



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

Registered office: Via Agro Pontino 13, Ravenna
Headquarters: Via Trattati Comunitari Europei 1957-2007, n. 13, Bologna
Share capital fully subscribed and paid-in: EUR 350,082,219.02
Broken down into n. 360,169,663 ordinary shares
Ravenna Companies Register and tax identification no. 00397420399
Ravenna Chamber of Commerce (R.E.A.) no.: 88573
Company subject to the direction and control of Coop Adriatica S.c.a.r.l.

SHAREHOLDERS' MEETING OF IGD SIIQ S.P.A.

**CONVENED ON 7 AUGUST 2014, 12.00 P.M. , IN FIRST CALL, TO BE HELD
AT THE HEADQUARTERS OF IGD SIIQ S.P.A. IN BOLOGNA, VIA TRATTATI
COMUNITARI EUROPEI 1957-2007 N.13, AND, IN SECOND CALL, ON 8 AUGUST 2014,
SAME PLACE AND TIME**

**REPORT ON THE AGENDA FOR THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS'
MEETING OF IGD SIIQ S.P.A.**

REPORT ON THE SOLE ITEM ON THE AGENDA FOR THE EXTRAORDINARY SESSION

Proposal to increase the share capital for cash, on one or more occasions, by up to a maximum of EUR 200 million (including any share premium), by means of a rights issue to be offered to all shareholders pursuant to Art. 2441, first paragraph of the Italian Civil Code. Amendment of Art. 6 of the corporate by-laws.

Dear Shareholders,

you have been called to an extraordinary shareholders' meeting in order to approve a proposal to increase share capital, for cash, on one or more occasions, pursuant to Art. 2441, first paragraph, of the Italian Civil Code, by up to a maximum of EUR 200,000,000.00, including any share premium, through the issue of ordinary shares, without a stated par value, pari passu with existing shares. Option rights will be offered to all shareholders. (the "**Capital increase**").

1. Reasons and use of the capital increase

The purpose of the capital increase is to strengthen the Company's and the Group's balance sheet and financial structure, in order to support growth and investment objectives.

More in detail, the Capital Increase will make it possible to reduce current financial leverage, ahead of the deleveraging called for in the 2014 – 2016 Business Plan, and to stabilize the Company's financial profile and align the main debt ratios (Loan To Value, Interest Cover Ratio, property free of mortgages) with those of the other European retail real estate companies.

Over time the capital increase will also make it easier to access the debt capital markets, which provides an additional source of financing with respect to banks, including through the relaunch of the Company's equity story of growth and value creation.

As a result of the transaction, furthermore, IGD's capitalization should also increase providing greater visibility and liquidity for the Company's shares.

In accordance with the above mentioned growth and investment objectives, part of the proceeds from the Capital Increase will be used to finance the Company's acquisition of a portfolio of properties comprising a shopping mall and three hypermarkets owned by Coop Adriatica S.c.ar.l. ("**Coop Adriatica**") and two supermarkets owned by Unicoop Tirreno Società Cooperativa ("**Unicoop Tirreno**"), for approximately €94.765 million (€92.665 million of which relates to the purchase price and €2.1 million to the transfer tax and ancillary charges), which will, at the same time, be leased back to the former owners.

More in detail, on 7 July 2014, IGD's Board of Directors approved subscription of:

- (i) A preliminary agreement with Coop Adriatica for the purchase of the following real estate assets:
- Mall and hypermarket of the “Ascoli Piceno – Città delle Stelle” Shopping Center for € 24,360,000.00 and €15,920,000.00, respectively;
 - Hypermarket “Cesena – Lungo Savio” for €19,000,000.00;
 - Hypermarket “Schio” for €17,360,000.00;

(the “**Preliminary Agreement - Coop Adriatica**”).

The Preliminary Agreement - Coop Adriatica calls for total consideration of €76,640,000.00.

The Preliminary Agreement - Coop Adriatica calls for IGD, subject to execution of the definitive sales contract with Coop Adriatica, to lease the hypermarkets “Schio”, “Cesena – Lungo Savio” and “Ascoli Piceno – Città delle Stelle” to Coop Adriatica for 18 years in accordance with the terms and conditions outlined in the lease agreement annexed to the Preliminary Agreement - Coop Adriatica, as described below (the “**Coop Adriatica Lease Agreement**”), for a total of €3,502,950.00 per annum.

