Annual Report 2015

igd SIIQ
SPACES TO BE LIVED IN

LE PORTE DI NAPOLI

Afragola - Napoli

Opening 1999

Mall extension 2014

Mall GLA sq.m 17,341

Food anchor GLA sq.m 9,800

4,402,591 visitors in 2015

2015 ANNUAL REPORT

IGD, spaces to be lived in

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CENTRO SARCA

Sesto San Giovanni - Milano

Opening 2003

Restyling 2015

Mall GLA sq.m 23,733

3,251,425 visitors in 2015

UNI EN ISO 14001
environmental certification

The IGD Group

01

1.1 Letter to the shareholders

Dear Shareholders,
Your Company closed 2015 with a net profit of €45.6 million, the highest level recorded in the last few years and a considerable increase against the €7.3 million recorded in the prior year. FFO – Funds from Operations rose €10 million against the €35.1 million recorded in 2014 to €45.1 million which demonstrates how the investments made helped to strengthen the cash flow generated by operations. →

Today IGD has what is an extremely significant portfolio of assets, the fair value of which reached €2,082.01 million versus €1,951.21 million at 31.12.2014. During the year the Group's income generating perimeter grew as a result of the inauguration in May of the retail park in Chioggia and the important acquisition, for around €125 million, of the puntadiferro mall in Forlì.

The number of assets was increased while adhering to strict financial policies. In addition to benefiting from the income of approximately €29 million generated by the sale of the via Rizzoli property in Bologna, the Company also succeeded in gathering approximately €50 million on the debt capital markets at the beginning of December through the placement of shares with qualified investors which partially covered the cost of the puntadiferro mall acquisition; a transaction carried out by seizing a window of opportunity offered by the European equity markets that made it possible to further improve financial solidity as demonstrated by the lower gearing (Debt/equity) which went from the 0.95 reported at year-end 2014 to 0.93 at year-end 2015 and the LTV which dropped from 48.3% to 47.3%.

The numbers in the 2015 Annual Report reflect the consistent delivery of the targets included in the Business Plan 2015-2018, as well as the consistency in the management policies implemented over time. The good results found in the income statement are, therefore, the product of strategic choices and not a phenomenon linked to cyclical factors. The operating environment, characterized by improving consumption, undoubtedly allowed IGD to benefit from the tenants' more promising economic situation, while low interest rates fueled compression of property yields and favored a lower cost of debt. What impact would a more positive situation have had, however, without the strategic direction that IGD has taken over time? The choice to invest in maintaining the high quality of the portfolio, to rethink the spaces and the merchandise offered in order to meet the visitors' new needs, put us in a position today to reap the benefits of the improved environment. Similarly, the balanced financial structure achieved by IGD has made it possible to reduce bank debt and go to the market directly, as well as benefit from the narrowing spreads and the interesting Euribor rates.

2015 was characterized by the intense work done on development projects, as well as on restyling and expansion of the pipeline, along with continuous optimization of the existing portfolio: from the opening of the new retail park in Chioggia to extensive restyling of Sarca (which coincided with the Expo in Milan) and Centro Borgo, along with a new approach to marketing, which generated good results in terms of footfalls. Work also continued on the ESP extension in Ravenna. On 23 December the new, innovative multiplex cinema found inside the mall was opened at the La Torre center in Palermo; steps were also taken at the same time to optimize the food court.

The results of the projects completed in 2014 were compelling: in Naples, for example, where the area dedicated to the hypermarket was reduced, the Afragola shopping center found a new lease on life with footfalls up (+18.5%), overall inflows on the rise (+52%) and significant increases in sales (+17%), including for pre-existing tenants. The weight of apparel in the merchandising mix continues to be reduced to give more room to services, with a particular focus on restaurants conceived also as places to

Claudio Albertini and Gilberto Coffari
IGD's CEO and Chairman

enjoy your leisure time.

The results of the initiatives completed over the last few years benefit from the fact that IGD, born a services company with a strong retail culture, was able to fully integrate the asset management activities and extract value from assets as part of a multidisciplinary approach: this means leveraging the ability to understand retail needs to develop new layouts. Toward this end, having a structure in which all the services are found under the same roof helps the Group to make decisions rapidly and to give priority to long-term targets: the choice to invest in maintaining the high quality of the assets over time is key to satisfying current tenants, as well as attract new ones.

The efficacy of the choices made is confirmed by the sales of the brands found in IGD's malls which, in 2015, rose 6.7% overall and by 4.6% on a like-for-like perimeter basis, as well as by the footfalls which increased by 1.6%. The positive impact was generalized: all categories reported higher revenue. The increase in tenant sales did not automatically result in increased rent: IGD, in fact, decided to implement a balanced commercial policy by reducing the discounts granted in the past and favoring a good rate of occupancy which proved to be a winning strategy as demonstrated by the 96.9% occupancy of the Italian portfolio.

Income from core real estate activities and rents, which rose 4.7%, reflect, in addition to the gradual decrease in temporary discounts, the positive impact of the changes in the portfolio with the inauguration of the Clodì Retail Park in May 2015, the extensions and restyling completed in the year, as well as the full contribution of the "core" assets acquired in 2014 and piastra Mazzini in Livorno, while the contribution of the puntadiferro mall was minimal as it was only consolidated for 15 days, beginning 16 December 2015. In 2015 the revenue generating perimeter changed as a result of the sale in May of the property on via Rizzoli, in the historic heart of Bologna.

Core business EBITDA, a key indicator for the assessment of IGD's operating performance, increased more than revenue, rising 6.9% against the prior year to €84.75 million; consequently the core business EBITDA rose from the 65.8% posted in 2014 to 67.3%: the push provided by the top line of the income statement was accompanied by a favorable change in operating costs linked to an overall drop in rents payable thanks also to the Città delle Stelle center which was reclassified as a freehold asset for the entire year.

2015 marked a net change with respect to the last few years including in terms of fair value adjustments. The positive balance of €1.5 million (versus -€23.1 million in 2014) allows us to appreciate the costs incurred to maintain the assets' high quality.

The Group's net profit came to €45.64 million in 2015: the increase of approximately €38 million against 2014 reflects, in addition to the contribution made by an EBIT that was up by around €30 million, the €5.4 million decrease in net financial expense linked to the lower amount of net financial debt recorded in the period, along with the lower cost of debt which fell from the 4.03% recorded at year-end 2014 to 3.67% at year-end 2015. The swap, completed in April, of two prior bond issues (with coupon rates of 4.335% and 3.875%, respectively) for a new senior issue, coupon rate 2.65%, also made it possible to extend the debt's maturity to a more favorable period of the year at historically low rates: a benefit which was reflected in the Interest Cover Ratio which rose from the 1.77x posted year-end 2014 to 2.15x. The breakdown of IGD's debt at 31 December 2015 IGD points to a good balance between bank debt (56.3% of total debt) and funds raised on the debt capital markets (bonds represent the remaining 43.7%).

The operations in Romania are worthy of mention. 2015 marked the conclusion of the previous four-year investment plan, half of which was dedicated to the renewal of properties and the other half to the introduction of retail anchors (mainly H&M stores and Carrefour mini-markets). The fact that the trend in revenue generated by real estate activities and rent was inverted in 2015 (+4.2%) and the financial occupancy reached 93.9% versus 86.4% at 31/12/2014 confirms the validity of the investments made. In a market environment which for three straight quarters has shown signs that consumption is improving, tenants have started to look once again for properties in strategic locations: Winmarkt offers unique locations in the historic hearts of different cities.

The 8.7% increase in the NAV also provided a positive note, as did the EPRA Triple Net Asset Value per share which rose from the €1.15 posted at year-end 2014 to €1.25 at year-end 2015, testimony to the value created in the year.

The solidity indicated by the 2015 economic-financial fundamentals led the Board of Directors to propose a dividend of €0.04 which, based on the price recorded year-end 2015, corresponds to a yield of 4.5%. In 2014 IGD paid a dividend of €0.0375 per share which, adjusted to reflect the issue of new shares linked to December's capital increase reaches €0.035: the increase in the dividend against the prior year, therefore, amounts to 14.3%.

The examination of the 2015 results allows us to look ahead to the projects in the pipeline with confidence. 2016 promises, in fact, to be an intense year in terms of investments: the shopping center in Grossetto, where pre-letting has already guaranteed the presence of attractive brands, is expected to be opened in the second half. Work will also continue on the three different extensions – ESP (opening 2017), Porto Grande (2017) and Gran Rondò (2018) – as well as the requalification of the former navy boatyard Orlando in Livorno, with new retail spaces at Officine Storiche (2018).

Our attention will not be limited to the investments in the pipeline. IGD, a go to player in the Italian retail sector, will, in fact, be able to assume a proactive role in stimulating new growth opportunities, be it through partnerships, aggregations or acquisitions and the management of new assets, including in light of the new interest held by our main shareholder, Coop Alleanza 3.0. Our share capital is, in fact, held 40.9% by the largest retail and consumer cooperative, present throughout Italy, formed on 1 January 2016 as a result of the merger of Coop Adriatica, Coop Estense and Coop Consumatori Nordest.

We also updated our Governance in 2015: the number of members comprising the new Board, in office since last April, was lowered to 13, 7 of which independent, in addition to the member appointed by Quantum Strategic Partners, a minority shareholder holding 5.4% of the capital. The discussions of the Board and the different Board committees are very qualified and characterized by the active and productive participation of all the Board members.

In 2016 we will maintain our commitment to sharing our targets and results with the financial community in order to ensure that IGD's stock is valued correctly. Investor Relations' activities were particularly intense in the year, with roadshows in 9 cities in 8 different countries (in Europe and the United States) and meetings with approximately 130 investors were held.

The factors we looked at initially indicate that an investment in IGD's stock may have certain benefits: exposure to the Italian market where consumption is expected to recover; a business model with highly visible revenue given the characteristics of the long-term lease agreements; a lean cost structure and a cost of debt that is decreasing as the monetary policies of the ECB are expected to continue to be accommodative; the low interest rates are also favorable to a further compression in property yields.

We will, therefore, propose our equity story to those who are focused on NAV given the discount at which our stock is trading with respect to its NAV, as well as peers. We will, on the other hand, seek to attract investors interested in performance indicators and profits fueled by revenue growth, by portfolio optimization and a balanced financial structure which, thanks to lower financial expense, helps to ensure that improvements in EBITDA are reflected in the bottom line. IGD's returns, furthermore, are a function of a very attractive and visible dividend which may appear even more attractive in the context of a real economy that is just beginning to recover and in light of the limited returns provided by a large part of the other financial assets.

The Chairman
Gilberto Coffari

The Chief Executive Officer
Claudio Albertini

CENTRO COMMERCIALE
XXXXXXXX

XXXXXXX - ZZZZZZZ

Apertura XXXXXXX
GLA galleria mq XXXXXX
GLA ancora alimentare mq XXXX

xxxxxxxxx visitatori nel 2013

1.2 Corporate and Supervisory Bodies

Board of Directors

GILBERTO COFFARI
Chairman
Executive
Chairman's Committee

FERNANDO PELLEGRINI
Vice Chairman
Non executive
Chairman's Committee

CLAUDIO ALBERTINI
Chief Executive Officer
Executive
Chairman's Committee

ELIO GASPERONI
Director
Non executive
Chairman's Committee

ARISTIDE CANOSANI
Director
Non executive

LEONARDO CAPORIONI
Director
Non executive

LUCA DONDI DALL'OROLOGIO
Director
Independent

LENTZ MATTHEW DAVID
Director
Independent
Related Party transactions Committee

ELISABETTA GUALANDRI
Director
Independent
Compensation and Nominations Committee
Control and Risk Committee

MILVA CARLETTI
Director
Independent
Compensation and Nominations Committee

ROSSELLA SAONCELLA
Director
Independent
Related Party transactions Committee
Control and Risk Committee

ANDREA PARENTI
Director
Independent
Compensation and Nominations Committee
Related Party transactions Committee

LIVIA SALVINI
Director
Independent
Control and Risk Committee

Board of Statutory Auditors

ANNA MARIA ALLIEVI
Chairman
Standing

ROBERTO CHIUSOLI
Auditor
Standing

PASQUINA CORSI
Auditor
Standing

PIERLUIGI BRANDOLINI
Auditor
Alternate

ISABELLA LANDI
Auditor
Alternate

ANDREA BONECHI
Auditor
Alternate

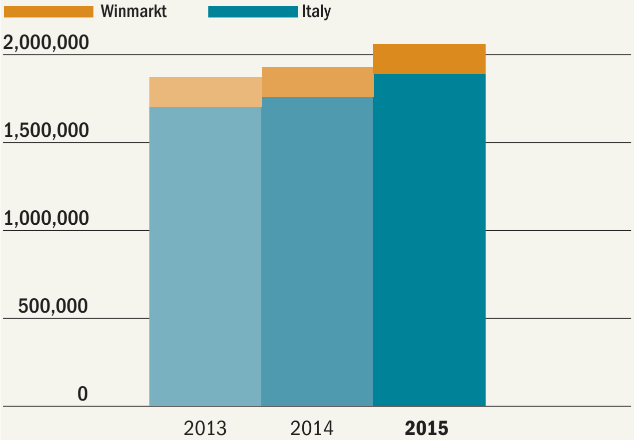
External Auditors
PRICEWATERHOUSECOOPERS S.P.A.

Financial Reporting Officer
GRAZIA MARGHERITA PIOLANTI

For more information refer to Chapter 3.
REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE.

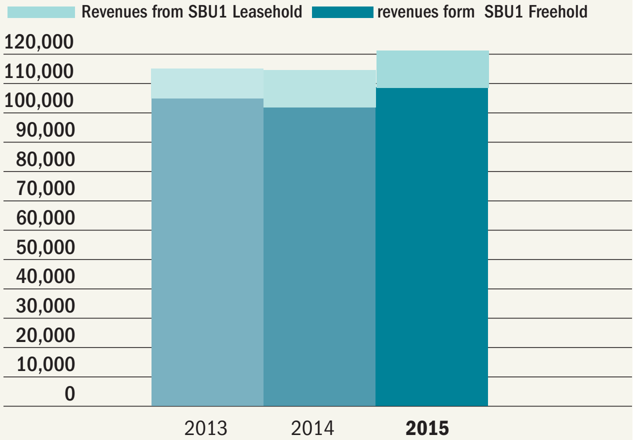
1.3 Highlights

Market Value



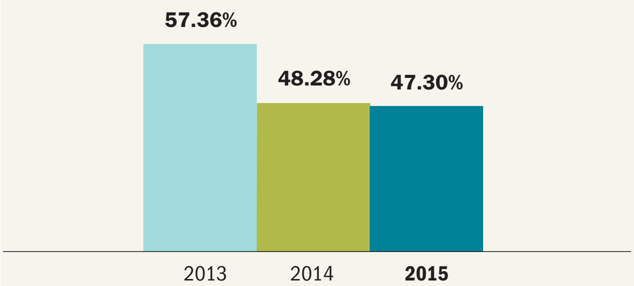
€2,082.01 million

Core business Rental Activities



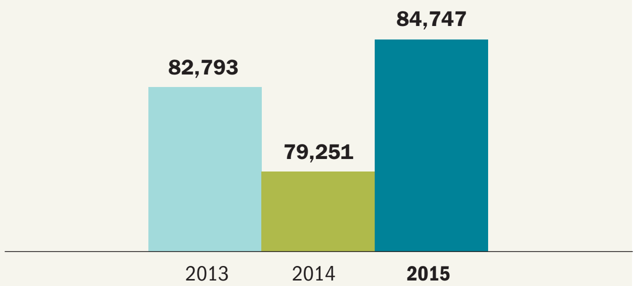
€120,789.00 million

Loan to value



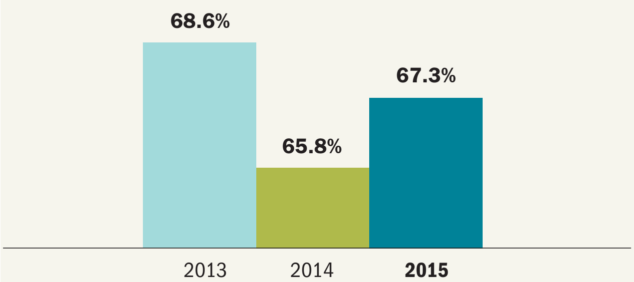
47.3%

Core Business EBITDA



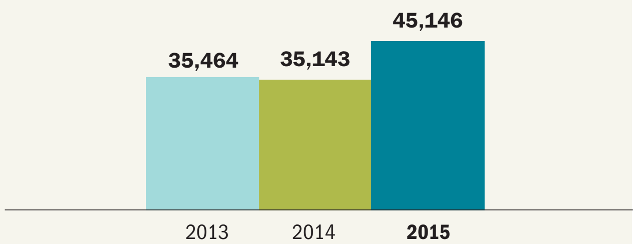
€84.747 million

Core Business EBITDA Margin



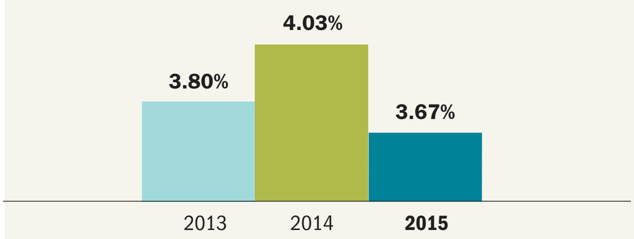
67.3%

Core business FFO



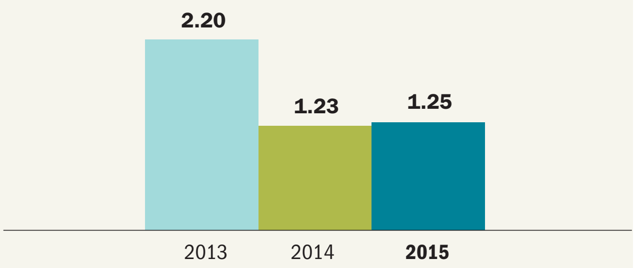
€45.146 million

Adjusted average cost of debt



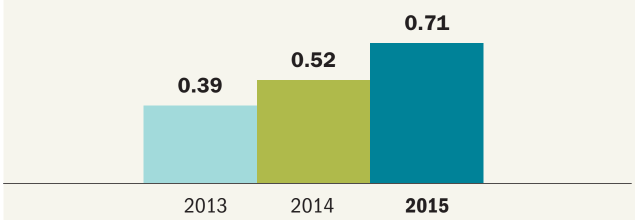
3.67%

Epra NNNav per share



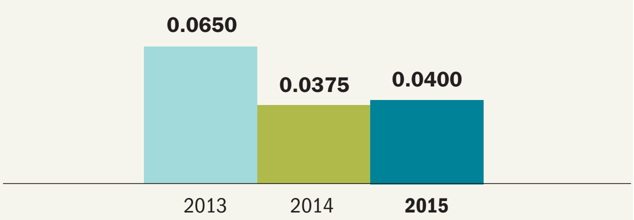
€1.25

Share price/Epra NNNAV



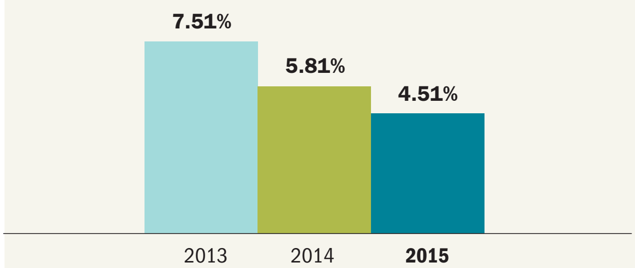
€0.71

Dividend



€0.04

Dividend yield



4.51%

PIAZZA MAZZINI

Porta a Mare - Livorno

Opening 2014

GLA sq.m 7,523

(30 stores and 2 anchors)

Directors' Report

Dear Shareholders,

The directors' report that follows combines the reports to the consolidated financial statements and the financial statements of the Parent Company Immobiliare Grande Distribuzione SIIQ S.p.A., to avoid the repetition that would result by providing two separate documents. The consolidated financial statements at 31 December 2015 of Gruppo Immobiliare Grande Distribuzione SIIQ S.p.A. (IGD SIIQ S.p.A or IGD for short), including this report and the notes to the financial statements, consolidate the balance sheets and income statements of IGD SIIQ SpA and other Group companies as listed in the paragraph related to the scope of consolidation.

Alternative Performance Indicators

This report contains alternative performance indicators with respect to the conventional indicators required of audited financial statements, which comply with IAS/IFRS. The alternative performance indicators do stem from financial statements prepared on an IAS/IFRS-compliant basis, but have also been calculated using other sources or alternative methods, where clearly specified. These may not comply with the accounting standards required of audited financial statements and may not consider the accounting, recognition and measurement requirements associated with such standards. The indicators deemed significant for the reading of the Group's financial statements include EBITDA, FFO and EBIT the calculations of which are described in the Glossary.

02

2.1 The IGD Group

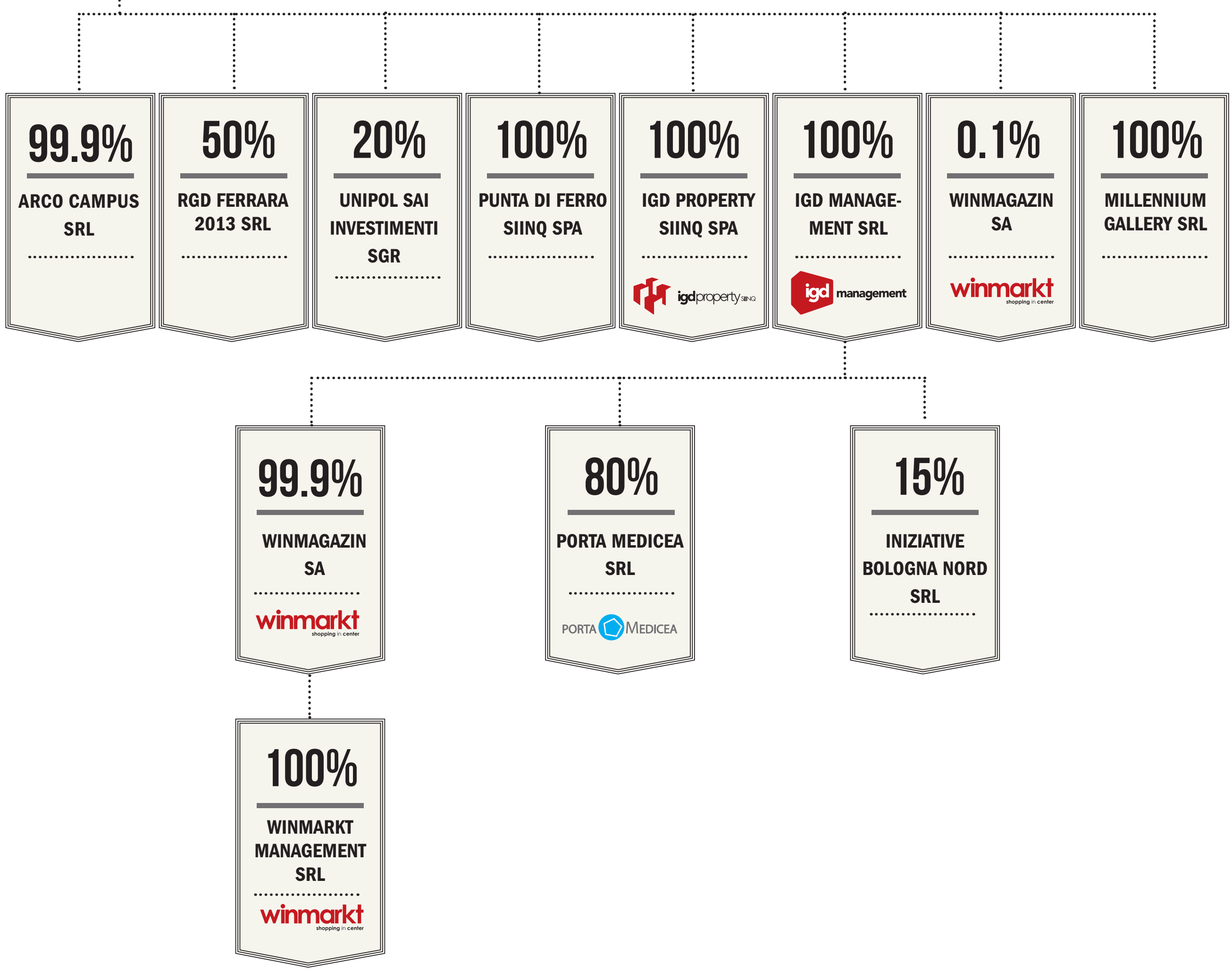
IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008. As of 1 January 2016 there are now three SIIQ's in Italy, but IGD is the only one focused on the retail segment.
The Group operates primarily in Italy, but is also present in Romania where it owns the Winmarkt chain of department stores through the subsidiary WinMagazin SA. IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy. At 31 December 2015, the Parent Company IGD SIIQ SpA also controls:

- 100% of **IGD Management srl** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ's scope of consolidation:
- 99.9% of **WinMagazine SA,** the Romanian subsidiary, through which it controls 100% of **WinMarkt Management srl,** the company responsible for the team of Romanian managers;
    - 80% of **Porta Medicea srl,** responsible for the requalification and real estate development project of Livorno's waterfront;
    - 15% of **Iniziative Bologna Nord srl,** a real estate development company (being liquidated);
    - management of the leasehold properties (Centro Nova and Centro Piave);
    - service activities which include mandates for the management of freehold and leasehold properties.
- 100% of **IGD Property SIINQ SpA,** a real estate company formed on 13 December 2012;
- 100% of **Punta di Ferro SIINQ SpA,** a real estate investment company responsible for the "puntadiferro" mall in Forlì, acquired on 16 December 2015;
- 100% of **Millennium Gallery srl,** responsible for the Rovereto shopping mall and a business division in the shopping center in Crema;
- 99.9% di **Arco Campus srl,** company dedicated to the construction, leasing and management of properties used for sports, in addition to the development and dissemination of sports;
- 50% of **RGD Ferrara 2013 srl,** dedicated to the management of a business unit in the Darsena City Shopping Center in Ferrara;
- 20% of **UnipolSai Investimenti SGR S.p.A.,** which manages closed-end real estate investment funds reserved for qualified investors (interest acquired on 28 January 2015).

IGD GROUP HEADQUARTERS
Bologna

UNI EN ISO 14001
environmental certification

THE GROUP'S STRUCTURE



The IGD Group's operations can be broken down in to three distinct divisions, each of which reports to a specific division head.

PROPERTY MANAGEMENT AND DEVELOPMENT

SALES, MARKETING AND NETWORK MANAGEMENT

ROMANIA

The three division heads report to the Chief Operating Officer.

CENTRO BORGO
Bologna
Opening 1989
Restyling 2015
Mall GLA sq.m 7,043
Food anchor GLA sq.m 11,480

2,332,548 visitors in 2015

WINMARKT PLOIESTI
Ploiesti - Romania
Restyling 2014
GLA sq.m 16,176

5,928,466 visitors in 2015

Our activities

Property management and leasing

The property management and leasing of all the Group's freehold properties, as well as of some third party assets, represents IGD's core business. The main objective is to enhance the long term value of the portfolio through three distinct activities:

1.
the purchase and leasing of real estate, both existing properties and new initiatives, in which case IGD may also get involved in development;

2.
the optimization of property yields through commercial policies and marketing initiatives which, by maintaining the shopping center's appeal, guarantee a steady flow of traffic: key to maintaining a high rate of occupancy. The commercial activities are closely intertwined with asset management which includes routine and extraordinary maintenance, as well as restyling and extensions;

3.
asset rotation through the disposal of freehold assets.

Services

IGD is also involved in a number of activities related to services which typically include Facility Management, namely the coordination and supervision of the activities deemed essential to the operation of a shopping center (security, cleaning and routine maintenance) and marketing. This category also includes the revenue generated by Agency Management and Pilotage which are carried out in order to promote newly opened, expanded or restyled centers.

Contract management

In Italy at the end of 2015 IGD had 1,131 leases with a total of 645 retailers. During the year the Company signed 151 new leases explained for 80 by renewals and the remaining 71 by turnover.
In Romania at the end of 2015 WinMagazin SA had 558 contracts. During the year 181 new leases were executed, in addition to 285 renewals.
The client portfolio risk is limited: the ten largest tenants represent only 21.2% of IGD's total rental income from malls in Italy and 28.4% in Romania. IGD's brand portfolio reflects a very international merchandise mix: in the Italian malls, international brands account for 16% of the total, while in Romania the percentage is even higher at 32%.

The Marketing Plan

The marketing activities carried out by IGD in 2015 were in line with the previous year and focused on increasing the contribution made by each shopping center, advertising agency and IGD's marketing department to the decision making process.

The drive to increase innovation also continued with an ever greater use of the potential offered by digital channels.

The philosophy "Spaces to be lived in", which guides the entire Marketing Plan, was reflected in the concept of "living well" and the full calendar of events linked to the environment, sport, proper eating habits and wellbeing, in general.

Content Management projects were developed in a few centers through experiential initiatives that were followed on social media.

The increasing integration of the sustainability targets in IGD's business plan resulted in exhibits that focused on artistic journeys in order to enhance the artistic resources of each region.

More of the events which have proven to be effective in supporting the flow of traffic at the shopping centers were held: not just the contests and extra point campaigns, but also events involving specific communities and initiatives that were well received by customers in the past (relating, for example, to looking for a job and cancer prevention).

The need to concentrate marketing resources based on the shoppers' and tenants' needs drove the implementation of targeted surveys.

Event Satisfaction surveys were conducted both directly and indirectly through the use of online contests.

Two Tenant Satisfaction surveys were completed in 2015 at the Le Maioliche center in Faenza and the Casilino center in Rome. One of the strongpoints that emerged from the survey was the positive relationship with IGD thanks to the professionalism and openness shown to the retailers.

As for innovation, IGD is committed to developing a web strategy that is shared by all the shopping centers, focused on social media. The paper announcements used in the malls will ultimately be replaced with digital totems which will also make it easier to manage contests and earn points.

The marketing activities helped to increase footfalls which in 2015 reached 62 million in IGD's Italian centers, an increase of 1.6% against 2014.

Footfalls in Romania reached 30.5 million in 2015 (+2.2%).

1

+1.6%

FOOTFALLS IN ITALY IN 2015

+2.2%

FOOTFALLS IN ROMANIA IN 2015

1. Event with a web star at Katanè Shopping Center (Catania)
2. Live music show at Katanè Shopping Center (Catania)
3. Territorial dance event at Centrosarca (Milan)
4. Live music show at Le porte di Napoli Shopping Center (Napoli)
5. Sport event in partnership with Coni (Italian National Olympic Committee) at Gran Rondò Shopping Center (Cremona)


2

3


4


5

Mission

IGD's mission is to create value for all its stakeholders: shareholders and financial backers, employees, customers, local communities, retailers, as well as suppliers. We believe this is possible through sustainable growth.

Vision

IGD has always been focused on the retail segment of the Italian real estate market as the Company believes that this business can offer interesting returns as long as the management works to extract value and enhance assets with a view to the long-term.

IGD's real estate portfolio is found throughout Italy in order to take advantage of the relatively homogeneous regional distribution of families' disposable income.

The typical IGD shopping center has a food anchor which helps to attract traffic all week long and promote customer loyalty which, in turn, benefits the retailers in the mall. IGD's shopping centers are located near urban centers, easy to reach, as well as strongly positioned in primary catchment areas.

IGD owns 25 hypermarkets, the majority of which are held along with the relative malls. This format provides substantial advantages: being the location's only operator makes it possible for IGD to optimize both retail and asset management thanks to greater flexibility in terms of finding the most effective way to combine the areas dedicated to the food anchor and the mall.

The IGD SIIQ Group's asset class Shopping Malls can be broken down into 3 distinct categories, based on size and the number of stores:

- **3** large centers where the number of stores in the mall ranges from between **80** and **120:** CentroSarca (Milan), Tiburtino (Rome), Puntadiferro (Forlì);
- **9** centers where the malls have between **40** and **79** stores: this group includes a few locations which, while smaller, are well positioned in their catchment areas, like Katanè (Catania), Coné (Conegliano Veneto), Centro d'Abruzzo (Chieti), Le Porte di Napoli (Naples) and ESP (Ravenna), which is being expanded and once the extension is complete the mall will house around 90 shops and midsize stores;
- **9** centers where the malls have fewer than **40** stores of which the standouts include the centers Borgo (Bologna), Porto Grande (Ascoli Piceno) and Gran Rondò (CREMA). IGD has planned extensions of the malls found in the last two centers listed.

IGD faced and addressed the lengthy consumer crisis that persisted in Italy by leveraging on the valid format of its centers which the Company was able to rethink over time and adjust in order to meet the changing needs of tenants, as well as consumers.

Strategic guidelines

1

IGD's updated strategic guidelines were presented to the financial community on 8 May 2015 when the Board of Directors approved the Business Plan 2015-2018.

The objective underlying the steps outlined in the Plan is to confirm IGD as the leader of Italy's retail property market based on a strategic approach that focuses on four different operational areas: **commercial, asset management, finance and sustainability.**

IGD is committed to the continuous renewal of its **commercial** offering in order to respond effectively to changing consumer trends. This continuous revamping of the merchandise mix has changed the weight of the food anchor with respect to the past and resulted in the introduction of new international brands and, lastly, the integration of personal services.

As for **Asset Management,** the Plan provides for the restyling of shopping center interiors based on the needs of the new anchor brands. In this new environment, restyling of the prime centers has become essential to protecting strong positioning over time. At the same time, extensions are key to the ability to express a commercial offering that naturally embraces shopping, personal services and leisure time as a function of consumer demand.

The ability to manage extraordinary and routine maintenance with a view to maximizing the energy efficiency of the properties is also of fundamental importance, not only in order to limit overhead, but also in order to include tenants that adhere to precise environmental standards. Limiting energy costs also supports the sustainability of tenants in the shopping centers.

IGD is committed to completing a series of investment projects that are now included in its pipeline. In May 2015, when the Business Plan 2015-2018 was presented, the Company announced that the financial solidity achieved would make it possible to take advantage of an opportunity to add a new asset to its portfolio. In December 2015 the mall in the puntadiferro center in Forlì was, in fact, purchased.

As for **Finance**, the strategy aims to maintain rigorous financial discipline and a conservative debt structure. IGD will work to further reduce the cost of debt over the time horizon of the plan and seek to obtain a rating from a primary rating agency.

With regard, lastly, to **Sustainability** IGD has identified quantitative/qualitative targets for each of the topics that emerged during the materiality analysis, namely:

- Integrity in business and management;
- quality and efficiency of the shopping centers;
- a changing context;
- the concept of "Spaces to be lived in";
- people.

Moving forward with the investment plan, in accordance with the standards of financial discipline adopted and accompanied by a reduction in financial expense, will make it possible for the Company to increase FFO over time while, consequently, increasing visibility of the dividend payout.

