital and reserves attributable to non-controlling interests	10,842			10,842
TOTAL NET EQUITY (C)	**763,692**	**195,738**	**0**	**959,430**
NON-CURRENT LIABILITIES:				
Liabilities for derivatives	33,684			33,684
Non-current financial liabilities	802,406			802,406
Related party non-current financial liabilities	15,000			15,000
Provision for employee severance indemnities	1,403			1,403
Deferred tax liabilities	44,832			44,832
Provisions for future risks and charges	1,809			1,809
Sundry payables and other non-current liabilities	7,563			7,563
Related-party sundry payables and other non-current liabilities	12,912			12,912
TOTAL NON-CURRENT LIABILITIES (D)	**919,609**	**0**	**0**	**919,609**
CURRENT LIABILITIES:				
Current financial liabilities	263,294	(100,932)	(38)	162,325
Related party current financial liabilities	13,856			13,856
Trade and other payables	12,083	(250)	250	12,083
Related-party trade and other payables	2,475	(92,665)	90,796	606
Current tax liabilities	1,301			1,301
Other current liabilities	5,064	(1,853)	1,853	5,064
Related-party other current liabilities	14			14
TOTAL CURRENT LIABILITIES (E)	**298,087**	**(195,700)**	**92,861**	**195,248**
TOTAL LIABILITIES (F = D + E)	**1,217,696**	**(195,700)**	**92,861**	**1,114,857**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**1,981,388**	**38**	**92,861**	**2,074,287**

Notes to the financial statements

Notes are provided below on the procedures used for preparing the pro-forma consolidated Financial Statements and on the pro-forma adjustments as at 31 December 2013.

Pro-forma consolidated income statement as at 31 December 2013

The table contains the consolidated income statement for the year ended 31 December 2013.

The column "Pro-forma Capital Increase adjustments" shows the effect on financial expenses, amounting to €2,478 thousand, corresponding to lower financial expenses due to the reduction in short-term financial liabilities (totalling €100.9 million) which is presumed to occur following this Capital Increase and limited to the portion that will not be used to complete the Property Acquisition.

The column "Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 1st January 2013, on the items *(i)* "Income from related parties", in the amount of €4,593 thousand, corresponding to rental payments that will be invoiced by IGD to Coop Adriatica and Unicop Tirreno, as described in the preceding paragraph "The Property Acquisition", *(ii)* "Costs for services to related parties", in the amount of €1,819 thousand, corresponding to the portion of usufruct relating to 2013, on the assumption of extinguishment, with reference to the Arcade in the "Ascoli Piceno" Shopping Centre, *(iii)* "Other operating costs", in the amount of €255 thousand, relating to the increased IMU costs of €292 thousand in relation to the Property Acquisition and the lower registration tax costs of €37 thousand in connection with the usufruct, *(iv)* "Depreciation, amortisation and provisions", in the amount of €64 thousand, relating to the reversal of depreciations attributable to Systems pertaining to the Arcade in the "Ascoli Piceno" Shopping Centre, reclassified under the balance sheet heading "Real Estate Investments" and no longer depreciated, *(v)* "Financial expenses", in the amount of €105 thousand, corresponding to lower financial expenses due to the positive impact on the short-term bank debt deriving from the positive cash flow generated from the leasing of the properties forming the subject of the Property Acquisition.

The pro-forma adjustments on the pro-forma consolidated income statement described in the columns "Pro-forma adjustments Capital Increase" and "Pro-forma adjustments Property Acquisition" all have a permanent impact on the Issuer's business.

Pro-forma consolidated statement of cash flows as at 31 December 2013

The table shows the consolidated statement of cash flows for the year ended 31 December 2013.

The basic assumptions used for the construction of the statement of cash flows are as follows: *(i)* the collection of lease payments in 4 quarterly instalments in advance, *(ii)* the positive effect on cash flows from operations produced by the inflows generated by the properties forming the subject of the Acquisition, and *(iii)* the positive effect on the cash flow generated by operations of the lower financial expenses resulting from the reduction in financial liabilities through the use of the surplus of available resources from the Capital Increase for the whole of 2013. The column "Pro-forma Capital Increase adjustments" shows the effect on pre-tax profit, amounting to €2,478 thousand, corresponding to lower financial expenses due to the reduction in short-term financial liabilities. Specifically, the reduction in cash absorption by €2,748 thousand is based on the assumption that cash from the Capital Increase in excess of that allocated to finance the Property Acquisition will be used to reduce short-term bank debt by €100.9 million (see the column "Pro-forma adjustments Capital Increase" on the pro-forma statement of financial position as at 31 December 2013).

The column "Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 1 January 2013, on the items *(i)* "Pre-tax profit", in the amount of €6,326 million, due to the increase in Pre-tax profit as shown in the pro-forma consolidated income statement, *(ii)* “Depreciation, amortisation and provisions”, in the amount of €0.064 million, due to the reversal of depreciations, *(iii)* “Net change in related-party current assets and liabilities” due to the reduction in debts to Coop Adriatica in relation to the extinguishment of the usufruct on the Arcade in the “Ascoli Piceno” Shopping Centre, in the amount of €1.869 million, *(iv)* “Net change in non-current assets and liabilities” due to the extinguishment of the usufruct portion and the ancillary registration tax costs for the following financial year under the balance sheet item “Sundry receivables and other non-current assets”, in the amount of €1.907 million, *(v)* “Change in current financial debt” in relation to the inflows produced by the Property Acquisition during the period, in the amount of €6.3 million.

The pro-forma adjustments on the pro-forma consolidated statement of cash flows provided in the columns “Pro-forma adjustments Capital Increase” and “Pro-forma adjustments Property Acquisition” all have a permanent impact on the Issuer’s cash flows.

<u>Pro-forma consolidated statement of financial position as at 31 December 2013</u>

The table shows the consolidated statement of cash flows for the year ended 31 December 2013. The column "Pro-forma Capital Increase adjustments" shows the effect produced by the Capital Increase, had it taken place on 31 December 2013, on the items *(i)* “Share capital”, in the amount of €200 million, *(ii)* “Other reserves”, which decrease in the amount of €4.262 million, due to the ancillary costs on the Capital Increase transaction estimated at €4.300 million, net of the tax benefits shown by deferred tax assets due to the accounting treatment of the ancillary costs of the capital increase, which, in accordance with the international accounting standards have been deducted directly from net equity and which, conversely, from a tax point of view, are deductible over 5 financial periods generating advance taxation accounting, *(iii)* “Related-party trade and other payables” for the payment of the properties forming the subject of the Acquisition, in the amount of €92.665 million, *(iv)* “Other current liabilities”, for paying transfer taxes, in the amount of €1.853 million, and on the item “Trade and other payables”, for paying the ancillary expenses of the Acquisition, in the amount of €0.250 million, (*v)* “Current financial liabilities", in the amount of €100.932 million.

The column “Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 31 December 2013, on the items*(i)* “Goodwill", which decreases in the amount of €0.065 million, due to the reclassification of the business unit relating to the “Ascoli Piceno” Shopping Arcade under the item “Real estate investments", *(ii)* “Real estate investments", in the amount of €95.288 million and relating to the Property Acquisition in the amount of €92.665 million, the reclassification of goodwill in the amount of €0.065 million, the reclassification of systems pertaining to the Arcade in the “Ascoli Piceno” Shopping Centre in the amount of €0.455 million, the recognition of transfer taxes and ancillary expenses of the Acquisition in the amount of €2.103 million, *(iii)* “Plant and machinery” due to the above-mentioned reclassification of systems pertaining to the Arcade in the “Ascoli Piceno” Shopping Centre, *(iv)* “Sundry receivables and other non-current assets”, which decrease in the amount of -€1.907 million, relating to the extinguishment of the usufruct portion for the following year and the related registration costs, *(v)* “Related-party trade and other payables", in the amount of €90.796 million, due to the recognition of payables relating to the Property Acquisition in the amount of €92.665 million and the reduction in debts to Coop Adriatica in relation to the extinguishment of the usufruct on the Arcade in the “Ascoli Piceno” Shopping Centre, in the amount of €1.869 million, *(vi)* “Trade and other payables" relating to the ancillary expenses of the Acquisition, in the amount of €0.250 million, *(vii)* “Other current liabilities" due to recognition of the payable for transfer taxes, in the amount of 1.853 million, *(viii)* “Current financial liabilities” due to repayment of the registration tax relating to the usufruct. Please note that the pro-forma financial debt as at 31 December 2013 shown in the pro-forma consolidated statement of financial position as at 31 December 2013 does not reflect the positive effects of the collection of rental payments of €6,300 thousand relating to the properties subject to the

Property Acquisition (see column "Pro-forma adjustments Property Acquisition" of the pro-forma consolidated statement of cash flows for the year ended at 31 December 2013), since the pro-forma consolidated statement of financial position as at 31 December 2013 shows the pro-forma effects as if the Property Acquisition had taken place on 31 December 2013 and the lease agreements associated with the properties began on that date. For the same reason, the pro-forma statement of financial position as at 31 December 2013 does not show the effect of the €2,748 thousand decrease in cash absorption associated with lower financial expenses due to the reduction of short-term financial liabilities as a result of available cash deriving from the Capital Increase.

The following table summarises the effects of pro-forma adjustments on net financial debt as at 31 December 2013.

Net financial debt	**31/12/2013**	**Pro-forma adjustments**	**Pro-forma adjustments**	**31/12/2013**
(In €/000)	historical data	Capital Increase	Property Acquisition	*Pro-forma*
Cash	**(8,819)**			**(8,819)**
Current financial debt	**277,150**	(100,932)	(38)	**176,180**
Net current financial debt	**268,331**	**(100,932)**	**(38)**	**167,361**
Net non-current financial debt	**816,556**			**816,556**
Net financial debt	**1,084,887**	**(100,932)**	**(38)**	**983,917**
Net financial debt - ESMA/2013/319*	**1,085,737**	**(100,932)**	**(38)**	**984,767**

* ESMA net financial debt does not include non-current financial assets.

