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

Registered office: Via Agro Pontino 13, Ravenna, Italy
Headquarters: Via Trattati Comunitari Europei 1957-2007, 13 Bologna
Share capital approved: EUR 405,015,558.69
Share capital fully subscribed and paid-in EUR 322,545,915.08
broken down into 330,025,283 ordinary shares
Ravenna Companies Register and tax identification no. 00397420399
Ravenna Chamber of Commerce (REA) no. 88573
Company subject to the direction and control of Coop Adriatica S.c.a.r.l.

ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A. 18 APRIL 2013, 10:00 A.M. IN FIRST CALL AT THE HEADQUARTERS OF IGD SIIQ S.P.A. IN IN BOLOGNA, VIA TRATTATI COMUNITARI EUROPEI 1957-2007 N.13, AND, IN SECOND CALL, ON 19 APRIL 2013, SAME PLACE AND TIME

REPORT OF THE BOARD OF DIRECTORS OF IGD SIIQ S.P.A. FOR THE EXTRAORDINARY ANNUAL GENERAL MEETING

REPORT ON THE SECOND ITEM OF THE AGENDA OF EXTRAORDINARY ANNUAL GENERAL MEETING

Proposal to increase the share capital for cash, pursuant to art. 2441, fourth paragraph, second sentence, of the Italian Civil Code; related and consequent resolutions

Dear Shareholders,

the Board of Directors has called you to an extraordinary general meeting to request your approval of a proposal to increase the share capital, against cash, reserved exclusively for those entitled to receive the 2012 dividend, for a total amount of up to a maximum of €17,866,726, including any premiums (the "**Capital Increase**").

A capital increase equal to a maximum of 10% of the Company's pre-existing share capital will be completed by issuing ordinary shares without a stated par value, with dividend rights, excluding pre-emption rights, pursuant to art. 2441, fourth paragraph, second sentence, of the Italian Civil Code.

1. CAPITAL INCREASE

1.1 Purpose, reason and use of the capital increase

Even this year the Company's Board of Directors proposed that the Ordinary General Meeting approve payment of a dividend of €0.07 per share, for a total of per €22,333,408. For several years now, a number of listed foreign real estate companies have granted their shareholders the right to reinvest their yearly dividends by subscribing to new shares issued as part of a reserved capital increase (referred to as dividend reinvestment plans or flexible dividends in Spain or scrip dividends in France).

The Company, in line with European practices, intends to propose that you approve a capital increase – for a maximum total amount equal to 80% of the total profit distributed to shareholders as a dividend for 2012 – to be reserved exclusively for 2012 dividend recipients who may use the dividends received to subscribe to the new shares issued for the purposes of the capital increase.

The capital increase described above will also make it possible for the Company to strengthen its capital structure. The proceeds from the capital increase will be used by the IGD Group for general business purposes.

1.2 Capital increase formalities

Article 6.3 of corporate bylaws states that "*Pursuant to Article 2441, paragraph 4 of the Italian Civil Code, when a capital increase is carried out it is possible to exclude shareholders' pre-emption rights for up to 10 percent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in a report by the external auditors*."

The Board of Directors believes that it is in line with the above reasoning to propose that the shareholders approve a capital increase pursuant to Art. 6.3 of the bylaws of up to a maximum of 10% of the Company's pre-existing share capital which will be completed by issuing ordinary shares without a stated par value, with dividend rights, excluding pre-emption rights, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code.

Those entitled to receive the 2012 dividend may subscribe to the newly issued shares offered by the Company who will issue non negotiable, non transferable rights.

2. OPERATING PERFORMANCE OF THE COMPANY AND ITS GROUP

The separate financial statements for the year ended on 31 December 2012, approved by Board of Directors on 28 February 2013, show a **net profit** of €10.5 million and an EBIT of €43.2 million which, net of fair value adjustments and the writedowns on work in progress, reaches €66.7 million, a decrease with respect to 2011 explained primarily by the impact of the introduction of IMU.

The IGD Group's **total operating revenue** at 31 December 2012 amounted to €123.3 million, an **increase of 0.3%** with respect to the €122.9 million posted in 2011. This figure reflects the lack of revenue from trading generated in 2011 by the Porta a Mare project. **Core business revenue** reached **€123.3 million, a rise of 1.7%** with respect to the €121.2 million recorded in 2011.