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1. 2014 Sustainability Report
2. Centrosarca restyling (Milano)
3. Restyling of the mallo f Le porte di Napoli Shopping Center (Napoli)
4/5. New format of corner at Centro Borgo (Bologna) and Le porte di Napoli (Napoli)

2.2 Performance in 2015

2.2.1 Income statement review

2015 was a year of intense activity for the IGD Group: in terms of operations and asset management of note is the inauguration of the new Clodì retail park in Chioggia (VE) in May (the retail park comprises a mall and a hypermarket); restyling was also completed at two of the Group's important centers, namely Centro Sarca in Milan and Centro Borgo in Bologna (in both instances extensive work was done on both the exteriors and interiors of the centers), as was the remodeling of the La Torre Shopping Center in Palermo (with the introduction of a multi-screen cinema and optimization of the food court); of note, lastly, was the sale in May of the real estate complex on Via Rizzoli, in the historic heart of Bologna, for approximately €29 million (about 6% higher than the asset's book value at 30 June 2014).

The purchase by IGD at the end of December of the Puntadiferro mall in Forlì through a vehicle company for €125 million was also of great strategic importance. The performance of this 97 unit mall which recorded almost 5 million footfalls in 2015, has an occupancy of 100%, as well as an excellent tenant and merchandising mix, guaranteed by the presence, among other tenants, of primary international retailers, is extremely significant for the Group. The mall is also located in an area that is strategic as the Group owns and manages several shopping centers in nearby cities.

In terms of the global market conditions, the Italian economy returned to positive territory in 2015: the second phase during which GDP shrunk considerably (beginning mid-2011 and ending in 2014), was followed by a slow and gradual recovery, already underway in the first quarter of the year, based on which initial estimates point to a rise in GDP for 2015 of +0.8%[1]. The progressive weakening in exports, which drove economic activity in the last few years, was offset mainly by contributions from increased internal demand linked, in particular, to higher family spending and inventory replenishment[2]. Family spending was particularly encouraging, rising consistently since 2014 (+0.4% in third quarter 2015[3]) sustained by higher disposable income and a general improvement in consumer confidence which in January 2016 reached the highest level since recording of the statistic began in 1995[4], which indicates that this trend should continue in the coming months.

The results posted by IGD's Italian malls were in line with the positive trend in consumption, with growth against 2014 posted in terms of both footfalls (+1.6%) and sales which rose +6.7% (+4.6% excluding mall extensions) versus a domestic increase of +0.6%[5] in non-food retail sales.

Inflation, on the other hand, continued to slow for the third year in a row falling from the +0.2% posted in 2014 to +0.1% in 2015[6], due primarily to the drop in oil prices and energy costs.

All of these factors influenced the rental income generated by the Italian perimeter which was up +4.8% (Like-for-like +0.3%) at 31 December 2015 and if the prospects for growth are confirmed we expect to see noticeable improvement in the 2016 results. Average occupancy for the Italian portfolio improved, coming in at 96.9%.

Economic growth in Romania beat expectations with the 2015 GDP expected to come in at 3.6% followed by further growth in the next year[7]. The main growth driver was private consumption pushed by greater consumer confidence and propensity to consume. This trend, along with the extensive restyling and updating of the Romanian malls carried out by IGD in terms of both structures and merchandising mix, caused footfalls to rise 2.2% against 2014. The occupancy rate rose from the 86.4% reported in 2014 to 93.9% in 2015. This, along with the pre-letting and marketing activities, resulted in a substantial increase in rental income which rose +4.2% against 2014 (Like-for-like +6.1%).

In 2015 the conditions of financial markets improved: more specifically the Italian market benefitted from the European Central Bank's quantitative easing, as well as renewed confidence in the country and its businesses. The Group, therefore, decided to take advantage of these favorable market conditions and proposed a bond swap (a new bond with a coupon of 2.65%, maturing in 2022 was offered in

1 Source: Istat – GDP and debt, March 2016
2 Source: Bank of Italy – Economic Bulletin 1/2016
3 Source: Bank of Italy – Economic Bulletin 1/2016
4 Source: Istat – Business and consumer confidence, January 2016
5 Source: Istat – Non-food retail sales prices, January 2016
6 Source: Istat – Consumer prices, December 2015
7 Source: European Commission – European Economic Winter Forecast, February 2016 and Reiffeisen Research, December 2015

exchange for two prior bond issues with coupons of 4.335% and 3.875% and maturing in 2017 and 2019, respectively), while the Group's solid credit profile was reflected in a short term cost of debt of 0.33%. IGD's average cost of debt, therefore, fell from the 4.03% reported in 2014 to 3.67% in 2015.
In terms of equity transactions, given the sizeable capital increase completed successfully in 2014 and as announced to the market, the Dividend Reinvestment Option was not offered in 2015; the acquisition, however, of the Punta di Ferro mall completed in December was partially financed by the shares placed as a result of the Accelerated Book Building completed in December 2015 which allowed the Group to quickly gather additional funds of around €50 million, testimony to the good reputation that IGD has with institutional investors.

As will be explained in greater detail below, the positive results above, along with the increase in fair value, resulted in a net profit of €45.6 million, an increase of more than €38 million against the prior year explained primarily by the core business; the increase in FFO, +28.5%, is even more significant.

The consolidated operating income statement is shown below:

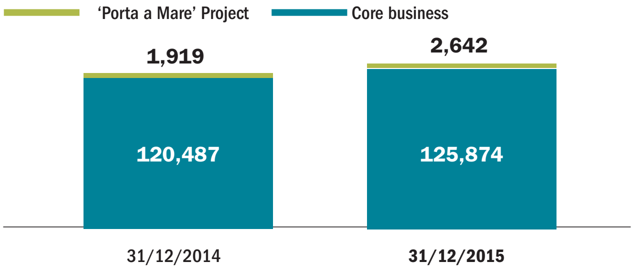
CONSOLIDATED INCOME STATEMENT (€/000)	CONSOLIDATED			CORE BUSINESS			'PORTA A MARE' PROJECT		
	31/12/14	31/12/15	Δ%	31/12/14	31/12/15	Δ%	31/12/14	31/12/15	Δ%
Revenues from freehold real estate and rental activities	102,907	108,865	5.8%	102,633	108,512	5.7%	274	353	28.9%
Revenues from leasehold real estate and rental activities	12,713	12,277	(3.4)%	12,713	12,277	(3.4)%	0	0	n.a.
Total revenues from real estate and rental activities	**115,620**	**121,142**	**4.8%**	**115,346**	**120,789**	**4.7%**	**274**	**353**	**28.9%**
Revenues from services	5,141	5,085	(1.1)%	5,141	5,085	(1.1)%	0	0	n.a.
Revenues from trading	1,645	2,289	39.1%	0	0	n.a.	1,645	2,289	39.1%
OPERATING REVENUES	**122,406**	**128,516**	**5.0%**	**120,487**	**125,874**	**4.5%**	**1,919**	**2,642**	**37.7%**
COST OF SALES AND OTHER COSTS	**(1,361)**	**(2,181)**	**60.2%**	**0**	**0**	**n.a.**	**(1,361)**	**(2,181)**	**60.2%**
Rents and payable leases	(11,068)	(10,068)	(9.0)%	(11,068)	(10,068)	(9.0)%	0	0	n.a.
Personnel expenses	(3,619)	(3,771)	4.2%	(3,619)	(3,771)	4.2%	0	0	n.a.
Direct costs	(16,775)	(17,021)	1.5%	(16,409)	(16,641)	1.4%	(366)	(380)	3.8%
DIRECT COSTS	**(31,462)**	**(30,860)**	**(1.9)%**	**(31,096)**	**(30,480)**	**(2.0)%**	**(366)**	**(380)**	**3.8%**
GROSS MARGIN	**89,583**	**95,475**	**6.6%**	**89,391**	**95,393**	**6.7%**	**192**	**82**	**(57.4)%**
Headquarters personnel	(6,096)	(6,208)	1.8%	(5,991)	(6,134)	2.4%	(105)	(74)	(29.9)%
G&A Expenses	(4,673)	(4,898)	4.8%	(4,150)	(4,512)	8.7%	(523)	(386)	(26.1)%
G&A EXPENSES	**(10,769)**	**(11,106)**	**3.1%**	**(10,141)**	**(10,646)**	**5.0%**	**(628)**	**(460)**	**(26.8)%**
EBITDA	**78,814**	**84,369**	**7.0%**	**79,251**	**84,747**	**6.9%**	**(437)**	**(378)**	**(13.5)%**
Ebitda Margin	***64.4%***	***65.6%***		***65.8%***	***67.3%***				
Other provisions	(125)	(411)	n.a.						
Impairment and Fair Value adjusment	(23,101)	1,538	n.a.						
Depreciations	(1,414)	(1,264)	(10.6)%						
DEPRECIATIONS AND IMPAIRMENTS	**(24,640)**	**(137)**	**(99.4)%**						
EBIT	**54,174**	**84,232**	**55.5%**						
FINANCIAL MANAGEMENT	**(44,792)**	**(39,392)**	**(12.1)%**						
EXTRAORDINARY MANAGEMENT	**(16)**	**50**	**n.a.**						
PRE-TAX INCOME	**9,366**	**44,890**	**n.a.**						
Taxes	(2,317)	310	n.a.						
NET PROFIT FOR THE PERIOD	**7,049**	**45,200**	**n.a.**						
(Profit)/Loss for the period related to third parties	253	439	73.7%						
GROUP NET PROFIT	**7,302**	**45,639**	**n.a.**						

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to the information provided for each operating segment). Payroll costs include ancillary expenses.

→ Revenue

Consolidated operating revenue amounted to €128,516 thousand, an increase of 5.0% against the same period of the prior year. The core business revenue reached €125,874 thousand; as for the Porta a Mare project, the rental of offices at Palazzo Orlando generated revenue of €353 thousand while revenue from trading amounted to €2,289 thousand.

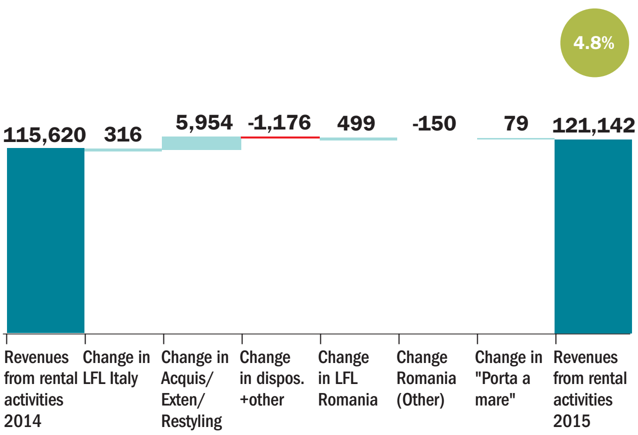
TOTAL REVENUES



The breakdown of revenue is described below:

The revenue from the rental business rose 4.8% against the same period 2014.

GROWTH OF RENTAL INCOME



The increase of €5,522 thousand is explained:

- for +€316 thousand, by like-for-like revenue net of the planned or strategic vacancies and non-recurring revenue posted in 2014 (indemnities recognized under "Other"). Malls were up (0.4%), while hypermarkets were in line with the prior year. 151 leases were renewed and renegotiated in the year at conditions in line with the previous ones;
- for €5,954 thousand, by the expanded perimeter which comprises, relative to 2014, the Centro d'Abruzzo extension, the remodeled Le Porte di Napoli, the opening of Piazza Mazzini, and assets acquired post-capital increase, as well as the opening of the Clodì Retail Park and the acquisition of the Punta di Ferro mall completed in May 2015 and mid-December 2015, respectively;
- for -€1,176 thousand, by the disposal of City Center Rizzoli at the end of May 2015, along with the drop in revenue linked primarily to like-for-like strategic vacancies (vacant spaces which have already been pre-let where work on new layouts is underway), by non-recurring revenue linked to indemnities paid in 2014 and other minor changes in Darsena;
- for +€499 thousand, by an increase in like-for-like revenue in Romania (+6.1%) linked to pre-letting completed in the period (occupancy up 7.5 percentage points) and leases renegotiated in the period (average upside of 3.7%). The vacancies needed to proceed with the investment plan and other changes, rather, had a negative impact of €150 thousand;
- for +€79 thousand, by an increase in the rental income generated by the Porta a Mare project following the rental of office units.

Revenue from services fell slightly (-1.1% or approximately €56 thousand) against 2014. Most of this revenue comes from the facility management business which amounted to €4.7 million, an increase of 2.8% linked primarily to the new Chioggia management mandate (May 2015), the Centro d'Abruzzo extension and Piazza Mazzini. The decrease is, therefore, almost entirely attributable to the decline in revenue from Pilotage (of around €250 thousand) due primarily to the comparison with last year when most of the work relating to the Centro d'Abruzzo extension was done.

Revenue from trading generated by the Porta a Mare project amounted to €2,289 thousand and reflects the sale of 7 residential units and appurtenances versus 5 residential units and appurtenances in the prior year.

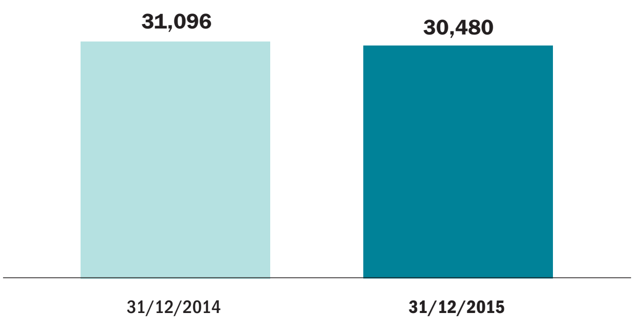
→ Cost of goods sold and other expenses

"Cost of goods sold and other expenses", which amounted to €2,181 thousand, refers to the cost of the units sold of €2,133 thousand and accessory sales costs of €48 thousand.

→ Direct Costs

Direct costs, pertaining to the core business and including personnel expenses, amounted to €30,480 thousand, an increase of 2% with respect to the same period of the prior year. This change reflects noticeable savings in rents payable (of around €1,000 thousand or 9%) following the purchase in October 2014 of the Città delle Stelle mall which was previously held as a beneficial interest, as well as a decrease in provisions, pilotage costs and maintenance. A few direct costs also rose a result of the expanded perimeter: namely property tax (IMU), condominium fees (including as a result of the new lease stipulated which incorporate part of the condominium fees in the rent payable) and direct personnel expenses. The costs pertaining to the core business represent 24.2% of revenue, down with respect to the 25.8% posted in the prior year.

CORE BUSINESS DIRECT COSTS



The direct costs for the Porta a Mare project, which amounted to €380 thousand, consist primarily in the IMU property tax (€285 thousand) and condominium fees.

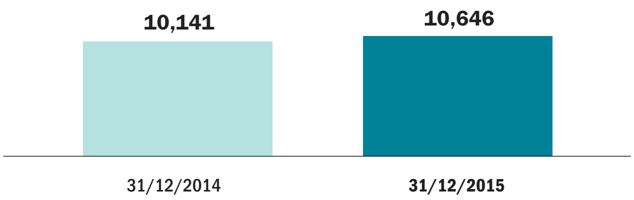
→ Review of margins by business unit

The divisional gross margin rose by 6.6% from the €89,583 thousand posted at 31 December 2014 to €95,475 thousand at 31 December 2015. The table below shows the trend in divisional gross margins by business unit:

→ General expenses

General expenses for the core business, including payroll costs at headquarters, rose 5.0% with respect to the €10,141 thousand posted in 2014 to €10,646 thousand due primarily to higher payroll costs, corporate management costs, and corporate communications. These costs represent 8.5% of core business revenue, largely in line with respect to the same period of the prior year.

CORE BUSINESS G&A EXPENSES



General expenses for the Porta a Mare project, amounted to €460 thousand (including payroll costs), a decrease of 26.8% with respect to the prior year explained primarily by lower costs linked to events, outsourcing and legal fees, partially offset by an increase in fees for professional consultancies.

GROSS MARGIN (€/000)	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/12/14	31/12/15	%	31/12/14	31/12/15	%	31/12/14	31/12/15	%
Margin from freehold properties	88,243	93,186	5.6%	87,985	92,921	5.6%	258	265	2.8%
Margin from leasehold properties	1,015	1,999	96.9%	1,015	1,999	96.9%	0	0	n.a.
Margin from services	391	473	21.0%	391	473	20.9%	(0)	0	n.a.
Margin from trading	(66)	(183)	n.a.	0	0	n.a.	(66)	(183)	n.a.
Gross margin	**89,583**	**95,475**	**6.6%**	**89,391**	**95,393**	**6.7%**	**192**	**82**	**(57.4)%**

SBU 1 - Property leasing - margin from freehold properties: this margin amounted to €93,186 thousand, versus €88,243 thousand in the same period of the prior year. In percentage terms, this activity continues to feature a significant margin, in line with the prior year (with a slight increase linked to condominium fees).

SBU 1 - Property leasing - margin on leasehold properties: this margin reached €1,999 thousand. As a percentage of revenue the margin rose significantly from the 8.0% posted in 2014 to 16.3% due primarily to the drop in operating costs following the reclassification of the Città delle Stelle mall as a freehold property.

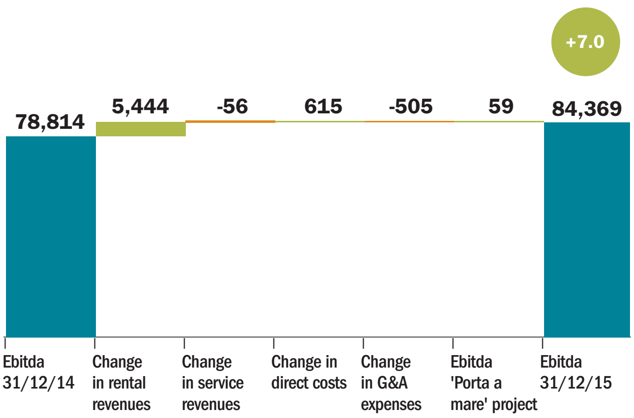
SBU 2 - Services - margin from service businesses: the margin from services amounted to €473 thousand and represents 9.2% of service revenue versus 7.6% in the prior year. The increase is explained by the decrease in pilotage costs.

SBU 3 - Development and trading - margin from trading: the margin from the "Porta a Mare" project in Livorno reached €108 thousand with a net loss, after direct costs (primarily the IMU payable on the property that has yet to be developed), of €183 thousand.

EBITDA

Core business **EBITDA** amounted to €84,747 thousand in 2015, an increase of 6.9% with respect to the same period of the prior year, while total EBITDA rose by 7.0% to €84,369 thousand.
The changes in the components of total EBITDA during 2015 are shown below.

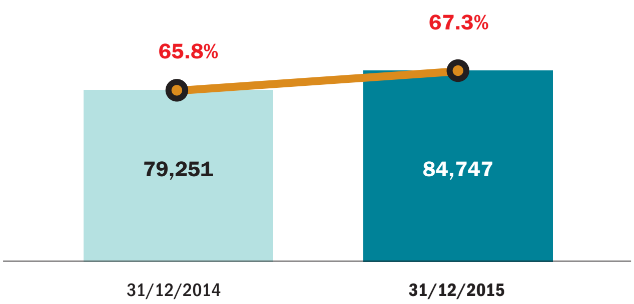
EBITDA



As mentioned above, the EBITDA margin was impacted by the increase in core business revenue (including as a result of acquisitions, extensions, restyling of new centers, new openings and Punta di Ferro), while the increase in general expenses more than offset the drop in direct costs.

The core business **EBITDA MARGIN** came in at 67.3%, an increase with respect to the same period of the prior year of 1.5 percentage points.

CORE BUSINESS EBITDA AND EBITDA MARGIN



EBIT

EBIT amounted to €84,232 thousand, an increase of 55.5% against the same period 2014 due, in addition to the increase in Ebitda referred to above, to the positive impact of writedowns and fair value adjustments (+€1,538 thousand) versus -€23,101 thousand in 2014.

Net financial income (charges)

NET FINANCIAL INCOME (CHARGES)	31/12/2015	31/12/2014	CHANGE
(Financial income)	(48)	(162)	114
Financial charges	39,278	45,599	(6,321)
Exchange (gains)/losses	(35)	3	(38)
Capitalized interests	0	(840)	840
Commissions	197	192	5
Net financial income	**39,392**	**44,792**	**(5,400)**

Financial charges fell from the €44,972 thousand posted at 31 December 2014 to €39,392 thousand at 31 December 2015. The decrease, of approximately €5,400 thousand, is explained primarily by *(i)* the lower net financial position posted in 2015 as a result, primarily, of the capital increase completed year-end 2014 and *(ii)* the lower cost of debt which reflects, in particular, the lower spreads applied to short-term lines of credit and on the mortgages refinanced in the prior year, as well as the drop in the Euribor which fell from 0.21 (average 3m Euribor at 3M 31/12/2014) to -0.02 (average 3m Euribor at 3M 31/12/2015). The drop in financial expense is also linked to the termination of a few loans in the prior year and in 2015. The decreased financial expense was partially offset by the increase in financial charges linked to the €150 million bond loan issued on 7 May 2014 and the €162 million bond loan issued on 21 April 2015. The average cost of debt, therefore, at 31 December 2015 net of ancillary charges (recurring and non) came to 3.67%, down against the 4.03% reported in the same period of the prior year, while the real cost of debt came to 4.00% versus 4.27% at 31 December 2014. Furthermore, contrary to the prior year, no interest expense linked to projects underway had been capitalized at 31 December 2015. Please refer to the explanatory notes for additional information (note 9 - Consolidated Financial Statements).

Non-recurring transactions

The result recorded at 31 December 2015 (+€50 thousand), is attributable to: *(i)* the positive impact linked to the consolidation of Punta di Ferro (badwill net of ancillary sales costs); *(ii)* the writedown of the loan granted to Iniziative Bologna Nord s.r.l., now in liquidation; *(iii)* result posted by equity investments; *(iv)* purchase price adjustment linked to the sale of the RGD joint venture and the first earn-out paid and (v) the sale of the real estate investment Rizzoli.

→ Tax

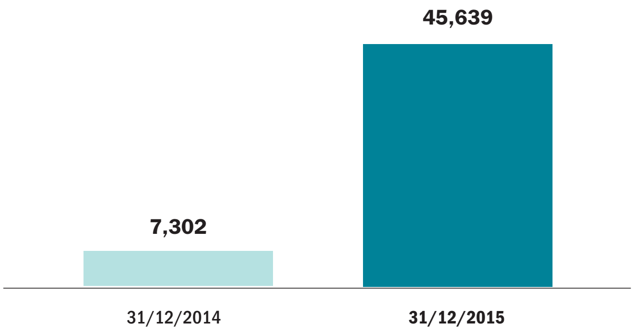
INCOME TAXES	31/12/2015	31/12/2014	CHANGE
Current taxes	1,072	1,145	(73)
IRAP tax credit	(1,191)	0	(1,191)
Deferred tax liabilities	(1,640)	1,571	(3,211)
Deferred tax assets	1,349	(2,267)	3,616
Net effect of tax assets and liabilities D.L. 133/2014	0	1,888	(1,888)
Contingent assets/liabilities - Provisions	100	(20)	120
Total	**(310)**	**2,317**	**(2,627)**

The tax burden, current and deferred, reached €310 thousand at 31 December 2015, down against the €2,627 thousand posted at 31 December 2014. The change is attributable primarily to: *(i)* lower taxes linked to the drop in property sales with respect to the same period of the prior year, *(ii)* the positive impact of the subsidy (ACE) linked to the capital increase made in the prior year, used to both lower Ires (corporate income tax) and as a tax credit for the purposes of Irap (regional business tax) *(iii)* the adjustment made to deferred tax assets and liabilities as a result of the drop in the applicable Ires rate from 27.5% to 24% effective 2017 as per the 2016 Stability Law (Law n. 208 of 28 December 2015) which had a positive impact of around €505 thousand and *(iv)* the reversal, recognized at 31 December 2014, of deferred tax assets and liabilities recognized in the financial statements for FY 2013, amounting to €16,024 thousand and €14,136 thousand, respectively, which had a negative impact on the income statement of some €1,888 thousand, as a result of Law Decree n. 133 of 12 September 2014 (which took effect as of 13 September 2014) published in the Official Gazette on 12 September ("Law Decree 133/2014") which includes the new provisions introduced in art. 20 of L.D. 133/2014 based on which the capital gains/(losses) relating to rental property are to be considered part of the exempt operations.

Furthermore, following publication of Bulletin 32/E of 17/09/2015 by the Tax Agency and the clarification provided relating to application of Decree 133/2014 as of 2014, the Company recalculated tax for the prior year and the tax relative to the sale of the mall in the "Fonti del Corallo" Shopping Center was found to no longer be deductible which resulted in lower tax losses and, consequently, a reversal of deferred tax of some €957 thousand was recognized in the income statement.

→ Group net profit

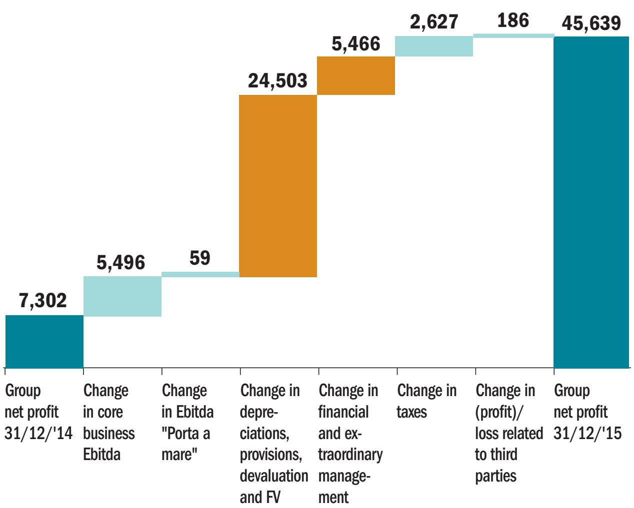
GROUP NET PROFIT



As a result of the above the Group's net profit came to €45,639 thousand, an increase with respect to the €7,302 recorded in 2014.

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

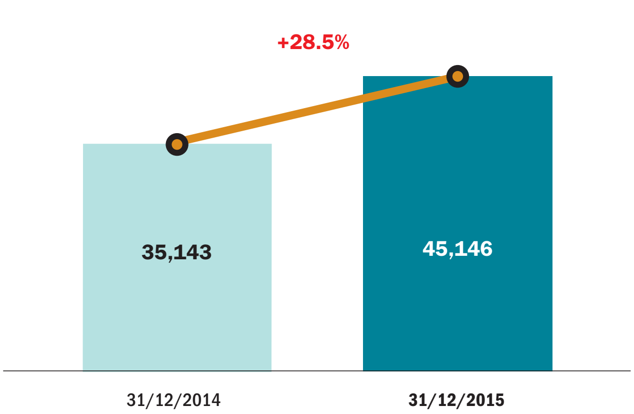
CHANGE IN NET PROFIT BETWEEN 2014 AND 2015



Core business FFO

More significant than the comparison with net profit is the trend in FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business. FFO is calculated by subtracting non-cash items (writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of extraordinary transactions and income generated by property sales from pre-tax profit, net of current tax, and, therefore, better represents the performance of the Group's core business. The figure posted at 31 December 2015 was €10,003 thousand or 28.5% with respect to the same period of the prior year.

FFO



2.2.2 Statement of financial position and financial review

The IGD Group's statement of financial position at 31 December 2015 can be summarized as follows:

SOURCES-FUNDS	31/12/2015	31/12/2014	Δ	%
- Fixed assets	1,970,028	1,782,283	187,745	10.53%
- Non-current assets held for sale	0	28,600	(28,600)	(100.00%)
- Assets under construction	50,533	82,179	(31,646)	(38.51%)
Intangible assets	12,736	12,744	(8)	(0.06%)
Other tangible assets	11,899	12,946	(1,047)	(8.09%)
- Sundry receivabled and othe non-current assets	90	75	15	20.00%
- Equity investments	6,366	408	5,958	1460.29%
NWC	51,797	66,637	(14,840)	(22.27%)
Funds	(6,734)	(3,737)	(2,997)	80.20%
Sundry payables and other non-current liabilities	(26,460)	(20,302)	(6,158)	30.33%
Net deferred tax (assets)/liabilities	(18,247)	(15,008)	(3,239)	21.58%
Total use of funds	**2,052,008**	**1,946,825**	**105,183**	**5.40%**
Shareholders' equity	1,022,053	950,229	71,824	7.56%
Non-controlling interests in capital and reserves	10,150	10,589	(439)	(4.15%)
Net (assets) and liabilities for derivative instruments	34,990	43,912	(8,922)	(20.32%)
Net debt	984,815	942,095	42,720	4.53%
Total sources	**2,052,008**	**1,946,825**	**105,183**	**5.40%**

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

- **Investment property:** the increase of €187,745 thousand is linked to work done and completed for a total of approximately €23,467 thousand, attributable to: *(i)* the work completed in the year on the Retail Park in Chioggia, opened on 14 May; *(ii)* the restyling and fit out work done on the Centro Sarca mall interior; *(iii)* the restyling and fit out work done at Centro Borgo, along with the reconstruction of the parking lots; *(iv)* the reconstruction of the parking lots at the Porto Grande center, in addition to the completion of the pedestrian underpass exteriors; *(v)* extraordinary maintenance at a few of the Romanian shopping centers; *(vi)* waterproofing and substitution of systems at the Guidonia center; *(vii)* work done to accommodate the multiplex cinema at the Palermo center *(viii)* other minor projects (the most important of which include the work done at Abruzzo, Super Aquileia, Centro Darsena, and Le Maioliche). The decreases, which amounted to €1,204 thousand, refer mainly to the sale of the plot of land in Faenza to the parent company Coop Adriatica (now Coop Alleanza 3.0). The work capitalized in prior years and reclassified under investment property upon completion (Centro Sarca restyling, Centro Borgo restyling, Romania, Portogrande underpass) along with the reclassification of the Retail Park di Chioggia, amounted to €36,773 thousand. As for fair value adjustments, revaluations of investment property came to €34,427 thousand and writedowns to €30,718 thousand, with a net positive impact of €3,709 thousand. Lastly, the acquisition of the company Punta di Ferro resulted in a €125 million increase in investment property.
- **Non-current assets held for sale,** the change is explained

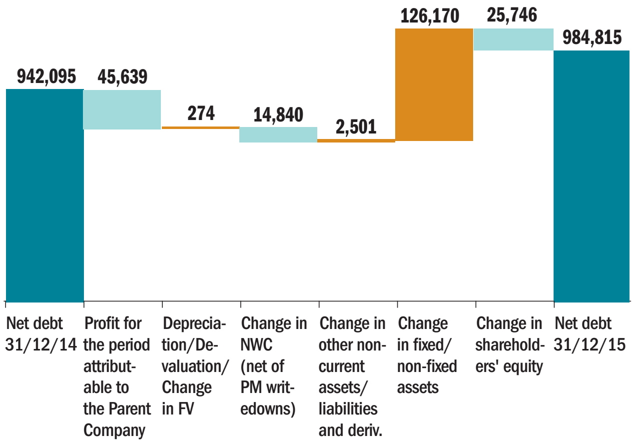
by the sale, on 27 May, of the City Center Rizzoli property.

- **Assets under construction,** decreased by €31,646 thousand, as a result of the reclassification of assets upon completion for €36,773 and the investments made, but not completed, for a total of approximately €6,013 thousand which include: *(i)* the work done on fit outs and the cinema roof, as well as Breeam certification, at the Centro Sarca mall; *(ii)* the urbanization works linked primarily to the pedestrian bridge connecting the Mazzini and Officine shopping areas, as well as the retail section of the Officine area; *(iii)* the work done on the Esp and Porto Grande extensions; *(iv)* the seismic work done at Darsena. The fair value measurement of the projects nearing completion, the Esp and Officine (Progetto Porta a Mare) extensions, resulted in a revaluation of €426 thousand and a writedown of €357 thousand, respectively, with a net positive impact of €69 thousand. In order to bring the carrying amount in line with the lower of cost and appraised fair value, the Portogrande and Lips-Arsenale (Progetto Porta a Mare) extensions, recognized using the adjusted cost method, were subject to a writedown of €698 thousand and a reversal of prior writedowns of €116 thousand, respectively, which had a net impact of -€582 thousand.
- **Other plant, property and equipment** and **intangible assets changed** in the period due primarily to amortization and depreciation recognized in the period.
- **Equity investments** rose by around €5,958 thousand as a result primarily of the acquisition of 20% of UnipolSai Investimenti SGR S.p.A. and the subscription of Arco Campus s.r.l.'s capital increase.
- **Net working capital,** which showed a decrease of €14,840 thousand against 31/12/2014 explained primarily by: *(i)* for €7,518 thousand, an increase in current liabilities due mainly to the advances on invoices made in 2016 by Coop Adriatica (as 1 January Coop Alleanza 3.0); *(ii)* for around €3,282 thousand, an increase in tax liabilities relating primarily to Punto di Ferro's substitute tax of €1,434 thousand (1/5 of €7.171 million) falling due next year, VAT of €1,401 thousand and income tax owed by Punta di Ferro and Winmagazin of €525 thousand; *(iii)* for €1,073 thousand, a decrease in trade receivables; *(iv)* for approximately €419 thousand, a decrease in trade receivables with related parties; *(v)* for approximately €491 thousand, by a decrease in other current assets. This decrease was partially offset by a drop in the amounts payable to suppliers, third parties and related parties of €230 thousand. Working capital fell including as a result of the –€2,287 thousand decline in work in progress explained for around €1,574 thousand by the continuation of the urbanization work on the pedestrian bridge connecting the Mazzini and Officine areas, in addition to the finishings for a few residential units (Mazzini) and offices at Palazzo Orlando, for around €2,133 thousand by the elimination of inventory following the sale of 7 property units, 7 garages and 1 parking place in the period, as well as the writedown of €1,658 thousand made in the period in order to bring the carrying amount in line with the lower of cost and appraised fair value.
- **Provisions** dropped by –€2,997 thousand due primarily to a drop in contingent liabilities in the period.
- **Non-current debt and other liabilities** which fell by €6,158 thousand due primarily to the entry tax payable by Punta di Ferro for entering the SIINQ regime of €5,737 thousand (4/5 of €7,171 million).
- **Net deferred tax assets and liabilities** went from –€15,008 thousand to –€18,247 thousand primarily as a result of tax misalignments relating to *(i)* adjustments to the fair value of investment properties and projects which are not included in the SIIQ perimeter *(ii)* recognition of taxed provisions *(iii)* deferred tax assets on hedges (Irs), in addition to the adjustment made to deferred tax assets and liabilities as a result of the drop in the applicable Ires rate from 27.5% to 24% effective 2017 as per the 2016 Stability Law (Law n. 208 of 28 December 2015).

- The Group's **net equity** amounted to €1,022,053 thousand at 31 December 2015. The change of +€71,824 thousand is explained primarily by:
  - for approximately €50 million, the capital increase;
  - adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€3,104 thousand for the parent company and around +€1,996 thousand for a subsidiary;
  - for €28,363 thousand, the distribution of the dividend for 2014;
  - for approximately –€681 thousand, costs connected to the capital increase;
  - for +€193 thousand, movements in the reserve for the restatement of defined benefit plans;
  - for approximately -€72 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - for €45,639 thousand, the profit for the period allocable to the Parent Company.