Other aspects

Please note that the effects of: *(i)* the positive cash flow associated with the Capital Increase, *(ii)* the negative cash flow associated with the payment for the Property Acquisition and *(iii)* the negative cash flow associated with the repayment of bank debt using cash deriving from the Capital Increase exceeding the amount allocated for the Property Acquisition, are not shown in the pro-forma statement of cash flows since it was assumed that those transactions (Capital Increase and Property Acquisition) took place at the beginning of 2013, i.e., they are already represented in "Cash and cash equivalents" in the opening consolidated statement of financial position.

In this regard, the cash flows that the aforementioned transactions generated with respect to the opening cash and cash equivalents are described below:

- negative cash flow of €94,768 thousand from investment activities for the Property Acquisition payment;
- positive cash flow of €195,700 thousand generated by financing activities deriving from the Capital Increase (net of transaction costs of €4,300 thousand);
- negative cash flow of €100,932 thousand generated by financing activities due to the repayment of bank debt using cash deriving from the Capital Increase exceeding the amount used for the Property Acquisition.

In light of the above, the net effect of the above transactions on opening cash and cash equivalents is nil.

15.2.5 Pro-forma Consolidated Financial Statements as at 30 June 2014 and Notes to the Financial Statements

Below are the pro-forma consolidated income statement, the pro-forma consolidated statement of cash flows and the pro-forma consolidated statement of financial position as at 30 June 2014.

CONSOLIDATED INCOME STATEMENT	30/06/2014	Pro-forma adjustments	Pro-forma adjustments	30/06/2014
(in €/000)	historical data	Capital Increase	Property Acquisition	pro-forma
Revenue:	**57,734**	**0**	**2,278**	**60,012**
- from third parties	38,534			38,534
- from related parties	19,200		2,278	21,478
Other income:	**2,817**	**0**	**0**	**2,817**
- from third parties	2,059			2,059
- from related parties	758			758
Revenue from real estate sales	**1,278**			**1,278**
Total revenue and operating income	**61,829**	**0**	**2,278**	**64,107**
Change in work-in-progress inventories	(572)			(572)
Total revenue and change in inventory	**61,257**	**0**	**2,278**	**63,535**
Cost of work in progress	521			521
Service costs	11,411	0	(927)	10,484
			0	
- costs for services to third parties	9,722		0	9,722
- costs for services to related parties	1,689		(927)	762
Staff costs	4,335			4,335
Other operating costs	4,611		126	4,737
Total operating costs	**20,878**	**0**	**(801)**	**20,077**
(Depreciation, amortisation and provisions)	(1,528)		40	(1,488)
(Impairment losses)/reversals on work in progress and goodwill	(1,673)			(1,673)
Change in fair value – increases/(decreases)	(12,082)			(12,082)
Total depreciation, amortisation, provisions, impairment and change in fair value	**(15,283)**	**0**	**40**	**(15,243)**
EBIT	**25,096**	**0**	**3,118**	**28,214**
Capital gains/(losses) on disposals	**120**	**0**	**0**	**120**
Capital gains/(losses) on disposals	120			120
Financial income:	**60**	**0**	**0**	**60**
- third parties	57			57
- related parties	3			3
Financial expenses:	**22,828**	**(871)**	**(17)**	**21,940**
- third parties	22,362	(871)	(17)	21,474
- related parties	466			466
Net financial expenses	**(22,768)**	**871**	**17**	**(21,880)**
PRE-TAX PROFIT	**2,448**	**871**	**3,136**	**6,455**
Income taxes for the period	(1,672)			(1,672)
NET PROFIT FOR THE PERIOD	**4,120**	**871**	**3,136**	**8,127**
Profit (loss) for the year attributable to non-controlling interests	334			334

Profit (loss) for the year attributable to the parent company	**4,454**	**871**	**3,136**	**8,460**

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2014	Pro-forma adjustments	Pro-forma adjustments	30/06/2014
(In €/000)	historical data	Capital Increase	Property Acquisition	pro-forma
CASH FLOW FROM OPERATING ACTIVITIES:				
Pre-tax profit	**2,448**	**871**	**3,136**	**6,455**
Adjustments to reconcile net profit for the period with cash flow generated (absorbed) by operating activities:				
Non-monetary items	(1,230)			(1,230)
Depreciation, amortisation and provisions	1,528		(40)	1,488
(Impairment)/reversal of assets under development and goodwill	1,673			1,673
Change in fair value – increases/(decreases)	12,082			12,082
Capital gains/(losses) on disposals	(120)			(120)
CASH FLOW FROM OPERATIONS	**16,381**	**871**	**3,096**	**20,348**
Current income tax	(651)			(651)
CASH FLOW FROM OPERATIONS AFTER TAX	**15,730**	**871**	**3,096**	**19,697**
Change in inventories	583			583
Net change in third-party current assets and liabilities	5,968		0	5,968
Net change in related-party current assets and liabilities	(1,171)		(942)	(2,113)
Net change in third-party non-current assets and liabilities	973		961	1,934
Net change in related-party non-current assets and liabilities	(671)			(671)
CASH FLOW FROM OPERATING ACTIVITIES	**21,412**	**871**	**3,114**	**25,397**
(Investments) in fixed assets	(21,380)		0	(21,380)
Disposals of fixed assets	46,859			46,859
(Investments) in equity investments	(62)			(62)
CASH FLOW USED IN INVESTMENT ACTIVITIES (b)	**25,417**	**0**	**0**	**25,417**
Change in non-current financial assets	(166)			(166)
Change in third-party financial receivables and other current financial assets	20			20
Change in related-party financial receivables and other current financial assets	0			0
Dividend reinvestment option	13,693	0		13,693
Sale of treasury shares	12,050			12,050
Distribution of dividends	(22,620)			(22,620)
Change in third-party current financial debt	(153,533)	67,827	(3,114)	(88,821)
Change in related-party current financial debt	(13,447)			(13,447)
Change in third-party non-current financial debt	121,326			121,326
CASH FLOW FROM FINANCING ACTIVITIES (c)	**(42,677)**	**67,827**	**(3,114)**	**22,035**
Exchange gains/(losses) on cash and cash equivalents	34			34
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,186**	**68,698**	**0**	**72,884**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**8,446**	**0**		**8,446**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**12,632**	**68,698**	**0**	**81,330**

Consolidated statement of financial position	**30/06/2014**	**Pro-forma adjustments**	**Pro-forma adjustments**	**30/06/2014**
(In €/000)	historical data	Capital Increase	Property Acquisition	pro-forma
NON-CURRENT ASSETS:				
Intangible assets				
Intangible assets with a finite useful life	82			82
Goodwill	12,727		(65)	12,662
	12,809	**0**	**(65)**	**12,744**
Property, plant and equipment				
Real estate investments	1,690,644		95,248	1,785,892
Buildings	8,984			8,984
Plant and machinery	1,025		(415)	610
Equipment and other assets	2,140			2,140
Leasehold improvements	1,488			1,488
Assets under construction	96,448			96,448
	1,800,729	**0**	**94,833**	**1,895,562**
Other non-current assets				
Prepaid tax assets	33,320	38		33,358
Sundry receivables and other non-current assets	1,041		(961)	80
Equity investments	371			371
Non-current financial assets	1,016			1,016
Derivatives	74			74
	35,822	**38**	**(961)**	**34,898**
TOTAL NON-CURRENT ASSETS (A)	**1,849,360**	**38**	**93,807**	**1,943,205**
CURRENT ASSETS:				
Work-in-progress inventory and advances	68,588			68,588
Trade and other receivables	15,082			15,082
Related-party trade and other receivables	2,080			2,080
Other current assets	4,407			4,407
Related party financial receivables and other current financial assets	353			353
Financial receivables and other current financial assets	-			0
Cash and cash equivalents	12,632	67,827		80,459
TOTAL CURRENT ASSETS (B)	**103,142**	**67,827**	**0**	**170,969**
TOTAL ASSETS (A + B)	**1,952,502**	**67,864**	**93,807**	**2,114,173**
NET EQUITY:				
Share capital	350,082	200,000		550,082
Share premium reserve	147,730			147,730
Other reserves	238,415	(4,262)		234,153

Group profit	18,073			18,073
Total Group net equity	**754,300**	**195,738**	**0**	**950,038**
Capital and reserves attributable to non-controlling interests	10,508			10,508
TOTAL NET EQUITY (C)	**764,808**	**195,738**	**0**	**960,546**
NON-CURRENT LIABILITIES:				
Liabilities for derivatives	41,877			41,877
Non-current financial liabilities	924,605			924,605
Related party non-current financial liabilities	15,000			15,000
Provision for employee severance indemnities	1,520			1,520
Deferred tax liabilities	45,639			45,639
Provisions for future risks and charges	1,503			1,503
Sundry payables and other non-current liabilities	7,844			7,844
Related-party sundry payables and other non-current liabilities	12,241			12,241
TOTAL NON-CURRENT LIABILITIES (D)	**1,050,229**	**0**	**0**	**1,050,229**
CURRENT LIABILITIES:				
Current financial liabilities	108,218	(33,105)	(19)	75,094
Related party current financial liabilities	409			409
Trade and other payables	17,080	(250)	250	17,080
Related-party trade and other payables	2,497	(92,665)	91,723	1,555
Current tax liabilities	3,665			3,665
Other current liabilities	5,582	(1,853)	1,853	5,582
Related-party other current liabilities	14			14
TOTAL CURRENT LIABILITIES (E)	**137,465**	**(127,873)**	**93,807**	**103,399**
TOTAL LIABILITIES (F = D + E)	**1,187,694**	**(127,873)**	**93,807**	**1,153,628**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**1,952,502**	**67,864**	**93,807**	**2,114,173**

Notes to the financial statements

Notes are provided below on the procedures used for preparing the pro-forma consolidated Financial Statements and on the pro-forma adjustments as at 30 June 2014.

Pro-forma consolidated income statement as at 30 June 2014

The table shows the consolidated income statement for the period ended 30 June 2014.