More in detail, rental income at 31 December 2012 was up by 1.9% with respect to 2011, thanks primarily to the impact of the acquisitions made in the prior year which made a full year contribution in 2012; these include the last two floors of the office building where the Group's headquarters are located, the building in via Rizzoli– both in Bologna – and the hypermarkets in Conegliano and Palermo.

Total EBITDA in 2012 amounted to €85.7 million, a decrease of 3.1% versus the €88.5 million posted in the prior year. The IGD Group's core business **EBITDA at** 31 December 2012 amounted to **€85.8 million, a decrease of 2.6%** with respect to the €88.1 million recorded at 31 December 2011.

Direct costs, pertaining to the core business and including personnel expenses, amounted to €27.7 million at 31 December 2012, a rise of 17.9% with respect to the prior year. This increase is explained primarily by the increase in property taxes – IMU, as well as by provisions for doubtful accounts, condominium fees and routine maintenance. These costs represent 22.5% of revenue .

General expenses for the core business, including payroll costs at headquarters, amounted to €9.7 million, in line with the €9.6 million posted at 31 December 2011 and stable as a percentage of revenue at 7.9%.

The **EBITDA margin for the core business** came to 69.6%, down with respect to the prior year when the figure reached 72.71%, due to the more than proportional increase in direct costs with respect to revenue. The IGD Group's EBIT at 31 December 2012 amounted to **€53.4 million, a decrease of 27.3%** with respect to the €73.5 million recorded at 31 December 2011 due to writedowns and the change in the properties' fair value which had a total negative impact of some €30.6 million. The Group's portion of **net profit** at 31 December 2012 amounted to €11**.3 million,** with respect to the €30.1 million posted in 2011. This result reflects the negative impact of the change in the properties' fair value and the increase in financial charges linked primarily to the increased cost of capital. The **Funds from Operations** (FFO) rose from €42.6 million at 31 December 2011 to approximately €35.9 million at 31 December 2012, a drop of 15.7% which is almost entirely attributable to IMU and financial charges.

In 2012 the gearing ratio came in, in fact, at 1.38, unchanged with respect to 31 December 2011; the IGD Group's **net financial debt** at al 31 December 2012 amounted to **€1,089.6 million**, an improvement with respect to the €1,094.4 million posted at 31 December 2011.

The Real Estate Portfolio at 31 December 2012

Based on CB Richard Ellis's and Reag's independent appraisals, the **market value** at 31 December 2012 of the Igd Group's real estate portfolio reached **€1,906.6 million**, largely in line with the €1,904.6 million recorded at 31 December 2011, which reflects the stability of the valuations of the hypermarket segment (+0.15%) and the Romanian portfolio (-0.06%). The mall segment fell by 2.51%. The market value of the IGD Group's portfolio in Italy at 31 December 2012 on a like-for-like basis was €1,576.6, – 1.55% with respect to the prior year, despite the negative change in fair value caused by the introduction of IMU in December 2012, while Romania was basically unchanged (-0.06%).

The separate and consolidated financial statements at 31 December 2012 will be made available by the Company in accordance with the law.

3. UNDERWRITING AND/OR PLACEMENT SYNDICATES; PLACEMENT PROCEDURES

The shares issued will be offered directly by the Company without the involvement of any underwriting and/or placement syndicates.

4. OTHER MEANS OF PLACEMENT

No other forms of placement, other than those referred to above, will be used.

5. CRITERIA FOR DETERMINING THE ISSUE PRICE OF THE SHARES

Based on the proposal being submitted for your approval, the extraordinary Annual General Meeting will determine the criteria that the Board of Directors should use to determine the final issue price of the shares to be offered during a meeting to be held shortly before the beginning of the offer period.

This choice reflects common market practice and the provisions relative to capital increases found in Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code based on which the issue price must "*correspond with the shares' market value*". In light of the time lapse between the approval of the capital increase and its execution it is opportune to determine the issue price based on the stock's market value at the time the capital increase approved is executed. In the event the price were set now there would be a risk that the price would no longer reflect the stock's market value at the time the capital increase is executed.

To obtain support and detailed analyses regarding the best criteria for setting an issue price that corresponds to market value, the Board of Directors called upon *Mediobanca – Banca di Credito Finanziario S.p.A.*, premier financial institution with significant experience in the placement of shares, to act as financial advisor and on *Chiomenti Studio Legale*, to act as legal advisor.