With regard to the mall of the “Ascoli Piceno – Città delle Stelle” Shopping Mall – the beneficial interest granted IGD based on a contract with Coop Adriatica will, pursuant to Art. 1014 of the Italian Civil Code, terminate upon execution of the sale, resulting in a drop in the costs incurred by IGD each year for the beneficial interest of €1.9 million inclusive of ancillary charges (2013 figures).

- (ii) A preliminary agreement with Unicoop Tirreno for the purchase of the following real estate assets:

- Supermarket “Civita Castellana” for €4,000,000.00;
- Supermarket “Cecina” for €12,025,000.00;

(the “**Preliminary Agreement - Unicoop Tirreno**”, together with the Preliminary Agreement - Coop Adriatica, the “**Preliminary Agreements**”).

The Preliminary Agreement - Unicoop Tirreno calls for total consideration of €16,025,000.00.

The Preliminary Agreement - Unicoop Tirreno calls for IGD, subject to execution of the definitive sales contract with Unicoop Tirreno, to lease the supermarkets “Civita Castellana” and “Cecina”, to Coop Adriatica for 18 years in accordance with the terms and conditions outlined in the lease agreement annexed to the Preliminary Agreement - Unicoop Tirreno, as described below (the “**Unicoop Tirreno Lease Agreement**”), for a total of €1,090,000.00 per annum (jointly with the Coop Adriatica Lease Agreements, the “**Lease Agreements**”).

The Preliminary Agreements and the obligations therein – including the obligation to execute the

definitive sales contracts for the properties – are subject to the following events which must take place by 31 March 2015: (i) the approval of the transactions during IGD’s Extraordinary Shareholders’ Meeting; e (ii) the subscription of the Capital Increase.

2. Financial impact of the capital increase

The net financial debt pertaining to IGD and the Group at 31 December 2013 and 31 March 2014 is shown below:

NET FINANCIAL POSITION OF IGD SIIQ S.p.A.		
	31/03/2014	31/12/2013
Cash and cash equivalents	(7,242)	(4,123)
Financial receivables and other current financial assets with related parties	(24,734)	(24,716)
LIQUIDITY	(31,976)	(28,839)
Current financial liabilities with related parties	125	365
Current financial liabilities	82,022	125,754
Mortgage loans - current portion	54,124	77,790
Leasing – current portion	286	284
Convertible bond loan - current portion	5,645	4,096
CURRENT DEBT	142,202	208,289
CURRENT NET DEBT	110,226	179,450
Non-current financial assets	(444)	(378)
Leasing – non-current portion	5,087	5,160
Non-current financial liabilities	438,890	424,196
Non-current financial liabilities with related parties	15,000	15,000
Convertible bond loan	142,199	142,004

NON-CURRENT DEBT	600,732	585,982
NET FINANCIAL POSITION	710,958	765,432

CONSOLIDATED NET FINANCIAL POSITION		
	31/03/2014	31/12/2013
Cash and cash equivalents	(15,791)	(8,446)
Financial receivables and other current financial assets with related parties	(354)	(353)
Financial receivables and other current financial assets	(20)	(20)
LIQUIDITY	(16,165)	(8,819)
Current financial liabilities with related parties	11,976	13,856
Current financial liabilities	132,295	176,633
Mortgage loans - current portion	59,354	82,281
Leasing – current portion	286	284
Convertible bond loan - current portion	5,645	4,096
CURRENT DEBT	209,556	277,150
NET CURRENT DEBT	193,391	268,331
Non-current financial assets	(916)	(850)
Non-current financial liabilities due to other sources of finance	1,688	1,875
Leasing – non-current portion	5,087	5,160
Non-current financial liabilities	665,982	653,368
Non-current financial liabilities with related parties	15,000	15,000
Convertible bond loan	142,198	142,003
NON-CURRENT DEBT	829,039	816,556
NET FINANCIAL POSITION	1,022,430	1,084,887

The proceeds from the Capital Increase, net of the costs incurred for the real estate acquisition described in 1) above and the Capital Increase, estimated to total around €100.9 million, will be used to improve the net financial position primarily as a result of the repayment of bank debt and the consequent decrease in financial charges.