The column “Pro-forma Capital Increase adjustments” shows the effect on financial expenses, amounting to €871 thousand, of the lower financial expenses due to the reduction in short-term financial liabilities generated by the portion of the Capital Increase assumed not to be used for the Property Acquisition. The reduction of €100.6 million in short-term financial liabilities has been considered to have a positive impact, generating lower financial expenses, from 1 January 2014 (the hypothetical date of the capital increase) until 7 May 2014, since from that date onwards the extinguishable current financial liabilities amount to €33.105 million following the issuance by IGD of bonds with nominal value of €150 million, the proceeds of which were used to reduce short-term bank debt. The column "Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 1st January 2014, on the items *(i)* "Income from related parties", in the amount of €2,278 thousand, corresponding to rental payments which are assumed to be invoiced by IGD as described in the preceding paragraph "The Property Acquisition", *(ii)* "Costs for services to related parties", in the amount of €927 thousand, corresponding to the portion of usufruct relating to the first half of 2014, with reference to the Arcade in the "Ascoli Piceno" Shopping Centre, on the assumption of its extinguishment following the Property Acquisition, *(iii)* "Other operating costs", in the amount of €126 thousand, relating to the increased IMU costs of €145 thousand in relation to the Property Acquisition and the lower registration tax costs of €19 thousand in connection with the usufruct, *(iv)* "Depreciation, amortisation and provisions", in the amount of €40 thousand, relating to the reversal of depreciations attributable to Systems pertaining to the Arcade in the "Ascoli Piceno" Shopping Centre, reclassified under the balance sheet heading "Real Estate Investments" and therefore no longer depreciated, *(v)* "Financial expenses", in the amount of €17 thousand, corresponding to lower financial expenses due to the cash inflows deriving from the leasing of the properties forming the subject of the Property Acquisition.

The pro-forma adjustments on the pro-forma consolidated income statement described in the columns "Pro-forma adjustments Capital Increase" and "Pro-forma adjustments Property Acquisition" all have a permanent impact on the Issuer's business.

<u>Pro-forma consolidated statement of cash flows as at 30 June 2014</u>

The table shows the consolidated statement of cash flows for the year ended 30 June 2014.

The basic assumptions used for the construction of the statement of cash flows are as follows: *(i)* the collection of lease payments in 2 quarterly instalments in advance, *(ii)* the positive effect on cash flows from operations produced by the inflows generated by the properties forming the subject of the Acquisition, *(iii)* the positive effect on the cash flow generated by operations of the lower financial expenses resulting from the reduction in financial liabilities through the use of the surplus of available resources from the Capital Increase for the whole of 2014.

The column "Pro-forma Capital Increase adjustments" shows the effect on pre-tax profit, in the amount of €871 thousand, corresponding to lower financial expenses due to the reduction in short-term financial liabilities. This reduction is based on the assumption that cash from the Capital Increase in excess of that allocated to finance the Property Acquisition will be used to reduce short-term bank debt. In particular, it was assumed that bank debt would decrease by €100.9 million from 1 January to 7 May 2014 and by €33.1 million from 7 May to 30 June 2014 (see the column "Pro-forma adjustments Capital Increase" in the pro-forma statement of financial position as at 30 June 2014) due to the positive cash flow deriving from a bond issue on 7 May 2014. Interest income has not been calculated on cash deriving from the Capital Increase that was not used during the half to (i) finance the Property Acquisition and (ii) reduce short-term bank debt.

The column "Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 1 January 2014, on the items *(i)* "Pre-tax profit", in the amount of €3.136 million, due to the increase in Pre-tax profit as shown in the pro-forma consolidated income statement, *(ii)* "Depreciation, amortisation and provisions", in the amount of €0.040 million, due to the reversal of depreciations, *(iii)* "Net change in related-party current assets and liabilities" due to the reduction in debts to Coop Adriatica in relation to the extinguishment of the usufruct on the Arcade in the "Ascoli Piceno" Shopping Centre, in the amount of €0.942 million, *(iv)* "Net change in non-current assets and liabilities" due to the extinguishment of the usufruct portion and the ancillary registration tax costs for the second half of 2014 under the balance sheet item "Sundry receivables and other non-current assets", in the amount of €0.961 million, *(v)* "Change in current financial debt" in relation to the inflows produced by the Property Acquisition during the period, in the amount of €3.114 million.

The pro-forma adjustments on the pro-forma consolidated statement of cash flows described in the columns "Pro-forma adjustments Capital Increase" and "Pro-forma adjustments Property Acquisition" all have a permanent impact on the Issuer's cash flows, with the exception of the adjustment of €67,827 thousand to the item "Change in third-party current financial debt" indicated in the column "Pro-forma adjustments Capital Increase". This adjustment represents the surplus cash deriving from the Capital Increase that was not used to (i) finance the Property Acquisition and (ii) reduce short-term bank debt.

Pro-forma consolidated statement of financial position as at 30 June 2014

The table shows the consolidated statement of financial position for the period ended 30 June 2014. The column "Pro-forma Capital Increase adjustments" shows the effect produced by the Capital Increase, had it taken place on 30 June 2014, on the items *(i)* "Share capital", in the amount of €200 million, *(ii)* "Other reserves", decrease in the amount of -€4.262 million due to ancillary costs on the Capital Increase transaction estimated at €4.300 million, net of the tax effects shown by deferred tax assets due to the accounting treatment of the ancillary costs of the capital increase, which, in accordance with the international accounting standards have been deducted directly from net equity and which, conversely, from a tax point of view, are deductible over 5 financial periods generating advance tax accounting, *(iii)* "Related-party trade and other payables" for the payment of the properties forming the subject of the Acquisition, in the amount of €92.665 million, *(iv)* "Other current liabilities", for paying transfer taxes, in the amount of €1.853 million, and on the item "Trade and other payables", for paying the ancillary expenses of the Acquisition, in the amount of €0.250 million, (*v)* "Current financial liabilities", in the amount of €100.932 million. "Current financial liabilities" until competition of liabilities that can be extinguished and that at 30 June 2014, are equal to €33.105 million and under the item (vi) "Cash and cash equivalents" for €67.827 million through the effect of the excess under net income and short-term liabilities extinguished.

The column "Pro-forma Property Acquisition adjustments" shows the effect produced by the Property Acquisition, had it taken place on 30 June 2014, on the items*(i)* "Goodwill", which decreases in the amount of €0.065 million, due to the reclassification of the business unit relating to the "Ascoli Piceno" Shopping Arcade under the item "Real estate investments", *(ii)* "Real estate investments", in the amount of €95.248 million and relating to the Property Acquisition in the amount of €92.665 million, the reclassification of goodwill in the amount of €0.065 million, the reclassification of systems pertaining to the Arcade in the "Ascoli Piceno" Shopping Centre in the amount of €0.415 million, the recognition of transfer taxes and ancillary expenses of the Acquisition in the amount of €2.103 million, *(iii)* "Plant and machinery" due to the above-mentioned reclassification of systems pertaining to the Arcade in the "Ascoli Piceno" Shopping Centre, *(iv)* "Sundry receivables and other non-current assets", which decrease in the amount of -€0.961 million, relating to the extinguishment of the usufruct portion for the following year and the related registration costs, *(v)* "Related-party trade and other payables", in the amount of €91.723 million, due to the recognition of payables relating to the Property Acquisition in the amount of €92.665 million and the reduction in debts to Coop Adriatica in relation to the extinguishment of the usufruct on the Arcade in the "Ascoli Piceno" Shopping Centre, in the amount of €0.942 million, *(vi)* "Trade and other payables" relating to the ancillary expenses of the Acquisition, in the amount of €0.250 million, *(vii)* "Other current liabilities" due to recognition of the payable for transfer taxes, in the amount of €1.853 million, *(viii)* "Current financial liabilities" due to repayment of the registration tax relating to the usufruct. Please note that pro-forma financial debt as at 30 June 2014 shown in the pro-forma consolidated statement of financial position as at 30 June 2014 does not reflect the positive effects of the of the collection of rental payments of €3,114 thousand relating to the properties subject to the Property Acquisition (see the column "Pro-forma adjustments Property Acquisition" of the pro-forma consolidated statement of cash flows for the half ended at 30 June 2014), since the pro-forma consolidated statement of financial position as at 30 June 2014 shows the pro-forma effects as if the Property Acquisition had taken place on 30 June 2014 and the lease agreements associated with the properties began on that date. For the same reason, the pro-forma statement of financial position as at 30 June 2014 does not show the effect of the €871 thousand decrease in cash absorption associated with lower financial expenses due to the reduction of short-term financial liabilities as a result of available cash deriving from the Capital Increase.

The following table summarises the effects of pro-forma adjustments on net financial debt as at 30 June 2014.

Net financial debt	**30/06/2014**	**Pro-forma adjustments**	**Pro-forma adjustments**	**30/06/2014**
(In €/000)	historical data	Capital Increase	Property Acquisition	*Pro-forma*
Cash	**(12,985)**	(67,827)		**(80,812)**
Current financial debt	**108,627**	(33,105)	(19)	**75,503**
Net current financial debt	**95,642**	(100,932)	(19)	**(5,309)**
Net non-current financial debt	**938,589**			**938,589**
Net financial debt	**1,034,231**	(100,932)	(19)	**933,280**
Net financial debt - ESMA/2013/319*	**1,035,247**	(100,932)	(19)	**934,296**

* ESMA net financial debt does not include non-current financial assets.

Other aspects

Please note that the effects of: (i) the positive cash flow associated with the Capital Increase, (ii) the negative cash flow associated with the payment for the Property Acquisition and (iii) the negative cash flow associated with the repayment of bank debt using cash deriving from the Capital Increase exceeding the amount allocated for the Property Acquisition, are not shown in the pro-forma statement of cash flows since it was assumed that those transactions (Capital Increase and Property Acquisition) took place at the beginning of the first half of 2014, i.e., they are already represented in "Cash and cash equivalents" in the opening consolidated statement of financial position.