Toward this end, given the lack of similar transactions in Italy, it was deemed opportune to concentrate any market analyses on transactions carried out by European listed companies who have provided their shareholders with the possibility to reinvest all of their dividends in newly issued shares. More in detail, the shares issued by a few French and Spanish companies in connection to dividend reinvestment plans were looked at. In these instances, the price was determined on the basis of the average share price in a period spanning 5 to 20 trading sessions.

Based on the assessments made, it was found that the issue price which would most "*correspond with the shares' market value*" is the most recent price of IGD's shares insofar as this price reflects the value investors attributed to the Company at the time during numerous trading transactions. Given the limited trading volumes of IGD's shares, it was deemed more representative to use the official closing price recorded for 5 – 10 trading sessions days rather than after just a single session.

More in detail, the parameter to be used was determined as the arithmetic average of the official closing price of IGD's stock recorded on the 8 trading sessions prior to the date in which the Board of Directors is to set the above mentioned price.

This price, so determined, will be adjusted as per the market practice based on which the 2012 dividend payment – which is to be made after the Board of Directors has determined the issue price - is to be subtracted and a certain discount applied.

Based on the analysis of similar transactions completed in France, a discount of 10% was applied to the average recorded price; this discount was applied also to mitigate the risk that the price of the stock could drop between the date it was set and the moment in which the shareholder exercises the faculty to request newly issued shares instead of a cash dividend.

In this specific instance, the discount was determined taking into account the stock's volatility, the lapse between the time the price is set and adhesion to the increase, the lack of tax incentives for the reinvestment – which are, conversely, provided under the French and Spanish tax ordinances – as well as market practices relative to placements.

In light of the above, the Board of Directors decided to propose to the shareholders that the price of the newly issued shares should be determined based on the arithmetic average of the official closing price of IGD's stock recorded on the 8 trading sessions prior to the date in which the Board of Directors is to set the above mentioned price, adjusted by (i) subtracting the 2012 dividend payment and (ii) applying a discount of up to a maximum of 10%.

The Board of Directors also deemed it opportune to determine the minimum share issue price proposing to the shareholders that the issue price may not, at any rate, be below €0.61 which corresponds to the arithmetic average of the stock's official closing price recorded in the six month period prior to 28 February 2013 adjusted by subtracting the 2012 dividend payment and applying a discount of 15% and, therefore, theoretically a maximum number of 29,289,715 shares may be issued.

6. SHAREHOLDERS WHO HAVE EXPRESSED INTEREST IN SUBSCRIBING TO THE CAPITAL INCREASE

The transaction submitted to shareholders for approval excludes pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code.

7. PERIOD IN WHICH THE CAPITAL INCREASE IS EXPECTED TO BE EXECUTED

The Company intends to launch the capital increase, subject to approval by the relative authorities, when the 2012 dividend is paid and, at any rate, by 30 September 2013. In the event the capital increase is not totally subscribed by that date, the share capital will be considered increased by the amount of the subscriptions completed by the above mentioned deadline.

8. DIVIDEND RIGHTS

The newly issued shares will bear the same rights as the shares outstanding at the issue date and will grant the right to receive the 2012 dividend.

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Given the above, we submit the following motion for your approval:

Proposal

The extraordinary Annual General Meeting of Immobiliare Grande Distribuzione SIIQ S.p.A.

- having examined the Board of Directors' Report and the proposal included therein;

- having acknowledged the Report issued, pursuant to Art. 2441, fourth paragraph, of the Italian Civil Code, by the external auditors Reconta Ernst & Young S.p.A.;