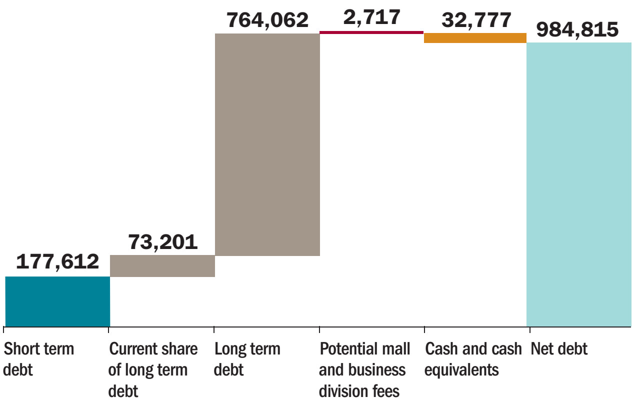
- **Non-controlling interests in capital and reserves** fell as a result solely of the non-controlling interests' portion of the loss recorded in the period of €439 thousand.
- **Net liabilities for derivatives** were down against the prior year. The fair value measurement of hedging instruments at 31/12/2015 decreased against the prior year by €8,992 thousand.
- **Net financial position** at 31/12/2015 improved further with respect to the prior year by around €42,720 thousand. The changes are shown below:

RECONCILIATION OF THE NET FINANCIAL POSITION



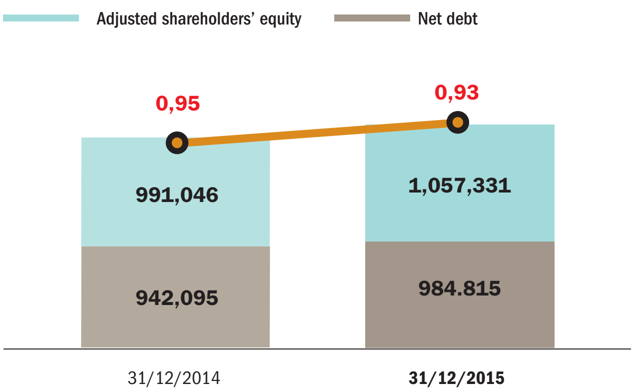
The breakdown of the net financial position is shown below:

BREAKDOWN OF THE NET FINANCIAL POSITION



The gearing ratio reflects the debt to equity ratio, but does not include the accounting (non-monetary) effects of the CFH reserves. The ratio came to 0.93 at 31 December 2015, a slight drop against the 0.95 recorded at 31 December 2014.

GEARING RATIO



EPRA Performance Indicators

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

EPRA Vacancy Rate: the portfolio's vacancy rate calculated as the ratio between the estimated market rental value (ERV) of the vacant premises and the ERV of for the whole portfolio. Given the different characteristics of the portfolio and the Italian market with respect to the Romanian one, the vacancy rate was calculated separately for each asset class and for the two countries.
EPRA Net Asset Value (NAV): is the fair value of the net assets calculated over the long term and on a going concern basis, based on the equity pertaining to the Group (as shown in the financial statements in accordance with IFRS standards) net of certain assets and liabilities that are not part of normal operations, like the fair value of hedges or the deferred taxes on market appraisals of the properties
EPRA Triple Net Asset Value (NNNAV): is the EPRA NAV adjusted to include the fair values of *(i)* hedging instruments, *(ii)* financial debt and *(iii)* deferred taxes.
EPRA Earnings: is a measure of the underlying operating performance of an investment property company net of fair value gains, gains and losses from the sale of investment property and a limited number of other items that are not considered to be part of the company's core business.

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

EPRA PERFORMANCE MEASURES		31/12/2014	31/12/2015
1) Vacancy Rate	*Italy (malls)*	*5.7%*	*4.7%*
	Italy (hypermarkets)	*0.0%*	*0.0%*
	Italy	**3.8%**	**3.2%**
	Romania	**13.6%**	**6.1%**
2) NAV (per share)		**1.34 €**	**1.32 €**
3) NNNAV (per share)		**1.23 €**	**1.25 €**
4) Earnings	**Total (€'000)**	**30,262**	**40,770**
	Per share	**0.04 €**	**0.05 €**

The NAV and NNNAV per share calculations are shown below:

EPRA **NNNAV CALCULATION**	31/12/2014 €	31/12/2014 €p.s.	31/12/2015 €	31/12/2015 €p.s.
TOTAL NUMBER OF SHARES	756,356,289		813,045,631	
1) GROUP'S NET EQUITY	**950,229**	**1.26**	**1,022,053**	**1.26**
Exclude				
Fair value of financial instruments	43,912		34,990	
Deferred taxes	18,093		19,917	
Goodwill as a result of deferred taxes				
2) EPRA NAV	**1,012,234**	**1.34**	**1,076,960**	**1.32**
Include				
Fair Value of financial instruments	(43,912)		(34,990)	
Fair Value of debt	(16,697)		(9,561)	
Deferred taxes	(18,093)		(19,917)	
3) EPRA NNNAV	**933,532**	**1.23**	**1,012,492**	**1.25**

The NAV was down against the figure posted at 31 December 2014 due primarily to the change in net equity (see section 2.2.2.) and the greater number of shares outstanding.

The NNNAV was up against the prior year due to a change in the fair value of debt, calculated by discounting cash flows at a risk free rate and applying the market "spread". This change is explained by the use of the risk free rate and a spread which were updated to reflect market conditions at 31 December 2015, as well as by a change in the duration and cost of debt.

The Epra Earnings per share calculation is shown below:

EPRA **EARNINGS & EARNINGS PER SHARE**	31/12/2014	31/12/2015
Earnings per IFRS income statement	**7,302**	**45,639**
EPRA Earnings Adjustments:		
(i) Changes in value of investment properties, development properties held for investment and other interests	23,101	-1,538
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	16	535
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-284	-109
(iv) Tax on profits or losses on disposals	84	34
(v) Negative goodwill / goodwill impairment	0	-557
(vi) Changes in fair value of financial instruments and associated close-out costs	733	87
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0	191
(viii) Deferred tax in respect of EPRA adjustments	-994	-3,788
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0	0
(x) Non-controlling interests in respect of the above	304	276
EPRA Earnings	**30,262**	**40,770**
Company specific adjustments:		
(a) General provisions and depreciations	1,539	1,675
(b) Non-controlling interests in respect of the above	-557	-714
(c) Tax on profits or losses on disposals	-84	-34
(d) Contingent tax	-21	-1,091
(e) Other deffered tax	2,186	3,496
(f) Capitalized interests	0	0
(g) Current Tax	0	241
(h) Other Adjustments for non-core activities	1,818	803
Company specific Adjusted Earnings	**35,143**	**45,146**
Earnings Per Share		
Numero azioni	756,356,289	813,045,631
Earnings Per Share	€ **0.04**	€ **0.05**

EPRA Earnings is calculated by excluding non-monetary items (writedowns, fair value gains and losses on properties and financial instruments recognized in the income statement, any impairment or revaluations of goodwill), as well as non-recurring items (gains or losses from the disposal of investment properties, profits generated by trading along with current tax, costs relating to the advance repayment of any loans), deferred tax relating to the fair value of properties and financial instruments recognized in the income statement, as well as the portion of these items that pertains to non-controlling interests. The main differences with respect to FFO relate to generic amortization, depreciation and provisions, as well as EPRA adjustments, the non-recurring tax recognized in the income statement and the deferred tax that does not relate to the fair value of properties and financial instruments recognized in the income statement. The figure posted at 31 December 2015 shows a significant increase of €10,008 thousand or +34.7% against the same period of the prior year, in line with the increase in FFO.

8 European Public Real estate Association
9 Please see www.epra.com

2.3 The stock

IGD's shares are traded on the Mercato Telematico Azionario (MTA - screen-based stock market) managed by Borsa Italiana as part of the Super Sector Beni Immobili; IGD is also part of the STAR segment.

The minimum lot is €1.00 and its specialist is Intermonte.

IGD's stock symbols:

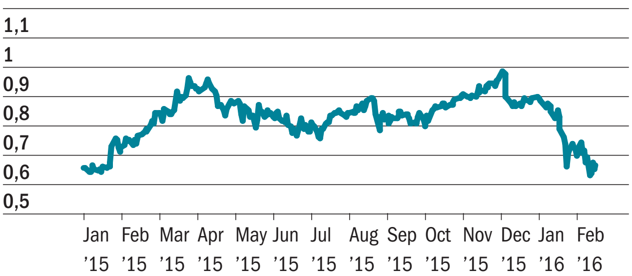
- **RIC: IGD.MI**
- **BLOOM: IGD IM**
- **ISIN: IT0003745889**

IGD SIIQ SpA 's share capital subscribed and paid-in at 31 December 2015 amounted to €599,760,278.16, broken down into 813,045,631 ordinary shares without a stated par value.

Indices in which IGD's stock is included:

- **FTSE All-Share Capped, FTSE Italia All-Share, FTSE Italia STAR, FTSE Italia Mid Cap, FTSE Italia Finanza, FTSE Italia Beni Immobili**
- **FTSE EPRA/NAREIT Global Real Estate Index**
  EPRA: European Public Real Estate Association
- **IEIF Europe, IEIF Eurozone, IEIF Eurozone hors-France, IEIF Europe Continentale, IEIF Italie**
  IEIF: Institut de l'Epargne Immobilière et Foncière
- **FTSE ECPI Italia SRI Benchmark**

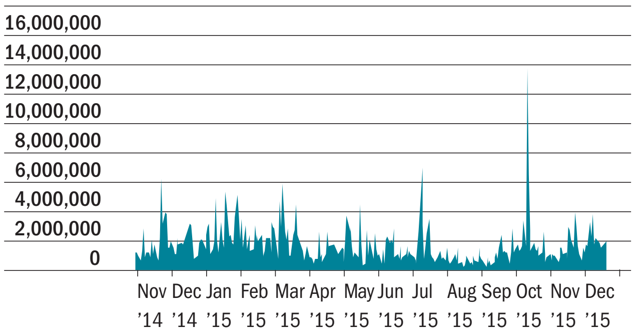
IGD'S STOCK PRICE SINCE 2 JANUARY 2015



Source: Italian Stock Exchange data compiled by IGD

In 2015, IGD's stock price rose 37.4% overall in the period 30 December 2014 through 30 December 2015. The price hit a peak of (53.7%) between the period low, hit on 6 January 2015, of €0.643 and the period high of €0.988 recorded on 30 November 2015.

VOLUMES OF IGD STOCK TRADED SINCE 2 JANUARY 2015

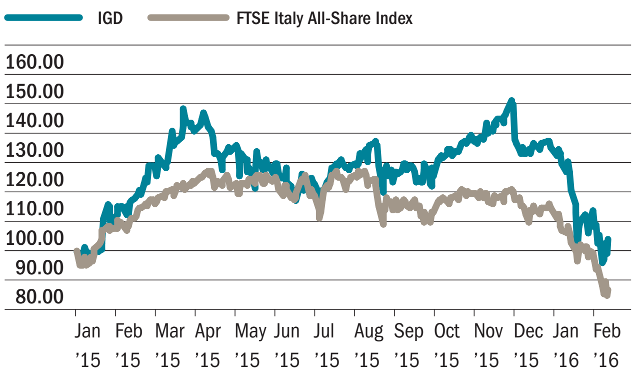


Source: Investis data compiled by IGD

In 2015 an average of approximately 1,726,572 IGD shares were traded each day, a significant increase with respect to the average of approximately 1,257,000 shares per day in 2014 and of about 325,000 shares per day in 2013. The stock's liquidity has, consequently, improved markedly over the last three years.

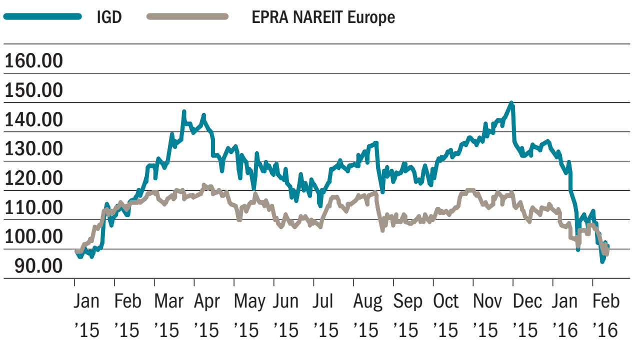
The 37.4% increase recorded in 2015 allowed IGD to outperform both the Italian stock market index, which was up 15.4%, and the European real estate index, which rose by 14.5%.

IGD'S STOCK VS. THE ITALIAN STOCK MARKET INDEX (FTSE ALL-SHARE INDEX) SINCE 2 JANUARY 2015



Base 2/1/2015 = 100
Source: Italian Stock Exchange data compiled by IGD

IGD'S STOCK PRICE VS. THE EUROPEAN REAL ESTATE SECTOR INDEX



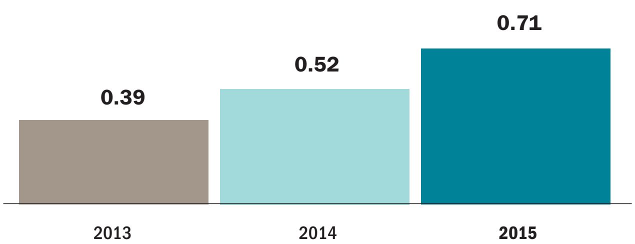
Base 2/1/2015 = 100
Source: Epra and Italian Stock Exchange data compiled by IGD

The significant rebound of IGD's stock in the first four months of 2015 coincided with the ECB's announcement to maintain an accommodative monetary policy which, by keeping rates at a low level in order to facilitate the economic recovery, strengthened the appeal of equity investments.
In the first months of the year, the performance of the banking sector, which benefits particularly from quantitative easing, boosted the FTSE Italy All-Share index, as did a few manufacturing stocks thanks to lower energy costs and the Euro/dollar exchange rate which helped exports.
QE also had a positive impact on the real estate sector: in February 2015, while prices for bonds issued by companies with high ratings skyrocketed to a point that net yields were negative, prices for real estate stocks offered further upside with very visible dividend streams; this caused the EPRA NAREIT Europe index to rise by 20% in the first two months of the year.
In a similar context, IGD's stock, boosted by the solid fundamentals that were also confirmed by the FY 2014 results, outperformed the Italian stock market and the reference sector index.
After hitting the lows recorded at the end of April 2015, European bond yields rose brusquely, paving the way for a correction in the price of Continental European equities which caused the stock markets to hit period lows between June and the first part of July, including as a result of the uncertainty surrounding the Greek debt crisis.
The results for first quarter 2015, the favorable response to the Business Plan 2015-2018, as well as the attractive yield offered by the dividend for FY 2014 of €0.0375 (payable as of 20 May 2015) allowed IGD to make it through what was a difficult period for the European equity markets with limited volatility.
In the second part of 2015, the markets focused on the prospects for growth worldwide as concerns about the pace of development in China and the emerging markets increased.
In the second half of the year, IGD's stock also outperformed the reference indices (FTSE Italy All-Share and EPRA Nareit Europe). The recovering consumption in Italy, in fact, created a positive operating environment for IGD, a key player in the Italian retail real estate market. Investors also looked at the discount with which the stock trades against both its NAV and in comparison to the multiples of foreign sector companies, which fueled a rebound that made it possible to close the gap with respect to market valuations: the strong momentum begun in the month of November 2015 caused the stock to rise from €0.80 (29 September) to the year high of €0.988 Euro (30 November).
The Company took advantage of 2015's last useful window of opportunity and completed an accelerated book build through which it gathered funds of approximately €50 million by placing 56,689,342 newly issued shares with Italian and foreign institutional investors; the capital increase was used to partially finance the acquisition of the puntadiferro mall in Forlì.
Even though IGD stated that once the acquisition was running at capacity it would have an accretive impact on FFO, including in light of the limited dilutive effect of the increased number of shares, from that moment on the stock price followed the general downward trend that continued to effect equities through the first weeks of 2016.
Concerns of the stock markets, which continue to be very sensitive to possible Fed rate hikes, regarding the impact of slower Chinese GDP growth on global growth increased. These factors were accompanied by the collapse in oil prices which could have several negative repercussions: on the one hand, a decrease in revenue from the export of crude oil could force a few sovereign funds to sell assets, including of excellent quality, in order to meet funding needs, and on the other, the weakened economic position of a few oil companies could affect banks.
This situation caused stock market prices to drop across all sectors, regardless of the solid fundamentals of each single company.
Despite the expectation that the recovery in consumption bodes well for the business moving forward and that the dividend estimate expressed in the first few weeks of 2016 based on the consensus of the analysts covering the stock of €0.04 provides an attractive yield of 6.2%, based on the price of €0.645 recorded year-end 2014, IGD's stock price was not immune to this phenomenon.

→ P/EPRA NNNAV

The chart below shows the gradual improvement of the stock price (at the last day of the year) versus the EPRA NNNAV over the last three years.

SHARE PRICE/EPRA NNNAV



Dividend

The dividend for 2014

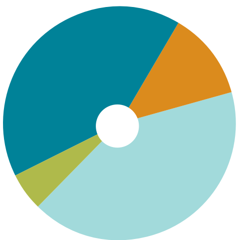
During the Annual General Meeting held on 15 April 2015 IGD's shareholders approved a dividend of €0.0375 per share.

Shares went ex-div on 18 May 2015 and the dividend was payable as from 20 May 2015. The shareholders of IGD at the record date (2 May 2015) were entitled to receive the dividend.

The dividend for 2015

IGD's Board of Directors will propose that the shareholders, meeting on 14 April 2016 (in first call and, if necessary, in second call on 15 April 2016), approve a dividend of €0.04 per each of the 813,045,631 shares outstanding. This represents an increase of 6.7% against the dividend of €0.0375 paid in 2014 but, when adjusted to reflect the issue of new shares linked to December's issue, the increase amounts to 14.3%.

MAIN SHAREHOLDERS



40.92%	Coop Alleanza 3.0
12.03%	Unicoop Tirreno
41.66%	Free float
5.39%	Quantum Strategic Partners Ltd*

Source: Monitored directly by IGD – updated through 8 January 2016

* IGD SIIQ SPA's shareholder register

Investor relations and financial communications

At year-end 2015 IGD was covered by 5 brokers, three domestic and two international.

In 2015 IGD organized four conference calls:

- 26 February, to discuss the FY 2014 results;
- 8 May, to discuss the results for first quarter 2015 and the Business Plan 2015-2018;
- 6 August, to discuss results for first half 2015;
- 10 November, to discuss the results for the first nine months of 2015.

Thanks to the collaboration of nine different brokers, the company participated in events and completed roadshows in eleven different financial centers (Frankfurt, London, Milan, Chicago, Boston, San Francisco, Copenhagen, Geneva, Paris, New York City and Brussels).
In 2015 management met 127 institutional investors, a noticeable increase with respect to the 97 investors met in 2014 and the 52 in 2013.
The continuous dialogue with current shareholders and the search for new potential institutional investors were intensified in 2015, which also allowed the Company to complete the above mentioned accelerated book building transaction in early December and to gather funds of approximately €50 million.

In 2015 the web was an increasingly important part of IGD's policy to provide the market with transparent and timely information, including in light of the predominately international institutional shareholder base. The Company, therefore, worked even harder to ensure that the website www.gruppoigd.it was updated continuously and full of tools that help market stakeholders to make investment decisions based on an in depth analysis of the company's performance.
IGD was ranked 17th in the 2015 Italian Webranking, the ranking that Comprend does each year to measure the quality of listed companies' online communication.
2015 was also the eighth consecutive year in which the investor newsletter was made available on the website in Italian and English each quarter.
The Investor Relations department continued, on a regular basis, to provide the top management with a Peer Analysis in which the main operating results and the trading multiples of a panel of listed European retail real estate companies are compared.
When Board of Director meetings are held to approve period results, an IR Board Report is also prepared in order to provide the Board with an updated overview of the institutional shareholders, analysts' consensus and IGD's stock valuations in comparison with its peers.
In 2015 IGD obtained two important international prizes relating to sustainability and transparency in financial reporting from the European Public Real Estate Association or EPRA, namely the Sustainability Best Practice Recommendations Gold Award and the EPRA Best Practice Recommendations Bronze Award. More in detail, IGD was mentioned in the category "From zero to hero" for having noticeably improved the disclosure relative to sustainability, as well as for having achieved the goals for sustainability included in the business plan, reporting noticeable improvement with respect to the prior annual report. The EPRA prizes demonstrate the success of the steps taken by IGD's entire structure to comply as much as possible with the EPRA guidelines.

2.4 Significant events

The main events for the year are described below.

Corporate events

On 26 February 2015 the Board of Directors approved the draft separate and consolidated financial statements for FY 2015 and resolved to submit a proposed dividend of €0.0375 per outstanding share to the AGM for approval. Lastly, IGD's Board of Directors also approved the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, as well as the Board of Directors' Compensation Report.
During the Annual General Meeting held on 15 April 2015, IGD' s shareholders approved the FY 2014 financial statements, as presented during the Board of Directors' meeting held on 26 February 2015 and resolved to pay a dividend equal to €0.0375 per share, payable as from 20 May 2015 (record date 19 May 2015) with shares going ex-dividend (detachment of coupon n. 15) on 18 May 2015.
The total dividend paid of €0.0375 per share (for a total of €28,363,360.84) comprised:

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

Shareholders also approved the first section of the Compensation Report, already approved by the Board of Directors on 26 February 2015, pursuant to Art. 123-ter, of Legislative Decree. 58/98 and renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasions, for up to the legal maximum amount.
Shareholders appointed the Board of Directors, the Board committees, as well as the Board of Statutory Auditors. Please refer to the section "Corporate officers" for more information.
On 7 May the Board of Directors approved the new Business Plan 2015-2018.
In order to acquire the company Punta di Ferro s.r.l., on 2 December, the Board of Directors approved the offering of a maximum of 75,635,000 newly issued ordinary shares to be offered in a private placement exclusively to Italian and foreign qualified investors, pursuant to Regulation S of the United States Securities Act of 1933, as subsequently amended, and in the United States America, limited to Qualified Institutional Buyers pursuant to Rule 144A of the United States Securities Act of 1933, as subsequently amended, excluding any other jurisdiction in which the placement would be prohibited under applicable laws ("Addressees").
The maximum of 75,635,000 newly issued ordinary shares to be offered, equal to 9.99992% of the current share capital, with dividend rights, derive from the divisible share capital increase for an aggregate maximum nominal amount of €54,976,027 (plus share premium, if any), without pre-emptive rights pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code, resolved upon by the Board of Directors on the basis of the authorization granted during the Extraordinary Shareholders' Meeting held on 19 April 2012 pursuant to Article 2443 of the Italian Civil Code.
The newly issued ordinary shares will be offered solely to the Addressees as part of a private placement through accelerated bookbuilding.
The final subscription price of the newly issued ordinary shares will be determined at the end of the bookbulding in accordance with the criteria established by the Board of Directors pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code in respect of capital increases without pre-emptive rights within the limit of 10% of the pre-existing share capital.
The Company appointed Société Générale and BNP Paribas to act as Joint Bookrunners for the offering; Société Générale also acted as Sole Global Coordinator.
Bookbuilding commenced immediately and was completed on 3 December with the private placement of 56,689,342 newly issued ordinary shares at a price of €0.882 for a total of €49,999,999.64, causing share capital to rise from €549,760,278.52 to €599,760,278.16 broken down into 813,045,631 ordinary shares without a stated par value. The transaction was settled by delivery of shares and payment of the amounts due on 7 December 2015. The ancillary transaction costs amounted to €573,293.
On 9 December the information document relative to the Punta di Ferro acquisition prepared in accordance with Article 5 of Consob Regulation n. 17221/2010, applicabile as a result of both articles 14.7 and 11.1 of IGD's Regulations for Related Party Transactions, was published and on 16 December the purchase of 100% of Punta di Ferro s.r.l. was finalized.

Grosseto

Clodì Retail Park
Chioggia

Centro Borgo
Bologna

Investments

During the year the IGD Group continued with development of new properties, as well as expansion and restyling of existing shopping centers. The projects include:

→ Grosseto

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

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

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

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

→ Chioggia retail park

The retail park in Chioggia was opened on 14 May 2015. The park comprises an Ipercoop, 6 midsize stores and 8 points of sale, 2 of which used for restaurant services. There are 1,465 parking places. Work done in the period called for an investment of approximately €5,815 thousand.

→ Centro Sarca (Restyling)

Restyling of the mall interior, fit outs, as well as the remodeling of the façade were completed during the year for a total investment of approximately €5,232 thousand.

→ Centro Borgo (Restyling and fit out)

During the year work continued, and was completed, on the restyling project involving both the shopping center and the external areas serving the center which called for a complete transformation of the entire retail complex in order to relaunch the appearance, as well as strengthen the ties and integration with the local area. The general restyling includes another project involving the transformation and transfer of retail units to the first and ground floors of the southern area of the mall in order to give a bigger push to the retail activities of the mall’s first floor by also including restaurant services. The investment made in the year amounted to €4,176 thousand.


Porta a Mare
Livorno


Centro Esp
Ravenna


Porto Grande
Ascoli Piceno


Winmarkt Tulcea
Romania


Winmarkt Braila
Romania

→ "Porta a Mare" Project

The urbanization works linked primarily to the pedestrian bridge connecting the **Mazzini and Officine areas** were completed, in addition to the finishing work done on a few residential units (Mazzini) and office units (Palazzo Orlando), for a total investment of approximately €1,574 thousand. The pre-letting of the residential units continued and the sale of 7 property units, 7 garages and 1 parking spot were closed in the period. Work on the retail area amounted to approximately €1,771 thousand and refers primarily to the above mentioned urbanization works and work done on the **Officine** area which should be completed by first half 2018.

→ Porto Grande (extension)

The building permits were obtained for the midsize stores that will increase the size of the **Porto Grande** center, in the province of Ascoli Piceno. The planning phase was also completed and all the authorizations were issued. The total GLA will be increased from 23,387 to 28,387 m^2 and will comprise 2 midsize external stores of approximately 5,000 m^2, as well as green zones of 1,700 m^2 and a new parking area of approximately 10,531 m^2. The opening is expected to take place by second half 2017. A total of approximately €56 thousand in urbanization expenses were paid in the period.

→ Esp (extension)

In 2014 the Zoning Agreement was signed relative to the expansion of the mall in the ESP shopping center in Ravenna. The commercial licenses were obtained and in April 2015 the building permit was issued. The urbanization and construction work were also sub-contracted in 2015. The investment in the period reached approximately €2,874 thousand and reflects the urbanization costs, the completion of decontamination work and the initial progress made in the urbanization work. The opening is expected to take place in first half 2017.

→ Romania

During the year extraordinary maintenance was completed in Romania which included the refurbishment of a façade in Ploiesti (Omnia) and flooring (Omnia and Grand Center), in addition to fit outs in order to accommodate new anchors (like H&M in Tulcea) and improve energy efficiency in Alexandria for a total investment of approximately €3,027 thousand.

→ Other

In 2015 work was done and completed on the waterproofing and substitution of systems at the Guidonia shopping center (€460 thousand), as well as the reconstruction of the parking lots at the Portogrande shopping center (€698 thousand), in addition to an underpass (€40 thousand) and fit outs, cinema exterior, and Breeam certification of the Centro Sarca mall which amounted to approximately €309 thousand. Work was also completed on the commercial reformatting of the Palermo mall which calls for the creation of a multiplex cinema and the optimization of the food court (€2,066 thousand), in addition to other minor investments amounting to approximately €3,217 thousand.

The investments made at 31 December 2015 are shown below:

Investments - 2015

REAL ESTATE INVESTMENTS	23.47
REAL ESTATE INVESTMENTS - PUNTA DI FERRO ACQUISITION*	125.00
ASSETS UNDER CONSTRUCTION	6.01
INTANGIBLE FIXED ASSETS	0.04
OTHER FIXED ASSETS	0.23
TOTAL INVESTMENTS IN FIXED ASSETS	**154.74**
INVENTORIES OF WORK IN PROGRESS PORTA A MARE PROJECT	**1.57**

€156.32 million

Total investments

* Investment property acquired through a vehicle company

Disposals

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

On 2 December a plot of land inside the Le Maioliche center in Faenza was sold to the parent company Coop Adriatica (as of 1 January Coop Alleanza 3.0) for an amount equal to €950 thousands.

Equity investments

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

In November additional interests of Arco Campus s.r.l. (formerly Virtus college s.r.l.) were acquired and a €1.49 million capital increase was completed (€463 thousand in cash and €1,027 thousand offsetting a shareholders' loan), bringing the total interest to 99.9%.

On 2 December IGD signed a preliminary agreement with UnipolSai Assicurazioni S.p.A. concerning the acquisition of the entire capital of Punta di Ferro S.r.l.for a consideration equal to approximately €127.9 million

The execution of the preliminary agreement was approved by the Board of Directors on the same date, with the support of the real estate appraisal prepared by REAG Real Estate Advisor Group S.r.l. regarding the market value of the puntadiferro Shopping Mall. Moreover, given that IGD's Procedure for Related Party Transactions, as amended in August 2015 on a voluntary basis, also applies to material transactions entered into with companies belonging to the Unipol group, the acquisition of Punta di Ferro was approved by the Board of Directors after having first obtained an unanimous favorable opinion from the Company's Committee for Related Party Transactions, comprised entirely of independent directors. The Committee for Related Party Transactions' decision was supported by the fairness opinion issued by Ernst & Young Financial-Business Advisors on the financial fairness of the acquisition.

On 16 December, pursuant to the preliminary agreement signed and disclosed on 2 December 2015, the purchase from UnipolSai of 100% of Punta di Ferro S.r.l.'s share capital was finalized for €127.86 million which, after the price adjustment to reflect the definitive financial positon, was set at €129.45 million. The acquisition was financed *(i)* in part, by proceeds from the capital increase and *(ii)* for the remainder, through the use of short-term credit lines.

On 21 December 2015, the Company's shareholders transformed the legal form of the company and changed its name to Punta di Ferro SIINQ S.p.A. On 23 December 2015, once it was clear that all the subjective, statutory and ownership requisites had been satisfied, Punta di Ferro SIINQ S.p.A. exercised the option to be treated under the special regime effective 1 January 2016.

Loans

On 8 April 2015 the Board of Directors approved:

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

(ii) the launch of an exchange offer for holders of outstanding bonds *"€144,900,000 4.335 per cent. Notes due 7 May 2017"* (ISIN: XS0927738418) and *"€150,000,000 3.875 per cent. Notes due 7 January 2019"* (ISIN: XS1059383064) issued by IGD, in exchange for new senior notes.
The new senior notes are governed by English law, have a duration of seven years from the issue date, an issue price equal to 100% of the nominal amount, a fixed rate coupon of 2.65%, to be paid annually in arrears on 21 April of each year.

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

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

The exchange offer was settled on 21 April 2015 and the Company issued new unsecured fixed rate senior notes *"€162,000,000 2.65 per cent. Notes due 21 April 2022".*
Each holder of existing bonds whose offer was accepted under the Exchange Offer received:

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

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

IGD also paid the existing bondholders, pursuant to the Exchange Offer, the unpaid interest accrued through and including 21 April on the Existing Notes, which amounted to €15,454,849.00.
BNP Paribas, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc acted as Dealer Managers for the Exchange Offer. Lucid Issuer Services Limited acted as Exchange Agent.

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

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

CENTRO D'ABRUZZO

San Giovanni Teatino - Chieti

Opening 2001

Extension 2014

Mall GLA sq.m 15,821

Food anchor GLA sq.m 14,127

3,348,978 visitors in 2015

UNI EN ISO 14001

environmental certification

CLODÌ RETAIL PARK

Chioggia - Venezia

Opening 2015

Mall GLA sq.m 9,309

Food anchor GLA sq.m 7,490

2.5 The Real Estate Portfolio

For a better understanding of the composition and changes in the key performance indicators (fair value, gross initial yield, discount rate and gross cap out) of the IGD SIIQ SPA Group's real estate portfolio, below is a brief description of how the Italian and Romanian real estate markets performed in 2015.

→ The Italian real estate market

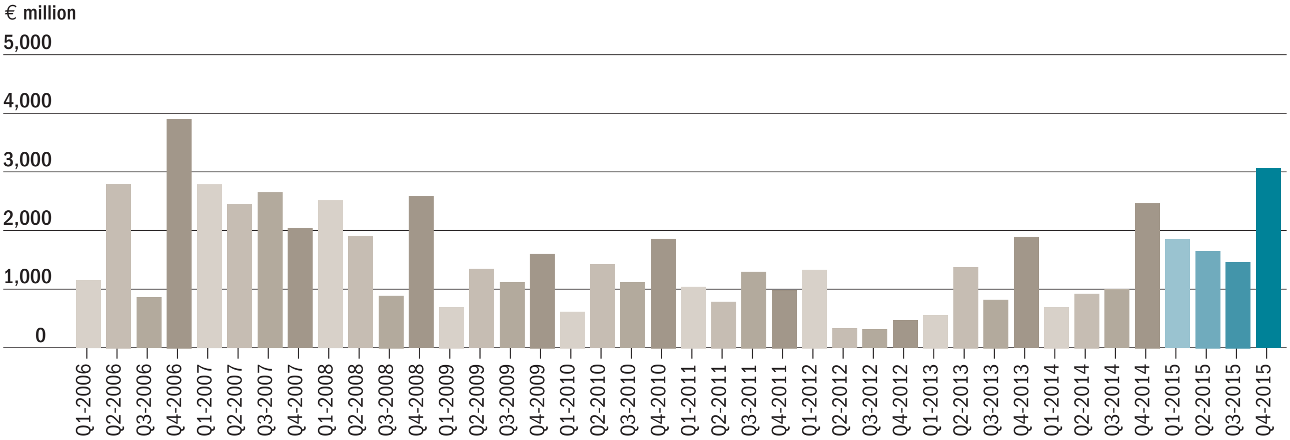
In 2015 confidence in the recovery of the Italian real estate market strengthened, above all with respect to foreign investors who represented 75% of the investments made in the year. Investments made by domestic investors rose +71% against 2014. Total investments in Italy amounted to €8.1 billion in 2015, an increase of 55% against 2014 and better than expectations.

The Office sector attracted the most inflows, rising against 2014 as did the "mixed-use" property sector which came in second in terms of investments, while retail was down with respect to the prior year and reached third place. "Other" and "Hotels" were also up against the prior year, while "Industrial and Logistics" were down.