In this regard, the cash flows that the aforementioned transactions generated with respect to the opening cash and cash equivalents are described below:

- negative cash flow of €94,768 thousand from investment activities for the Property Acquisition payment;
- positive cash flow of €195,700 thousand generated by financing activities deriving from the Capital Increase (net of transaction costs of €4,300 thousand);
- negative cash flow of €100,932 thousand generated by financing activities due to the repayment of bank debt using cash deriving from the Capital Increase exceeding the amount used for the Property Acquisition.

In light of the above, the net effect of the above transactions on opening cash and cash equivalents is nil.

15.2.6 External Auditors' Report on the pro-forma consolidated financial statements as at 31 December 2013

On 11 September 2014, the External Auditors issued a report on the pro-forma consolidated financial statements as at 31 December 2013. A copy of this report is appended to this Registration Document.

15.2.7 External Auditors' Report on the pro-forma consolidated financial statements as at 30 June 2014

On 11 September 2014, the External Auditors issued a report on the pro-forma consolidated financial statements as at 30 June 2014. A copy of this report is appended to this Registration Document.

15.3 Financial statements

This chapter does not include the separate financial statements of IGD for the year ended 31 December 2013, since these do not provide any significant additional information with respect to what is reported in the consolidated financial statements.

15.4 Auditing of annual financial information for previous years

15.4.1 Auditing of information for previous years

The 2013 Financial Statements, prepared in accordance with international accounting standards, have been audited by the External Auditors, who issued their report on 20 March 2014. This report does not express any reservations or refusals of certification by the External Auditors.

15.4.2 Other financial information contained in the Registration Document and audited by the External Auditors

The 2014 Half-Yearly Financial Statements, approved by the Board of Directors on 7 August 2014, have been subjected to a limited audit by the External Auditors, who issued their report without any reservations on 8 August 2014.

15.5 Date of the most recent financial information

The most recent financial information presented in the Registration Document and subjected to a full audit relates to the condensed consolidated Financial Statements of the Group for the half-year ended 30 June 2014.

15.6 Interim period financial information and other financial information

Information about the IGD Group's assets and financial position can be found in the consolidated financial statements as at 30 June 2014. The Issuer makes use of the system of incorporation by reference to the above-mentioned document, pursuant to Article 11 of Directive 2003/71/EC and Article 28 of Regulation (EC) No 809/2004.

The 2014 Half-Yearly Financial Statements have previously been published and filed with CONSOB, and is available to the public at IGD's registered office and on the the Issuer's website at www.gruppoigd.it.

The 2014 Financial Statements have been subjected to a limited audit by the External Auditors, who issued their report on 8 August 2014.

The External Auditors' report to the half-yearly consolidated financial statements of IGD as at 30 June 2014 is provided below.

External Auditors' Report on the condensed half-yearly consolidated financial statements for the period ended 30 June 2014

pwc

RELAZIONE DELLA SOCIETÀ DI REVISIONE SULLA REVISIONE CONTABILE LIMITATA DEL BILANCIO CONSOLIDATO SEMESTRALE ABBREVIATO

Agli azionisti della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo effettuato la revisione contabile limitata del bilancio consolidato semestrale abbreviato, costituito dal prospetto della situazione patrimoniale-finanziaria consolidata, dal conto economico consolidato, dal conto economico complessivo consolidato, dal prospetto delle variazioni del patrimonio netto consolidato, dal rendiconto finanziario consolidato e dalle relative note esplicative della Immobiliare Grande Distribuzione SIIQ SpA (di seguito anche la "Società") e controllate (di seguito anche "Gruppo IGD") al 30 giugno 2014. La responsabilità della redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea, compete agli amministratori della Società. E' nostra la responsabilità della redazione della presente relazione in base alla revisione contabile limitata svolta.

2 Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla CONSOB con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste del bilancio consolidato semestrale abbreviato e sull'omogeneità dei criteri di valutazione, tramite colloqui con la direzione della Società, e nello svolgimento di analisi di bilancio sui dati contenuti nel predetto bilancio consolidato semestrale abbreviato. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività ed ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa svolta secondo gli statuiti principi di revisione. Di conseguenza, diversamente da quanto effettuato sul bilancio consolidato di fine esercizio, non esprimiamo un giudizio professionale di revisione sul bilancio consolidato semestrale abbreviato.

Per quanto riguarda i dati relativi al bilancio consolidato dell'esercizio precedente ed al bilancio consolidato semestrale abbreviato dell'anno precedente presentati ai fini comparativi, si fa riferimento alle nostre relazioni rispettivamente emesse in data 20 marzo 2014 e 8 agosto 2013.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C .F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel.0458263001

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3 Sulla base di quanto svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo IGD al 30 giugno 2014 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

Bologna, 8 agosto 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti
(Revisore legale)

Condensed half-yearly consolidated financial statements of the IGD Group for the period ended 30 June 2014, subjected to a limited audit, and related annexes:

- Consolidated income statement: p. 45.
- Consolidated statement of financial position: p. 47.
- Statement of changes in consolidated net equity: p. 48.
- Consolidated statement of cash flows: p. 49.

Period ended 30 June 2014

The following table presents the consolidated income statements for the periods ended 30 June 2014 and 30 June 2013.

Consolidated income statement	30/06/2014	30/06/2013	Change
(in €/000)	(A)	(B)	(A-B)
Revenue:	**57,734**	**58,032**	**(298)**
- from third parties	38,534	39,571	(1,037)
- from related parties	19,200	18,461	739
Other income:	**2,817**	**2,514**	**303**
- from third parties	2,059	1,765	294
- from related parties	758	749	9
Revenue from real estate sales	**1,278**	**0**	**1,278**
Total revenue and operating income	**61,829**	**60,546**	**1,283**
Change in work-in-progress inventories	(572)	3,501	(4,073)
Total revenue and change in inventory	**61,257**	**64,047**	**(2,790)**
Cost of work in progress	521	3,501	(2,980)
Service costs	11,411	9,459	1,952
- costs for services to third parties	9,722	7,833	1,889
- costs for services to related parties	1,689	1,626	63
Staff costs	4,335	4,237	98
Other operating costs	4,611	4,538	73
Total operating costs	**20,878**	**21,735**	**(857)**
(Depreciation, amortisation and provisions)	(1,528)	(1,906)	378
(Impairment losses)/reversals on work in progress and goodwill	(1,673)	(316)	(1,357)
Change in fair value – increases/(decreases)	(12,082)	(16,015)	3,933
Total depreciation, amortisation, provisions, impairment and change in fair value	**(15,283)**	**(18,237)**	**2,954**
EBIT	**25,096**	**24,075**	**1,021**
Capital gains/(losses) on disposals	**120**	**(490)**	**610**
Capital gains/(losses) on disposals	120	(490)	610
Financial income:	**60**	**262**	**(202)**
- third parties	57	262	(205)
- related parties	3	0	3
Financial expenses:	**22,828**	**23,112**	**(284)**
- third parties	22,362	22,436	(74)
- related parties	466	676	(210)
Net financial expenses	**(22,768)**	**(22,850)**	**82**
PRE-TAX PROFIT	**2,448**	**735**	**1,713**
Income taxes for the period	(1,672)	(3,017)	1,345
NET PROFIT FOR THE PERIOD	**4,120**	**3,752**	**368**
Profit (loss) for the year attributable to non-controlling interests	334	304	30
Profit (loss) for the year attributable to the parent company	**4,454**	**4,056**	**398**
- basic earnings per share	0.013	0.013	
- diluted earnings per share	0.013	0.024	

The following table presents the consolidated statements of financial position for the periods ended 30 June 2014 and 31 December 2013.

Consolidated statement of financial position *(In €/000)*	30/06/2014 (A)	31/12/2013 (B)	Change (A-B)
NON-CURRENT ASSETS:			
Intangible assets			
Intangible assets with a finite useful life	82	92	(10)
Goodwill	12,727	11,427	1,300
	12,809	**11,519**	**1,290**
Property, plant and equipment			
Real estate investments	1,690,644	1,723,693	(33,049)
Buildings	8,984	9,105	(121)
Plant and machinery	1,025	1,200	(175)
Equipment and other assets	2,140	1,785	355
Leasehold improvements	1,488	1,503	(15)
Assets under construction	96,448	100,249	(3,801)
	1,800,729	**1,837,535**	**(36,806)**
Other non-current assets			
Prepaid tax assets	33,320	27,774	5,546
Sundry receivables and other non-current assets	1,041	1,992	(951)
Equity investments	371	309	62
Non-current financial assets	1,016	850	166
Derivatives	74	382	(308)
	35,822	**31,307**	**4,515**
TOTAL NON-CURRENT ASSETS (A)	**1,849,360**	**1,880,361**	**(31,001)**
CURRENT ASSETS:			
Work-in-progress inventory and advances	68,588	73,009	(4,421)
Trade and other receivables	15,082	14,643	439
Related-party trade and other receivables	2,080	887	1,193
Other current assets	4,407	3,669	738
Related party financial receivables and other current financial assets	353	353	0
Financial receivables and other current financial assets	-	20	(20)
Cash and cash equivalents	12,632	8,446	4,186
TOTAL CURRENT ASSETS (B)	**103,142**	**101,027**	**2,115**
TOTAL ASSETS (A + B)	**1,952,502**	**1,981,388**	**(28,886)**
NET EQUITY:			
Share capital	350,082	325,052	25,030
Share premium reserve	147,730	147,730	0
Other reserves	238,415	246,916	(8,501)

Group profit	18,073	33,152	(15,079)
Total Group net equity	**754,300**	**752,850**	**1,450**
Capital and reserves attributable to non-controlling interests	10,508	10,842	(334)
TOTAL NET EQUITY (C)	**764,808**	**763,692**	**1,116**
NON-CURRENT LIABILITIES:			
Liabilities for derivatives	41,877	33,684	8,193
Non-current financial liabilities	924,605	802,406	122,199
Related party non-current financial liabilities	15,000	15,000	0
Provision for employee severance indemnities	1,520	1,403	117
Deferred tax liabilities	45,639	44,832	807
Provisions for future risks and charges	1,503	1,809	(306)
Sundry payables and other non-current liabilities	7,844	7,563	281
Related-party sundry payables and other non-current liabilities	12,241	12,912	(671)
TOTAL NON-CURRENT LIABILITIES (D)	**1,050,229**	**919,609**	**130,620**
CURRENT LIABILITIES:			
Current financial liabilities	108,218	263,294	(155,076)
Related party current financial liabilities	409	13,856	(13,447)
Trade and other payables	17,080	12,083	4,997
Related-party trade and other payables	2,497	2,475	22
Current tax liabilities	3,665	1,301	2,364
Other current liabilities	5,582	5,064	518
Related-party other current liabilities	14	14	0
TOTAL CURRENT LIABILITIES (E)	**137,465**	**298,087**	**(160,622)**
TOTAL LIABILITIES (F = D + E)	**1,187,694**	**1,217,696**	**(30,002)**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**1,952,502**	**1,981,388**	**(28,886)**

The following table presents the statement of changes in consolidated net equity for the half-year ended 30 June 2014.