- having acknowledged the Board of Statutory Auditors' certification that the share capital of €322,545,915.08 (Three hundred twenty-two million five hundred forty five thousand nine hundred and fifteen point zero eight) is entirely subscribed, paid-up and current;

resolves

1) to approve the proposal to increase share capital for cash, in a divisible manner, by a total maximum amount of €17,866,726, including any premium, and, at any rate, by up to 10% of the Company's pre-existing share capital, through the issue of ordinary shares without a stated par value, with dividend rights, excluding pre-emption rights, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be offered exclusively to those entitled to receive the 2012 dividend at a price, including any premiums, equal to the arithmetic average of the official closing price of IGD's stock recorded on the 8 trading sessions prior to the date in which the Board of Directors is to set the above mentioned price adjusted by (i) subtracting the 2012 dividend payment and (ii) applying a discount of up to a maximum of 10%. The subscription price may not, at any rate, be below €0.61 which corresponds to the arithmetic average of the stock's official closing price recorded in the six month period prior to 28 February 2013 adjusted by subtracting the 2012 dividend payment and applying a discount of 15% and, therefore, theoretically a maximum number of 29,289,715 shares may be issued;

2) to grant the Board of Directors the power to define, in accordance with the criteria set by the shareholders, in a meeting to be held just prior to the beginning of the offer period: (i) the issue price of the new shares and (ii) the maximum number of newly issued shares, the amount to be assigned, as well as how the shares are to be assigned to the entitled parties;

3) to determine the deadline by which the capital increase is to be executed as 30 September 2013 and to establish, pursuant to Art. 2441, second paragraph, of the Italian Civil Code., in the event the capital increase is not entirely subscribed, the capital will be considered increased by the amount of the subscriptions completed by the aforementioned deadline;

4) to amend Art. 6 of the corporate bylaws by added a new sixth paragraph, as follows: "*6.6 The extraordinary Annual General Meeting of 18 April 2013 resolved to approve the* proposal to *increase share capital for cash, in a divisible manner, by a total maximum amount of €17,866,726, including any premium, up to 10% of the Company's pre-existing share capital, through the issue of ordinary shares without a stated par value, with dividend rights, excluding pre-emption rights, pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be offered exclusively to those entitled to receive the 2012 dividend at a price, including any premiums, equal to the arithmetic average of the official closing price of IGD's stock recorded on the 8 trading sessions prior to the date in which the Board of Directors is to set the above mentioned price adjusted by (i) subtracting the 2012 dividend payment and (ii) applying a discount of up to a maximum of 10%. The subscription price may not, at any rate, be below €0.61 which corresponds to the arithmetic average of the stock's official closing price recorded in the six month period prior to 28 February 2013 adjusted by subtracting the 2012 dividend payment and applying a discount of 15% and, therefore, theoretically a maximum number of 29,289,715 shares may be issued,. The aforementioned extraordinary Annual General Meeting granted the Board of Directors the power to define, in accordance with the criteria set by the shareholders, in a meeting to be held just prior to the beginning of the offer period: (i) the issue price of the new shares and (ii) the maximum number of newly issued shares, the amount to be assigned, as well as how the shares are to be assigned to the entitled parties. In the event the capital increase is not entirely subscribed by 30 September 2013, the capital will be considered increased by the amount of the subscriptions completed by the aforementioned deadline."*

5) to grant the Board of Directors, in the persons of the Chairman, Vice Chairman, and the Chief Executive Director, including separately amongst themselves, the amplest of powers needed to execute the resolutions above and complete the transaction, including, for example but not exclusively, the power:

(i) to prepare and file all documents required to execute the increase approved, as well as complete all formalities needed to proceed with the subscription of the offer and the listing of the newly issued shares on the stock exchange organized and managed by *Borsa Italiana S.p.A.*, including the power to prepare and file all requests, claims, documents or prospectuses with the relevant authorities deemed necessary or opportune;

(ii) to change the numbers included in Art. 6.5 of the corporate by-laws relating to the capital increase servicing the convertible bond loan *"€230,000,000 3.50 per cent Convertible Bonds due* 2013," approved by the Company on 25 June 2007 and amended on 22 April 2010, in the event any adjustments need to be made to the strike price following completion of the capital increase approved today, to take any actions and/or complete any formalities deemed necessary and/or opportune relating to this adjustment, as well as proceed with the filing of the updated corporate by-laws with the relative Corporate Registrar;

(iii) amend the resolutions approved as deemed necessary and/or opportune, including as per the request of any and all authorities upon filing and, in general, carry out all acts needed to fully execute the resolutions, with any and all powers deemed necessary and opportune toward this end, as well as proceed with the filing of the corporate by-laws, updated to reflect the change in the share capital, with the relative Corporate Registrar.

Bologna, 28 February 2013

On behalf of the Board of Directors

The Chairman

Gilberto Coffari