INVESTMENT MARKET (€MLN)	31/12/2014	31/12/2015	VAR. Y-o-Y
OFFICE	1,468	3,014	+55%
RETAIL	2,595	1,377	-47%
INDUSTRIAL AND LOGISTICS	382	305	-20%
HOTELS	536	830	+55%
OTHER	66	876	+1,227%
MIX-USED PROPERTIES	218	1,745	+700%
TOTAL	**5,265**	**8,147**	**+55%**

Source: CBRE Research, Q4 2015

RETAIL REAL ESTATE INVESTMENTS IN ITALY



Source: CBRE Research, Q4 2015

→ Investments in the retail sector

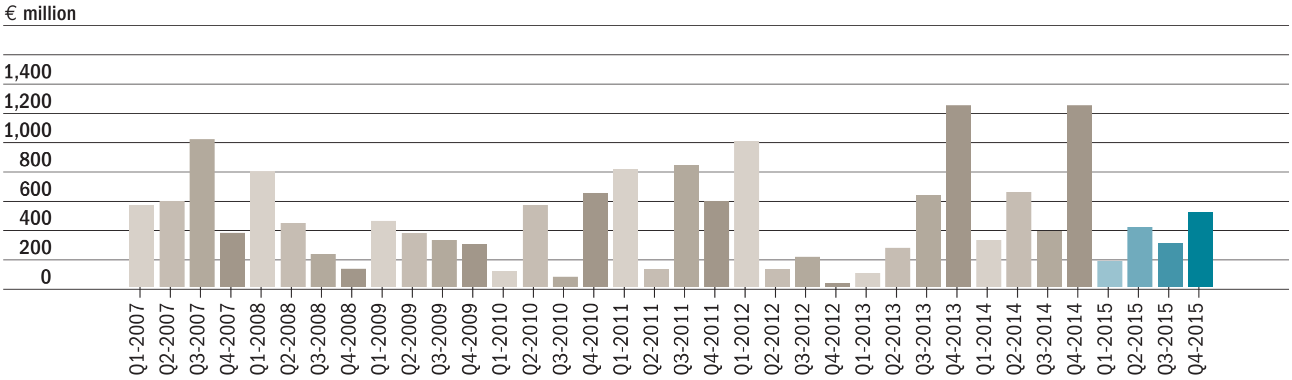
Investments in the retail sector reached approximately €1.4 million in 2015, 47% less than in 2014. International investors were the most active and accounted for 80% of the yearly volume.
Interest in shopping centers continues and represented 51% of the retail investments. High street accounted for a solid 31% of the retail sector, marking the return of "core" investors to this market.
The competition that has emerged among investors in order to ensure the best available product has contributed to a further compression of net prime and good secondary yields.

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

REAL ESTATE NET YIELDS IN ITALY, RETAIL (%)	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15
High Street Prime	4.80	4.50	4.25	4.00	4.00	3.50
High Street Secondary	7.00	6.75	6.50	5.75	5.75	5.00
Shopping Center Prime	6.00	6.00	5.75	5.50	5.50	5.00
S.C. Good Secondary	7.34	7.00	7.00	6.50	6.50	6.00
Retail Park Prime	7.90	7.75	7.75	7.00	7.00	6.00

Source: CBRE

RETAIL INVESTMENT EVOLUTION IN ITALY



The most important retail real estate investments in 2015 are shown below (source: CBRE):

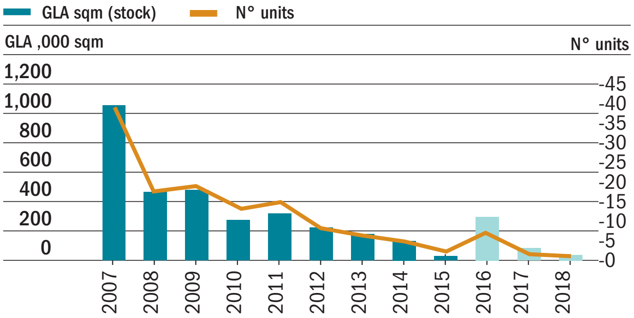
MOST IMPORTANT RETAIL REAL ESTATE INVESTMENTS IN 2015	CITY	TYPE	VALUE €/MN	BUYER	SELLER
PORTFOLIO DEALS					
H&M AND ZARA STORES	PADOVA	HIGH STREET	39.2	TH RE	GRUPPO REAL ESTATE SERVICES/2G INVESTIMENTI SPA
ALTAREA PORTFOLIO	-	SHOPPING CENTRE	122	TRISTAN	ALTAREA
SINGLE ASSET DEALS					
PALMANOVA OUTLET VILLAGE	PALMANOVA	FOC	80	BLACKSTONE RE	POOL INVESTORS
APPLE STORE	BOLOGNA	HIGH STREET	29.4	UBS RE	IGD SIIQ SPA
DIRK BIKKEMBERGS STORE	MILANO	HIGH STREET	11.6	PRIVATE INVESTOR	INVESTIRE IMMOBILIARE SGR
LE CENTURIE	PADOVA	SHOPPING CENTRE	29	TRISTAN	PRIVATE INVESTOR
FIORDALISO (50%)	MILANO	SHOPPING CENTRE	135	ECP	FINIPER
PUNTA DI FERRO	FORLÌ	SHOPPING CENTRE	124.5	IGD	UNIPOL
PALAZZO TIRANON-LA RINASCENTE	FIRENZE	HIGH STREET	85	CARA NVESTORE GMBH	UNICREDIT LEASING, INTESA SAN PAOLO PROVIS, ING LEASE

Source: CBRE

→ The stock and the retail sector pipeline

In 2015 the new retail stock reached approximately 124,000 m^2 GLA, down 10% against the prior year. The pipeline for 2016, however, looks solid with several openings originally slotted for 2015.

EVOLUTION OF NEW DEVELOPMENTS OF SHOPPING CENTERS (GLA > 10,000 MQ IN ITALY AND UNDER CONSTRUCTION PROJECTS)



Only one shopping center was completed in 2015. The other openings involved retail parks or extensions of existing centers. The main projects in the pipeline include Arese (Milan) (88,000 m^2 GLA), Cascina Morata (Milan), Ikea Brescia, Pescaccio (Rome) and Westfield (artificial lake area, Milan), along with the expansion of the Auchan shopping center in Cinisello Balsamo, built in 1993 and expanded once already in 2007. More than 90% of the pipeline is comprised of shopping centers. Along with the centers under construction, more than 60,000 m^2 in extensions of existing centers have also been planned (excluding the FOC).

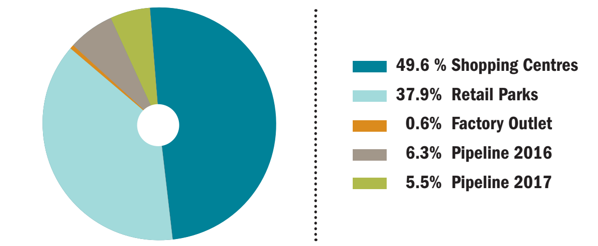
→ Rents and retail demand

Retailers are continuing to look for space in the best locations in the main cities: Milan, Rome, Florence and Venice. The most important international retailer interested in Italy continues to be Primark which is slotted to open 3 stores in the country, the first of which will be inaugurated in the spring of 2016 inside the new shopping center being built in Arese. The rents for standard units (200 m^2) in prime shopping centers reached €850/ m^2 in Milan and €875/ m^2 in Rome.

→ ROMANIA

In 2015 two new shopping centers were opened in Romania, Coresi Shopping Resort in Brasov and Mega Mall in Bucharest for a total of 120,000 m^2 GLA. With these two openings, and the completion of 4 extensions (Shopping City Deva; Severin Shopping Centre; Afi Palace Cotroceni and Carrefour Colentina) the retail stock rose to 3.2 million m^2 GLA. An additional 400,000 m^2 GLA is expected to be opened by year-end 2016 which would bring the total stock to 3.6 million m^2. The main openings slotted for 2016 include ParkLake and Veranda Shop&Stay in Bucharest and Timisoara Shopping City in Timisoara. In 2017 the projects AFI Palace in Brasov (45,000 m^2 GLA), Mega Mall Satu Mare (27,000 m^2 GLA), as well as the extension of Promenanda in Bucharest (25,000 m^2 GLA), are also expected to be opened.

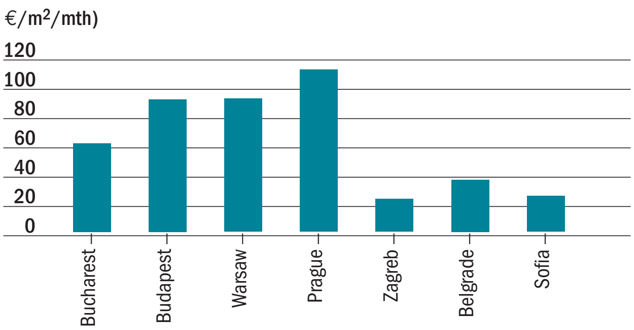
MODERN STOCK PER RETAIL FORMAT IN 2015, INCLUDING PIPELINE 2016-2017



Source: CBRE Research

Average yields for prime shopping centers reached 7.25% at the end of fourth quarter 2015, a drop of -0.75% against the prior half, while the average rent was unchanged at €60/m^2.

CEE CAPITALS – SHOPPING CENTRE PRIME RENT



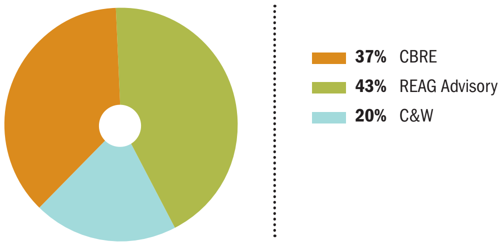
Source: CBRE Research

The prime shopping centers continue to drive the Romanian retail market due to both the size and the ability to attract consumers. Given their characteristics, the prime shopping centers in Romania are preferred by tenants over high street. In 2015 more than thirty-five new retailers were reported and more are expected in 2016 (COS and Chanel beauty). Luxury retailers continue to prefer boutiques inside five star hotels over high street locations.
In the last two years (2014-2015) more than 34% of the new brands opened in EEC were in Romania.

Freehold Assets

The IGD SIIQ SPA Group's real estate portfolio comprises primarily commercial retail properties in Italy and Romania and assets under construction in Italy.
The IGD Group's real estate portfolio at 31.12.2015 was appraised by three independent real estate appraisal companies: CBRE, REAG and Cushman & Wakefield.
The breakdown of the appraisals done by the independent experts by percentage of the IGD Group's portfolio at 31 December 2015 is shown below:

BREAKDOWN OF PORTFOLIO APPRAISERS BASED ON FV AT 31/12/2015



The fees paid at 31 December 2015 to the independent experts are shown below:

FEES AT 31/12/2015 €/thousands

CBRE Valuation SPA	Fees for appraisals	172.0
	Other compensation	0.0
	Total compensation	**172.0**
REAG Advisory Group Spa	Fees for appraisals	237.9
	Other compensation	194.6
	Total compensation	**432.5**
Cushman&Wakefield	Fees for appraisals	64.2
	Other compensation (brokerage services due to Rizzoli disposal and other)	298.0
	Total compensation	**362.2**

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

- **May '15:** the opening of the Clodì Retail Park in Chioggia (Venice). The retail park comprises a hypermarket leased to Coop Adriatica with a GLA of 7,500 m^2 and a retail park with a GLA of 9,300 m^2.
- **May '15:** definitive sales agreement executed for the sale of the Rizzoli property found on via Rizzoli in Bologna. This city center property was sold to UBS for approximately €29 million.
- **July '15:** sale of the plot of land where a gas station was erected near the Le Maioliche center in Faenza for €950,000;
- **December '15:** purchase of the company Punta di Ferro srl, the primary asset of which is the mall in the Punta di Ferro shopping center valued at €125 million.

Based on the appraisals at 31 December 2015, the market value of the IGD SIIQ SPA Group's real estate portfolio came to €**2,082.01 million.**

The asset classes comprising the Group's real estate portfolio at 31 December 2015 are described below:

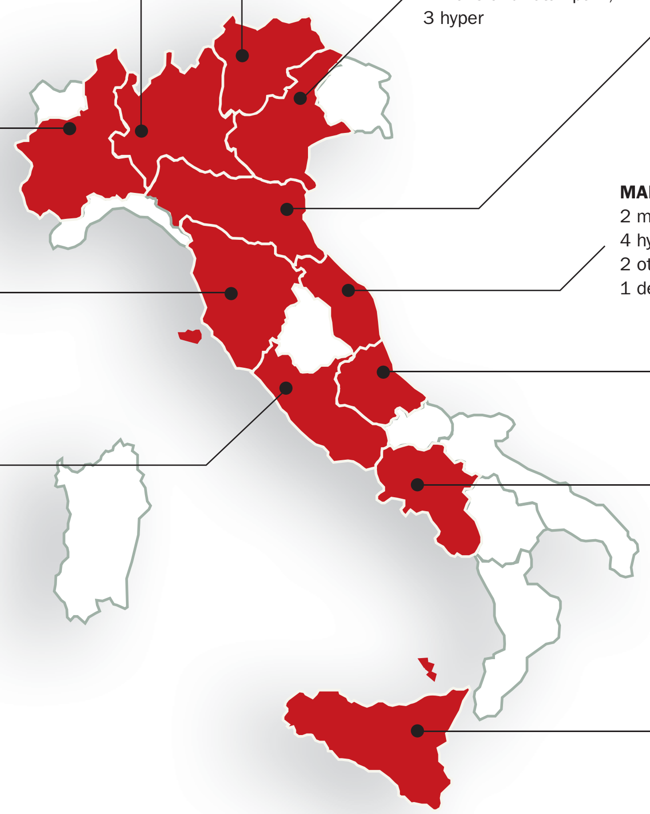
- **"Hyper and super":** 25 properties with a total GLA of about 270,000 m^2, found in 8 regions in Italy.
  The perimeter of this asset class increased by one hypermarket following the opening of the Clodì retail park in May 2015;
- **"Malls and retail parks",** 21 properties with a total GLA of about 314,000 m^2, found in 10 regions in Italy. The perimeter of this asset class increased by one retail park in first half 2015 following the opening of the Clodì retail park and by another mall in the second half as a result of the purchase of the Punta di Ferro mall in Forlì;
- **"City center",** commercial properties located along the main shopping streets of urban centers. At 31 December 2015 this asset class comprised just one asset, the Piastra Mazzini retail complex in Livorno which has a GLA of about 7,500 m^2, following the sale in May of the Rizzoli property in Bologna.
- **"Other":** seven properties pertaining to freehold shopping centers or office units with a total GLA of about 3,150 m^2.
- **"Porta a Mare Project",** a mixed-use real estate complex under construction covering an area of approximately 60,350 m^2 located near Livorno's waterfront.
- **"Development projects",** 2 areas found near the ESP center and the Porto Grande center which are to be used for future extensions of approximately 23,800 m^2 GLA;
- **"Winmarkt"** a portfolio of 14 properties used primarily for retail purposes, and an office building, found throughout Romania covering a total area of approximately 80,100 m^2. The properties belonging to this asset class are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest.

Analysis of the freehold assets

→ Geographical breakdown and composition of the portfolio

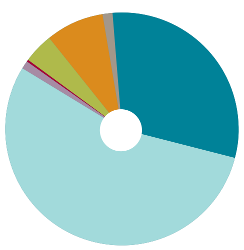
IGD's properties in **Italy** total 57 (including 50% of the "Darsena" Shopping Center) and can be broken down by asset class as follows:

- → **21 shopping malls and retail parks**
- → **25 hypermarkets and supermarkets**
- → **1 city center**
- → **2 development projects and plots of land**
- → **1 asset held for trading**
- → **7 other**



The fair value of the IGD SIIQ Group's Italian real estate portfolio can be broken down by asset class and geographic area as follows:

PORTFOLIO BREAKDOWN AT 31/12/2015



GEOGRAPHIC PORTFOLIO BREAKDOWN IN ITALY AT 31/12/2015

WINMARKT BUZAU
Buzau - Romania
Restyling 2013
GLA sq.m 5,052

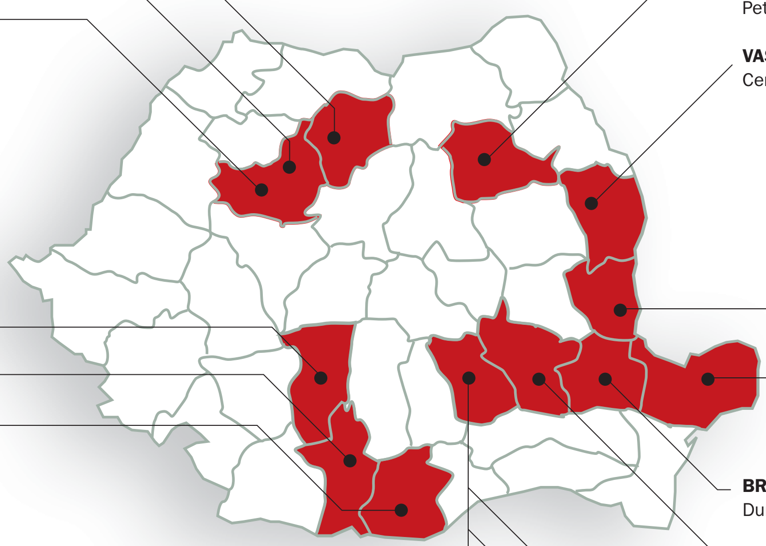
1,875,250 visitors in 2015

WINMARKT PIATRA NEAMT
Piatra Neamt - Romania
Restyling 2014
GLA sq.m 4,734

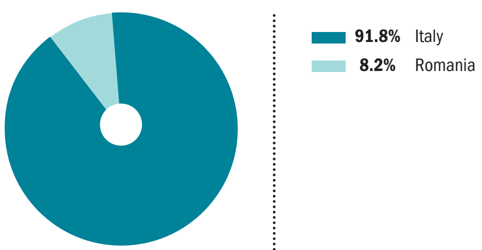
1,608,328 visitors in 2015

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

→ **14 shopping centers**
→ **1 office building**



PORTFOLIO BREAKDOWN ITALY AND ROMANIA AT 31/12/2015



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

→

Italy

SHOPPING CENTER	LOCATION	Mall GLA (sqm)	OTHER (sqm)	OWNERSHIP	OPENING DATE	EXTENSION/RESTYLING/ REMODELING DATE	% OWNED
Galleria Commerciale e Retail Park Mondovicino	Mondovì (CN)	16,857	//	Igd Siiq Spa	2007	//	100
Galleria Commerciale I Bricchi	Isola d'Asti (AT)	16,211	//	Igd Siiq Spa	2009	//	100
Galleria Commerciale Sarca	Sesto S. Giovanni (MI)	23,733	//	Igd Management Srl	2003	2015	100
Galleria Commerciale Gran Rondò	Crema (CR)	11,650	//	Igd Siiq Spa	1994	2006	100
Galleria Commerciale Millennium	Rovereto (TN)	7,683	674	Millennium Srl	2004	//	100
Centro Commerciale e Retail Park Conè	Conegliano (TV)	18,161	//	Igd Siiq Spa	2010	//	100
Centro Commerciale Borgo	Bologna (BO)	7,043	//	Igd Property Siinq Spa	1989	2015	100
Centro Commerciale ESP	Ravenna (RA)	14,993	3200	Igd Property Siinq Spa	1998	2012	100
Centro Commerciale Le Maioliche	Faenza (RA)	21,717	2374	Igd Siiq Spa	2009	//	100
Centro Commerciale Lungo Savio	Cesena FC)	2,917	//	Igd Siiq Spa	2002	//	100
Centro Commerciale Porto Grande	Porto d'Ascoli (AP)	8,097	//	Igd Siiq Spa	2001	//	100
Centro Commerciale d'Abruzzo	San Giovanni Teatino (CH)	15,821	//	Igd Siiq Spa	2001	2014	100
Centro Commerciale Tiburtino	Guidonia Montecelio (RM)	32,988	//	Igd Siiq Spa	2009	//	100
Centro Commerciale Casilino	Roma (RM)	5,515	//	Igd Property Siinq Spa	2002	//	100
Centro Commerciale Le Porte di Napoli	Afragola (NA)	17,341	//	Igd Siiq Spa	1999	2014	100
Centro Commerciale La Torre	Palermo (PA)	14,338	//	Igd Siiq Spa	2010	//	100
Centro Commerciale Katanè	Gravina di Catania (CT)	14,912	//	Iper Igd Siiq Spa/Galleria Igd Property Siinq Spa	2009	//	100
Centro Commerciale Darsena City	Ferrara (FE)	12,320	//	Igd Siiq Spa	2009	//	50
Centro Commerciale Città delle Stelle	Ascoli Piceno (AP)	17,203	//	Igd Siiq Spa	2002	//	100
Ipermercato CC Miralfiore	Pesaro (PU)	//	56	Igd Siiq Spa	1992	//	100
Supermercato Aquileia	Ravenna (RA)	//	//	Igd Siiq Spa		//	100
Ipermercato CC Il Maestrale	Cesano di Senigallia (AN)	//	//	Igd Siiq Spa	1999	//	100
Ipermercato CC Lame	Bologna (BO)	//	//	Igd Siiq Spa	1996	//	100
Ipermercato CC Globo	Lugo di Romagna (RA)	//	//	Igd Siiq Spa	1997	2005	100
Ipermercato CC Leonardo	Imola (BO)	//	//	Igd Siiq Spa	1992	//	100
Ipermercato CC I Malatesta	Rimini (RN)	//	1085	Igd Siiq Spa	2005	//	100
Ipermercato CC Fonti del Corallo	Livorno (LI)	//	//	Igd Siiq Spa	2003	//	100
Ipermercato Schio	Schio (VI)	//	//	Igd Siiq Spa	2008	//	100
Supermercato Cecina	Cecina (LI)	//	//	Igd Siiq Spa	1994	//	100
Supermercato Civita Castellana	Livorno (LI)	//	//	Igd Siiq Spa	2010	//	100
Piastra Commerciale Mazzini	Livorno (LI)	7,523	//	Igd Siiq Spa	2014	//	100
Retail Park Clodì	Chioggia (VE)	9,309	//	Igd Siiq Spa	2015		100
Galleria Commrciale Punta di Ferro	Forlì (FC)	21,223	//	Igd Siiq Spa	2011	//	100
Centro Piave	San Donà di Piave (VE)	11,600		Csii Spa	1995	2003	//
Centro Nova	Villanova di Castenaso (BO)	12,485		Csii Spa e Copain Holding Spa	1995	2008	//
Galleria CC Fonti del Corallo	Livorno (LI)	//	//	Igd Siiq Spa	2003	//	100

FORM OF OWNERSHIP	No. OF SHOPS	No. OF MIDDLE SIZED AREAS	PARKING PLACES	MAIN BRANDS	FOOD ANCHOR	FOOD ANCHOR GLA
Freehold property (excluding hypermarket)	54	8	4500	Jysk,OVS, Librerie Coop, Brico IO, Casa Terra, Foot Loker	Ipercoop (non di proprietà)	//
Freehold property (excluding hypermarket)	25	6	1450	Combipel, Deichamann	Il Gigante (non di proprietà)	//
Freehold property (excluding hypermarket)	80	7	2500	OVS, H&M, Piazza Italia, Skyline cinema, Roadhause, Scarpe&Scarpe , Rosso Pomodoro,	Ipercoop (non di proprietà)	//
Freehold property (excluding hypermarket)	38	3	1280	Oviesse, Promenade calzature	Ipercoop (non di proprietà)	//
Freehold property (excluding hypermarket and a portion of the mall)	33	6	900	Game 7 athletics, Oviesse, Trony, Bata	Superstore Coop (non di proprietà)	//
Freehold property	64	9	1550	Maison du Monde, Combipel, H&M, Librerie Coop, Eurionics, Scarpe&Scarpe, Stradivarius	Ipercoop	9,498
Freehold property	32	5	1550	Librerie Coop, Unieuro, C6, Scarpe&Scarpe	Ipercoop	11,480
Freehold property	44	6	2456	Deichmann, Game 7 athletics, Librerie Coop, Piazza Italia, Unieuro	Ipercoop	16,536
Freehold property	48	8	2400	Deichmann, H&M, Trony, C&A, Decathlon, Bricofer	Ipercoop	9,277
Freehold property	24	1	850	Benetton, Librerie Coop, Motivi, Primigi, Kiko	Ipercoop	7,476
Freehold property	36	2	1730	Decathlon, Deichmann	Ipercoop	15,290
Freehold property	50	3	1730	Decathlon, Euronics, Librerie Coop, Piazza Italia, Terranova, Intersport, Scarpamondo	Ipercoop	14,127
Freehold property	115	11	3800	Desugual, Bata, Azzurra Sport, H&M, Piazza Italia, Obi, Scarpamondo, NewYorker, Euronics	Ipercoop	7,633
Freehold property	25	3	1260	Euronics, Piazza Italia, Bata	Ipercoop	14,567
Freehold property	72	5	2650	Desugual, Euronics, H&M, Piazza Italia, Rosso Pmodoro	Ipercoop	9,800
Freehold property	59	5	1700	Expert, Scarpe&Scarpe, Piazza Italia, H&M, McDOnald	Ipercoop	11,217
Freehold property	70	6	1320	Adidas, Euronics, H&M Combipel, Piazza Italia,	Ipercoop	13,663
50% freehold proeprty of mall and hypermarket	31	2	1320	Deichmann	Despar	3,715
Freehold property	46	10	2200	Game 7 athletics, Piazza Italia, Non solo sport, Unieuro, Multiplex Stelle	Ipercoop	14,381
Freehold property (Hypermarket + shop)				//	Ipercoop	10,356
Freehold property (supermarket)				//	Coop	2,250
Freehold property (hypermarket)				//	Ipercoop	12,551
Freehold property (hypermarket)				//	Ipercoop	15,681
Freehold property (hypermarket)				//	Ipercoop	7,937
Freehold property (hypermarket)				//	Ipercoop	15,862
Freehold property (hypermarket + Wholesale area + Fitness Area)				//	Ipercoop	10,232
Freehold property (only hypermarket)				//	Ipercoop	15,371
Freehold property (only hypermarket)				//	Ipercoop	8,176
Freehold property (only supermarket)				//	Coop	5,749
Freehold property (only supermarket)				//	Coop	3,020
Piena Proprietà	35	2		Unieuro/Coop	//	//
Freehold property	8	6		OVS, Scarpe&Scarpe, Piazza Italia, Dechatlon	Ipercoop	7,490
Freehold property	94	3	2854	H&M, Unieuro, Toys, McDonald, Daichman, Benetton	Conad	7,490
Master Leasing	48	5	1500	Cisalfa, Librerie Coop, Oviesse, Piazza Italia, Scarpe&Scarpe, McDonald	Ipercoop	15,800
Master Leasing	55	7	2400	H&M, Librerie Coop, Bershka, Pittarosso, Benetton, McDonald	Ipercoop	18,188
Master Leasing	55	2	1600	Oviesse, Librerie Coop, Bata, Swarovski	Ipercoop	15,371

Romania

SHOPPING CENTER	LOCATION	SHOPPING CENTER GLA (SQM)	NET SALLING AREA	CIRCULATION (sqm) RENTED	RENTABLE WARE-HOUSE/OFFICE	OWNERSHIP	OPENING DATE
Grand Omnia Center	Ploiesti	17,758	16,176	455	1,127	Win Magazin SA	1986
Big	Ploiesti	3,999	2,642	486	871	Win Magazin SA	1976
Modern	Galati	7,889	7,351	138	400	Win Magazin SA	1973
Cozia	Ramnicu Valcea	7,871	7,572	117	182	Win Magazin SA	1973
Petrodava	Piatra Neamt	6,066	4,734	341	992	Win Magazin SA	1985
Dunarea	Braila	7,397	6,322	217	858	Win Magazin SA	1978
Dacia	Buzau	5,650	5,052	24	574	Win Magazin SA	1975
Diana	Tulcea	3,941	3,725	8	208	Win Magazin SA	1972
Somes	Cluj Napoca	7,306	5,681	93	1,532	Win Magazin SA	1983
Magura	Bistrita	5,360	4,500	89	771	Win Magazin SA	1984
Crinul Nou	Alexandria	3,366	3,123	37	205	Win Magazin SA	1978
Oltul	Slatina	5,978	5,008	37	933	Win Magazin SA	1975
Central	Vaslui	3,650	3,506	31	114	Win Magazin SA	1973
Big	Turda	2,579	2,577	2	-	Win Magazin SA	1981
TOTAL Shopping Malls		**88,811**	**77,970**	**2,075**	**8,765**		
Junior	Ploiesti	3,012	2,137	544	331	Win Magazin SA	
TOTAL		**91,823**	**80,107**	**2,619**	**9,096**		

winmarkt
shopping in center

DATE OF EXPANSION/RESTYLING	AREA OF EXPANSION	% OWNED	FORM OF OWNERSHIP	No. OF SHOPS	No. OF MIDDLE SIZED AREAS	PARKING PLACES	MAIN BRANDS
2015		100	Freehold property	142	//	400	Adidas, Levi's, Domo, Vodafone, Carrefour Market, Samsonite,Leonardo, Jolidon, House of Art, Banca Transilvania, KFC, Flanco
2013		100	Freehold property	95	//		Banca Transilvania, Carrefour Market
2005		100	Freehold property	60	//		Domo, B&B, Sevda, Jolidon, Levi's, Manas, Leonardo
2004		100	Freehold property	45	//		B&B Collection, House of Art, Fox, Leonardo, Jolidon, dm Drogerie Markt, Domo
2014		100	Freehold property	70	//		Sensiblu, B&B Collection, Billa, Leonardo
2004		100	Freehold property	46	//		B&B, City Pharma, Credit Europe Bank, Leonardo, House of Art, Jolidon, Domo, Vodafone, Sevda, miniMAX Discount
2013		100	Freehold property	26	//		B&B Collection, Leonardo, KFC, Sensiblu,
2002		100	Freehold property	44	//		B&B Collection, Leonardo, House of Art, Domo, Minimax, Vodafone
2011		100	Freehold property	34	//		Carrefour Market, dm drogerie markt, Leonardo, Big Fitness
2005		100	Freehold property	27	//		Carrefour, Leonardo, Domo, DM Drogerie Markt, fast-food Pizzamania
2013		100	Freehold property	32	//		B&B Collection, Carrefour Market, Domo, House of Art, Leonardo, Jolidon
2005		100	Freehold property	21	//		Altex, Avenir Telecom, B&B, Jolidon, House of Art, Domo
2006		100	Freehold property	17	//		Electronmedia, B&B Collection, Leonardo, Jolidon Import Export, Domo Retail
2007		100	Freehold property	7	//		ILEX, Robest, Leonardo, Altex
		100	Freehold property				

Italy - Analysis by asset class

The trends that became apparent in the first half of the year, namely an overall increase in fair value like-for-like, a drop in rates (particularly in the gross cap out) and improved occupancy, were confirmed in the second half of 2015. The main changes for each asset class in the year are described below.

→ Hypermarkets and supermarkets

IGD's freehold hypermarkets and supermarkets are leased on a long-term basis to Coop Adriatic Scrl (as of 1 January 2016 Coop Alleanza 3.0), Unicoop Tirreno Scrl and Coop Sicilia. Rent is indexed to 75% of the ISTAT index. Tenants are responsible for all routine and extraordinary maintenance on plants and the interiors of the buildings.
The hypermarkets and supermarkets were valued at 31 December 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

HYPER/SUPER	31/12/2015
CBRE Valuation S.p.A.	31%
REAG Advisory	36%
Cushman & Wakefield	33%
Total	**100%**

The DCF method was used by all the appraisers for this asset class.
In CBRE's and C&W's DCF model a standard duration of 10 years was used for all the assets; Reag used a duration of between 16 and 23 years depending on the expiration of the lease held by the retailer.
The total value of this class of property at 31 December 2015 reached €632.93 million, an increase of 5.11% (+€30.75 million) against 31 December 2014 explained primarily by the opening of the new hyper in Chioggia.
On a like-for-like perimeter basis the fair value of this asset class rose by 2.76% (+€16.65 million) explained by the drop in the exit cap rates and discount rates used by the appraisers in their DCF models. The average gross cap out rate like-for-like reached 6.29%, a drop of -0.25% against 31.12.2014.
The weighted average discount rate, like-for-like came to 7.03% a decrease of – 0.01% against 31.12.2014.
The gross initial yield came to 6.36%, down – 0.15% against 31.12.14, a direct consequence of the increase in the fair value of this asset class.
The occupancy rate of the hyper/supermarkets came to 100%, unchanged with respect to prior semesters.

→ Shopping malls and retail parks

The IGD Group's shopping malls and retail parks are leased on average for five years to businesses. Rent is indexed to 100% of the ISTAT index.
Leases of six + six years, with rent indexed to 75% of the ISTAT index, are reserved for services like newsstands, tobacco shops, hair salons and beauty centers.
Shopping malls and retail parks were valued at 31 December 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

SHOPPING MALLS/RETAIL PARK	31/12/2015
CBRE Valuation S.p.A.	31%
REAG Advisory	51%
Cushman & Wakefield	18%
TOTAL	**100%**

The DCF method was used by all three appraisers for this asset class.
In CBRE's and C&W's DCF model a standard duration of 10 years was used for all assets; Reag used a standard duration of 18 years for this asset class.
The fair value of this asset class reached €1,136.81 million at 31 December 2015, an increase of +17.14% (+166.37 million) with respect to 31 December 2014 due primarily to the opening of the Clodì Retail Park in Chioggia in the first half and the acquisition of the Punta di Ferro mall in Forlì in the second half of 2015.
On a like-for-like perimeter basis the fair value of this asset class rose +2.08% (+ €20.21 million) against 31.12.2014 explained by the drop in the exit cap rates and discount rates used by the appraisers in their DCF models. The malls/retail parks benefitted from the good performances posted by the recently restyled and/or remodeled malls (like Sarca, Borgo, Tiburtino, Centro d'Abruzzo) which caused FV to rise by more than 4%. The gross initial yield for this asset class, like-for-like came to 6.37%, a decrease of -0.21% against 31.12.2014 due primarily to the increase in fair value. The weighted average discount rate dropped -0.09% against 31 December 2014 to 7.18%.
The average gross cap out rate reached 6.87%, down -0.23% against 31.12.14.
The financial occupancy rate came to 95.30% at 31 December 2015, an increase of +1.21% against 31 December 2014 due to the pre-letting of units found primarily at the Sarca and Mondovicino centers.

City Center

In first half 2015 the Rizzoli retail complex in Bologna was sold. This asset class at 31 December now comprises solely the “Piastra commerciale Mazzini” (a retail complex) located in Livorno. The fair value of this asset class came to €23.7 million, a decrease of -58.05% (-€32.8 million) against 31 December 2014 as a result of the above mentioned disposal.
On a like-for-like perimeter basis the fair value of this asset class dropped -15.05% (-€4.2 million) against 31.12.2014 due to the leasing of space in the half at rents lower than the market rates assumed in the prior half and the adjustments made to align vacancy calculations with the current market rates.
The gross initial yield rose +0.34% against 31 December 2014 to 5.34% due to the drop in fair value.
The like-for-like discount rate was unchanged against the prior period at 6.70% while the gross cap out increased +0.17% to 7.18% due to weakened prospects for earnings.
The financial occupancy rate for this asset class came to 81.56% at 31 December 2015, an increase of 7.28% against 31 December 2014.
The City Center property at 31 December 2015 was appraised 100% by CBRE who used the DCF method with a standard duration of 10 years.