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

The following table presents the consolidated statements of cash flows for the half-years ended 30 June 2014 and 30 June 2013.

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

15.7 Dividend policy

In April 2008, the Company opted for treatment under the special SIIQ rules as of 1st January 2008. These rules require, *inter alia*, that each year the SIIQ distribute to shareholders a minimum percentage of net earnings from exempt operations. Note that as at 12 September 2014, Law Decree 133/2014 amended this percentage from 85% to 70%.

Accordingly, when approving the financial statements for 2013, IGD's Ordinary Shareholders' Meeting voted to pay dividends of €0.065, for each ordinary IGD share, which corresponds to a minimum percentage of 85% of the distributable income from exempt operations for a total dividend of €22,620,112. This amount is made up as follows: (*i*) approximately €13,118,467 from 100% of the distributable income from exempt operations made available following the appropriations required by law; (*ii*) €3,777,180 from profits from exempt operations, made available for distribution following the negative changes in fair value of the investment property, which, against a reduction in the profits for the year, resulted in a commensurate reduction, in accordance with Article 6, paragraph 3 of Legislative Decree 38 of 28 February 2005, of the fair value reserve already recognised under equity; and (*iii*) €5,724,465 from profit reserves carried forward from exempt operations.

With reference to the dividend for 2013, since Article 83-*terdecies* of the TUF came into effect, as amended by Legislative Decree 91 of 18 June 2012, the right to distribute profits is determined based on the results of accounts ending on the accounting date identified by the Issuer (i.e. the record date); this date must be the second trading day following one of the ex-dividend dates recognised by the Borsa Italiana calendar.

Therefore, the ex-dividend date is established on 19 May 2014 and the payment of the dividend took place from 22 May 2014.

Considering the 12,167,948 ordinary shares issued following the capital increase reserved for shareholders entitled to receive the 2013 dividend, the dividend per share for 2013 would be equal to €0.0628 for each ordinary IGD share.

15.8 Legal and arbitration proceedings

During the ordinary course of business, the Group is a party to various governmental and legal proceedings in which the relief sought is not always determined or determinable.

As at 30 June 2014, the amounts set aside during the year for outstanding disputes totalled around €146 thousand, amounting to total funds of approximately €1,126 thousand. These funds cover the liabilities considered probable for:

- tax assessments still pending before the tax tribunal;
- IMU/ICI dispute;
- other outstanding disputes, such as proceedings relating to contractual liability under contracts with individual operators and appeals against injunctions.

  The postponement of the opening of the Guidonia Shopping Centre (originally scheduled for December 2008), linked to multiple contributory factors such as the state of natural catastrophe declared by the municipality of Guidonia and delays in obtaining documentation regarding fitness for use, has exposed the Company to compensation claims from the commercial operators to whom spaces in the Shopping Arcade had been leased. The risk of liabilities associated with these disputes has subsequently been reduced by reaching settlement agreements with most of the operators concerned. As at 30 June 2014 this risk is regarded as non-existent, and the Fund has been used in its entirety, for an amount of €84 thousand.

Tax dispute

Following the tax audit conducted by the Regional Office of the Tax Agency, completed on 11 September 2008, the Company was issued with a formal notice of assessment, without significant findings, which, *inter alia*, proposed a reassessment of closing inventories of approximately €645,000, representing approximately €213.1 thousand in IRES and approximately €27.4 thousand in IRAP, of which two thirds has already been paid, together with fines of €240.5 thousand, of which two thirds has also already been paid.

Subsequently the Company has been sent a notice of assessment which contained an incorrect interpretation of the contract type (sale of future assets rather than a tender contract), and the consequent classification of the inventory itself which, for tax purposes, influences the correct method used to calculate the tax. The Company appealed to the Ravenna Provincial Tax Commission against this notice of assessment and, in January 2011, a decision was filed with the secretariat of the Commission to dismiss the appeal and rule that each party bear its own legal costs.

In September 2011, the Issuer lodged an appeal and a simultaneous plea for a public hearing before the Regional Tax Commission against the above decision, requesting that the notice of assessment be declared unlawful and/or annulled. In May 2014 the Regional Tax Commission rejected the appeal, and on 28 August 2014 the Company was therefore issued with a demand for payment of the remaining third of the taxes and fines payable.

The Company intends to request a refund of these taxes, since the outcome of this dispute merely transfers the effects from one financial year to the next.

IMU/ICI dispute

Following notices of assessment from the Land Agency on 22 March 2012, 27 October 2011, 3 November 2011 and 18 April 2013, mainly relating to the assignment of new classifications and land rentals to two Shopping Centres, the Company has filed appeals with the competent Tax Commissions, which are still pending.

Given that, if it loses the case, the Issuer could be liable for a charge for the years to which the municipal housing tax (previously ICI, now IMU) refers of approximately €460,000 in increased tax (fines and interest are not notified in the assessment documents), the Company has allocated funds totalling approximately 70% of said amount.

Magazzini Darsena dispute

Following the agreement to terminate the joint venture with Beni Stabili on 15 December 2010, with the consequent transfer by Immobiliare Larice (now IGD Management S.r.l.) of 50% of the stake in RGD S.r.l. (now Beni Stabili SIIQ) and the purchase under joint ownership of the “Darsena City” Shopping Centre, IGD has committed to RGD (now Beni Stabili) to assume a proportional share of all income and expenses associated with the contracts signed on 15 March 2006 and transferred to RGD (now Beni Stabili) on 29 March 2007.

Actions taken by RGD in agreement with IGD

In view of the debts accrued towards RGD (now Beni Stabili), in agreement with IGD it has brought the following legal action against Magazzini Darsena S.p.A. and Darsena F.M. S.r.l, both declared bankrupt at the Date of the Registration Document:

- RGD (now Beni Stabili) has filed an action for an injunction for non-payment by Magazzini Darsena S.p.A. of rentals for the building in Ferrara, part of the “Darsena City” Shopping Centre, owned by Riqualificazione Grande Distribuzione S.p.A. SIINQ (later merged into Beni Stabili). Following that judgement, an injunction was obtained for payment of an amount equal to €6,984 thousand – later confirmed at appeal – and subsequently appealed by Magazzini Darsena S.p.A. This appeal resulted in Magazzini Darsena S.p.A. being ordered to pay the sum specified in the injunction, net of tax accruing in the interim, paid on execution of the surety to guarantee payment of the rental, for a total amount of €3,640 thousand;

- RGD (now Beni Stabili) has requested and obtained a garnishee order for €35 million against Magazzini Darsena S.p.A. and for €38 million against Darsena F.M. S.r.l. (owner of the business that traded in the Shopping Centre and on which a sale had been agreed);
- RGD (now Beni Stabili) has initiated two proceedings pursuant to Article 447-*bis* of the Code of Civil Procedure before the Court of Ferrara seeking an order against Magazzini Darsena S.p.A. and Darsena F.M. S.r.l. to pay the rental instalments accrued since the injunction.

  The case against Magazzini Darsena S.p.A. concluded with an order to pay €5.2 million (equal to the total unpaid rental instalments as at 4 April 2012), plus VAT, interest and legal costs; the case against Darsena F.M. S.r.l. was suspended when it filed for bankruptcy;
- RGD (now Beni Stabili) had filed a request for arbitration with the Chamber of Arbitration in Milan for the assessment of the legality of the contractual clause for adjustment of the purchase price of the "Darsena City" Shopping Centre and the determination of the extent of this adjustment, as well as an order for Magazzini Darsena S.p.A., Darsena F.M. S.r.l. and its parent company Partxco S.p.A. (jointly and severally liable with Darsena F.M. S.r.l.) to pay future instalments and the accrued penalty for delay in delivering a further part of the Shopping Centre ("Part B").

  On 8 July 2013, the arbitration proceedings ended with the filing of the award by the arbitral tribunal, which, in the main, ordered: (*i*) Partxco S.p.A. to pay €12.5 million by way of compensation for non-payment of rental instalments by Magazzini Darsena S.p.A.; (*ii*) Magazzini Darsena S.p.A. and Partxco S.p.A. to pay €16 million by way of a penalty for delay in the delivery of "building B"; (*iii*) Magazzini Darsena S.p.A., Darsena F.M. S.r.l. and Partxco S.p.A. to pay €2,500 thousand by way of a price adjustment (an amount already received from Beni Stabili through the execution of the above-mentioned guarantee). Finally, the parties have been ordered to reimburse the Company for certain litigation costs as well as three quarters of the costs of the arbitration proceedings.

  The above claims were asserted and admitted in the context of the bankruptcy proceedings of Magazzini Darsena and Darsena FM. In June 2014, Partxco filed an appeal against the award with the Milan Court of Appeal. Subsequently, in a judgement of 24 June 2014, Partxco was declared bankrupt and the related appeal proceedings were therefore stopped as a matter of law. Beni Stabili has already prepared a statement of defence for the appeal proceedings in order to contest this case in the event that Partxco's receiver decides to pursue the matter.

  During the aforementioned proceedings, the bank guarantee for €2,500 thousand was also executed, issued by Magazzini Darsena S.p.A. to guarantee payment of the adjustment of the purchase price and collected as a result of the judgement in favour of Beni Stabili in the application for enforcement proceedings brought by Magazzini Darsena S.p.A. and won at appeal.