With regard to the close of the current year, the transaction (which will be completed in the last quarter) will not significantly affect performance, but will have an impact on the Group's balance sheet and financial structure.

3. Underwriting consortium

On 7 July 2014, the Company signed with BNP Paribas, the Sole Global Coordinator and Bookrunner, a pre-underwriting agreement – in line with standard market practices – to subscribe the unexercised options at the end of the offer period, net of the maximum amount that Coop Adriatica and Unicoop Tirreno have agreed to subscribe as per paragraph 6 below.

4. Other forms of placement

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

5. Issue price of the new shares

The proposal submitted to shareholders for approval calls for the issue price of the new shares to be determined by the Board of Directors, on or around the launch date, taking into account general market conditions, the stock market performance and volumes of the Company's existing shares, as well as the Company's and/or Group's economic performance, balance sheet and financial structure and standard market practices in similar transactions. Without prejudice to the above, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex Right Price – TERP of the existing shares calculated using current methodologies.

After having determined the subscription price (including any share premium), the Board of Directors will define the maximum number of shares to be issued, as well as the issue ratio.

6. Shareholders who have agreed to subscribe the Capital Increase

At the date of this report, the shareholders Coop Adriatica and Unicoop Tirreno have sent the Company separate letters committing to subscribe their portions of the Capital Increase (of approximately 43.99% and approximately 12.93%, respectively) or approximately 56.92% of the Capital Increase.

7. Timing of the capital increase

Subject to receipt of the necessary authorizations from the relative Authorities, the offer period for the option rights on the newly issued shares is expected to end by October 2014.

8. Rights and entitlements

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

9. Pro forma effects of the Capital Increase on the financial structure and net equity

The Capital Increase will result in an increase in the Company's net equity of approximately €200 million, less the costs related directly to the transaction.

The proceeds generated by the transaction will be used for the acquisition referred to in 1) above, while the remainder will be used to improve the net financial position, primarily by decreasing bank debt which will lower financial charges.

The consolidated net financial position at 31 March 2014 and the pro forma effects at the same date are shown below:

CONSOLIDATED NET FINANCIAL POSITION		
	31/03/2014	31/03/2014 PROFORMA
Cash and cash equivalents	(15,791)	(15,791)
Financial receivables and other current financial assets with related parties	(354)	(354)
Financial receivables and other current financial assets	(20)	(20)
LIQUIDITY	(16,165)	(16,165)
Current financial liabilities with related parties	11,976	11,976
Current financial liabilities	132,295	31,363
Mortgage loans - current portion	59,354	59,354
Leasing – current portion	286	286
Convertible bond loan - current portion	5,645	5,645
CURRENT DEBT	209,556	108,624
NET CURRENT DEBT	193,391	92,459
Non-current financial assets	(916)	(916)
Non-current financial liabilities due to other sources of finance	1,688	1,688
Leasing – non-current portion	5,087	5,087
Non-current financial liabilities	665,982	665,982
Non-current financial liabilities with related parties	15,000	15,000
Convertible bond loan	142,198	142,198
NON-CURRENT DEBT	829,039	829,039
NET FINANCIAL POSITION	1,022,430	921,498

The pro forma situation at 31 March 2014, as a result of transactions completed by the Company prior to this date, does not reflect the current financial position particularly with regard to the composition of the current and non-current items.

Below please also find the net equity at 31 March 2014 and the pro forma effects at the same date of the €200,000,000 capital increase, net of the ancillary costs deducted directly from equity:

NET EQUITY	31/03/2014	31/03/2014 PROFORMA
Share capital	336,028	536,028
Share premium reserve	147,730	147,730
Other reserves	244,778	240,478
Group profit	39,346	39,346
Total Group net equity	767,882	963,582
Portion pertaining to minorities	11,022	11,022
TOTAL NET EQUITY	778,904	974,604

The pro forma situation at 31 March 2014, as a result of transactions completed by the Company prior to this date, does not reflect the current level of equity.