Development projects

In 2015 the perimeter of this asset class changed following the exit of the asset Chioggia Retail Park which, following the opening in May 2015, was reclassified under Hyper/Super and Malls and Retail Parks, respectively. At 31 December 2015 this asset class consisted of two plots of land on which the following retail projects are underway:

- ESP extension: extension of the mall in the ESP Shopping Center in Ravenna by a GLA of 19,000 m^2. The work began in first half 2015 and is expected to open in first half 2017.
- P.to Grande extension: extension of the Porto Grande Shopping Center in P.rto d’Ascoli (AP) as a result of the construction of two midsize stores with a GLA of 5,000 m^2. Planning has been completed for this project and all the permits obtained. The opening is expected to take place in the second half of 2017.

“Development projects” were valued at 31 December 2015 by the appraisers CBRE and Cushman & Wakefield based on the following percentages of FV:

DEVELOPMENT PROJECTS	31/12/2015
CBRE Valuation S.p.A.	88%
Cushman & Wakefield	12%
TOTAL	**100%**

Appraisers used the conversion, DCF and residual methods to value this asset class.
The total FV of this class of property at 31 December 2015 amounted to €26.64 million, an increase like-for-like of 11.08%, (approximately +€2.66 million), due primarily to the work begun on the ESP extension.

Porta a Mare project

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 31 December 2015 entirely by the independent appraiser CBRE using the conversion method.
The project can be broken down into the following areas:

- Piazza Mazzini (residential and retail) where sales of residential units began in 2013;
- Officine storiche (retail, residential) where work began in first half 2015 and is expected to end by the first half of 2018;
- Lips (retail, tourist services, and accommodations) where work is expected to begin in the second half of 2017.
- Molo Mediceo (retail and services) where work is expected to begin in 2018
- Arsenale (retail) where work is expected to begin in 2018.

The fair value of this asset class reached €85.34 million at 31 December 2015, a decrease of -€0.50 million due to the progress made on the work at the Officine area and the sale of residential units at Mazzini.
The FV of this asset class at 31 December 2015 includes the retail properties that will continue to be owned by the IGD Group.

Other

The perimeter of this asset class was unchanged at 31 December 2015 with respect to the prior period and continues to comprise one store near the supermarket on via Aquileia in Ravenna and offices found inside the P.to Grande hypermarket in Porto D’Ascoli (Ascoli Piceno), an office next to the Miralfiore hypermarket, plus a wholesale zone and a fitness area pertaining to the Malatesta Shopping Center in Rimini.
This category includes the offices located on the second floor of the Centro Direzionale Bologna Business Park office building where the IGD Group’s headquarters are located, which, following the expiration of the lease with the Hera Group, was leased for six plus six years to Adriatica Luce&Gas SPA and Coop Adriatica, as well as the offices located on the third and last floors of the same building which are leased to Librerie Coop.
The class of assets was valued at 31 December 2015 by the appraisers CBRE, REAG and Cushman & Wakefield based on the following percentages of FV:

OTHER	31/12/2015
CBRE Valuation S.p.A.	66%
REAG Advisory	27%
Cushman & Wakefield	7%
TOTAL	**100%**

All three appraisers used the DCF method to value this asset class.
The market value of this class of property at 31 December 2015 amounted to €5.99 million, a drop of 7.22% (-€0.46 million) against 31 December 2014 explained primarily by the second floor of the headquarters which was re-rented at a rate that was lower with respect to November 2014.

Romania

The real estate portfolio of the Romanian company Winmarkt comprises 14 shopping centers and an office building covering a total area of approximately 80,100 m^2. The Winmarkt properties were valued at 31 December 2015 by the appraisers CBRE and REAG based on the following percentages of FV:

WINMARKT	31/12/2015
CBRE Valuation S.p.A.	51%
Reag Advisory	49%
TOTAL	**100%**

The DCF method was used by both independent experts. Reag applied a standard duration of 15 years and CBRE of 6 years.

The market value of this asset class at 31 December 2015 was €170.6 million, a decrease of 2.68% (-€4.7 million) attributable almost entirely to shopping malls as a result of the lower market rates used to value vacancies.

The fair value of the office building Junior in Ploiesti at was down slightly 31 December 2015 (-2.94% or -€0.1 million), coming in at €3.30 million.

The gross initial yield for the Winmark malls reached 6.22%, a drop of 0.42%, while the gross cap out rate fell by -0.17% to 8.47%. The discount rate was unchanged with respect to the prior year coming in at 8.50%.

The financial occupancy rate came to 93.90% at 31 December 2015, an improvement of 7.50% with respect to the prior year due to the increase in the number of rented units.

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

REAL ESTATE INVESTMENTS IGD GROUP (In €/000)	BOOK VALUE AT 31/12/2015	ACCOUNTING METHOD	MARKET VALUE AT 31/12/2015	DATE OF LAST APPRAISAL
Hypermarkets and Supermarkets	632.93	*fair value*	632.93	Jan 2015 - Feb 2015
Shopping malls Italy	1,136.81	*fair value*	1,136.81	Jan 2015 - Feb 2015
City Center	23.70	*fair value*	23.70	Jan 2015
Other	5.99	*fair value*	5.99	Jan 2015 - Feb 2015
Total Italy	**1,799.43**		**1,799.43**	
Shopping malls Romania	167.30	*fair value*	167.30	Jan 2015 - Feb 2015
Other Romania	3.30	*fair value*	3.30	Jan 2015 - Feb 2015
Total Romania	**170.60**		**170.60**	
Total IGD Group	**1,970.03**		**1,970.03**	

DIRECT DEVELOPMENT INITIATIVES	BOOK VALUE AT 31/12/2015	ACCOUNTING METHOD	MARKET VALUE AT 31/12/2015	DATE OF LAST APPRAISAL
Direct development initiatives	**26.64**	**Adjusted cost / Fair value**	**26.64**	Jan 2015 - Feb 2015

PORTA A MARE PROJECT	BOOK VALUE AT 31/12/2015	ACCOUNTING METHOD	MARKET VALUE AT 31/12/2015	DATE OF LAST APPRAISAL
Porta a Mare project*	**85.15**	**Adjusted cost / Fair value**	**85.34**	Jan 2015

TOTAL	INVESTMENT PROPERTY, PLOT OF LAND AND DEVELOPMENT PROJECTS, ASSETS HELD FOR TRADING	MARKET VALUE OF FREEHOLD PROPERTIES, PLOT OF LAND, DIRECT DEVELOPMENT PROJECTS AND ASSETS HELD FOR TRADING	CHANGE
Total	**2,081.82**	**2,082.01**	**(0.19)**

* The figure includes the portion of the retail units included in preliminary sales agreements with IGD SIIQ S.p.A. classified in the financial statements as works in progress and down payments.

The details of ongoing projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	ESTIMATED INVESTMENT (Euro/mn)	BOOK VALUE AT 31/12/2015 (Euro/mn)	% HELD	STATUS
ESP	Extension	Ravenna	19,000 smq	1H 2017	approx. 51	23.50	100%	Signing of the Urban Convention and marketing authorization being finalized. Works started
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5,000 smq	2H 2017	approx. 9.9	3.14	100%	Planning stage completed. All the construction permits and authorizations have been issued
					Total	**26.64**		

2.6 Appraisals

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REAG

DUFF & PHELPS
Real Estate Advisory Group

Agrate Brianza, 16 March 2016

Ref. n° 9006,03-9007,03-9008,03-20212

Messrs

GRUPPO IGD S.p.A.

Immobiliare Grande Distribuzione

Via Trattati Comunitari Europei 1957-2007, n. 13

40127 Bologna

To the kind attention of Mr Roberto Zoia

Subject: Determination of the Market Value as of December 31st 2015 of a real estate portfolio consisting of of n. 13 real estate assts intended for commercial use and located on the italian territory and n. 9 department stores located on the romanian territory, indicated as owned by GRUPPO IGD S.p.A.

Dear sirs,

in compliance with Your request, REAG – Real Estate Advisory Group carried out the valuation of a real estate portfolio, indicated as owned by GRUPPO IGD S.p.A. (hereinafter the Client), in oder to determine the market value as of December 31st 2015.

The appraisal has been completed on the basis of the following assumptions:

- sale of the real estate complex as a whole (not piecemeal), in the rental situation at the date of the appraisal.

Definitions

In this report, the following listed words have to refer to their proper definitions, except for the different cases mentioned on the report itself. For the definition of all other technical and/or legal terms contained in this report, please refer to the Italian Civil Code and related laws, or to the commonly used meaning.

"Real Estate Portfolio" (hereinafter **"Portfolio"**) represents the ensemble of assets subject to appraisal: land, buildings, building systems and land improvements. Personal Properties and intangible assets were excluded from the appraisal.

"Real Estate Property" (hereinafter **"Property"**) represents the asset subject to appraisal: land, buildings, building systems and land improvements. Personal Properties and intangible assets were excluded from the appraisal.

"Valuation" is defined by the Royal Institution of Chartered Surveyors ("RICS") as: a member's opinion of the value of a specified interest or interest in a property, at the date of valuation, given in writing. Unless limitations are agreed in the Terms of Engagement this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the property and the purpose of the valuation.

"Market Value" (MV) is "(...) the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion". (Valuation Standard RICS, January 2014).

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"Market Rent" (MR) is " (...) the estimated amount for which a property, or space within a Property, should lease on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms, in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion". (Valuation Standard RICS, January 2014).

Valuation criteria

Valuations Asset by Asset of the entire portfolio have been carried out considering the conditions set out in drafts of leases and rent of business unit and individual "rent roll" provided by the Ownership, reflecting the rental situation as of December 2015.

For the valuation of the shopping centers having both the part called "Hyper" and the part called "Mall", REAG, as agreed with the client, proceeded to the virtual separation of the properties into two separate entities, Hyper and Mall, making two separate assessments, assumptions and specific valuation criteria.

During the appraisal, REAG followed generally accepted valuation concepts and methods, applying in particular the following valuation methods.

- **Market/Sales Comparison Approach:** is predicated on actual sales transaction data. Sales are adjusted for comparability including time, location, size, condition, utility and intangible benefits.

- **Income Capitalization Approach:** takes two different methodological approaches into consideration:
  - ✓ Direct Capitalisation: based on capitalisation of future net incomes generated by the property at a rate deduced from the real estate market;
  - ✓ Discounted Cash Flow Method (DCF) based:
    - ❖ on the calculation of future net incomes derived from Property renting for a period of "n." years;
    - ❖ on the determination of the Market Value of the property by means of the capitalisation in perpetuity of the net income at the end of this period;
    - ❖ on the discounted back net incomes (cash flow) as of the evaluation date.

REAG moreover:

- Carried out during December 2015 site inspections on the Properties located in Roma, Guidonia, Gravina di Catania, Palermo,Ferrara and Forlì to find out all the information (building qualities, preservation condition, etc,) necessary to elaborate the appraisals themselves, in addition to the information given by Client; no site inspections were carried on the other properties, REAG based the appraisals on the informations already known.

- Carried out an analysis of the conditions of the local real estate market, took the economic data detected therein into consideration and adapted it to the specific features of the Properties through appropriate statistical work-ups;

- Determined the building area on the basis of the documents supplied by the Client;

- Considered the draft of the "model" lease agreement, the individual amounts of the fees as indicated in the "rent-roll" and the related clauses (duration, insurance costs, maintenance costs, etc) provided by the Client;

- Determined the value of the Property on the assumption of its highest and best use, that is to say, considering among all legally permitted and financially feasible technical uses, only those that can potentially confer the maximum value to each Property;

- Considered the rental sistuation at the date of the appraisal and indicated by the Client.

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Report content

This work, including the final report on the conclusions reached by REAG, comprises:

- a letter of general introduction to the work, identifying the Property appraised, describing the nature and extent of the investigation, presenting and certifying the conclusion reached;
- assumptions and limiting conditions;
- general service conditions

Conclusions

The conclusions out coming from the analysis have been reached by REAG on the basis of the results obtained at the end of all the following activities:

- Site inspections on the Properties;
- Collection, selection, analysis and valuation of the data and documents concerning the Property;
- Performance of proper market researches;
- Technical-financial elaborations;

besides on the basis of the methods and valuation criteria above described.

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Given the above considerations

It is our opinion that, as of December 31st, 2015, the **Market Value** of the subject Properties can reasonably be expressed as follows:

	CITTA'	PROV.	IMMOBILE	TIPOLOGIA CC	TIPOLOGIA IMMOBILE
1	RIMINI	RN	C.C. I MALATESTA	IPER + AREA FITNESS + AREA INGROSSO	IPER
					AREA FITNESS
					AREA INGROSSO
2	FERRARA	FE	C.C. LA DARSENA	GALLERIA	GALLERIA
3	FAENZA	RA	C.C. LE MAIOLICHE	GALLERIA +IPER	GALLERIA
					IPER
4	LUGO	RA	C.C. GLOBO	IPER	IPER
5	RAVENNA	RA	VIA AQUILEIA	SUPERMERCATO + NEGOZIO	SUPERMERCATO
					NEGOZIO
6	MONDOVI'	CN	C.C. MONDOVICINO	GALLERIA + RETAIL PARK	GALLERIA
					RETAIL PARK
7	ISOLA D'ASTI	AT	C.C. I BRICCHI	GALLERIA	GALLERIA
8	ROMA	RM	C.C. CASILINO	GALLERIA +IPER	GALLERIA
					IPER
9	GUIDONIA	RM	C.C. TIBURTINO	GALLERIA + SUPERMERCATO	GALLERIA
					IPER
10	GRAVINA DI CATANIA	CT	CC KATANE'	GALLERIA +IPER	GALLERIA
					IPER
11	PALERMO	PA	CC LA TORRE	GALLERIA +IPER	GALLERIA
					IPER
12	CHIOGGIA	VE	CLODI RETAIL PARK	RETAIL PARK + IPER	RETAIL PARK
					IPER
13	FORLI'	FC	C.C. PUNTA DI FERRO	GALLERIA	GALLERIA

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	ROMANIA		
	CITTA'	IMMOBILE	TIPOLOGIA
1	TURDA	S.C. BIG	DEPARTMENT STORE
2	CLUJ NAPOCA	S.C. SOMES	DEPARTMENT STORE
3	BISTRITA	S.C. MAGURA	DEPARTMENT STORE
4	GALATI	S.C. MODERN	DEPARTMENT STORE
5	PIATRA NEAMT	S.C. PETRODAVA	DEPARTMENT STORE
6	VASLUI	S.C. CENTRAL	DEPARTMENT STORE
7	BRAILA	S.C. DUNAREA	DEPARTMENT STORE
8	TULCEA	S.C. DIANA	DEPARTMENT STORE
9	BUZAU	S.C. DACIA	DEPARTMENT STORE

Euro 886.450.000,00

(Euro Eight hundred eighty six million four hundred fiftythousand/00)

Performed by:
Gianluca Molli
Project Manager

Supervised and coordinated by:
Savino Natalicchio
Director Retail Advisory & Val.Dept

REAG – Real Estate Advisory Group S.p.A.

Simone Spreafico
Managing Director Advisory & Valuation Dept.

DNV-GL

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Milan, January, the 29th 2016

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CONTRACT N. 8022; 8023; 8024

Valuation certificate of the assets owned by IGD SIIQ Spa at 31/12/2015

INTRODUCTION

In accordance with your instructions, we have determined the Market Value of owned and operating Shopping Galleries, Hypermarkets and office portions and plots of land. The scope of work is to value on the basis of the Market Value the freehold interest in the Properties of the Portfolio.

Italian Portfolio :

RIF	TYPE OF ASSET	ADDRESS	PROPERTY NAME	CITY	PROV.
1	SHOPPING GALLERY	Via Po	Centro d'Abruzzo	San Giovanni Teatino	CH
1	HYPER	Via Po	Centro d'Abruzzo	San Giovanni Teatino	CH
3	SHOPPING GALLERY	Via Marco Bussato, 74	ESP	Ravenna	RA
3	HYPER	Via Marco Bussato, 74	ESP	Ravenna	RA
3	LAND	Via Marco Bussato, 74	Ampliamento ESP	Ravenna	RA
4	SHOPPING GALLERY	Via M.E. Lepido, 184	Centro Borgo	Bologna	BO
4	HYPER	Via M.E. Lepido, 184	Centro Borgo	Bologna	BO
5	HYPER	Via Marco Polo, 3	Lame	Bologna	BO
12	SHOPPING GALLERY	Via Santa Maria La Nuova, 1	Le Porte di Napoli	Afragola	NA
12	HYPER	Via Santa Maria La Nuova, 1	Le Porte di Napoli	Afragola	NA
13	HYPER	Via Gino Graziani, 6	Fonti del Corallo	Livorno	LI
16	SHOPPING GALLERY	Via Milanese, snc	Sarca	Sesto San Giovanni	MI
29	OFFICE	Via dei Trattati Comunitari, 13	HERA	Bologna	BO
30	OFFICE	Via dei Trattati Comunitari, 13	Librerie Coop	Bologna	BO
31	CITY CENTER	Piazza Mazzini	Piazza Mazzini	Livorno	LI
LIV	INVESTMENT	Via del Molo Mediceo	Porta a Mare	Livorno	LI

Winmarkt Portfolio - Romania,

RIF	SHOPPING CENTRE	TOWN
2	Big Shopping Centre	Ploiesti
3	Grand Centre + Omnia Shopping Complex	Ploiesti
4	Junior Office Building	Ploiesti
8	Cozia Shopping Centre	Ramnicu Valcea
12	Crinul Nou Shopping Centre	Alexandria
13	Oltul Shopping Centre	Slatina

We have made all appropriate enquiries in order to inform you as to the Market Value of the properties as at 31st December 2015 on the basis of the criteria expressed herein.

The valuation of the subject assets has been performed on the basis of the information supplied to us by the Client. Specifically, we have been provided with the details regarding the leasing status of each unit at the date of valuation; the related turnover data and variable rent received; other eventual income related to temporary lettings; sales area and gross area, both related to existing assets or buildings under construction; property tax, insurance, service charges of each asset.

DEFINITION OF MARKET VALUE

The valuation has been prepared in accordance with The *RICS Valuation Professional Standards, Latest Italian Edition (2014)*, on the basis of "Market Value" which is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion."

VALUATION CRITERIA

The valuation of the assets in question has been performed on the basis of commonly used and accepted valuation criteria. Specifically the criteria we applied to the different asset types are the following:

Shopping galleries, Hypermarkets and office portions: Discounted Cash Flow analysis: based on the discounting back of the future cash flows generated by the property over a fixed holding period (typically 10 years), that refers to the lease contracts duration. At the end of this period, we assume that the property will be sold at a value obtained by capitalising the final year net income at a right market capitalisation rate relating to investments similar to that in question.
Land sites for new constructions or enlargement of the existing assets: Conversion/Transformation method, based on the discount, at the date of valuation, of the cash flows (deriving from rental incomes after completion of works) calculated over a period corresponding to the completion of works on the site in order to be fully operating, (cash flows are the results of the difference between incomes and costs) so the market value is the difference between the market value of the transformed area and the costs of development. At the end of this period, we assume that the property will be sold at a value obtained by capitalising the final year net income at an appropriate market capitalisation rate relating to investments similar to that in question, deducting costs required to the enlargement at valuation date.

LIMITATIONS AND ASSUMPTIONS TO THE SUBJECT REPORT

This valuation certificate has been carried out according to the instructions received and on the basis of the building documentation provided by the owner or its representative. However, there are a number of limitations inherent to this certificate, which we should point out, that can be summarised as follows.

- No research has been carried out relating to the properties structural analyses, to the cadastral, mortgage or other situations or to their equipment and machineries. We have not verified the presence of asbestos or other any toxic substances and assume that none exist.
- The Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions.

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- All buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use.
- No legal, fiscal or financial aspects have been considered other than those explicitly quoted below.
- All data relating to the progress of construction works have been supplied to us by the Client.
- Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined all the deeds, leases or other documents relating thereto.
- Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.
- We have not measured the Property but have relied upon the floor areas provided.

VALUATION

Upon the assumption that there are no onerous restrictions or unusual outgoings of which we have no knowledge, and subject to the "General Principles" and the specific comments and assumptions which are set out here and in the full valuation report, of which the subject certificate is an extract, we are of the opinion that the market value of the properties owned by IGD SIIQ SpA as at 31st December 2015 is:

Market Value Euro 773.679.500,00 (Seven Hundred and Seventy-Three Million Six Hundred Seventy-Nine Thousand Five Hundred Euro/00)

Yours faithfully

CBRE VALUATION S.p.A.

Mirko Baldini
(Managing Director)

For and on behalf of
CBRE Valuation Spa

Elena Gramaglia MRICS
(Associate Director)

For and on behalf of
CBRE Valuation Spa

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Milan, January, the 29th 2016

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CONTRACT N. 8022, 8023, 8024

Valuation certificate of the properties owned by IGD SIIQ Spa at 31/12/2015 – excluding land lots but including Winmarkt Portfolio in Romania and business agreements owned by subsidiary companies

INTRODUCTION

In accordance with your instructions, we have determined the Market Value of the following assets owned by IGD SIIQ SpA:

Italian Portfolio :

RIF	TYPE OF ASSET	ADDRESS	PROPERTY NAME	CITY	PROV.
1	SHOPPING GALLERY	Via Po	Centro d'Abruzzo	San Giovanni Teatino	CH
1	HYPER	Via Po	Centro d'Abruzzo	San Giovanni Teatino	CH
3	SHOPPING GALLERY	Via Marco Bussato, 74	ESP	Ravenna	RA
3	HYPER	Via Marco Bussato, 74	ESP	Ravenna	RA
4	SHOPPING GALLERY	Via M.E. Lepido, 184	Centro Borgo	Bologna	BO
4	HYPER	Via M.E. Lepido, 184	Centro Borgo	Bologna	BO
5	HYPER	Via Marco Polo, 3	Lame	Bologna	BO
12	SHOPPING GALLERY	Via Santa Maria La Nuova, 1	Le Porte di Napoli	Afragola	NA
12	HYPER	Via Santa Maria La Nuova, 1	Le Porte di Napoli	Afragola	NA
13	HYPER	Via Gino Graziani, 6	Fonti del Corallo	Livorno	LI
16	SHOPPING GALLERY	Via Milanese, snc	Sarca	Sesto San Giovanni	MI
29	OFFICE	Via dei Trattati Comunitari, 13	HERA	Bologna	BO
30	OFFICE	Via dei Trattati Comunitari, 13	Librerie Coop	Bologna	BO
31	CITY CENTER	Piazza Mazzini	Piazza Mazzini	Livorno	LI
4	SHOPPING GALLERY	Via M.E. Lepido, 184	Centro Borgo	Bologna	BO

Winmarkt Portfolio - Romania,

RIF	SHOPPING CENTRE	TOWN
2	Big Shopping Centre	Ploiesti
3	Grand Centre + Omnia Shopping Complex	Ploiesti
4	Junior Office Building	Ploiesti
8	Cozia Shopping Centre	Ramnicu Valcea
12	Crinul Nou Shopping Centre	Alexandria
13	Oltul Shopping Centre	Slatina

We have made all appropriate enquiries in order to inform you as to the Market Value of the properties as at 31st December 2015 on the basis of the criteria expressed herein.

The valuation of the subject assets has been performed on the basis of the information supplied to us by the Client. Specifically, we have been provided with: details regarding the leasing status of each unit at the date of valuation; the related turnover data and variable rent received; other eventual income related to temporary lettings; sales area and gross area, both related to existing assets or buildings under construction; property tax, insurance, service charges of each asset.

DEFINITION OF MARKET VALUE

The valuation has been prepared in accordance with The *RICS Valuation Professional Standards, Latest Italian Edition (2014)*, on the basis of "Market Value" which is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion."

VALUATION CRITERIA

The valuation of the assets in question has been performed on the basis of commonly used and accepted valuation criteria. Specifically the criteria we applied to the different asset types are the following:

- Market Value of operating shopping galleries, Hypermarkets and office portions; of the leasehold interest of the shopping gallery whose business lease is held by a subsidiary company.

The criterion applied to the above listed assets is the:

- Discounted Cash Flow analysis: based on the discounting back of the future cash flows generated by the property over a fixed holding period (10 years), that refers to the lease contracts duration. At the end of this period, we assume that the property will be sold at a value obtained by capitalising the final year net income at a right market capitalisation rate relating to investments similar to that in question.

LIMITATIONS TO THE SUBJECT REPORT

This valuation certificate has been carried out according to the instructions received and on the basis of the building documentation provided by the owner or its representative. However, there are a number of limitations inherent to this certificate, which we should point out and which can be summarised as follows.

- No research has been carried out relating to the properties structural analyses, to the cadastral, mortgage or other situations or to their equipment and machineries. We have not verified the presence of asbestos or other any toxic substances and assume that none exist.
- The Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions.
- All buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use.
- No legal, fiscal or financial aspects have been considered other than those explicitly quoted below.
- Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined all the deeds, leases or other documents relating thereto.
- Rental values indicated in our report are those which have been adopted by us as appropriate in

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assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

- We have not measured the Property but have relied upon the floor areas provided.

VALUATION

Upon the assumption that there are no onerous restrictions or unusual outgoings of which we have no knowledge, and subject to the "General Principles" and the specific comments and assumptions which are set out in the report, we are of the opinion that the current market value of the properties owned by IGD SIIQ SpA as at 31st December 2015, listed in the introduction is:

Asset owned by **IGD + WINMARKT**:
Market Value Euro 664.840.000,00
(Six Hundred Sixty Four Millions Eight Hundred Forty Thousand Euro/00)

Yours faithfully

CBRE VALUATION S.p.A.

Mirko Baldini
(Managing Director)

For and on behalf of
CBRE Valuation Spa

Elena Gramaglia MRICS
(Associate Director)

For and on behalf of
CBRE Valuation Spa

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TO:	**GRUPPO IGD**
ATTENTION:	**MR. ROBERTO ZOIA**
PROPERTY:	**REAL ESTATE PORTFOLIO**
REPORT DATE:	**12 JANUARY 2016**
VALUATION DATE:	**31 DECEMBER 2015**

1. INSTRUCTIONS

1.1 THE PROPERTIES

We are instructed to provide our opinion of Market Value of the portfolio including the following Properties:

GRUPPO IGD PORTFOLIO			
#	Location	Province	Property
1	Conegliano	TV	Conè
2	Crema	CR	Gran Rondo'
3	San Benedetto del Tronto (Porto d'Ascoli)	AP	Porto Grande
4	Rovereto	TN	Millenium Center
5	Imola	BO	Leonardo Hypermarket
6	Pesaro	PU	Miralfiore Hypermarket
7	Cesano di Senigallia	AN	Il Maestrale Hypermarket
8	Cesena	FC	Lungo Savio
9	Ascoli Piceno	AP	Città delle Stelle
10	Cecina	LI	Supermarket
11	Civita Castellana	VT	Hypermarket
12	Schio	VI	Hypermarket
13	Cesena	FC	Hypermarket

Detailed reports relating to the Properties are enclosed under Attachment 1 of *Ref: IGD-GruppoIGD-CertVal-151231-01-ITA*.

1.2 PURPOSE OF VALUATION

We have been instructed to prepare this valuation for accounting purposes.

The subject Valuations are not intended to be *due diligence*. Therefore, it is likely that a potential buyer before proceeding with the purchase of the Properties may require further advice or clarification on such issues that may affect the Market Values which we have estimated. We recommend you to draw particular attention on the assumptions on which our valuations have been prepared.

1.3 COMPLIANCE WITH RICS "RED BOOK"

The valuation has been prepared in accordance with the RICS Valuation – Professional Standards current at the date of the report (the "Red Book") by valuers conforming to its requirements, acting as external valuer.

1.4 DISCLOSURE OF CONFLICT OF INTEREST

We confirm that we have no conflict of interest in carrying out this assignment.

1.5 BASIS OF VALUATION

As per instruction and according to the RICS Valuation – Professional Standards, the valuation has been prepared on the basis of Market Value and Market Rent and adopts the following definitions contained in the Red Book:

MARKET VALUE

VS 3.2 defines the Market Value as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

MARKET RENT

VS 3.3 defines the Market Rent as follows:

"The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

1.6 CONFIRMATION OF TERMS OF ENGAGEMENT

A copy of our confirmation letter *Ns Ref: VAL/CLI/IGD-Portfolio2014-ConfIncarico-140506-02-fp.docx* dated 6 May 2014, a copy of the addendum to the instruction letter *Ns Ref: VAL/CLI/IGD-LettIntegrativaIncarico-141031-01-mcl* dated 3 November 2014, together with a copy of the confirmation fax signed by you, are enclosed to this report under Attachment II.

1.7 THIRD PARTY LIABILITY

The valuation has been carried out on behalf of Gruppo IGD and no responsibility is accepted to any third party in respect of its contents.

1.8 VALUERS

This valuation has been undertaken by the team of professionals of Cushman & Wakefield Valuation & Advisory and reviewed by Francesca Prandi MRICS and Mariacristina Laria MRICS and Joachim Sandberg FRICS.

2. ASSUMPTIONS & SPECIAL ASSUMPTIONS

This valuation report and its contents are subject to the general Assumptions contained in our 'General Valuation Principles and Principal Terms and Conditions of Appointment as Valuers' as listed under Attachment I of this report.

This valuation is not subject to any Special Assumptions.

3. DATE OF VALUATION

The date of valuation is 31 December 2015.

4. INSPECTIONS

As described in the relevant valuation reports hereto attached enclosed under Attachment 1 of *Ref: IGD-GruppoIGD-CertVal-151231-01-ITA*, all Properties were inspected both internally and externally during the site visits carried out for the previous, June 2015, valuations.

Our comments on the state of repair are limited to the state of maintenance which is visible from a cursory visit and they are not intended to be technical due diligence.

In particular, we did not have access to non public areas and the roof which are assumed in good state of repair.

We have not measured the Properties nor carried out check-measurements but have relied on the GLAs that have been supplied to us. We assume that these have been calculated on an appropriate basis.

5. INFORMATION SUPPLIED

The Valuations were prepared on the basis of information that has been supplied to us by Gruppo IGD, which we have assumed to be complete and correct for our purposes.

Details on the information supplied for each Property is provided within the Full Property Reports *Ref. IGD-GruppoIGD-CertVal-151231-01-ITA*.

We have relied on the information supplied to us as being complete, updated and correct as we have not been instructed to carry out any due diligence activity.

6. GENERAL PRINCIPLES

Our valuations and their contents are subject to the general Assumptions contained in our 'General Valuation Principles' enclosed in the body of this report and to the terms stated in our proposal. We report below the main terms.

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGD-CertVal-151231-01-ITA*, our valuations assume the Properties are effectively freehold. We have assumed that the Properties have a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances.

Should the lease contracts contemplate a pre-emption right in favor of the tenant, our valuations are based on the assumption that this right does not have any impact on our estimate of the Market Value of the Property.

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGD-CertVal-151231-01-ITA*, our valuations are on the basis that the Properties have been erected in accordance with a valid planning permission and are being occupied and used without any contravention.

According to our proposal, we have not investigated the presence of harmful or hazardous substances in the Properties. In the absence of information to the contrary, we based our valuations on the assumption that there are no such substances and that each Property has been properly built.

According to our proposal, we have not carried out technical surveys of the Properties nor verified the maintenance conditions of plants and machinery. In any case, our valuations take into consideration the information supplied to us and any defect which we have noted during our cursory visits to the Properties. However, our valuations are on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuations.

Should you be aware of any information contrary to the content of the subject paragraph, we recommend that this is referred back to us to enable us to amend our valuation accordingly.

7. VALUATION METHODOLOGY

In the following paragraph we provide a brief description of the methodology used to arrive at the Market Value of the Properties. For further details, please refer to the Full Valuation Reports *Ref. IGD-GruppoIGD-CertVal-150630-02-ITA*.

7.1 DCF ANALYSIS (DISCOUNTED CASH FLOW ANALYSIS)

This methodology takes into account the income generated by the lease contract/s in place for the Property, the annual costs to be borne by the Landlord (e.g. management fees, IMU property tax, insurance costs), the expenses relating to the extraordinary maintenance, the void period before the re-letting of the asset at market rental levels and the sale of the asset once it will be fully let at market rent. The assumed holding period is 10 years. The exit value of the Property is obtained capitalizing the net income of the year following the last year of the cash flow at a net yield that takes into account the specific features of the asset in the market (location, material characteristics, state of repair and letting status). The exit value is then reduced by the sales costs. The net cash flows are discounted using an appropriate discount rate which reflects the specific risk relating to the specific real estate investment and takes into considerations all the variables that have been assumed in the cash flow. The algebraic sum of the discounted cash flows represents the gross value of the Property from which, once deducted the purchaser's costs, we obtain the Market Value.

We wish to point out that there are no comparables of Discount Rates (especially considering that the choice of the discount rate to be applied depends on further factors which are not available, as data relating to investment transactions). Once we have estimated Market Value on the basis of the DCF method, the result is compared to the rent to check whether the initial yield would be consistent with those expectations of return that investors require for similar type of investments. Therefore, to support the result of our valuations, we use the Direct Capitalization methodology.

8. MARKET VALUE

Subject to the contents of this report we consider that the Market Value (net of purchaser's costs) of the Properties forming part of the portfolio and spilt as per your request, as at 31 December 2015, may fairly be estimated as:

€415,840,000

(Four hundred fifteen million eight hundred forty thousand Euros)

The Properties have been valued on an individual basis. The sum of the Market Values of the single Properties does not represent the Market Value of the portfolio in its entirety.

More details are included in the Full Valuation Reports *Ref: IGD-GruppoIGD-CertVal-151231-01-ITA.*

As per your request we report the Value gross of purchaser's costs, which is equal to €421,881,454.

9. CONFIDENTIALITY

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of the whole or any part of its contents.