Following regular updates on the bankruptcy situation facing the opposing parties, and in the absence of proposals from them that would bring about a settlement to the dispute, IGD, together with Beni Stabili, filed, pending the aforementioned judgements, bankruptcy petitions against the companies involved in order to gain access to the businesses trading in the Shopping Centre, with a view to regenerating this. The bankruptcy proceedings concluded with Magazzini Darsena S.p.A. and Darsena FM S.r.l. being declared bankrupt on 26 and 29 July 2013. The draft schedule of liabilities includes the receivables subject to applications for protection in relation to both bankruptcy proceedings, currently pending.

Actions taken directly by IGD

In November 2011, IGD filed an application under Article 447-*bis* of the Code of Civil Procedure before the Court of Ferrara, seeking an order for Magazzini Darsena S.p.A. to pay the outstanding rentals accrued from 1st January 2011; the proceedings were suspended after Magazzini Darsena S.p.A. filed for bankruptcy.

In July 2013, IGD filed an application under Article 447-*bis* of the Code of Civil Procedure against Darsena F.M. S.r.l. in subrogation, for the rentals due to Magazzini Darsena S.p.A.; again the proceedings were suspended after Darsena FM S.r.l. filed for bankruptcy.

Bankruptcy of Magazzini Darsena S.p.A. and Darsena FM S.r.l.

With the judgements of 26 and 29 July 2013, the Court of Ferrara declared the companies Magazzini Darsena S.p.A. and Darsena F.M. S.r.l. bankrupt.

Following the above-mentioned bankruptcy declaration, IGD and Beni Stabili managed to reach a partial settlement agreement with the trustee in bankruptcy, signed on 29 October 2013.

Pursuant to this settlement agreement, the two companies obtained the restitution of property from the bankruptcy trustee acting for Magazzini Darsena S.p.A. and, through a joint venture 50% owned by IGD and Beni Stabili, acquired the business (with the related trading permits) from the bankruptcy trustee acting for Darsena F.M. S.p.A., for the amount of €255 thousand plus taxes. They also terminated the preliminary agreement for the purchase of the adjacent "building B" and related contracts and obtained the definitive acceptance by Magazzini Darsena of a reduction of €2,500 thousand in the purchase price for "building A" (an amount already received from Beni Stabili through the enforcement of the above-mentioned guarantee).

However, the companies have not waived all of the claims accrued prior to the bankruptcy declaration by virtue of the judgements issued against the bankrupt companies, which have therefore nearly all been admitted to the bankruptcy proceedings.

Finally, it should be noted that in 2012, IGD was sued by Magazzini Darsena S.p.A., Darsena FM S.r.l. and Partxco S.p.A. in connection with the management mandate for the "Darsena City" Shopping Centre; IGD responded by filing a notice of appearance and preliminary statements. The Company has not established provisions for liabilities in this regard, partly based on the opinions expressed by the Issuer's legal advisors, who do not consider there to be sufficient factual and legal grounds for the case. On 17 July 2013, a judgement was issued by the Court of Ferrara dismissing the applicants' claims and ordering Magazzini Darsena S.p.A., Darsena F.M. S.r.l. and Partxco S.p.A. to reimburse IGD for litigation costs amounting to €20,000.00.

On 8 October 2013, Partxco S.p.A., obliged to indemnify IGD, informed the Company that an appeal had been filed with the Court of Appeal in Bologna. The hearing was set for 27 February 2014, automatically adjourned until 4 March 2014 and then adjourned again until 18 December 2018 for the submission of closing arguments.

Subsequently, in a judgement of 24 June 2014, Partxco was declared bankrupt and these last proceedings were therefore suspended as a matter of law.

Vibo Valentia dispute

In May 2013, GAM S.p.A. ("**GAM**") brought an action against the Issuer before the Court of Milan in relation to the Framework Agreement signed between the parties in May 2007, concerning the purchase by IGD of 50% of the shares of a NewCo, the owner of a Shopping Centre in Vibo Valentia, to be built by the vendor GAM within a certain timeframe and subject to the successful outcome of the due diligence. In June 2012, IGD informed GAM that the Framework Agreement had lapsed, since the time limits had expired and in view of the negative outcome of the due diligence.

The dispute concerns GAM's objection to the termination of the Framework Agreement due to the alleged failure by IGD to acquire a stake in the NewCo, resulting in an application for an order to pay some damages allegedly suffered by GAM; the alleged damages (for which grounds were challenged by IGD) were imputed by the claimant, for €19.3 million, to an alleged damage arising from the lost sale (from which it would be in any event necessary to deduct the current value of the Shopping Centre, which remained in GAM's property) and, for the remainder (€66.3 million), to an alleged indirect damage due to loss of chance in relation to potential income from the successful outcome of a business plan that GAM had intended to develop between 2011 and 2015.

At the hearing of 10 December 2013, the Judge assigned the terms for the filing of the briefs pursuant to Article 183, paragraph 6 of the Italian Code of Civil Procedure; upon the outcome of this filing, the Judge, by order of 5 March 2014; (*i*) rejected all the preliminary motions submitted by GAM; (*ii*) admitted certain witness evidence put forward by IGD (with the related counter-evidence from GAM); and (*iii*) rejected the official expert opinion requested by the claimant to determine the damages claimed by the same.

IGD holds that the proceedings launched by GAM are entirely groundless both on the merits and, in any event, on the quantification of the alleged damages, there being no obligation to proceed with the negotiations, taking into account, *inter alia*, the expiry of the terms provided for in the Framework Agreement and the negative outcome of due diligence, which latter circumstance, pursuant to the Framework Agreement, attributed a specific right of withdrawal to IGD. Consequently, including on the basis of special legal opinions, the Company did not deem it necessary to set aside any provision for this specific dispute under liabilities.

On 14 June 2014, on completion of the preliminary investigation phase, the Court adjourned the case to a hearing on 8 July 2014, during which the parties submitted their respective arguments and were given deadlines for the filing of their closing briefs and responses. In addition to the opinions expressed above by IGD's appointed legal advisers with regard to the likely outcome of the dispute, the findings of the preliminary investigation have confirmed the circumstances inferred by IGD, thus strengthening the soundness of its position and confirming the likelihood of a prognosis of non-existence, at present, of any particular risk factors for IGD with regard to the dispute described.

For more information about the dispute with Magazzini Darsena S.p.A., Darsena FM S.r.l. and GAM, please see the half-yearly Financial Report as at 30 June 2014, Note 47, incorporated by reference in the Registration Document and available to the public at the registered office of IGD and on the website www.gruppoigd.it.

15.9 Significant changes in the Issuer's financial or trading position after 30 June 2014

On 7 July 2014, the Issuer's Board of Directors approved the Property Acquisition, completion of which is conditional on full subscription of the Capital Increase. (See Chapter V, paragraph 5.1.4, and Chapter XIV of the Registration Document.)

Apart from the foregoing, the Issuer is not aware of any other significant changes in the Group's financial or trading position since 30 June 2014.

CHAPTER XVI – SUPPLEMENTARY INFORMATION

16.1 Share capital

16.1.1 Subscribed and paid-up share capital

At the Date of the Registration Document, the Issuer's subscribed and paid-up share capital amounted to €350,082,219.02, consisting of 360,169,663 ordinary shares with no indicated nominal value.

16.1.2 Existence of shares not representing capital, specification of their number and main characteristics

At the Date of the Registration Document, the Issuer has issued no shares that do not represent capital.

16.1.3 Amount of any convertible or exchangeable securities or securities with warrants, with an indication of the conditions and procedures for conversion, exchange or subscription

At the Date of the Registration Document, the Issuer holds no convertible bond loans, exchangeable securities or securities with warrants.

16.1.4 Existence of purchase rights and/or obligations on authorised but not issued capital or of an undertaking to increase the capital

On 7 August 2014, the Extraordinary Shareholders' Meeting resolved, among other things, to approve an increase in the share capital, against payment, in one or more tranches, to be carried out by 31 March 2014, for a total value of €200,000,000.00 including any premium, through the issue of ordinary shares with no indication of nominal value and regular dividend entitlement, to be offered under option to the Company's shareholders pursuant to Article 2441, paragraph 4 of the Italian Civil Code, in proportion to the number of shares held by them.

The Issuer's Extraordinary Shareholders' Meeting of 19 April 2012, subject to revocation of the previous authorisation granted to the Board of Directors on 23 April 2007, resolved to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the right, to be exercised by 19 April 2017, to increase the share capital for payment in one or more tranches for an amount not exceeding 10% of the existing share capital, reserved for subscription by those parties to be named by the Board of Directors – including qualified, industrial and/or financial investors in Italy or abroad or shareholders of the Company – excluding pre-emption rights pursuant to Article 2441, paragraph 4(2) of the Italian Civil Code, provided that the issue price corresponds to the market price of the shares and this is confirmed in a special report issued by the External Auditors.

16.1.5 Information regarding the capital of any members of the Group offered under option

At the Date of the Registration Document, the Issuer is not aware of any Group transactions regarding capital under option or agreed conditionally or unconditionally to be put under option.

CHAPTER XVII – MATERIAL AGREEMENTS

17 Material agreements

On 8 August 2014, IGD and UnipolSai Assicurazioni S.p.A ("**UnipolSai**") informed the market that they had on that date signed an agreement for the promotion of specialised real estate funds in the retail segment. The project involves the acquisition by IGD of a 20% stake in the share capital of UnipolSai Investimenti SGR S.p.A. ("**UnipolSai Investimenti SGR**"), a wholly owned subsidiary of UnipolSai, for a price of €4.2 million and the future creation, within UnipolSai SGR, of a sub-fund specialising in the establishment and management of closed-end real estate funds focusing on the retail segment.

As concerns the determination of the shareholding acquisition price, Deloitte Financial Advisory S.p.A. provided the Company with an independent opinion on the valuation of UnipolSai SGR (a fairness opinion). In this fairness opinion, Deloitte Financial Advisory S.p.A. used the unlevered discounted cash flow method to place the total value of UnipolSai SGR within a range from €18.1 million to €22.4 million. As a result, the value of the shareholding representing 20% of the share capital of UnipolSai SGR was determined to fall within a range from €3.6 million to €4.5 million.