10. Dilutive impact

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

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

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

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

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

CURRENT TEXT	PROPOSED TEXT
6.1 The share capital is EUR 350,082,219.02 (three hundred fifty million, eighty-two thousand, two hundred nineteen/02), represented by 360,169,663 (three hundred sixty million one hundred sixty-nine thousand six hundred sixty-three thousand) ordinary shares without a stated par value.	Unchanged.
Omissis.	Omissis.
	6.5 On 7 August 2014 the shareholders meeting in extraordinary session approved a proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 200 million (including any share premium) to be completed by 31 March 2015, through the issue of ordinary shares, without a stated par value, pari passu with existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the

	<p>number of shares held. The shareholders meeting in extraordinary session granted the Board of Directors the amplest of powers to: (i) define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the Company's existing shares, as well as the Company's and/or Group's economic performance, balance sheet and financial structure, and standard market practices in similar transactions. Without prejudice to the above, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex Right Price – TERP of the existing IGD shares; (ii) determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune; and (iii) determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, but in accordance with the final deadline of 31 March 2015.</p>
--	---

Please note the proposed amendments of the bylaws do not grant the shareholders who fail to vote in favour of the amendments withdrawal rights.

* * *

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

Proposal

“The shareholders of Immobiliare Grande Distribuzione SIQ S.p.A. meeting in extraordinary session;

- *having examined the Board of Directors' Report and the proposal found therein;*
- *having acknowledged the Board of Statutory Auditors certification that the share capital of Euro 350,082,219.02 (three hundred fifty million, eighty-two thousand, two hundred nineteen/02) is entirely subscribed, paid-in and current;*

resolves

- 1) *to approve the proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 200 million (including any share premium), through the issue of ordinary shares, without a stated par value, pari passu with existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held, and,*

- 2) *to set 31 March 2015 as the deadline for the execution of the capital increase and to establish, pursuant to Art. 2439, second paragraph of the Italian Civil Code, if not entirely subscribed the share capital will be considered increased by the amount subscribed at that deadline;*
- 3) *to grant the Board of Directors the amplest of powers to:*
- (i) *define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the IGD's existing shares, as well as the Company's and/or Group's economic performance, balance sheet and financial structure and the standard market practices in similar transactions. Without prejudice to the above, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex Right Price – TERP of the existing IGD shares, calculated using current methodologies;*
 - (ii) *determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune;*
 - (iii) *determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, but in accordance with the final deadline of 31 March 2015.*
- 4) *to amend Art. 6 of the corporate by-laws by including a new fifth paragraph as follows: “6.5 On 7 August 2014 the shareholders meeting in extraordinary session approved a proposal to increase share capital, for cash, on one or more occasions, by up to a maximum of EUR 200 million (including any share premium) to be completed by 31 March 2015, through the issue of ordinary shares, without a stated par value, pari passu with existing shares. Option rights are to be offered to shareholders pursuant to Art. 2441, first paragraph, of the Italian Civil Code, in proportion to the number of shares held. The shareholders meeting in extraordinary session granted the Board of Directors the amplest of powers to: (i) define, on or around the launch date, the issue price of the new shares taking into account general market conditions, the stock market performance and volumes of the Company's existing shares, as well as the Company's and/or Group's economic performance, balance sheet and financial structure and the standard market practices in similar transactions. Without prejudice to the above, the issue price will be determined by applying, as per standard market practices, a discount on the Theoretical Ex Right Price – TERP of the existing IGD shares; (ii) determine – as a result of sub (i) – the maximum number of shares to be issued, as well as the issue ratio, rounding the number of shares up or down as deemed opportune; and (iii) determine the timing for the execution of the approved capital increase, particularly with regard to the launch of the rights' issue as well as the*

subsequent listing of the unexercised rights on a stock exchange at the end of the subscription period, but in accordance with the final deadline of 31 March 2015”;

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

- (i) *prepare and file all documentation needed for the execution of the capital increase approved, as well as complete all the formalities needed to proceed with the offer and list the newly issued shares on the Italian Stock Exchange, organized and managed by Borsa Italiana S.p.A., including the power to prepare and file with the competent authorities all requests, applications, documents or prospectuses deemed necessary or opportune;*
- (ii) *introduce any changes, adjustments or additions to the resolutions approved if deemed necessary and/or opportune, including in accordance with requests received from any and all authorities upon registration, and, in general, to carry out all acts deemed necessary to execute the resolutions completely, with any and all powers, without exceptions and without question, including the formalities needed to register the updated corporate by-laws with the Corporate Registrar.”*

* * *

Bologna, 7 July 2014

For the Board of Directors
The Chairman
Gilberto Coffari