IGD-GRUPPOIGD-VALCERTPERBILANCIO-151231-01-ENG

10. DISCLOSURE AND PUBLICATION

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

FOR AND ON BEHALF OF CUSHMAN & WAKEFIELD LLP

JOACHIM SANDBERG FRICS
Partner

FRANCESCA PRANDI MRICS
Partner

MARIACRISTINA LARIA MRICS
Partner

Attachments that form part of this report:

ATTACHMENT I	GENERAL VALUATION PRINCIPLES AND PRINCIPAL TERMS AND CONDITIONS OF APPOINTMENT AS VALUERS
ATTACHMENT II	INSTRUCTION LETTER ADDENDUM AND CONFIRMATION FAX

Via Filippo Turati, 16/18
20121 Milano
Tel +39 02 63799 1
Fax +39 02 63799 250
PEC: finance@pec.cwllp.it
cushmanwakefield.it

TO: **GRUPPO IGD**

ATTENTION: **MR. ROBERTO ZOIA**

PROPERTY: **REAL ESTATE PORTFOLIO (excluding buildable land)**

REPORT DATE: **12 JANUARY 2016**

VALUATION DATE: **31 DECEMBER 2015**

1. INSTRUCTIONS

1.1 THE PROPERTIES

We are instructed to provide our opinion of Market Value of the portfolio including the following Properties:

GRUPPO IGD PORTFOLIO excluding buildable land and development project			
#	Location	Province	Property
1	Conegliano	Treviso	Conè
2	Crema	Cremona	Gran Rondo'
3	San Benedetto del Tronto (Porto d'Ascoli)	Ascoli Piceno	Porto Grande (excluding buildable land)
4	Rovereto	Trento	Millenium Center
5	Imola	Bologna	Leonardo Hypermarket
6	Pesaro	Pesaro Urbino	Miralfiore Hypermarket
7	Cesano di Senigallia	Ancona	Il Maestrale Hypermarket
8	Cesena	FC	Lungo Savio
9	Ascoli Piceno	AP	Città delle Stelle
10	Cecina	LI	Supermarket
11	Civita Castellana	VT	Hypermarket
12	Schio	VI	Hypermarket
13	Cesena	FC	Hypermarket

More details relating to the Properties are included in the Full Valuation Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*.

1.2 PURPOSE OF VALUATION

We have been instructed to prepare this valuation for accounting purposes.

The subject Valuations are not intended to be *due diligence*. Therefore, it is likely that a potential buyer before proceeding with the purchase of the Properties may require further advice or clarification on such issues that may affect the Market Values which we have estimated. We recommend you to draw particular attention on the assumptions on which our valuations have been prepared.

1.3 COMPLIANCE WITH RICS "RED BOOK"

The valuation has been prepared in accordance with the RICS Valuation – Professional Standards current at the date of the report (the "Red Book") by valuers conforming to its requirements, acting as external valuer.

1.4 DISCLOSURE OF CONFLICT OF INTEREST

We confirm that we have no conflict of interest in carrying out this assignment.

1.5 BASIS OF VALUATION

As per instruction and according to the RICS Valuation – Professional Standards, the valuation has been prepared on the basis of Market Value and Market Rent and adopts the following definitions contained in the Red Book:

MARKET VALUE

VS 3.2 defines the Market Value as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

MARKET RENT

VS 3.3 defines the Market Rent as follows:

"The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

1.6 CONFIRMATION OF TERMS OF ENGAGEMENT

A copy of our confirmation letter *Ns Ref: VAL/CLI/IGD-Portfolio2014-ConfIncarico-140506-02-fp.docx* dated 6 May 2014, a copy of the addendum to the instruction letter *Ns Ref: VAL/CLI/IGD-LettIntegrativaIncarico-141031-01-mcl* dated 3 November 2014, together with a copy of the confirmation fax signed by you, are enclosed to this report under Attachment II.

1.7 THIRD PARTY LIABILITY

The valuation has been carried out on behalf of Gruppo IGD and no responsibility is accepted to any third party in respect of its contents.

1.8 VALUERS

This valuation has been undertaken by the team of professionals of Cushman & Wakefield Valuation & Advisory and reviewed by Francesca Prandi MRICS and Mariacristina Laria MRICS and Joachim Sandberg FRICS.

2. ASSUMPTIONS & SPECIAL ASSUMPTIONS

This valuation report and its contents are subject to the general Assumptions contained in our 'General Valuation Principles and Principal Terms and Conditions of Appointment as Valuers' attached.

This valuation is not subject to any Special Assumptions.

3. DATE OF VALUATION

The date of valuation is 31 December 2015.

4. INSPECTIONS

As described in the relevant valuation reports enclosed under Attachment 1 of *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*, all Properties were inspected both internally and externally during the site visits carried out for the current June 2015 valuations.

We inspected the Properties as stated in the relevant Full Property Reports. Our comments on the state of repair are limited to the state of maintenance which is visible from a cursory visit and they are not intended to be technical due diligence.

In particular, we did not have access to non public areas and the roof which are assumed in good state of repair.

We have not measured the Properties nor carried out check-measurements but have relied on the GLAs that have been supplied to us. We assume that these have been calculated on an appropriate basis.

5. INFORMATION SUPPLIED

The Valuations were prepared on the basis of information that has been supplied to us by Gruppo IGD, which we have assumed to be complete and correct for our purposes.

Details on the information supplied for each Property is provided within the Full Property Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*.

We have relied on the information supplied to us as being complete, updated and correct as we have not been instructed to carry out any due diligence activity.

6. GENERAL PRINCIPLES

Our valuations and their contents are subject to the general Assumptions contained in our 'General Valuation Principles' enclosed in the body of this report and to the terms stated in our proposal. We report below the main terms.

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*, our valuations assume the Properties are effectively freehold. We have assumed that the Properties have a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances.

Should the lease contracts contemplate a pre-emption right in favor of the tenant, our valuations are based on the assumption that this right does not have any impact on our estimate of the Market Value of the Property.

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*, our valuations are on the basis that the Properties have been erected in accordance with a valid planning permission and are being occupied and used without any contravention.

According to our proposal, we have not investigated the presence of harmful or hazardous substances in the Properties. In the absence of information to the contrary, we based our valuations on the assumption that there are no such substances and that each Property has been properly built.

According to our proposal, we have not carried out technical surveys of the Properties nor verified the maintenance conditions of plants and machinery. In any case, our valuations take into consideration the information supplied to us and any defect which we have noted during our cursory visits to the Properties. However, our valuations are on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuations.

Should you be aware of any information contrary to the content of the subject paragraph, we recommend that this is referred back to us to enable us to amend our valuation accordingly.

7. VALUATION METHODOLOGY

In the following paragraph we provide a brief description of the methodology used to arrive at the Market Value of the Properties. For further details, please refer to the Full Valuation Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*.

7.1 DCF ANALYSIS (DISCOUNTED CASH FLOW ANALYSIS)

This methodology takes into account the income generated by the lease contract/s in place for the Property, the annual costs to be borne by the Landlord (e.g. management fees, IMU property tax, insurance costs), the expenses relating to the extraordinary maintenance, the void period before the re-letting of the asset at market rental levels and the sale of the asset once it will be fully let at market rent. The assumed holding period is 10 years. The exit value of the Property is obtained capitalizing the net income of the year following the last year of the cash flow at a net yield that takes into account the specific features of the asset in the market (location, material characteristics, state of repair and letting status). The exit value is then reduced by the sales costs. The net cash flows are discounted using an appropriate discount rate which reflects the specific risk relating to the specific real estate investment and takes into considerations all the variables that have been assumed in the cash flow. The algebraic sum of the discounted cash flows represents the gross value of the Property from which, once deducted the purchaser's costs, we obtain the Market Value.

We wish to point out that there are no comparables of Discount Rates (especially considering that the choice of the discount rate to be applied depends on further factors which are not available, as data relating to investment transactions). Once we have estimated Market Value on the basis of the DCF method, the result is compared to the rent to check whether the initial yield would be consistent with those expectations of return that investors require for similar type of investments. Therefore, to support the result of our valuations, we use the Direct Capitalization methodology.

8. MARKET VALUE

Subject to the contents of this report we consider that the Market Value (net of purchaser's costs) of the Properties forming part of the portfolio (excluding buildable land and development project) and spilt as per your request, as at 31 December 2015, may fairly be estimated as:

€412,740,000
(Four hundred twelve million seven hundred forty thousand Euros)

The Properties have been valued on an individual basis. The sum of the Market Values of the single Properties does not represent the Market Value of the portfolio in its entirety.

More details are included in the Full Valuation Reports *Ref. IGD-GruppoIGDNoSviluppi-CertVal-151231-01-ITA*.

As per your request we report the Value gross of purchaser's costs, which is equal to €418,737,632.

9. CONFIDENTIALITY

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of the whole or any part of its contents.

10. DISCLOSURE AND PUBLICATION

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

FOR AND ON BEHALF OF CUSHMAN & WAKEFIELD LLP

JOACHIM SANDBERG FRICS
Partner

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Partner

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Attachments that form part of this report:

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2.7 The SIIQ Regulatory Environment

The special SIIQ regime was introduced under Art. 1, paragraphs 119 - 141, of Law n. 296 dated 27 December 2006 (the 2007 budget law).
The regulatory framework was completed when the Ministry of Economics and Finance issued the **Founding Law** as Regulation n. 174/2007 which was subsequently interpreted by the Tax Office in **Bulletin** n. 8/E issued on 31 January 2008.
Subsequently, pursuant to Art. 12 of Legislative Decree n. 135 dated 25 September 2009 a new paragraph, 141-bis, of Art. 1 of Law n. 296 dated 27 December 2006, was introduced eliminating the Italian residency requirement for the companies that intend to participate in the SIIQ regime. Further reference was made in this regard in the Tax Board's Resolution n. 136 of 27 December 2010.
Lastly, based on Art. 20 of legislative decree n. 133 dated 12 September 2014, n. 133, effective 13 September and converted, with amendments, into Law n. 164 on 11 November 2014 introduced a few substantive changes to the special regime which were subsequently interpreted by the Tax Office in **Bulletin** n. 32/E issued on 17 September 2015.
The most important of the changes made are the ones relating to eligibility for the special regime, the distribution of income generated by exempt operations and the broadening of the scope of operations exempt from taxation.
More in detail, with regard to eligibility requirements, the decree resulted in *(i)* more stringent **Ownership Requirements,** raising the threshold for a single shareholder from 51% to 60% of the voting and dividend rights (the so-called **"Control limit"**) and the percentage of shareholders who must have interests of less than 2% of voting and dividend rights when the option is exercised was lowered from 35% to 25% (the so called **"Float requisite"**), and *(ii)* the scope of the parameters relating to the economic elements and assets (the so called **"Asset Test"** and **"Profit Test"**) used to satisfy the **Objective requirements** was broadened.
The distribution requirement, namely the amount of the income generated by exempt operations that must be distributed each year upon approval of the annual report, was lowered from 85% to 70%.
Lastly, based on the decree exempt operations may also include the capital gains and losses relating to rental properties and interests held in SIIQ or SIINQ, as well as the income, capital gains and losses, relating to interests held in "qualified" real estate funds. 50% of the capital gains must be distributed within two years of their realization (rather than 70% upon approval of the annual report).
Taking into account the amendments called for in the above mentioned law decree n. 133 dated 12 September 2014, the requirements for eligibility under the special regime can be summarized as follows:

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes or, with regard to companies with stable real estate businesses in Italy, in one of the countries member of the European Union and party to the agreement to create a single European economic zone as indicated in the list appended to the decree issued by the Ministry of Treasury and Finance as per paragraph 1 of Art. 168-bis of the Uniform Income Tax Act
- shares must be traded on a regulated market.

Statutory requirements

The corporate by-laws must include:

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

Ownership requirements

- a single shareholder may not hold more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights, the so-called **"Control limit"**
- at least 25% of the float must be held by shareholders who hold less than 2% of the voting rights exercisable in ordinary Shareholders' Meetings and less 2% of the dividend rights, the so called **"Float requisite".**

Objective requirements

- freehold rental properties must make up 80% of the real estate assets, the so-called **"Asset Test"**
- revenue from rental activities must total at least 80% of the positive entries in the income statement, the so-called **"Profit Test".**

The failure to comply with the most important conditions for 3 consecutive years will result in ineligibility under the special regime and the ordinary rules and regulations will be applied beginning as of the third of the years considered.
The primary characteristic of this special regime is the possibility, after having satisfied certain legal requirements, to be eligible for a tax regime under which income is subject to income tax only when distributed to shareholders rather than when generated by the company itself.
Given the fact that income generated by the SIIQ is subject to income tax solely when distributed to shareholders, the law requires that a minimum of the rental income must be distributed (the percentage was reduced pursuant to Decree 133/2014 from 85% to 70%).
With regard to the verification of eligibility, based on the same law the subjective, statutory and ownership requisites must be met before the option is exercised while the verification of the objective requisites is done after the close of the financial statements for the year in which the option was exercised.
In April 2008, once it was clear that all the subjective, statutory and ownership requisites had been satisfied, IGD exercised the option to be treated under the special regime effective 1 January 2008.
Furthermore, for the purposes of SIIQ status, the total capital gains, net any losses, resulting from the difference between the normal value of the rental assets, the real property rights on same, the plots of land and the value for tax purposes at the end of the fiscal year, are subject to IRES (corporate income tax) and IRAP (regional business tax) at a tax rate of 20 per cent (the **Entry Tax**).

Pursuant to paragraph 128, Art. 1 of the Founding Law, IGD opted to pay the Entry Tax of €30,797,217 in five yearly installments.
The payment of each installment coincides with the deadline for IRES payments related to the prior tax period. The installments subsequent to the payment of the first installment will be paid with the interest matured calculated based on the discount rate plus one percentage point. As mentioned above, pursuant to the law the income generated by rental activities is exempt from IRES and IRAP as long as the company distributes at least 70% of same. In this regard, during the Annual General Meeting held on 15 April 2015 shareholders approved payment of a dividend for 2014 of €28,363,360.84 attributable to: *(I)* for €15,214,106.75, exempt operations and, excluding the reduction introduced in Decree n. 133/2014, represents, not less than the minimum called for under paragraph 123 of the Founding Law; *(ii)* for €9,505,885.85, capital reserves and *(iii)* for €3,643,368.24, retained earnings accrued prior to becoming a SIIQ.
Based on the parent company's financial statements at 31 December 2015 both the asset test, based on which the value of freehold rental properties must represent more than 80% of the total value of the real estate assets, and the profit test, based on which revenues from the rental of freehold properties or other property rights rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

→ Disclosure regarding compliance with corporate by-law requirements (art. 3, p. 2, ministerial decree n. 174 of 7 july 2007)

With regard to the Statutory requirements, please note the following.

With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's by-laws that:

- *"the Company shall not, either directly or through its subsidiaries, invest more than 30 percent of its assets in a single property with urban and functional characteristics, except in the case of development plans covered by a single planning scheme, where portions of the property are covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services";*

The Company did not invest, either directly or through its subsidiaries, more than 30% of its assets in a single property with urban and functional characteristics.

With regard to the limits on the concentration of investment and counterparty risk, it is expressly provided in Art. 4.3 lett. ii) of the Company's by-laws that:

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

The income from a single tenant or tenants belonging to a single group did not exceed 60% of total rental income.
With regard to limits on the maximum financial leverage permitted, it is expressly provided in Art. 4.3 lett. ii) of the Company's by-laws that:

- *"the maximum permitted financial leverage, at a company or group level, is 85 percent of equity".*

Financial leverage, either at the group or single level, never exceeded 85% of equity.

2.8 Organization and human resources

In 2015 the IGD Group increased its workforce in Italy by one head. Turnover was less than in the prior year, with only one resignation versus 2 hires and confirmation of 90% of the temporary positions.

The workforce for the WINMARKT Group fell slightly as a result of:

- 1 temporary contract that was not renewed
- 1 resignation
- 1 retirement

→ Organizational structure

The organizational structure of headquarter services was stable, with 7 temporary contracts transformed into indefinite contracts (+1 in the network).
A new position was added to the commercial network in order to manage leases for the temporary spaces found inside the shopping centers in Lazio, Campania and Sicily.

→ Staff and turnover

The staff increased by one head.

IGD GROUP ITALY AT 31/12/2015	EXECUTIVES	MIDDLE MANAGERS	JUNIOR MANAGERS	CLERKS	OF WHICH FIXED TERM	TOTAL	PERCENTAGE
MEN	**3**	**13**	**26**	**12**	**(0)**	**54**	**46%**
WOMEN	**1**	**7**	**24**	**32**	**(0)**	**64**	**54%**
TOTAL	**4**	**20**	**50**	**44**	**(0)**	**118**	
Percentage	3%	17%	43%	37%		100%	100%
Percentage of total employees					(0%)		
Comparison with 2014						+1	+0.8%

TURNOVER ITALY 2015 (INCLUDING FIXED TERM RESOURCES)	HIRES	RESIGNED	DIFFERENCE
Managers	0	0	0
Middle managers	0	0	0
Junior managers	1	0	1
Clerks	3	-3	0
TOTAL	**4**	**-3**	**1**

The data relating to the domestic market show:
- the continued use of temporary contracts;
- an increase in junior managers;
- the gender ratio, the average age and the average level of education were unchanged.

WINMARKT GROUP ROMANIA 31/12/2015	EXECUTIVES	MIDDLE MANAGERS	JUNIOR MANAGERS	CLERKS	TOTAL
MEN	**1**	**3**	**14**	**2**	**20**
WOMEN	**0**	**2**	**6**	**20**	**28**
TOTAL	**1**	**5**	**20**	**22**	**48**
%	2%	10%	42%	46%	100%

TURNOVER ROMANIA 2015	HIRES	RESIGNED	DIFFERENCE
Managers	0	0	0
Middle managers	0	0	0
Junior managers	1	3	-2
Clerks	0	1	-1
TOTAL	**1**	**4**	**-3**

→ Compensation policies

The fully implemented personnel evaluation system was used to evaluate the work done by 64 employees or 56% of the full-time staff, excluding executives, and 9 merit based pay raises were granted (14% of the employees considered). Furthermore, with a view to internal growth, 10 career paths ended with 4 employees being promoted already in 2015 and 6 effective January 2016.

In order to promote the growth and development of the resources within the Winmarkt Group, in 2015 four promotions were granted (for having achieved targets/seniority), 1 job title was changed to reflect new functions and 3 salary adjustments were made to reflect market pay scales.

→ Training

The training offered in 2015 included:

- English language courses, as needed based on the employee’s duties;
- refresher and advanced courses relating to changes in laws and division specific activities;
- updates on the Organizational Model developed in accordance with Legislative Decree 231 in light of the new measures relating to money laundering;
- safety, with general training of new hires and specific training of managers in accordance with T.U. n. 81 and specific fire safety ordinances;
- “Development of commercial knowhow” project offered to commercial personnel at headquarters, as well as to shopping center heads and assistants, in order to learn about how to manage stress, leadership, problem solving and decision making. Around 50 people were involved in this initiative which was offered in several branches where classes were followed by group coaching and designed based on specific business needs.

In 2015 97 employees or 82% of the company were involved in at least one training course. A total of 2,866 hours of training was offered with an average per capita of 29 hours, with a total cost of approximately €51,000 (approximately €584 per employee excluding the mandatory safety courses).

Training within the Winmarkt Group focused on:

- 4 commercial/technical /administrative workshops held at the end of each quarter;
- the real estate market: refresher courses regarding the latest international and local market trends and developments, including relating specifically to the retail sector;
- professional refresher courses: training courses focused on individual professional development for the members of the commercial, technical, legal and administrative departments;
- motivational/professional team building for the entire staff.

In 2015 about 97% of the entire staff was involved in the quality training hours offered designed to meet specific departmental needs.

2.9 Subsequent events

On 5 January 2016, in accordance with and pursuant to Articles 129 and 131, paragraph 4.b, of the Regulations adopted by Consob in resolution n. 11971 of 14 May 1999, the shareholders' agreement stipulated on 9 March 2015 by Coop Adriatica S.c.a r.l. (Coop Alleanza 3.0 as of 1 January) and Unicoop Tirreno Company Cooperativa which established a voting block comprised of shares of Immobiliare Grande Distribuzione SIIQ S.p.A. (registered offices in Ravenna, Via Agro Pontino 13, Tax ID and Ravenna Company Register no. 00397420399) ("IGD"), pursuant to Art. 122 paragraphs 1 and 5 A) and B), of Legislative Decree n. 58/1998 (the "Agreement") expired on 31 December 2015.

The Agreement pertained to 430,498,768 ordinary IGD shares (the syndicated shares) of which 385,741,707 shares were bound by a voting block.
Notice of dissolution of the Agreement was also communicated to Consob and on 4 January 2016 was filed with the Ravenna Business Register's office.

On 10 February 2016, the Company entered into Interest Rate Swap agreements at a rate of 0.119% with different banks for a total notional amount of €300 million in order to hedge interest rate risk related to the highly probable issue of a €300 million bond loan in the future.

2.10 Outlook

In light of the persistence of the positive market conditions in Italy and Romania, the Company expects to continue along its growth path and to post higher revenue driven by the like-for-like perimeter, the full year contributions of the acquisitions and openings made in 2015, as well as the first results posted by the new openings made in 2016. Steps will also continue to be made to further reduce the cost of debt.

2.11 IGD SIIQ SPA’s and the Group’s Primary Risks and Uncertainties

In the future the Group’s earnings and financial situation could be influenced by a series of risk factors.
In order to systematically assess and monitor its risks, IGD SiiQ SpA implemented an Enterprise Risk Management (ERM) system which conforms to the highest international standards and the COSO framework (promoted by the Committee of Sponsoring Organizations of the Treadway Commission). This system provides a systematic approach to identifying the primary corporate risks, making it possible to assess the potential negative effects in advance and organize control mechanisms. The ERM model used also makes it possible to test different risk scenarios with a view to assessing the total risk appetite.
The Company monitors the different risks in light of the strategic, operational and financial goals, as well as compliance, using a model based on Key Risk Indicators, which assists management in assessing the level of exposure.

The primary risks that IGD faces and manages are listed below.

1. Strategic risks

→ 1.1 Risks associated with change in the macro and micro economic scenarios or consumer trends

Risk factors:

- change in growth rates;
- inflation;
- change in consumer volumes and trends;

which could negatively impact the Group’s revenue and the value of its assets.

Risk management:

Periodically the Company monitors the Italian economic situation, particularly when defining or updating the Business plan or annual budget. The analyses include a study of Italy’s principal macroeconomic indicators (GDP, consumption, family income, etc.).
While these studies are being conducted, the Company also carries out in depth analyses of the competition: the Company monitors the performance of the main competitors and peers as part of specific initiatives or when the Business Plan or the Budget are presented by examining the most important economic, financial and performance indicators.
When a new shopping center/location is opened the Company normally, including with the help of specialized professionals, completes economic and geomarketing studies of the catchment area involved in order to have a complete vision of the specific market that the Company will be entering and doing business in.
Great attention is also paid to the tenants’ results. Management carefully monitors the sales statistics and the indicators that could point to any problems the tenants might be experiencing, paying particular attention to the impact that contract renegotiations could have on the clients: the steps taken to support the retailers and any operational changes are shared with the Commercial Division and are, at any rate, subject to the approval of Operations Management and the budget revisions made with respect to the budget approved by the Board of Directors.
The positioning with respect to the targets for each shopping center is monitored and any changes that are made to the merchandising mix/tenant mix during the renewal phase, expansion and remodeling are in line with the targets.
The controls for this type of risk were also monitored as part of the Group’s Enterprise Risk Management initiative.
With regard to the Romanian market, over the years the Company has carried out extraordinary maintenance, in addition to work on revised layouts and fit outs in order to introduce new tenants, increase the shopping centers’ appeal and respond to the actions taken by competitors.

→ 1.2 Loss of asset value

Risk factors:

- Exogenous factors
- Global economic crisis
- Changes in the domestic/international market which results in a significant devaluation of the asset portfolio

Risk management:

The shopping centers are located throughout the country which reduces the exposure to risks connected to regional phenomenon.
The analysis of sales figures, along with the monitoring of commercial dynamics, receivables, renegotiations, traffic volume, support of the independent expert with the appraisal of the assets, help the management spot signs that changes are taking place in the retail real estate market.
Periodically the Company also runs sensitivity analyses involving the valuations of the portfolio assets in order to constantly monitor the effects that changes due to changes in the global economic environment on the discount or cap rate or revenue would have on the value of the assets. The controls for this type of risk were also monitored as part of the Group Enterprise Risk Management initiative.

→ 1.3 Country risk

Risk factors:

The risk pertains to;

- changes in the Country’s market conditions;
- geopolitical problems in the Country;
- change in the Country’s growth rates;
- inflation within the Country;
- change in the Country’s consumer trends and volumes;
- third party restitution claims requesting the return of real

property;
which could have an impact on revenue and on the value of the Group's assets.

Risk management:
IGD's Romanian portfolio is spread out throughout the country; the 15 assets, an office building and 14 shopping centers, are found in 13 midsize cities. This makes it possible to diversify the risks linked to consumer volatility, while the fact that the centers are centrally located helps to minimize risk of decreased consumption which could affect the outlying shopping areas.
Top Management of the Romanian subsidiaries monitors the country's economic trends constantly, verifying that the principal indicators of economic and political stability (interest rates, the political scenario, implementation of EC subsidies and the local regulatory environment) are stable and that no problems for IGD's business have developed.
The management of WinMarkt also uses structured tools to monitor dynamics of the local competition.
The Company has also adopted a commercial strategy designed to improve the quality of the tenants by selecting high profile international partners.
As part of the Enterprise Risk Management project, the Company implemented a structured risk management program based on risk indicators relative to the local competitive environment.
With regard to third party restitution claims, please note that the statute of limitations for filing such claims has run. The Group, however, stipulated a "Title Insurance" policy to protect against risks linked to this type of claim in order to protect the value of the assets held in Romania.

2. Operational risks

→ 2.1 Tenant related risk

Risk factors:
- the shopping center fails to attract the target customers found in the catchment area;
- merchandising mix does not meet the needs of the customers in the catchment area;
- tenant mix does not meet the needs of the customers in the catchment area;

which could impact sales and the ability of the tenants to fulfill their contractual obligations with IGD.

Risk management:
The Company's commercial divisions and operational units evaluate the planned positioning in order to limit the risks connected to tenant and merchandising mixes which fail to meet the needs of each shopping center's potential customers.
The commercial planning is carried out in accordance with internal procedures. The company constantly monitors, including through the use of the updated internal sales data, the tenants' sales and the vacancy rates. All of the commercial choices made respect the policy defined by the Commercial Division and any atypical allocation of the space must be approved by the Commercial Division. Toward this end the Commercial Division meets each week in order to coordinate and check the steps taken in the region.
The tenant mix is selected on the basis of the analyses done, including through the help of specialized professionals, regarding the shopping center's intrinsic characteristics and its location.
The Company has also strengthened its ability to process and compile data having created a position specifically for this purpose.

→ 2.2 Credit risk

Risk factors:
- client default;
- credit recovery problems.

Risk management:
The tenants are subject to pre-contractual selection based on parameters linked to the business's financial soundness and P&L forecasts.
The analyses of potential clients are done with the help of specialized consultants and focus on understanding potential risks for the Company. Monthly analyses are also done in order to assess the level of risk associated with each tenant and to monitor solvency.
All clients must guarantee their contractual obligations with sureties and/or security deposits. The Company constantly monitors the contractual relationship to ensure that the contractual obligations are being respected and in the event of default the company follows the internal procedures for credit management; in a few instances, involving well-known tenants, remedial measures may be taken.
The credit positions are constantly monitored through the use of a tenant payment schedule, developed each quarter, but monitored daily in order to follow constantly the measures taken or that need to be taken in terms of debt collection.
The ERM model used also calls periodic monitoring in order to assess the adequacy of the risk management measures in place with respect to the actual level of risk.

→ 2.3 Contract risk

Risk factors:
- problems managing the contractual relationship with tenants;
- Increased costs or loss of income.

Risk management:
The Company conducts preliminary evaluations of potential tenants, referring also to third party credit analyses through the Lince system.
Guarantees in the form of sureties and security deposits are also requested once the economic terms have been agreed upon.
The Consortium contracts are stipulated with the involvement of all the consortia tenants on a pro-rata basis (broken down into thousandths) and, based on the bylaws, owners will be granted voting rights if deemed opportune.
The Consortium is responsible for the management of the center and all operators will be charged for the operating

costs on a pro-rata basis (broken down into thousandths). The Company, furthermore, uses standard rent/lease agreements that may be revised/amended based on the conditions agreed upon with the tenant; if need be the Company may avail itself of outside consultants or the internal legal department in order to define specific contractual clauses.

→ 2.4 Pre-letting risk

Risk factors:

- chance that the property remains partially vacant and the target occupancy rates are not hit,
  which could impact both revenue and the value of the Group's assets.

Risk management:

The Company controls pre-letting risk through promotional activities and incentive schemes involving current and potential tenants.
Intense public relations activities are carried out with the tenants in order to ensure that the space is let and investments are made in promotional activities and launches.
The surface coverage ratios are constantly monitored throughout the management and life of a shopping center.
The commercial team is comprised of highly experienced sector professionals who work to reach the Group's objectives in terms of revenue and filling vacant space.
During its weekly meetings, the Commercial Division analyses the occupancy rates of the different shopping centers and determines any steps that need to be taken to reach a vacancy rate that is close to zero.
Capex are budgeted in order to improve the quality and appeal of the properties, including by changing the property's internal layout which makes it possible to meet the tenant's needs and/or adapt to changing economic conditions.
In the event tenants are sought that are not part of the Company's typical tenant portfolio, the Company will work with specialized professionals.

→ 2.5 Risks associated with natural disasters (i.e. earthquakes, floods, fires) or damages caused by third parties and third party liability

Risk factors:

- natural disasters (for example, floods, earthquakes, etc.);
- catastrophic events (for example, fires);
- damages caused by third parties;
- damages incurred by third parties in the course of business or related activities;
  which could impact the value of the Group's assets or cash flow.

Risk management:

Given the type of business and its unique portfolio, the Company has taken out All Risk policies with a primary sector insurance company based on which each shopping center has annual coverage.
Based on the Group's risk management policy vis-à-vis damage to assets, each consortium of tenants and/or owners must stipulate its own All Risk policy with an insurance company.
With regard to third party liability, the insurance covers civil damages for which the Company may be liable in the event an accident should occur during the normal course of business and related activities. The consortia, the Sales & Marketing, Network Management and Asset Management and Development Divisions all constantly check the quality and maintenance of the properties in order to understand if further steps must be taken to limit risk.
The company invests significantly in the maintenance and quality of its properties.

3. Compliance risk

→ 3.1 Liability pursuant to Legislative Decree 231/01

Risk factors:

- sanctions associated with corporate liability for crimes committed pursuant to Legislative Decree 231/01.

Risk management:

The Company adopted the "Model for organization, management and control" pursuant to Legislative Decree. 231/01 which defines the guidelines, rules and conduct that should govern the company's activities and which must be complied with in order to minimize the risk that the crimes referred to in Legislative Decree. 231/01 are committed, and which ensures maximum transparency and fairness in the company's business dealings.
When Legislative Decree. 231/01 took effect, the Company also prepared a Code of Conduct applicable to all IGD employees, without exception, who must ensure that they perform their duties in accordance with the standards included in the Code.
Toward this end, the Supervisory Board adopted specific procedures and, together with Internal Audit, seeks to ensure that they are complied with.
The Supervisory Board constantly updates and amends the Model to ensure that it complies with the law and that it adequately reflects the Group's organizational and business structure.
Training courses were also provided to employees following the changes made to the Legislative Decree 231/01 Model which introduced the offence of money laundering in accordance with Law 186/2014.
In 2015 the Company updated its Model in order to comply with changes in the law.

→ 3.2 Regulatory risk associated with being a listed company (Consob, Borsa)

Risk factors:

- Sanctions for violations of the regulations issued by the stock exchange and regulatory agencies relating to companies with financial instruments traded on a regulated market.

Risk management:

The Company pays great attention to the norms and

regulations governing listed companies.
More in detail, Corporate & Legal Affairs and Investor Relations work to comply with the norms and regulations issued by the stock exchange and the regulatory agencies, while also organizing the disclosure of any information to the market. This process, which calls for the close collaboration of the internal divisions involved in compiling, checking and disclosing data and information regarding the company's administration, accounts and operations, is done in accordance with internal procedures and under the supervision of the Chief Executive Officer and the Financial Reporting Officer.
The market rules and regulations are constantly monitored in order to understand the possible ramifications for the Company.

→ 3.3 Liability pursuant to Law 262/05

Risk factors:

- Sanctions associated with violations of the Financial Reporting Officer's responsibilities pursuant to Law 262/05.

Risk management:

The Company, in accordance with Legislative Decree n. 262 dated 28 December 2005, the Uniform Savings Act, adopted administrative and accounting control procedures related to financial disclosures in order to *(I)* ascertain whether or not the current Internal Control System provides reasonable certainty that the information represented in the financial statements is accurate and reliable; *(ii)* implement adequate administrative and accounting procedures to be used in drafting the separate and consolidated financial statements, as well as any other financial disclosures (in accordance with Law 262/2005); *(iii)* ensure that the administrative and accounting procedures are complied with during the period in which the above documents are being drawn up.
The implementation and verification of the Internal Control System pursuant to Legislative Decree 262/05 are carried out by internal resources as instructed by and under the supervision of the Financial Reporting Officer appointed by the Board of Directors in accordance with the law.

→ 3.4 Tax risk - requirements under the SIIQ regime

Risk factors:

- failure to meet the profit and asset requisites necessary to be eligible for SIIQ status,
  resulting in being ineligible for treatment under the SIIQ regime (in the event this situation should be prolonged for the period provided for at law).

Risk management:

The Company, which was awarded SIIQ status beginning in 2008, has since then carefully monitored the associated tax risks; the valuations made regarding the taxation models used are prepared with the assistance of carefully selected specialized professionals and the Head of Administration, Legal and Corporate Affairs constantly monitors any regulatory changes and the internal accounting procedures.
More in detail, the accounts for the taxable and exempt operations are maintained separately; the division also frequently conducts asset and profit tests in order to ensure compliance with the SIIQ regulations.
The results of the tests are shared with management.
In 2015 management of this type of risk was the focus of specific ERM activities.

4. Financial risks

→ 4.1 Risks associated with funding and cash management

Risk factors:

- problems managing liquidity;
- financial resources fail to meet the company's needs;
- problems maintaining existing loans and in obtaining new ones.

Risk management:

Liquidity risk is managed through careful management of cash flow and is mitigated by the availability of substantial credit lines.
The Finance Division monitors cash flow through the use of quarterly financial forecasts (updated on a rolling basis) and ensures that available liquidity is sufficient to meet the company's business needs, and also establishes the correct ratio between bank borrowings and capital market funding.
With regard to medium/long term debt, each line of credit finances a project which minimizes the risk associated with refinancing. Medium/long term loans may contain covenants and the Finance Division monitors this aspect constantly including together with company management through the use of the Enterprise Risk Management system in order to understand the impact that any breaches of these covenants could have on strategic, operational, compliance and financial risks.
Financial commitments are covered by funding made available by financial institutions and available credit lines.
This risk is managed on the basis of the principle of prudence in order to avoid, in the event unexpected events should occur, excessive expense which could have a further negative impact on the company's market reputation.
A project was also completed which called for the implementation of tools to be used to analyze financial risk. The project involved i) analysis and assessment of interest rate risk, ii) methods used to gather data and information relating to the IRS contracts stipulated iii) the possibility of developing a signal model for risk analysis and management, iv) identification of the financial risk assessment tools to be used taking into account:

a) fair value
b) cash flow sensitivity
c) stress test
d) VAR estimates.

The specific tools used as part of the ERM process to address this type of risk are monitored periodically.

4.2 Interest rate risk

Risk factors:

- volatile interest rates which could impact the financing of operations as well as the use of available liquidity.