Under the terms of this agreement, IGD granted a purchase option to UnipolSai on IGD's entire shareholding in UnipolSai SGR, exercisable within 60 working days following the third anniversary of the date of execution of the agreement, if the business plan regarding the creation of real estate funds specialising in the management of retail properties is not implemented. The exercise price of the purchase option will be equal to the price paid by IGD for the acquisition of the above-mentioned 20% stake in the share capital of UnipolSai SGR plus (*i*) the amount of any additional capital contributions made by IGD to UnipolSai SGR and (*ii*) the proportional share of any undistributed profits realised by UnipolSai SGR. If, following any exercise of the tag-along right granted to IGD, the stake held by IGD is less than 20% of the share capital of UnipolSai SGR, the exercise price of the option will be reduced proportionally.

The agreement does not include any sale option of the investment in favour of IGD.

The completion of the operation is conditional on authorisation by the Bank of Italy. On 4 September 2014 the Bank of Italy launched the procedure relating to the request for authorisation which, pursuant to applicable regulations, will be completed within 60 working days, unless the terms set forth by regulations in force are suspended or interrupted. As at the Date of the Registration Document, the Company had received no further communications from the Bank of Italy.

Except as indicated with regard to the Property Acquisition, completion of which is conditional on full subscription of the Capital Increase, at the Date of the Registration Document, the Issuer and the Group companies have not entered into important contracts other than those entered into as part of the normal course of business.

CHAPTER XVIII – INFORMATION ORIGINATING WITH THIRD PARTIES, EXPERT OPINIONS AND DECLARATIONS OF INTEREST

18.1 Expert reports

The Registration Document does not contain any expert opinions or reports.

18.2 Information originating with third parties

Where specified, the information contained in the Registration Document comes from third parties.

The Company confirms that this information was accurately reproduced and that, to the extent of the Issuer's knowledge based on the information published by the third parties in question, no facts have been omitted which would have caused the information reproduced to be false or misleading.

CHAPTER XIX – DOCUMENTS AVAILABLE TO THE PUBLIC

For the period in which the Registration Document is deemed valid, copies of the following documents may be consulted at the Issuer's registered office at Via Agro Pontino 13, Ravenna, during office hours and weekdays, as well as on the website www.gruppoigd.it:

a) Bylaws;

b) Registration Document;

c) Half-yearly financial report and condensed half-yearly consolidated financial statements for the first half-year ended 30 June 2014;

d) the Issuer's separate and consolidated financial statements, as well as the related report on operations, for the year ended 31 December 2013, prepared in accordance with the IFRS adopted by the European Union, along with the External Auditors' report;

e) the 2013 Report on Corporate Governance and Ownership Structure;

f) the Board of Directors' Remuneration Report, approved by the Issuer's Board of Directors on 27 February 2014;

g) Excerpt from the shareholders' agreement which establishes a voting block of the Issuer's shares stipulated by Coop Adriatica S.c.a r.l. and Unicoop Tirreno Società Cooperativa on 20 December 2013, as disclosed to the CONSOB in accordance with Article 122 of the TUF on 1 July 2014;

h) Information document prepared pursuant to Art. 5 of the Related-Party Regulations with reference to the signature by IGD of two preliminary contracts involving the acquisition and simultaneous leasing of a portfolio comprising properties owned by Coop Adriatica and Unicoop Tirreno;

i) Minutes of the Shareholders' Meeting of 7 August 2014.

Annexes

External Auditors' Report on the pro-forma consolidated financial statements as at 31 December 2013

RELAZIONE SULL'ESAME DELLA SITUAZIONE PATRIMONIALE–FINANZIARIA CONSOLIDATA PRO-FORMA, DEL CONTO ECONOMICO CONSOLIDATO PRO-FORMA E DEL RENDICONTO FINANZIARIO CONSOLIDATO PRO-FORMA DELLA IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ SPA PER L'ESERCIZIO CHIUSO AL 31 DICEMBRE 2013

Al Consiglio di Amministrazione della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo esaminato gli allegati prospetti relativi alla situazione patrimoniale-finanziaria consolidata pro-forma, al conto economico consolidato pro-forma e al rendiconto finanziario consolidato pro-forma per l'esercizio chiuso al 31 dicembre 2013 della Immobiliare Grande Distribuzione SIIQ SpA (di seguito la "Società" o "IGD" e, congiuntamente con le società da questa controllate, il "Gruppo IGD"), corredati dalle relative note esplicative (di seguito i "Prospetti Consolidati Pro-forma") inclusi nel paragrafo 15.2 "Informazioni finanziarie pro-forma" del documento di registrazione.

I Prospetti Consolidati Pro-forma derivano dai dati storici relativi al bilancio consolidato del Gruppo IGD chiuso al 31 dicembre 2013 e dalle scritture di rettifica pro-forma ad essi applicate e da noi esaminate. Il bilancio consolidato chiuso al 31 dicembre 2013 è stato da noi assoggettato a revisione contabile a seguito della quale abbiamo emesso la nostra relazione in data 20 marzo 2014.

Per quanto concerne i prospetti relativi alla situazione patrimoniale-finanziaria consolidata pro-forma, al conto economico consolidato pro-forma e al rendiconto finanziario consolidato pro-forma per il semestre chiuso al 30 giugno 2014, inclusi nel sopra citato paragrafo del documento di registrazione, si rimanda alla nostra relazione emessa in data 11 settembre 2014.

I Prospetti Consolidati Pro-forma sono stati redatti sulla base delle ipotesi descritte nelle note esplicative, per riflettere retroattivamente gli effetti delle seguenti prospettate operazioni (di seguito le "Operazioni"):

i) acquisizione, da parte della Società, di un portafoglio immobiliare da Coop Adriatica Scarl e Unicoop Tirreno Sc per un controvalore complessivo pari a circa Euro 92,7 milioni;

ii) aumento del capitale sociale della Società a pagamento per un importo di Euro 200 milioni.

2 I Prospetti Consolidati Pro-forma sono stati predisposti ai fini della loro inclusione nel documento di registrazione da redigersi ai sensi dell'articolo 94, comma 4, del DLgs 24 febbraio 1998, n. 58, in conformità a quanto previsto dal Regolamento (CE) n. 809/2004 e successive modifiche e integrazioni, nell'ambito della sopra citata operazione di aumento di capitale sociale.

L'obiettivo della redazione dei Prospetti Consolidati Pro-forma è quello di rappresentare, secondo criteri di valutazione coerenti con i dati storici e conformi alla normativa di riferimento, gli effetti delle Operazioni sull'andamento economico e sulla situazione patrimoniale-finanziaria del Gruppo IGD, come se le stesse fossero virtualmente avvenute il 31 dicembre 2013 per quanto riguarda la situazione patrimoniale-finanziaria e, per quanto si riferisce agli effetti economici ed ai flussi di cassa, all'inizio dell'esercizio 2013. Tuttavia va rilevato che, qualora le Operazioni fossero realmente avvenute alle date ipotizzate, non necessariamente si sarebbero ottenuti gli stessi risultati rappresentati nei Prospetti Consolidati Pro-forma.

La responsabilità della redazione dei Prospetti Consolidati Pro-forma compete agli amministratori della Società. E' nostra la responsabilità della formulazione di un giudizio professionale sulla ragionevolezza delle ipotesi adottate dagli amministratori per la redazione dei Prospetti Consolidati Pro-forma e sulla correttezza della metodologia da essi utilizzata per l'elaborazione dei medesimi prospetti. Inoltre, è nostra la responsabilità della formulazione di un giudizio professionale sulla correttezza dei criteri di valutazione e dei principi contabili utilizzati.

3 Il nostro esame è stato svolto secondo i criteri raccomandati dalla Consob nella Raccomandazione n. 1061609 del 9 agosto 2001 per la verifica dei dati pro-forma ed effettuando i controlli che abbiamo ritenuto necessari per le finalità dell'incarico conferitoci.

4 A nostro giudizio, le ipotesi di base adottate dalla Società per la redazione dei Prospetti Consolidati Pro-forma sono ragionevoli e la metodologia utilizzata per l'elaborazione dei predetti prospetti è stata applicata correttamente per le finalità informative descritte in precedenza. Inoltre, riteniamo che i criteri di valutazione ed i principi contabili utilizzati per la redazione dei medesimi prospetti siano corretti.

Bologna, 11 settembre 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti

Roberto Sollevanti
(Revisore legale)

External Auditors' Report on the pro-forma consolidated financial statements as at 30 June 2014

RELAZIONE SULL'ESAME DELLA SITUAZIONE PATRIMONIALE–FINANZIARIA CONSOLIDATA PRO-FORMA, DEL CONTO ECONOMICO CONSOLIDATO PRO-FORMA E DEL RENDICONTO FINANZIARIO CONSOLIDATO PRO-FORMA DELLA IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ SPA PER IL SEMESTRE CHIUSO AL 30 GIUGNO 2014

Al Consiglio di Amministrazione della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo esaminato gli allegati prospetti relativi alla situazione patrimoniale-finanziaria consolidata pro-forma, al conto economico consolidato pro-forma e al rendiconto finanziario consolidato pro-forma per il semestre chiuso al 30 giugno 2014 della Immobiliare Grande Distribuzione SIIQ SpA (di seguito la "Società" o "IGD" e, congiuntamente con le società da questa controllate, il "Gruppo IGD"), corredati dalle relative note esplicative (di seguito i "Prospetti Consolidati Pro-forma"), inclusi nel paragrafo 15.2 "Informazioni finanziarie pro-forma" del documento di registrazione.

I Prospetti Consolidati Pro-forma derivano dai dati storici relativi al bilancio consolidato semestrale abbreviato del Gruppo IGD al 30 giugno 2014, da noi assoggettato a revisione contabile limitata a seguito della quale abbiamo emesso la nostra relazione in data 8 agosto 2014, e dalle scritture di rettifica pro-forma a essi applicate e da noi esaminate.