The Group uses primarily short term credit lines and floating rate medium/long term mortgages, therefore if interest rates are raised it is exposed to the risk that financial expense could increase.

Risk management:

Interest rate risk is monitored constantly by the Finance Division and Top Management, as well as through the assessment and analysis tools developed as part of the Group's Enterprise Risk Management initiative.
The Finance Division monitors any changes in the main financial-economic indicators that could possibly impact the company's performance. Reports are periodically presented to Top Management regarding the following indicators:

- Gearing Ratio
- Loan to Value
- Interest Cover Ratio
- Average Cost of Debt
- Average Length of Long Term Debt
- Mid/Long Term Debt
- Hedging on Long Term Debt plus Bond
- Banking Confidence Available
- Mkt Value of Mortgage Free Assets
- Net Financial Position

To manage this risk, the Group purchases interest rate swaps with which it is able to cover about 91.4% of its medium/long term interest rate risk.
The Finance Division analyzes and measures interest rate risk and liquidity constantly in order to understand possible risk management solutions; furthermore, scouting activities are carried out periodically in order to find way to reduce financing costs through bank borrowings and the debt capital markets.
The specific tools used as part of the ERM process to address this type of risk are monitored periodically.

4.3 Foreign exchange risk

Risk factors:

- fluctuations in the Romanian currency, Leu;

which could result in the portfolio being written down and the default of Romanian retailers whose contracts are in Leu, but anchored to the Euro,

Risk management

The Romanian tenants' rents are in Leu but anchored to the euro; therefore the company is exposed to the risk that the tenants could default if the currency fluctuations result in the weakening of the Leu.
Currently IGD works to mitigate this risk by working constantly on the optimal merchandising and tenant mix, as well as on the management of the portfolio with a view to sustaining value, including through improvements. With a view to understanding the correct policies to adopt, the Company holds weekly meetings in order to monitor the credit profile of the different shopping centers and tenants. The commercial policies are carefully defined and based on in depth research as to the market needs and the habits of the local consumers.
Toward this end the Group is assisted by a group of specialized corporate and local resources in order to understand the correct trade-off between acquired know-how, corporate development and understanding of the local needs.

2.12 Intercompany and related party transactions

With regard to related party and intercompany transactions, there are no transactions which qualify as unusual or atypical, as they fall within the Group's ordinary sphere of operations and take place under arm's-length conditions.
With regard to the rules of corporate governance and the "Procedures for Related Party Transactions", please refer to Section 3.12, "Report on Corporate Governance and Ownership Structure".
Details of related party transactions carried out in 2015 are provided in a section of the notes to the financial statements.

2.13 Treasury shares

The Company did not own any treasury shares at 31 December 2015.

2.14 Research and development

IGD SIIQ and the Group companies do not perform research and development activities.

2.15 Significant transactions

During the year ended 31 December 2015, no significant non-recurring transactions or atypical/unusual transactions, as defined in CONSOB's notice of 28 July 2006, were carried out with third parties or between companies in the Group.

2.16 Reconciliation between the Separate and Consolidated Accounts

RECONCILIATION BETWEEN THE PARENT COMPANY AND THE CONSOLIDATED ACCOUNTS	NET PROFIT		NET EQUITY	
	GROUP	MINORITIES	GROUP	MINORITIES
BALANCE AS IN THE PARENT COMPANY'S FINANCIAL STATEMENT	**45,011**		**1,016,219**	
Elimination of dividends	(11,459)		0	
Elimination of consolidated equity investments' writedowns	1,500		0	
Valutazione a p. netto di imprese iscritte nel bilancio d'esercizio al costo	219		219	
Book value of consolidated equoty invesments			(730,724)	
Effect of subsidiaries' CFH reserves			(3,197)	
Effect of subsidiaries' defined benefit plans restatement			(30)	
Net equity and profit of consolidated companies	10,046	(439)	728,197	10,150
Allocation of differences to the assets of consolidated companies				
- Goodwill from consolidation PORTAMEDICEA (allocated to work in progress)			281	
- Goodwill from consolidation MILLENIUM			3,952	
- Goodwill from consolidation IMMOBILIARE LARICE			0	
- Goodwill from consolidation Winmagazine			5,410	
- Goodwill from consolidation Winmarkt management			1	
- Punta di Ferro conosolidation effect	557			
- Capitalized interests on work in progress	0		350	
- Fair value change of real estate investments and assets under construction	(241)		1,386	
- Sale of assets to Group companies (amortization effect)	3		(15)	
- Other adjustments	3		4	
BALANCE SHOWN IN THE CONSOLIDATED ACCOUNTS	**45,639**	**(439)**	**1,022,053**	**10,150**

Amounts in thousands of Euro

2.17 Comment on the Parent Company's financial and economic performance

The full year financial statements of the Parent Company IGD SIIQ S.p.A. reflect the full year contribution of the "core" assets acquired year-end 2014, as well as the opening, in May 2015, of the Clodì retail park which had the most significant impact on both EBIT and the bottom line. Of note is the marked improvement in fair value, discussed in Chapter 5.
The Parent Company also recognized and received dividends of 9,459,364, generated entirely by exempt operations, from the subsidiary Igd Property SIINQ S.p.A..
The net financial position was higher as a result of the Punta di Ferro s.r.l. acquisition made at the end of the year.

2.18 Proposal to approve the financial statements, the allocation of net profit for 2015 and the payment of dividends

Dear Shareholders,

We submit for your approval the separate financial statements of IGD SIIQ S.p.A. at 31 December 2015 which closed with a net profit of €45,011,200. The Board of Directors proposes, subject to the approval of the financial statements for the year ended 31 December 2015:

- *to combine €10,000,000 of the share premium reserve with the legal reserve up to one fifth of the share capital as a result of which the legal reserve would rise from €109,952,056 to €119,952,056, and would, therefore, be fully formed as per Art. 2430 of the Italian Civil Code; the share premium reserve would drop from €39,971,151.20 to €29,971,151.20;*
- *to reclassify €2,661,977 of available reserves, allocated as a result of the elimination of restrictions pertaining to the sale of investment properties in the year and availability under Art. 6 of Legislative Decree n. 38 of 28 February 2005, increasing the non-distributable reserve by the same amount;*
- *to allocate €19,318,102 of the earnings to the fair value reserve relating to the fair value of the real estate assets. The fair value reserve will, therefore, increase from €213,204,348.64 to €232,522,450.64;*
- *to pay a dividend of €0.04 per ordinary share outstanding when the shares go ex-div.*

The total dividend payout, calculated based on the number of shares outstanding at 3 March 2016 (813,045,631), amounts to €32,521,825.24 to be taken from:

. for €25,693,098, distributable income generated entirely by exempt operations;

. for €2,661,868,38, the reserve for retained earnings arising from the elimination of the restrictions on the fair value reserve and entirely attributable to exempt operations;

The earnings distributed from exempt operations amount to €28,354,966.38, equal to €0.034875 per share covered;

. for €3,955,934.45, by the entire merger surplus reserve and for €210,924.41, by part of the reserve for bond issues.

The dividend paid using capital reserves amounts to €4,166,858.86, equal to €0.005125 per share.

Bologna, 3 March 2016

The Chairman

Gilberto Coffari

CONÉ

Conegliano - Treviso

Opening 2010

Mall GLA sq.m 12,146

Food anchor GLA sq.m 9,498

3,141,004 visitors in 2015

Report on Corporate Governance and Ownership Structure

03

Glossary

CODE/CORPORATE GOVERNANCE CODE:
the Corporate Governance Code for listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

CIV. COD./C.C.:
the Italian Civil Code.

BOARD:
the Issuers' Board of Directors.

ISSUER OR THE COMPANY:
issuer of stock referred to in this Report.

YEAR:
financial year referred to in this Report.

CONSOB REGULATIONS FOR ISSUERS:
the regulations for issuers approved CONSOB in Resolution n. 11971 of 1999, as amended.

CONSOB MARKET REGULATIONS:
market regulations issued by CONSOB pursuant to Resolution n.16191 of 2007, as subsequently amended.

CONSOB REGULATIONS FOR RELATED PARTY TRANSACTIONS:
the Regulations issued by CONSOB pursuant to Resolution n. 17221 of 12 March 2010, as subsequently amended, for related party transactions.

REPORT:
the Report on Corporate Governance and Ownership Structure that companies are required to prepare pursuant to Art. 123-bis TUF.

TUF/*"TESTO UNICO DELLE DISPOSIZIONI IN MATERIA DI INTERMEDIAZIONE FINANZIARIA":*
Legislative Decree n. 58 dated 24 February 1998 (as subsequently amended).

3.1 Company Profile

The Company has a traditional system of management and control founded on the centrality of the Board of Directors. The financial audit is performed by external auditors, in accordance with the law.
The Company's Corporate Governance model is based on: *(i)* the guiding role of the Board of Directors in matters of corporate strategy, as a whole and through specifically appointed committees; *(ii)* the transparency of business decisions within the Company and vis-à-vis the market; *(iii)* the definition of a remuneration policy for the directors and the managers with strategic responsibilities which complies with the Code iv) the efficiency and efficacy of the internal control and risk management system; *(v)* the strict governance of potential conflicts of interest; and *(vi)* clear procedures for transactions with related parties and for the treatment of corporate information
The Company's mission is to create value for all its stakeholders: shareholders, employees, clients and suppliers through sustainable growth.
In 2016 the Company approved the Corporate Sustainability Report which describes the characteristics of the IGD Group, its recent growth, the objectives for future development and the main results achieved in 2015 relating to economic, environmental and social sustainability.
Every year the Company makes the Corporate Sustainability Report, approved by IGD SIIQ Spa's Board of Directors, available to the public on its website at *http://eng.gruppoigd.it/Sustainability/Sustainability-Report-and-Documents*.

3.2 Information on Ownership Structure

(pursuant to Art. 123-*bis*, par. 1, TUF)

a) Share capital structure
(pursuant Art. 123-*bis*, par. 1, lett. a), TUF)
The share capital approved at the date of this Report totals €604,736,305.52, €599,760,278.16 of which is fully paid-in and subscribed, divided in 813,045,631 ordinary shares without a stated par value (*Tab. 1*).

b) Share transfer restrictions
(pursuant to art. 123-*bis*, par- 1, lett. b), TUF)
There are no restrictions and all shares are freely transferable.

c) Significant interests in share capital
(pursuant to Art. 123-*bis*, par. 1, lett. c), TUF)
The company qualifies as a "SME" as defined in Art. 1, paragraph 1, lett. W-1) of TUF, introduced in Legislative Decree n. 91 of 24 June 2014 and converted, with amendments, into Law n. 116 on 11 August 2014. The minimum holding in the Company, therefore, subject to disclosure under Art 120 of TUF is 5%.
Based on the declarations received under artt. 120 and 122 of TUF, the shareholders with voting rights holding more than 5% of the company's ordinary share capital are those indicated in Table 1 "Significant interests in share capital" attached to this report. *(see Chart 1)*

IGD'S SHAREHOLDERS

40.92%	Coop Alleanza 3.0
12.93%	Unicoop Tirreno
41.15%	Flottante
5.00%	Quantum Strategic Partners Ltd

Coop Alleanza 3.0 soc. coop. is the company formed following the merger of Coop Adriatica s.c.a r.l., Coop Consumatori Nordest soc.coop and Coop Estense s.c. effective 1 January 2016.

d) Shares granting special rights
(pursuant to Art. 123-*bis*, para. 1, lett. d), TUF)
The shares issued all have the same rights.

e) Employee share ownership: exercise of voting rights (pursuant to Art. 123-*bis*, par. 1, letter e), TUF)
There are no specific mechanisms which provide for employee share ownership.

f) Restrictions on voting rights
(pursuant to Art. 123-*bis*, par. 1, lett. f), TUF)
There are no restrictions on voting rights.

g) Shareholder Agreements
(pursuant to Art. 123-*bis*, par. 1, lett. g), TUF)
At 3 March 2016 the Company is not party to any shareholder agreements deemed relevant pursuant to Art. 122 of TUF.
Please note that the shareholders' agreement stipulated on 9 March 2015 by Coop Adriatica S.c.a r.l. (**"Coop Adriatica"**) and Unicoop Tirreno Company Cooperativa (**"Unicoop Tirreno"**). which established a voting block comprised of shares of Immobiliare Grande Distribuzione SIIQ S.p.A., pursuant to Art. 122 paragraphs 1 and 5 A) and B), of Legislative Decree n. 58/1998, structured to facilitate the Company's strategic decisions and their management, expired on 31 December 2015.

Notice of dissolution of the Agreement, along with the essential information called for under Art,. 130 of the Regulations for Issuers, is available to the public on Consob's website, in accordance with the law and on the Company's website *http://eng.gruppoigd.it/Investor-Relations/IGD-Stock/Codes-indexes-and-shareholders.*

h) Provisions relating to change of control clauses
(pursuant to Art. 123-*bis*, par. 1, lett. h), TUF)
and takeover bids (pursuant to Art. 104, par. 1-*ter*, and 104-*bis*, par. 1)
In the course of their normal business, the Company and group companies may stipulate agreements with financial partners which include clauses which grant each of the parties the right to rescind and/or amend said agreements and/or require repayment of the loan in the event the direct or indirect control of the company contracting party should change.
Without prejudice to the above, the Company:

(i) on 7 May 2013, issued senior fixed rate notes "€144,900,000 4.335 per cent, notes due 7 May 2017", the regulations for which call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;

(ii) on 26 November 2013, stipulated an agreement for a mortgage of €135 million with the Italian branch of BNP Paribas which calls for advance repayment of the loan in the event control of the Company should change;

(iii) on 7 May 2014, completed a €150 million private placement of unsecured senior notes, due January 2019, the

regulations for which call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;

(iv) on 21 April 2015 an offer was made to exchange outstanding bonds *"€144,900,000 4.335 per cent. Notes due 7 May 2017"* and *"€150,000,000 3.875 per cent. Notes due 7 January 2019"* with new senior notes *"€162,000,000 2.65 per cent. Notes due 21 April 2022"*. The regulations for the new notes *"162,000,000 2.65 per cent. Notes due 21 April 2022"* call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change.

With regard to the provisions found in the company by-laws relating to takeover bids, there are no clauses which provide for exceptions to the passivity rule nor application of the breakthrough rule.

i) Authority to increase share capital and authorizations to buy back shares (pursuant to Art. 123-*bis*, par. 1, lett. m), TUF)

The Board of Directors, pursuant to Art. 2443 of the Italian Civil Code has the right to, by 19 April 2017, increase share capital against payment, in one or more instalments, by up to 10% of the current share capital, to be subscribed by parties selected by the Board of Directors including qualified investors and/or business partners and/or financial partners in Italy and abroad or shareholders of the Company – excluding pre-emption rights pursuant to Art. 2441, paragraph 4 *(2)*, as long as the issue price corresponds to the shares' market price which must be confirmed in a report issued by the external auditors.

In execution of the powers granted, on 2 December 2015, the Board of Directors approved a divisible capital increase for an aggregate maximum nominal amount of €54,976,027 (plus share premium, if any) or not more than 10% of the Company's existing share capital, to be completed on or before 31 July 2016 through the issue of a maximum of 75,635,000 new ordinary shares without a stated par value, with voting rights and without pre-emptive rights pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code to be offered exclusively to qualified investors as part of a private placement through accelerated bookbuilding.

The accelerated bookbuilding transaction was completed on 3 December 2015 with the private placement of 56,689,342 newly issued ordinary IGD shares at a price of €0.882 for a total of €49,999,999.64. The transaction was settled by delivery of shares and payment of the amounts due on 7 December 2015.

On 15 April 2015 the Ordinary Annual General Meeting granted the Board of Directors the authorization to buy and sell treasury shares in accordance with Art. 2357, second paragraph, of the Italian Civil Code. For additional information on the authorization granted in the resolution please refer to the report presented during the Ordinary Annual General Meeting held on 15 April 2015 and available on the Company's website at *http://www.gruppoigd.it/Governance/Assemblea-degli-Azionisti/(year)/2015*.

On 3 March 2016 the Company's Board of Directors, which approved this report, resolved to propose that the shareholders convened in ordinary session on 14 and 15 April 2016, respectively in first and second call, revoke the expiring authorization granted by the shareholders 15 April 2015 and grant a new authorization to buy and sell treasury shares in accordance with Art. 2357, second paragraph, of the Italian Civil Code. The purchase and disposal of treasury shares will be done in accordance with the means established by the shareholders as indicated in the Directors' Report.

At 31 December 2015, the Company does not hold any treasury shares. As of the date on which this Report was approved, there has not been any change with respect to 31 December 2015.

l) Management and coordination (pursuant to Art. 2497 et seq. Italian Civil Code)

The Company is subject to the management and coordination of shareholder Coop Alleanza 3.0 soc.coop., the company formed as a result of the merger of the three cooperatives, Coop Adriatica, Coop Estense and Coop Consumatori Nordest, effective 1 January 2016, which controls 40.92% of the Company's share capital, pursuant to and in accordance with Art. 2497 of the Italian Civil Code.

→ Other information

Indemnity of Directors (pursuant to Art. 123-*bis*, par. 1, lett. i), TUF)

With regard to information relative to any agreements between the Company and the Directors in the event of resignation, dismissal or termination following a takeover bid, please refer to the information found in the Remuneration Report published pursuant to Art. 123-*ter* of TUF and available on the Company's website: *http://eng.gruppoigd.it/Governance/Compensation.*

Norms applicable to the appointment and replacement of directors, amendments to the corporate by-laws (pursuant to Art. 123-*bis*, par. 1, lett. l), TUF)

The appointment and replacement of the directors, as well as amendments to the corporate by-laws, are conducted and governed in accordance with Title V of the bylaws (Board of Directors) made available on the company's website (*www.gruppoigd.it*). Please refer to the section "Board of Directors" of this report for further information.

3.3 Compliance

(pursuant to Art. 123-*bis*, par. 2, lett. a), T.U.F)

Since its IPO, on 11 February 2005, the Company has adopted the Corporate Governance Code and has structured its corporate governance, the rules and standards of conduct, in a way that ensures efficient and transparent corporate bodies and control systems in line with the code guidelines.
The code is published on Borsa Italiana's website (*http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2015.pdf*).
In line with the best international practices relating to corporate governance and in light of the recommendations found in the Corporate Governance Code approved by Borsa Italiana's Corporate Governance Committee in July 2014, during the Board of Directors' meeting held on 18 November 2014, the Company resolved to update the Company's Rules for Corporate Governance which, along with the other documents (corporate by-laws, code of ethics, Decree 231/01 Model for organization, management and control, Regulations for Shareholders' Meetings, Procedures for related party transactions, Procedures for the disclosure and treatment of confidential information, the Internal dealing code) – comprise the group of self-governance instruments used by the Company.

The Company will strive to make the changes called for in the latest edition of the Code, approved by Borsa Italiana's Corporate Governance Committee in July 2015, by the end of 2016 and inform the market in the report on corporate governance that will be published next year.

In accordance with the law, the Report contains a general description of the corporate governance system adopted by the Company, along with information on the shareholder structure and application of the Corporate Governance Code, as per the "comply or explain" standard set out in the "Guidelines and transitional phase" section found in the Code.
The structure of the company's governance is described in this section of the Directors' Report.
The Company's subsidiaries include two Romanian companies, WinMagazin S.A. and WinMarkt Management S.r.l., which, however, do not have any impact on the current structure of IGD's governance.

→ Corporate governance structure

Insofar as it is an Italian company with shares listed on the stock exchange which adheres to the code referred to above, the governance structure is founded on a traditional model comprised of: Shareholders' Meetings, the Board of Directors, Board of Statutory Auditors and External Auditors. Financial audits are carried out by external auditors.

The Shareholders' Meeting is the forum used by the shareholders to express their wishes. The resolutions are made in accordance with the law and the bylaws while the meetings are governed by specific regulations adopted by the Company in order to ensure that the meetings are carried out in an orderly and efficient manner.
The Board of Directors defines the strategy for the Company and its subsidiaries and oversees the business operations. In accordance with the bylaws, the Board of Directors may take all measures it deems fit for implementing and achieving the corporate purpose, except for those that the law or the bylaws reserve for the shareholders.
The Board of Statutory Auditors oversees compliance with the law and the bylaws and ensures that the standards of correct administration are observed and, in particular, that the organizational, administrative and accounting structures are adequate, that they function correctly, that the corporate governance rules provided for in the Code are complied with and that the disclosures made by the Company to its subsidiaries comply with Art. 114, paragraph 2, of the TUF (public disclosures).
The financial audit assignment was granted to the registered audit firm appointed during the Annual General Meeting based on the motivated proposal submitted by the Board of Statutory Auditors.

3.4 Board of Directors

3.4.1 Appointment and Replacement (pursuant to Art. 123-*bis*, par. 1, lett. l), TUF)

The Company is administered by a Board of Directors composed, as per the bylaws, of seven to nineteen members.

During the Annual General Meeting held on 15 April 2015, shareholders decided that the Board of Directors will be comprised of 13, rather than the previous 15, directors to serve for the three-year period ending on the date of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2017.

The directors pursue the corporate purpose, acting independently and resolving with sound judgement, seeking out all available information, in order to achieve the priority goal of creating medium/long term value for the shareholders.
Pursuant to Articles 16.2 and 16.3 of the bylaws, the directors are elected on the basis of preference lists which comply with the current laws relating to gender equality. In accordance with Art. 16.3 of the bylaws, lists may be submitted by shareholders who, alone or together with others, hold the interest determined in accordance with CONSOB regulations (for 2016 equal to 2.5% of the Company's share capital). The lists must be filed at the head office at least twenty-five days in advance of the first-call date of the meeting which will be mentioned in the notice of call. Pursuant to Art. 147-*ter*, paragraph 1-*bis*, TUF, Shareholders must submit the certification attesting to possession of the shares needed to file voting lists, determined on the basis of the shareholders of record on the day the lists were filed with the company, issued by an intermediary authorized in accordance with the law at least 21 days prior to the Annual General Meeting is to be held.

The candidates must be numbered sequentially in the lists up to the number of seats to be filled. In accordance with the latest version of Art. 147 ter, fourth paragraph, of the TUF, Art. 16.3, last passage, of the bylaws states that every list must include at least two clearly indicated candidates who qualify as independent in accordance with the law.
The lists which include three or more candidates must include candidates of both genders, as indicated in the notice of call for the Annual General Meeting, in order to ensure that the composition of the Board of Directors complies with current laws relating to gender equality.
In compliance with the bylaws, the lists must be filed along with the candidates' irrevocable acceptance of office (should they be elected), curriculum vitae, and statements confirming that there are no reasons for ineligibility and/or disqualification and that they meet the requirements set by law.
Art. 16.4 of the bylaws, reflecting the provisions of Art. 147-*ter*, paragraph 3 of the TUF, prohibits any shareholder from submitting or participating in the submission of more than one list. In keeping with the above, Art. 16.7 of the bylaws states that if more than one list is submitted, at least one director must be appointed from the minority list. Thus, if the candidates ranked with the highest quotients come from a single list, the candidate from the minority lists who has earned the highest quotient will be elected in place of the candidate at the bottom of the ranking. Pursuant to art. 16.7-*bis* of the bylaws – as introduced by the amendments approved by the shareholders meeting in ordinary session on 18 April 2013 – if the law relating to gender equality fails to be complied with as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the number of candidates on the same list needed to ensure compliance with the laws governing gender equality without prejudice to the minimum number of independent directors required under the law. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the directors of the least represented gender with the majority of votes required by law.
Art. 16.8 of the bylaws, on the subject of filling vacancies on the Board of Directors, combines the co-optation system with the requirement that minority interests be represented and that at least two directors qualify as independent pursuant to Art. 147-*ter*, par. 3 of the TUF, as well as in accordance with the laws governing gender equality.

→ Succession plan

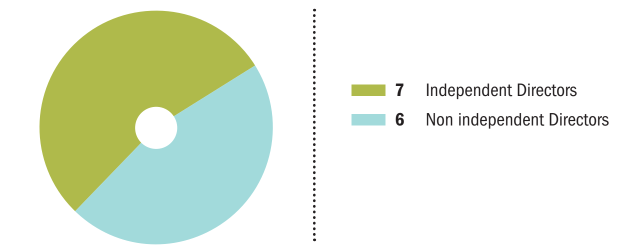
As of the date on which this report was approved, the Board of Directors decided not to proceed with the adoption of a specific succession plan for the executive directors as it was deemed unnecessary in light of the shareholders and the current powers granted to the Board. In the light of the shareholders, the Company has the possibility to promptly activate the Board of Directors in order to adopt the appropriate resolutions.

3.4.2 Composition (pursuant to Art. 123-*bis*, par. 2, lett. d) TUF)

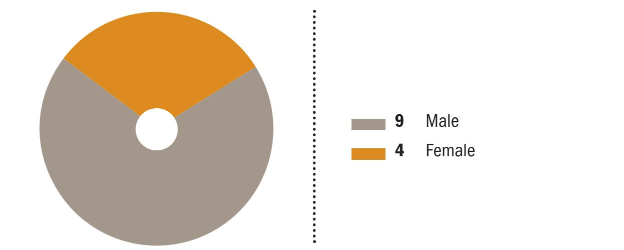
The Board of Directors currently in office was appointed during the Shareholders' Meeting held on 15 April 2015.
More in detail, the Board of Directors in office from 1 January 2015 through 15 April 2015 consisted of 15 directors; namely, Gilberto Coffari (Chairman), Sergio Costalli (Vice Chairman), Claudio Albertini (Chief Executive Officer), Roberto Zamboni, Aristide Canosani, Leonardo Caporioni, Fernando Pellegrini, Fabio Carpanelli, Elisabetta Gualandri, Tamara Magalotti, Livia Salvini, Andrea Parenti, Riccardo Sabadini, Giorgio Boldreghini and Massimo Franzoni.
The Board of Directors currently in office is comprised of 13 directors and was appointed during the Shareholders' Meeting held on 15 April 2015 for a period of three years, through the Annual General Meeting called to approve the financial statements for the year ending 31 December 2017.
During the Shareholders' Meeting held on 15 April 2015 two lists were presented, one by Coop Adriatica and Unicoop Tirreno (**"List n. 1"**) and by Quantum Strategic Partners Ltd. (**"List n. 2"**). The lists were submitted with all the documentation relating to the personal and professional characteristics of the candidates along with the statements relating to the qualifications of some as independent and irrevocable acceptance of the appointment in the time period provided for under the law.

List n. 1 received 438,696,515 favorable votes, equal to approximately 76.83% of the participants; List n. 2 received 131,187,051 favorable votes, equal to approximately 22.98% of the participants.
As resolved by shareholders on 15 April 2015, the Board of Directors currently comprises the following members: from List n. 1 submitted by Coop Adriatica and Unicoop Tirreno, Gilberto Coffari (Chairman), Claudio Albertini (Chief Executive Officer), Aristide Canosani, Elio Gasperoni, Fernando Pellegrini (Vice Chairman), Leonardo Caporioni, Elisabetta Gualandri, Milva Carletti, Rossella Saoncella, Andrea Parenti and Livia Salvini; from List n. 2, submitted by the shareholder Quantum Strategic Partners Ltd, John William Vojticek and Matthew D. Lenz.
More in detail, List n. 1 was submitted by Coop Adriatica and Unicoop Tirreno in accordance with the shareholders' agreement they stipulated on 9 March 2015 which expired on 31 December 2015 (see Section 3.2, lett. g), of the Report). Based on this agreement the IGD's Board of Directors should be comprised of 13 members, comply with the current law relating to gender equality, and the parties should submit and vote on one list with 13 names, comprised of 7 directors designated by Coop Adriatica (of which 3 independent as defined in the Corporate Governance Code and one in possession of the requisites referred to in Art. 148, paragraph 3, of TUF), 5 directors designated by Unicoop Tirreno (of which 2 independent as defined in the Corporate Governance Code and at least one in possession of the requisites referred to in Art. 148, paragraph 3, of TUF) and one director designated jointly by Coop Adriatica and Unicoop Tirreno (independent as defined in the Corporate Governance Code).
As disclosed to the market, on 17 November 2015 the independent director John William Vojticek tendered his resignation as director, effective immediately. During the meeting held on 3 March 2016, the Board of Directors, based on the proposal of the Nominations and Compensation Committee, resolved to substitute the independent director, pursuant to Art. 2386 of the Italian Civil Code, by co-opting Luca Dondi dall'Orologio to act as an independent non-executive director who will remain in office through the next Shareholders' Meeting convened on 14 and 15 April in first and second call, respectively.
The members of the Board of Directors at the date of the Shareholders' Meeting held on 15 April 2015, along with their status as executive or non-executive and/or independent members as per the Corporate Governance Code and the committees formed at the same date, can be found in Table 2 "Structure of the Board of Directors and Committees at 15 April 2015" attached.
The members of the Board of Directors at 31 December 2015, along with their status as executive or non-executive and/or independent members as per the Corporate Governance Code and the committees formed as of the date in which this report was approved, can be found in Table 2 bis "Structure of the Board of Directors and Committees" attached.
The current Board of Directors is composed of members with different professional and personal characteristics, such as university professors, professionals, businessmen, as well as company executives. The majority of the directors appointed is in possession of the independence requirement under the provisions of the Code of Conduct and the TUF.
The composition of the Board of Directors also complies with the current law relating to gender equality. Toward that end, when the term of the Company's Board of Directors and control body expired on 31 December 2015, Coop Adriatica and Unicoop Tirreno presented their lists for the renewal of the Company's Board of Directors and control body which included candidates of the least represented gender as a result of voluntary and early compliance with the laws introduced in Law 120/2011.

DIRECTORS



GENDER QUOTAS IN THE BOD



The personal characteristics and professional experience of the single members of the Board of Directors currently in charge, are provided below.

GILBERTO COFFARI
Chairman of the Board of Directors

Gilberto Coffari, born in 1946, has been Chairman of IGD's Board of Directors since its formation in 2000. From 2006 through 2011 he was Chairman of Coop Adriatica. Currently he is Director of Federazione delle Cooperative di Ravenna. Mr. Coffari has acted as a Director and Chairman of the Board for a number of cooperatives, a world he has been part of for more than 40 years. He also holds the offices listed in Table 4.

CLAUDIO ALBERTINI
CEO since May 2009 (Director since 2006)

He was born in 1958 and has been at the helm of IGD since May 2009, after having served as a member of the Company's Board for three years. For more than twenty years Mr. Albertini was part of the Gruppo Unipol where he ultimately acted as General Manager of Unipol Merchant. Mr. Albertini is a certified financial auditor registered in Bologna. He also holds the offices listed in Table 4.

FERNANDO PELLEGRINI
Vice Chairman

Born in 1964, Head of Finance, Asset Management and Financial Reporting for Unicoop Tirreno, Mr. Pellegrini has held various positions in the Unicoop Tirreno Group where he began his professional career in 1995 as part of administration, finance and control; he is currently Vice Chairman of the Board of Directors and Chairman of the Executive Committee of Simgest S.p.A.

ARISTIDE CANOSANI
Director

Born in 1935. Chairman of CreditRas Assicurazioni, until May 2014 and CreditRas Vita until May 2013, Mr. Canosani was in charge of UniCredit Banca for eight years after having worked in Rolo Banca 1473, Carimonte Banca and Banca del Monte di Bologna and Ravenna. Certified financial auditor, he makes a priceless contribution to IGD's BoD thanks to both his vast experience and expertise in finance. He also holds the offices listed in Table 4.

ELIO GASPERONI
Director

Born in 1953, Mr. Gasperini received a degree in philosophy from the University of Florence's History of Political Doctrine department in 1978. He has several offices and positions including as part of the public administration and local institutions. He is a member of Coop Adriatica's Board of Directors. His presence in IGD enhances and strengthens the dialogue with the local authorities. He also holds the offices indicated in Table 4.

LEONARDO CAPORIONI
Director

A Chartered Public Accountant and Financial Auditor, Mr. Caporioni, born in 1964, is head of Administration and Financial Reporting at Unicoop Tirreno, a group where he has worked since 1991 holding positions of increasing responsibility. He has matured important experiences as a director and statutory auditor for a number of national and regional (Tuscany) cooperatives. He also holds the offices listed in Table 4.

ELISABETTA GUALANDRI
Independent Director

Born in 1955, Ms. Gualandri has a degree in Business Economics from the University of Modena and a masters degree in Financial Economics from University College of North Wales (UK). A lecturer in financial intermediation at the University of Modena and Reggio Emilia, she also collaborates with CEFIN and Softech-ICT centers. Statutory auditor at the Bank of Italy from 2007 through 2012, she is a member of BPER's BoD since 2012 and has been acting as an advisor for the European Commission's program Horizon 2020, Access to Finance Group since 2014. She is also a member of the CTS and the Knowbel Incubator. The topics about which she has written numerous publications, participating also in national and international seminars, include banking regulation, the financial crisis, financing innovative SMEs and startups. She also holds the offices listed in Table 4.

MILVA CARLETTI
Independent Director

Born in 1963, Ms. Carletti has a degree in Political Science, with a specialization in economics, from the University of Bologna. Since January 2014 she has been acting as CFO of Manutencoop Facility Management SpA, Italy's main operator in Integrated Facility Management. In the past she acted as head of the Business Unit Service of Centostazioni SpA, a company that manages more than 100 service properties in Italy. She is currently an Independent Director of UnipolSai SpA. She also holds the offices listed in Table 4.

ROSSELLA SAONCELLA
Independent Director

Born in 1954, Ms. Saoncella received a degree in Physics from the University of Bologna and in 1978 completed a masters in Business Administratation at IFOA. She was General Manager of the Granarolo Group through 2011 and, prior to 1993, an executive of the CONAD Group. Over the past few years she has held administrative offices for municipalities in Emilia Romagna. She also holds the offices listed in Table 4.

ANDREA PARENTI
Indipendent Director

Born in Rome in 1957, Mr. Parenti holds a degree in Business Economics, University of Florence, he is a certified financial auditor registered in Prato. He acts as a court consultant. In 2006 he formed and founded a corporate tax consulting firm after leaving the international audit firm Ernst & Young where he began first as a manager to then become partner of the tax advisory firm for which he ran the Florence *office for more than fifteen years. During his professional career, begun in 1983, he matured experience as an auditor and in corporate structuring, with a focus on corporate earnings and extraordinary transactions. He worked as an appraiser of business divisions for the Monte dei Paschi di Siena Banking Group and for other important companies. As a director, he has worked on Boards of companies involved in the manufacture of defense systems, television broadcasting, distribution of audiovisual products, including with mandates relating to administrative and financial matters. He also holds the offices listed in Table 4.*

LIVIA SALVINI
Independent Director

She was born in 1957. Professor of Tax Law at LUISS - Guido Carli University in Rome and Avvocato Cassazionista (the highest order of attorneys) as well as a PhD in Tax Law, Ms. Salvini boasts a twenty year academic career and has been part of numerous ministerial and government commissions and studies. Ms. Salvini is the author of two monographs on VAT and the relative procedures, assessment and application, as well as numerous studies on tax matters. She also holds the offices listed in Table 4.