La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste del bilancio, nell'analisi dei criteri di valutazione e dei principi contabili utilizzati tramite colloqui con la direzione della Società, e nello svolgimento di analisi di bilancio. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività e ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa. Di conseguenza, non è stato espresso alcun giudizio professionale di revisione sul bilancio consolidato semestrale abbreviato di IGD.

Per quanto concerne i prospetti relativi alla situazione patrimoniale-finanziaria consolidata pro-forma, al conto economico consolidato pro-forma e al rendiconto finanziario consolidato pro-forma per l'esercizio chiuso al 31 dicembre 2013, inclusi nel sopra citato paragrafo del documento di registrazione, si rimanda alla nostra relazione emessa in data 11 settembre 2014.

I Prospetti Consolidati Pro-forma sono stati redatti sulla base delle ipotesi descritte nelle note esplicative, per riflettere retroattivamente gli effetti delle seguenti operazioni (di seguito le "Operazioni"):

i) acquisizione, da parte della Società, di un portafoglio immobiliare da Coop Adriatica Scarl e Unicoop Tirreno Sc per un controvalore complessivo pari a circa Euro 92,7 milioni;

PricewaterhouseCoopers SpA

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ii) aumento del capitale sociale della Società a pagamento per un importo di Euro 200 milioni.

2 I Prospetti Consolidati Pro-forma sono stati predisposti ai fini della loro inclusione nel documento di registrazione da redigersi ai sensi dell'articolo 94, comma 4, del DLgs 24 febbraio 1998, n. 58, in conformità a quanto previsto dal Regolamento (CE) n. 809/2004 e successive modifiche e integrazioni, nell'ambito della sopra citata operazione di aumento di capitale sociale.

L'obiettivo della redazione dei Prospetti Consolidati Pro-forma è quello di rappresentare, secondo criteri di valutazione coerenti con i dati storici e conformi alla normativa di riferimento, gli effetti delle Operazioni sull'andamento economico e sulla situazione patrimoniale-finanziaria del Gruppo IGD, come se le stesse fossero virtualmente avvenute il 30 giugno 2014 per quanto riguarda la situazione patrimoniale-finanziaria e, per quanto si riferisce agli effetti economici ed ai flussi di cassa, all'inizio del semestre chiuso al 30 giugno 2014. Tuttavia va rilevato che, qualora le Operazioni fossero realmente avvenute alle date ipotizzate, non necessariamente si sarebbero ottenuti gli stessi risultati rappresentati nei Prospetti Consolidati Pro-forma.

La responsabilità della redazione dei Prospetti Consolidati Pro-forma compete agli amministratori della Società. E' nostra la responsabilità della formulazione di un giudizio professionale sulla ragionevolezza delle ipotesi adottate dagli amministratori per la redazione dei Prospetti Consolidati Pro-forma e sulla correttezza della metodologia da essi utilizzata per l'elaborazione dei medesimi prospetti. Inoltre, è nostra la responsabilità della formulazione di un giudizio professionale sulla correttezza dei criteri di valutazione e dei principi contabili utilizzati.

3 Il nostro esame è stato svolto secondo i criteri raccomandati dalla Consob nella Raccomandazione n. 1061609 del 9 agosto 2001 per la verifica dei dati pro-forma ed effettuando i controlli che abbiamo ritenuto necessari per le finalità dell'incarico conferitoci.

4 Dal lavoro svolto nulla è emerso che ci induca a ritenere che le ipotesi di base adottate dalla Società per la redazione dei Prospetti Consolidati Pro-forma non siano ragionevoli per riflettere retroattivamente gli effetti delle Operazioni, che la metodologia utilizzata per l'elaborazione dei predetti prospetti non sia stata applicata correttamente per le finalità informative descritte in precedenza e, infine, che nella redazione dei medesimi prospetti siano stati utilizzati criteri di valutazione e principi contabili non corretti.

Bologna, 11 settembre 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti

Roberto Sollevanti
(Revisore legale)

External Auditors' Report issued on 24 September 2014 on the projections referred to in Chapter VIII

RELAZIONE DELLA SOCIETA' DI REVISIONE SUI DATI PREVISIONALI

Al Consiglio di Amministrazione della
Immobiliare Grande Distribuzione SIIQ SpA

1 Abbiamo esaminato la previsione su base consolidata relativa all'"*EBITDA Margin* della gestione caratteristica relativo ai centri commerciali di proprietà (*freehold management*)", determinato come il rapporto tra l'EBITDA della gestione caratteristica relativo ai centri commerciali di proprietà ed i relativi ricavi, della Immobiliare Grande Distribuzione SIIQ SpA (di seguito "IGD" o la "Società") e delle sue controllate (di seguito il "Gruppo IGD") per l'esercizio che chiuderà al 31 dicembre 2016 (il "Dato Previsionale"), nonché le ipotesi e gli elementi posti alla base della sua formulazione. Il Dato Previsionale è stato estratto dal piano industriale del Gruppo IGD relativo agli esercizi 2014-2016 approvato dal Consiglio di Amministrazione di IGD in data 19 dicembre 2013 e reso noto al mercato con comunicato stampa nella medesima data (il "Piano Industriale").

La presente relazione si riferisce unicamente al Dato Previsionale e non si estende al Piano Industriale ed alle altre informazioni previsionali contenute nel documento di registrazione predisposto nell'ambito dell'offerta di azioni ordinarie di Immobiliare Grande Distribuzione SIIQ SpA (di seguito il "Documento di Registrazione") che sono stati da noi esaminati al solo fine di acquisire gli elementi e le informazioni a supporto della formulazione delle nostre conclusioni sul Dato Previsionale. La responsabilità della redazione del Dato Previsionale, nonché delle ipotesi e degli elementi posti alla base della sua formulazione e della redazione del Piano Industriale e del Documento di Registrazione, compete agli amministratori della Società.

2 Il Dato Previsionale si basa su un insieme di ipotesi di realizzazione di eventi futuri e di azioni che dovranno essere intraprese da parte degli amministratori che includono, tra le altre, assunzioni ipotetiche relative ad eventi futuri ed azioni degli amministratori che non necessariamente si verificheranno ed eventi ed azioni, sui quali gli amministratori e il management non possono o possono solo in parte influire, circa l'andamento delle principali grandezze patrimoniali ed economiche o di altri fattori che ne influenzano l'evoluzione, riepilogate nel Capitolo 8 del Documento di Registrazione (di seguito le "Assunzioni Ipotetiche"). Le principali ipotesi e Assunzioni Ipotetiche alla base del Dato Previsionale sono le seguenti:

a) l'apertura di nuovi centri commerciali nel territorio di riferimento di IGD ed il sostenimento dello sviluppo per il raggiungimento della piena redditività dei centri commerciali di recente apertura;

b) la crescita dei ricavi della controllata Winmarkt in Romania, soprattutto grazie alle opportunità consentite dalla riqualificazione della *Gross Leasable Area* (GLA) ed agli effetti positivi relativi ai contratti più recenti, sia in termini di *step rent*, che in termini di meccanismi di indicizzazione;

c) la graduale diminuzione degli sconti temporanei accordati ai *tenants* e dell'incidenza dei costi diretti sui ricavi in coerenza con un quadro macroeconomico previsto in miglioramento;

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d) la positiva conclusione delle attività di rifinanziamento del debito in scadenza e di copertura dell'ulteriore fabbisogno finanziario derivante dagli investimenti previsti.

3 Il nostro esame è stato svolto secondo le procedure previste per tali tipi di incarico dall'*International Standard on Assurance Engagements* (ISAE) 3400 "*The Examination of Prospective Financial Information*" emesso dall'*International Auditing and Assurance Standards Board* (IAASB).

4 Sulla base dell'esame degli elementi probativi a supporto delle ipotesi e degli elementi utilizzati nella formulazione del Dato Previsionale, non siamo venuti a conoscenza di fatti tali da farci ritenere, alla data odierna, che le suddette ipotesi ed elementi non forniscano una base ragionevole per la predisposizione del Dato Previsionale, assumendo il verificarsi delle ipotesi e Assunzioni Ipotetiche relative ad eventi futuri ed azioni degli amministratori, richiamate nel precedente paragrafo 2. Inoltre, a nostro giudizio, il Dato Previsionale è stato predisposto utilizzando coerentemente le ipotesi e gli elementi sopra citati ed è stato elaborato sulla base di principi contabili omogenei rispetto a quelli applicati dagli amministratori della Società nella redazione del bilancio consolidato relativo all'esercizio chiuso al 31 dicembre 2013 e del bilancio consolidato semestrale abbreviato per il semestre chiuso al 30 giugno 2014, predisposti in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

5 Va tuttavia tenuto presente che a causa dell'aleatorietà connessa alla realizzazione di qualsiasi evento futuro, sia per quanto concerne il concretizzarsi dell'accadimento, sia per quanto riguarda la misura e la tempistica della sua manifestazione, lo scostamento fra il valore consuntivo e il valore preventivato del Dato Previsionale potrebbe essere significativo, anche qualora gli eventi previsti nell'ambito delle ipotesi e Assunzioni Ipotetiche, descritte in sintesi nel precedente paragrafo 2, si manifestassero.

6 La presente relazione è stata predisposta ai soli fini di quanto previsto dall'articolo 8.2 dell'Allegato XXIII al Regolamento della Commissione Europea n° 809 del 29 aprile 2004 e con l'obiettivo di essere inclusa nel Documento di Registrazione, e non potrà essere utilizzata, in tutto o in parte, per altri scopi.

7 Il nostro esame si è concluso in data 24 settembre 2014 e, quindi, le informazioni e gli avvenimenti successivi a tale data non sono stati presi in considerazione. Pertanto, non assumiamo la responsabilità di aggiornare la presente per eventi o circostanze che dovessero manifestarsi dopo il 24 settembre 2014.

Bologna, 24 settembre 2014

PricewaterhouseCoopers SpA

Roberto Sollevanti
(Partner)