MATTHEW DAVID LENTZ
Independent Director

Born in 1972, Mr. Lenz has a degree in History and has been acting as a strategist for Soros Fund Management since 2013. Prior to Soros, he was Chief Investment Officer of Simon Property Group, Managing Director at DuquesneCapital/Point State Capital and a real estate analyst at Fidelity Investments. He also holds the offices listed in Table 4.

LUCA DONDI DALL'OROLOGIO
Independent Director

Born in 1972, Mr. Dall'Orologio is an economist with experience in the valuation of investment projects relating, in particular, to the real estate sector and infrastructure. An expert in socio-economic and regional analysis, assessment of demand and application of applied economics, he is currently the Managing Director of Nomisma S.p.A., where he previously acted as Head of "Real Estate Systems and Urban Strategies" and Head of the unit "Real Estate Analyses and Valuations", as a result of which he coordinated the activities relating to assessment, monitoring and measuring of real estate investment risk. He is also a member of Nomisma Energia S.r.l.'s BoD and the special valuation unit at Jean Monnet LUM University

In compliance with the Corporate Governance Code, the directors take office only when they believe that they will be able to dedicate the time needed to carry out their duties diligently, including in light of their roles in any Board committees, as well as the workload connected to their professional activities, the number of and time dedicated to other offices held as director or statutory auditor in other companies as per the limits on multiple assignments described below, ensuring that this condition remains throughout their term of office.
The Directors, aware of the responsibilities inherent in the office held, must be constantly updated on the newest legislative and regulatory developments affecting the Company and its business.
The directors must comply with the Ethical Code, the Code of Internal Dealing and any other provisions with which the Company regulates the directors' conduct; the directors, like the Statutory Auditors, must treat any documents and information to which they might have access in the course of their duties with the maximum confidentiality.

→ Maximum number of appointments allowed in other companies

In order to regulate the maximum permitted number of appointments in another company that a director may hold, the Company drafted specific regulations referred to as the "Limits to the maximum number of appointments allowed in other companies" which were approved by the Board of Directors on 13 December 2010, and updated on 26 February 2015 as per the opinion of the Nominations and Compensation Committee, in order to comply with the Applicative Criterion 1 par.3 of the Corporate Governance Code. The regulations are available to the public on the Company's website: http://www.gruppoigd.it/Governance/Consiglio-di-amministrazione.

Based on the regulations, the term "maximum number" does not refer solely to the number of offices held, but also attributes a weight to each type of appointment in relation to the nature and size of the company, as well as the position held by IGD's directors in other companies, in light of the fact that more time is dedicated to certain positions than to others. In light of this consideration, IGD's Board of Directors held that the weight to be attributed to the office of Chairman, Executive Director be different, for example, than that of a non-executive/independent director or member of the Board of Statutory Auditors as well as because of the possible membership in one or more Committees – different from the Chairman's committee – constituted within the Board of Directors. Lastly, the weight attributed each office was also different based on the type and size of the company and two sub-categories were established; Group A and Group B. Group A includes other companies listed on regulated markets, financial institutions, banks, insurance companies or other large companies. All the companies which are not part of Group A are automatically considered part of Group B. In light of these considerations, the Board listed the overall weight of the offices held in other companies which can be considered compatible with acting effectively as a director in IGD.
On 3rd March 2016, the Board of Directors was found to be fully compliant with the regulations governing "Limits to the maximum number of appointments allowed in other companies"[1].

The principle offices held by directors in companies other than those of the IGD Group can be found in Table 4 attached.

1 Corporate Governance Code: Art. 1.C.3.

→ Induction Programme

In 2015 the Company did not deem it necessary to organize any specific "induction" meetings as the training and preparation of the members of the corporate bodies is held to be fully adequate with respect to the duties and functions of the offices held. The Company also took into account the fact that many of the current members of the Board of Directors and Board of Statutory Auditors held the same role during the prior term, during which several induction meetings were held in order to further explore topics linked to the global market environment in which the Company operates and analyze the unique characteristics of the Company's core business and any strategic opportunities.

3.4.3 Role and functions of the Board of Directors
(pursuant to Art. 123-*bis*, par. 2, lett. d) TUF)

The Company is administered by a Board of Directors which meets on a regular basis and which is organized in such a way as to guarantee that its duties are carried out efficiently.

The Board of Directors primary responsibility is to determine and pursue the strategic objectives of the Company and the entire Group.

In order to ensure maximum attendance at the Board meetings, they are held on the dates indicated in a financial calendar which has been disclosed to the market in accordance with *Borsa Italiana*'s instructions. Additional meetings may be called if deemed necessary in order to address certain issues; the Board, at any rate, takes the steps necessary to effectively fulfil its duties. The Company published the following financial calendar which calls for 4 meetings to be held in 2016:

- 3 March 2016: Board of Directors' meeting to examine the separate and consolidated financial statements at 31 December 2015;
- 10 May 2016: Board of Directors' meeting to examine the Interim Management Statement at 31 March 2016;
- 5 August 2016: Board of Directors' meeting to examine the Half-year Financial Report at 30 June 2016;
- 8 November 2016: Board of Directors' meeting to examine the Interim Management Statement at 30 September 2016.

If the company deems it opportune it may convene, in accordance with the bylaws, other board of director meetings in 2016.

Pursuant to Art. 17.3 of the bylaws, the chairman calls and presides over meetings of the Board of Directors; conducts, coordinates and moderates the discussion and related activities; and announces the results of votes. He must ensure that the Board of Directors constantly pursues its primary responsibility, namely achieving the strategic goals of the Company and the entire Group.
Without prejudice to the call prerogatives guaranteed by law, meetings of the Board of Directors are called by the chairman, or the chairman's deputy, whenever this person sees fit or at the request of a majority of the directors. Art. 18 of the bylaws also provides for Board of Directors' meetings to be called by the Board of Statutory Auditors. Meetings are normally called by telegram, fax, or other means as long as this ensures proof of receipt at the domicile of each member of the Board of Directors at least five days in advance of the meeting. In urgent cases, meetings may be called two days in advance. The statutory auditors are informed of the meeting according to the same terms described above. Typically the meetings are called via e-mail.

The power to call the Board of Directors' meetings granted to the Board of Statutory Auditors or by any member thereof complies with Art. 151, second paragraph of TUF.

The Board of Directors meets at the place specified in the notice of meeting, which may be the registered office or anywhere else in Italy.

The Chairman of the Board of Directors works to ensure that the directors and statutory auditors receive the documentation relating to the items on the Agenda in a timely manner and prior to the date on which the meeting is to be held[2].

The documentation relative to the Board meeting agendas was regularly made available to each director on the Company's website; directors may access it on an exclusive basis using a password created by a personalized token. The publication of the documentation is preceded by a notice sent by e-mail from a specific function identified inside the Company. During 2015 the adequate notice period on average was equal to 2 (two) days.

During the meetings, the Chairman of the Board of Directors assured an extensive discussion of the items on the agenda allowing a constructive debate, also thanks to the regular participation of the Company's top management.
Board meetings are presided over by the chairman or, if the chairman is unavailable, by the vice chairman (if appointed) or, if the vice chairman is unavailable, by the most senior director in terms of age.
For each meeting the Board of Directors, at the chairman's proposal, elects a secretary who may or may not be a member and who will sign the minutes of the meeting.

The bylaws require the presence of at least one member of the Board of Statutory Auditors at all sessions of the Board of Directors, to ensure that the auditors are informed of the Company's activities and of the transactions having a significant impact on profitability, assets, liabilities, and financial position carried out by the Company or its subsidiaries, in particular those transactions in which they have an interest on their own or third parties' account; that are influenced by the party in charge of management and coordination; or that have been the subject of resolutions, debate or announce-

2 Corporate Governance Code: Art 1.C.5

ment during the course of the session. If no statutory auditor is present at a meeting of the Board of Directors, or if the procedures adopted in accordance with the preceding section do not guarantee that the auditors are informed on at least a quarterly basis, then according to the bylaws the chairman and/or the chief executive officer must report in writing on his or her activities to the chairman of the Board of Statutory Auditors within three months. This report must be mentioned in the minutes of the first subsequent meeting of the Board of Statutory Auditors.

Typically the Issuer's managers attend the Board of Directors' meetings in order to provide additional information regarding the items on the Agenda. The Chairman of the Board of Directors, including if requested by one or more directors, may request that the Chief Executive Officer invite executives of the Company or Group companies to attend the Board meetings to provide in depth information about the items on the Agenda.

During the year ended 31 December 2015, the Board of Directors held 8 meetings, on 26 February, 8 April (in both ordinary and extraordinary session), 17 April, 7 May, 6 August, 10 November, 2 December (in both ordinary and extraordinary session), and 14 December duly attended by the directors and by a member of the Board of Statutory Auditors. The absentee rate was quite low and all absences were excused. Each meeting lasted an average of 2.30 hours (two hours and thirty minutes).

Some meetings of the Board of Directors were attended by Company executives and/or external parties, so they could provide specialized input on the topics up for debate.

Following the criteria set forth in Art. 1.C.1 of the Corporate Governance Code, the Board of Directors:

- **a)** examines and approves the strategic, business and financial plans of the company, the company's corporate governance system, as well as that of the strategically important subsidiaries, periodically monitoring implementation; defines the Company's corporate governance system and Group structure;
- **b)** defines the nature and level of risk deemed compatible with the Company's strategic objectives[3];
- **c)** judges the adequacy of the organizational, administrative, and accounting structure of the Company and its strategic subsidiaries with particular reference to the internal control system and the management of conflicts of interest;
- **d)** in order to encourage the involvement and cooperation of the directors, institutes the board committees and commissions deemed necessary for the proper functioning of the Company, while also defining its active duties and consulting functions;
- **e)** establishes the frequency with which the delegated bodies must report to the Board of Directors on the progress made during the year relating to their assignments and the most significant operations carried out in the period, which will, at any rate, not be more than once a quarter;
- **f)** evaluates general business performance, taking account of the information received from the chief executive officer, and periodically comparing actual results with forecasts;
- **g)** resolves on the operations carried out by the Company and its subsidiaries where such transactions are strategically, economically or financially significant for the Company; toward this end, determines the general criteria to be used to define material transactions and ensures that the strategically significant subsidiaries submit any transactions that could have a significant impact on the Company to the Board of Directors for approval;
- **h)** evaluates, at least once a year, the size, composition and proper functioning of the Board of Directors and its committees, also taking into account professional qualifications, experience, including as a manager, along with the nature of its members and their seniority;
- **i)** in light of the results of the assessment referred to in letter h) above, expressed to the shareholders, prior to the appointment of the new Board of Directors, any opinions about the type of professional that should be part of the Board;
- **l)** provides information in the report on corporate governance: *(i)* on the composition of the Board, indicating the qualifications (executive, non executive, independent), offices held within the Board (for example, Chairman or Chief Executive Officer), the main professional characteristics, as well as how long the office has been held; *(ii)* on how the duties assigned are fulfilled and, more specifically on the number and the average duration of the Board meetings held during the year and the attendance record of each Board member; *(iii)* on the ways the assessment in letter h) above was carried out *(iv)* on the timeliness and completeness of the information provided before the Board, providing indications if the information was provided in a timely enough manner – and, at any rate, in accordance with the Company's bylaws;
- **m)** after the appointment of an independent director and, subsequently when circumstances materialize which could impact the latter's independent status and, at any rate once a year, evaluates – based on the information received form the interested party or, at any rate, available to the Company - the independent status of its non-executive members[4]: this independence is evaluated on the basis of the criteria indicated in the Corporate Governance Code and any other facts which could impact each instance; the Board of Directors will advise the market as to 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)* indicates if parameters other than those indicated in the Corporate Governance Code were used, including with regard to a single director; and *(ii)* describes the quantitative and/or qualitative criteria used to assess the significance of the relationships being evaluated[5].
- **n)** each year, based on the information received from the Directors, records notes in the Report on Corporate Governance, the assignments held by Directors in other companies as directors or statutory auditors in financial, banking, insurance or large companies, listed on regulated markets (in Italy or abroad);

3 Corporate Governance Code Art. 1.C.1 lett b) (July 2014 edition)
4 Corporate Governance Code Art. 3.P.2
5 Corporate Governance Code Art.3.C.4.

o) expresses an opinion with regard to the criteria to be used to determine the maximum permitted number of directorships or statutory auditorships in other companies deemed to be compatible with holding the office of Company director, taking into account the position held in any Board committees[6]. Toward this end, on the basis of a specific procedure[7], looks at the workload connected with each directorship (executive director, non executive or independent), including in relation to the type and size of the company in which the offices are held, as well as whether the latter are part of the Group;

p) determines, based on the opinion of the Nominations and Remuneration Committee, who is to be appointed to act as a Company executive, as well as a member of the Board of Directors, Board of Statutory Auditors, Chief Executive Officers and General Manager of the strategically relevant subsidiaries; based on the opinion of the Nominations and Remuneration Committee, determines compensation;

q) promotes initiatives designed to facilitate active and informed shareholder participation, as well as the exercise of shareholder rights, guaranteeing that they are provided with timely and complete information;

r) ensures that the Decree 231/2001 Organizational, Management and Control Model is updated and complied with, while completing a risk map of the potential criminal violations with the support of the Supervisory Board;

s) appoints, subject to the opinion of the Board of Statutory Auditors, a Financial Reporting Officer in accordance with Law 262/2005;

t) may call upon an independent Director to act as lead independent director, a point of reference and coordinator for all positions and activities of the non executive, and in particular, independent directors[8];

u) in the event the shareholders, in light of organizational needs, authorize that an exception be made to the non compete clauses referred to in Art. 2390 of the Italian Civil Code, evaluates on the merits of each situation and reports its findings to the first Shareholders' Meeting. Toward this end, upon appointment each Director will inform the Board of any activities carried out which compete with those of the Issuer and any relevant changes;

v) in order to ensure the correct handling of corporate information, updates, based on the proposal of the Chief Executive Officer of the Chairman of the Board of Directors, the Procedures for the management, handling and disclosure of confidential information and documents, with regard particularly to price sensitive information[9];

z) evaluates whether a succession plan for the executive directors should be adopted or not, subject to the opinion of the Nominations and Remuneration Committee[10].

As part of the Company's internal control and risk management, the Board of Directors, subject to the opinion of the Control and Risk Committee:

- defines the guidelines for the internal control and risk management system so that the principal risks that the Company and its subsidiaries face are correctly identified, as well adequately assessed, managed and monitored, while also determining the extent to which the risks are compatible with the strategic goals identified;
- evaluates, at least once a year, the adequacy and efficacy of the internal control and risk management system with respect to the business and the inherent risk profile;
- approves, at least once a year, the work plan prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System;
- describes the main features of the internal control and risk management system in the report on corporate governance and expresses an opinion as to its adequacy;
- evaluates, after having consulted with the Board of Statutory Auditors, the opinion issued by the external auditors upon completion of the financial audit;
- appoints and replaces, based on the proposal of the Director in charge of the Internal Control and Risk Management System, as well as after having consulted with the Board of Statutory Auditors, the Head of Internal Audit.

The functions of the Board of Directors, as described above, comply with the applicable recommendations found in the Corporate Governance Code.

Pursuant to the Corporate Governance Code, the Board of Directors, during the meeting held on 3 March 2016, used the reports provided by the Director in charge of Internal Control System, the Control and Risk Committee (formerly Internal Control Committee), the Supervisory Board, and the Internal Audit, as well as the Report prepared by the Financial Reporting Officer regarding the preparation of the accounting ledgers, to evaluate the adequacy of the Company's and its subsidiaries organizational, administrative and general accounting structures, particularly with regard to the internal control system and the management of any conflicts of interest[11]. In this regard, it should be noted that the strategically relevant subsidiaries are all the subsidiaries (see 2.1 of Financial Statement at 31 December 2015) in which the management of Group's business sectors is located.

The Board of Directors, in accordance with the bylaws and the current norms and regulations and based on the information provided by the Chief Executive Officer and the Board of Statutory Auditors, evaluated the company's performance, its outlook and the transactions most relevant in terms of size or characteristics carried out by the Company or its subsidiaries at least quarterly.

In 2015, the Board of Directors, also met specifically to: *(i)* examine and grant advance approval of any transactions undertaken by the Company and its subsidiaries of significant strategic, economic, capital or financial transactions. The significant strategic, economic, capital or financial transactions are those falling within the category of operations empowered to the Board under the bylaws, with particular attention for those in which one or more directors held

6 Corporate Governance Code Art. 1.C.3.
7 Toward this end the Company has established limits for multiple assignments approved by the Board of Directors on 13 December 2010.
8 Corporate Governance Code Art. 2.C.3.
9 Comment on Art. 1 Corporate Governance Code.
10 Corporate Governance Code Art. 5.C.2.
11 Corporate Governance Code Art. 1.C.4.

an interest directly or on behalf of third parties; *(ii)* assess and express an opinion (in this instance positive) about the size, composition and proper functioning of the Board of Directors and its committees.

The Board of Directors continued with the Board Review process begun in 2007 in order to remain in line with international best practices and to fully comply with the Corporate Governance Code. The outcome is described below.
As in the past, for the year ended on 31 December 2015, IGD hired the consulting company Egon Zehnder International to help with this self-assessment process, with specific modalities in reference to the first year of the mandate of the Board.
Please note that the consulting company Egon Zehnder does not carry out any other activities for IGD or its subsidiaries.
This year the Board Review, as specifically requested by the Company was conducted in the months of January and February 2016, in a manner deemed appropriate to a renewed Board. More in detail, the review focused on:

- the functioning and efficiency of the renewed Board;
- any elements that could prevent or improve the functioning and efficiency of the renewed Board.

The process was carried out on the basis of:
- discussions with each Director, after having completed a questionnaire prepared for this purpose;
- analysis of the comments and observations received and the preparation of a summary report which was presented to the Board;
- discussion of the main results and relative follow-up strategies with the Board.

The Board Review results were presented during the Board of Directors' meeting held on 3 March 2016.
More in detail, the Board pointed out several important and clear strong points. Overall the Board:

- is adequate in size and composition, and reflects a valid combination of different and well structured expertise;
- appreciates the important contribution made by the independent directors and knows how to manage potential conflicts of interest;
- reiterates the satisfaction with the number of meetings held, the duration, the interaction between the Chairman and the Chief Executive Officer when preparing agendas, the positive and constructive environment within the Board, the effective discussions held between independent and non independent directors and the in depth analysis carried out before making any decisions;
- is satisfied with the way in which questions relating to strategy, risk and control are addressed;
- confirms satisfaction with the Company's management team, its participation in meetings, as well as with the content and way in which work was carried out;
- is generally satisfied with the work done by the committees and is in almost unanimous agreement that no more committees are needed;
- appreciates the work done by the Board of Statutory Auditors, and recognizes the extra impact that it had on the Board's work, as a whole;
- notes effective operations overall, with a positive, productive work environment;
- finds an induction program would be useful, appreciated and important in order to, above all, facilitate the work of the new directors;
- finds that informal meetings between directors, including between one director and another, as well as seminars, offsite and similar, organized by the Chairman, as well as meetings of just the independent directors, as suggested in the Corporate Governance Code, can be useful;
- acknowledges and confirms, by a vast majority, the need to adopt and systematically implement a succession plan for the key executives during the current term.

Lastly, please note that at the date of this Report, the Company's shareholders had not authorized general or preventive exceptions to the non-compete clauses provided for in Art. 2390 of the Italian Civil Code[12].

3.4.4 Executive Directors

→ Chief Executive Officer

The bylaws[13] state that the Board of Directors may delegate its powers, within the confines of Art. 2381 of the Italian Civil Code and determining the limits of such authority, to an executive committee comprised of some of its members and/or one or more members given the title of chief executive officer or executive directors.
On 17 April 2015, the Board of Directors confirmed Claudio Albertini as Chief Executive Officer, granting him the following powers:

- to develop and propose – as agreed with the Chairman – the policies and programs related to the company's real estate investments in accordance with the 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 determined 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 optimize the instruments and procedures of financial management and manage relations with the financial system;
- to develop and propose strategies for organizational 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 formulated; to ensure compli-

12 Corporate Governance Code Art. 1.C.4.
13 Art. 23 of the bylaws

ance with group directives and with administrative, legal, and tax regulations and laws;
- to coordinate the drafting of the business plans, annual budget and the relative reporting;
- to monitor and coordinate any related activities: general services, any legal problems and fiscal implications;
- to assume responsibility for the prompt and correct implementation of work on property carried out directly by the Company, in compliance with the plans, budgets, and timeframes approved by the Board of Directors;
- to assume responsibility for operational supervision of the progress of turn-key contracts acquired from third parties;
- to assume responsibility for the proper maintenance of real estate assets according to rental contracts between IGD SIIQ S.p.A. and third parties and the budgets approved by the Board of Directors and in compliance with current laws;
- to assume responsibility for preparing the annual plan of work and the respective *budget* forecasts, with regard to both new construction and maintenance, subject to the approval of the Board of Directors;
- to interface, as agreed upon with the Chairman, with the shareholder cooperatives, regarding any integration of the respective investment plans.
- to define, together with the Chairman, the optimal size of the administrative bodies and select the Directors and Statutory Auditors, as well as the Chairman, Vice Chairman and/or Chief Executive Officer of subsidiaries and affiliates so that the Chairman may submit them to the Nominations and Remuneration Committee;
- to oversee the appointment of the main managerial positions within the Group;
- to define, together with the Chairman, the proposals for the compensation of the Company's and Group's top management to be submitted to the Nominations and Remuneration Committee;
- to ensure that the Company's organizational, administrative and accounting functions are adequate in light of the size of the business.

Pursuant to the Corporate Governance Code, the Company's Chief Executive Officer is primarily responsible for the business operations. In this regard, please note that the Chief Executive Officer does not act as a director for another Issuer that is not part of the same Group of which a director of the Company is Chief Executive Officer *(interlocking directorate).*

→ Chairman and Vice Chairman of the Board of Directors

In compliance with the bylaws[14] the Board of Directors appoints from among its members a Chairman, if the shareholders have not done so, and a Vice Chairman. If the Chairman is absent, the chairmanship is assumed by the Vice Chairman and if the Vice Chairman is absent the chairmanship is assumed by the Chief Executive Officer.
The chairman of the Board of Directors has signing authority for the Company and shall represent it as its Legal Representative[15] before any legal or administrative authority and vis-à-vis 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 resolved, legal representation is also held by each Executive Director appointed in accordance with the bylaws.
During the meeting held on 17 April 2015, the Board of Directors appointed Gilberto Coffari Chairman and assigned him the following functions:

- to develop and propose – as agreed with the Chief Executive Officer and as per his proposal – the policies and programs related to the company's real estate investments in accordance with the development plans approved by the Board of Directors;
- to interface with the shareholder cooperatives regarding any update of the respective investment plans in the Shopping Centers segment;
- to act as the director in charge of Internal Control and Risk Management; in this role, working with, to the extent necessary, the Chief Executive Officer, he: *(i)* works to identify the main business risks of the Company and its subsidiaries and submits them periodically to the Board of Directors for examination; *(ii)* executes the guidelines defined by the Board of Directors, monitoring the planning, implementation and management of the internal control and risk management system, while constantly verifying the overall adequacy, efficacy and efficiency; *(iii)* reports periodically to the Board of Directors, as requested by the Board, on the status of risk identification, the overall management of the control system, its functioning and implementation of proposed measures; *(iv)* adapts this system to any change in operating conditions, the law or regulations; *(v)* may ask internal audit to carry out verifications relating to specific operations and the compliance with rules and internal procedures, informing the Chairmen of the Control and Risk Committee and the Board of Statutory Auditors of the results; *(vi)* inform the Board of any problems encountered while carrying out the activities referred to so that the Board of Directors may adopt the necessary measures; *(vii)* submits proposals to the Board of Directors as to who to appoint Head of Internal Audit, any terminations, and compensation and provides the Board of Directors with proposals as to how to ensure that the Head of Internal Audit has access to the resources needed to fulfill his duties.

During the meeting held on 17 April 2015, the Board of Directors, with a view to adopting a system more in line with best practices of listed companies which allow for the management of control functions to be separated from operations and in line with what was done in 2012 during the prior term, called upon the Chairman, Gilberto Coffari, to act as the Director in Charge of Control and Risk Management who, following this assignment, is considered the executive director. At the same time the relative powers originally granted to the Chief Executive Officer were revoked.
During the meeting held on 17 April 2015, the Board of Directors appointed Fernando Pellegrini Vice Chairman, granting him the powers assigned to the Chairman to be exercised if the latter is absent or unavailable.

14 Art. 17 of the bylaws
15 Art. 24.1 of the bylaws

Executive Committee (pursuant to Art. 123-*bis*, para. 2, lett. d), TUF)

The Company did not appoint an Executive Committee.

Reporting to the Board of Directors

In accordance with Article 23.2 of the bylaws and Art. 150 of TUF, the Board of Directors and the Board of Statutory Auditors must report in writing at least once a quarter, when the Board meetings are held, on general performance, the business outlook, and the transactions most relevant in terms of size or characteristics carried out by the Company or its subsidiaries. The report is provided at the time of the Board's approval of the periodic financial reports (Financial Statement, Half-year Financial Report, Interim Management Statements). Each director may request that the deputized parties provide the Board with information regarding the Company's management. For the purposes of fostering organized reporting, the Company has adopted a set of specific Guidelines which define the rules to be followed for complying with the reporting obligations. The main purpose of these guidelines is to provide *corporate governance* tools that are concrete examples of the recommendations found in the Corporate Governance Code. The guidelines, in particular, ensure the transparency of the Company's management, make it possible for each director to be involved in the management in a more knowledgeable way thanks to the efficient flow of information between the deputized parties and the Board as per the Corporate Governance Code which stress the centrality of the Board's role while also seeking to reinforce the internal control functions.
The guidelines also contain information about the supervisory activities of the Board of Statutory Auditors pursuant to Art. 149 (TUF).

3.4.5 Other executive directors[16]

The Board of Directors appointed the Chief Executive Officer Claudio Albertini to act as Executive Director. Furthermore, in the meeting held on 17 April 2015 the Board of Directors, and in line with what was done in 2012 during the prior term, appointed the Chairman to act as the Director in Charge of the Internal Control and Risk Management System. While not assigned any other mandates, the latter is now considered an Executive Director in light of the powers granted as a result of this assignment alone as per Art. 7 of the Corporate Governance Code.

3.4.6 Independent directors

The Company's Board of Directors evaluated compliance with the requirements for independent, non-executive directors provided for in the Corporate Governance Code and TUF upon and subsequent on annual basis to appointment of the directors. The outcome of this evaluation was disclosed to the market.
After having examined the information provided and statements made by the directors, during the meeting held on 3 March 2016 the Board of Directors confirmed that the independent directors Elisabetta Gualandri, Milva Carletti, Rossella Saoncella, Andrea Parenti, Livia Salvini and Matthew D. Lenz, still qualified as such[17] pursuant to and in accordance with Legislative Decree 58/98, Consob Market Regulations and the Corporate Governance Code.
On 3 March 2016 the Board of Directors also confirmed that Luca Dondi Dall'Orologio, co-opted on the same day, qualified as independent.
In accordance with the Corporate Governance Code, on 29 February 2016 the Statutory Auditors verified that the criteria and procedures for assessing the independence of its directors were correctly applied by the Board[18].
As the current Board of Directors is comprised of 13 members, the independent directors represent 53% (7 out of 13) of the total number of directors and 63.6% (7 out of 11) of the total number of non-executive directors.
In 2015 the independent directors did not hold any meetings without the other directors. More in detail, given the composition of the Board Committees, the independent directors found that the topics in need of further examination were addressed adequately during both the committee and Board meetings and that specific meetings were not necessary.

3.4.7 Lead Independent Director

In February 2007, in order to further enhance the role of independent directors, the Board deemed it opportune to appoint a Lead Independent Director also because, at that time, the Chairman of the Board of Directors was also the Chairman of the Board of Directors of the Company's majority shareholder. Following the recent renewal of the Board of Directors, as none of the circumstances existed which call for the appointment of a Lead Independent Director under the Corporate Governance Code, the Company did not appoint anyone to act as the Lead Independent Director

16 Corporate Governance Code: Art. 2.C.1.
17 Corporate Governance Code: Art. 3.C.4.
18 Corporate Governance Code: Art. 3.C.5.

3.5 Treatment of Corporate Information

→ Procedure for managing and disclosing price sensitive information

In accordance with Code recommendations, particularly with regard to price sensitive information pursuant to Art. 114, para. 1 TUF, in December 2006, the Company adopted an internal procedure for the secure, confidential management and disclosure of price sensitive information and documents, updated on 28 February 2013 in order to comply with changes made in the regulations governing the treatment of corporate information.

The procedure is to be followed by all members of corporate bodies, as well as managers and employees of the Company and its subsidiaries who have access to price sensitive information. They must, therefore, keep confidential the documents and information obtained during the course of their duties and follow the procedure the Company has adopted for the internal management and disclosure to third parties of such data[19].
The procedure also aims to prevent such information from being disclosed selectively (i.e. divulged ahead of time to certain parties, such as shareholders, reporters or analysts), or in an untimely, incomplete or inadequate manner.

→ Registry of Insiders

Pursuant to Art. 115-*bis* TUF and in order to foster greater control in the internal management and disclosure of price sensitive information, in June 2006 the Company established a registry of the persons who have access to price sensitive information, the "Registry of Insiders". The Registry of Insiders is kept and updated in accordance with the specific regulations adopted by the Board of Directors on 21 June 2006, as subsequently amended, most recently last 12 November 2014.
The purpose of the above mentioned regulation is twofold; to develop greater awareness as to the importance of price sensitive information and to facilitate Consob's supervisory activities, as well as the judicial authorities' investigations in cases involving potential market abuse.

All the directors, statutory auditors, managers and employees who have access, on a continuous basis to price sensitive information, are listed in the registry.

→ Internal dealing

In accordance with Art. 114, paragraph 7 of TUF and with the implementation provisions found in Arts. 152-sexies et seq. of the "Regulations for Issuers", effective as of January 2007 the Board of Directors adopted a procedure governing mandatory notification and conduct on the subject of transactions carried out by relevant persons and parties closely related to such persons on the Company's shares or on related financial instruments. The procedure adopted was subsequently updated by the Company on 28 February 2013 in order to comply with the latest changes made in this regard to the Regulations for Issuers. The code of conduct is available at *http://eng.gruppoigd.it/Governance/Internal-Dealing.*

19 Corporate Governance Code: Comment on Art.1.

3.6 Board Committees

(pursuant to Art. 123-*bis*, par. 2, lett. d), TUF)

In 2008 the Board of Directors, in compliance with Code recommendations, formed the Chairman's Committee, the Control and Risk Committee (formerly the Internal Control Committee), the Nominations and Compensation Committee (the committee formed by combining the Compensation Committee with the Nominations Committee) and the Committee for Related Party Transactions.

As the Company is subject to the management and coordination of Coop Alleanza 3.0 s.c.a r.l., who holds 40.92% of the Company's share capital, pursuant to Art. 2497 of the Italian Civil Code, it is subject to Art. 37, paragraph 1 (d) of the Consob Market Regulations, based on which the committees formed pursuant to the Corporate Governance Code must comprise only independent directors as defined in the mentioned provisions.

In 2012, the Board of Directors resolved to combine the Compensation and the Nominations Committees into a single "Nominations and Compensation Committee" in accordance with the recommendations found in the comments on Article 4 of the Code and having met the organizational requirements referred to. The members of the previously mentioned committees were recently elected when the Board of Directors was renewed in April 2015 (with regard to the Committee for Related Party Transactions, please refer to paragraph 12 "Directors' interests and related party transactions").

3.7 Nominations and Compensation Committee

The Compensation and the Nominations Committees were combined into a single "Nominations and Compensation Committee" for organizational purposes within the Board as well as because of the strong correlation between the competencies of the former Company's Compesantion Committee and those of the Nominations Committee pursuant to the Corporate Governance Code. The Company verified also that the members of the Compensation Committee possess the same requirements relative to independence, professionalism and experience as the members of the Nominations Committee.

→ Composition and role of the Nominations and Compensation Committee (pursuant to Art. 123-*bis*, par. 2, lett. d) TUF)

NOMINATIONS AND COMPESATION COMMITTEE

ANDREA PARENTI	CHAIRMAN
MILVA CARLETTI	(INDEPENDENT)
ELISABETTA GUALANDRI	(INDEPENDENT)

The Board of Directors, after having seen the *curricula* of the Nominations and Compensation Committee members verified that director Andrea Parenti possesses adequate knowledge and experience in finance and with remuneration policies.
The meetings of the Nominations and Compensation Committee may be attended by the Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer.
No director may attend a meeting of the Nominations and Compensation Committee during which his/her compensation is being discussed.
The current Nominations and Compensation Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders' renewal of the corporate bodies on 15 April 2015.
More in detail, the Nominations and Compensation Committee in office between 1 January 2015 and 15 April 2015 was comprised of the independent directors Andrea Parenti (Chairman), Fabio Carpanelli and Tamara Magalotti. In 2015, the Nominations and Compensation Committee in office through 15 April 2015 met 4 (four) times on 21 January, 10 February, 26 February, 7 April; Chairman Andrea Parenti and Independent Director attended 100% of the meetings and Independent Director Tamara Magalotti attended 50% of the meetings. The Chairman of the Board of Statutory Auditors Romano Conti, in office through the shareholders' meeting held on 15 April 2015, attended 3 (three) out of 4 (four) Committee meetings.
As of 17 April 2015, the Nominations and Compensation Committee is comprised of independent directors Andrea Parenti (Chairman), Milva Carletti and Elisabetta Gualandri.
As of 17 April 2015 and through 31 December 2015, the Committee met 4 (four) times, on 27 May, 21 July, 9 November and 14 December and all members attended as did the Chairman of the Board of Statutory Auditors, in office as of the shareholders' meeting held on 15 April 2015.
Each meeting in 2015 lasted approximately 40 minutes. All meetings were properly minuted.

→ Functions of the Nominations and Compensation Committee

The Nominations and Compensation Committee: *(i)* submits proposals regarding the optimal composition of the Board of Directors, Company management and selection of directors, statutory auditors and management for subsidiaries held to be of strategic importance in order to guarantee an adequate level of separation between directors and management; *(ii)* provides recommendations relating to remuneration in order to ensure that the compensation of the Company's directors, the Managers with Strategic Responsibilities and directors of subsidiaries are determined in such a way as to retain and motivate the individuals with the professional characteristics needed to successfully manage the Company and it subsidiaries. The Committee also proposes candidates to the Board in the event it's necessary to substitute the independent directors.
The Nominations and Compensation Committee may also be called upon to provide the Board of Directors with an opinion about the periodic self-assessment, the optimal size and composition of the Board and to express opinions regarding the members of the Board and the characteristics of the professionals that could improve the functioning of the Board, as well as the maximum number of assignments as director and statutory auditor in other companies, as well as any allowable exceptions to the non compete clauses.
The Nominations and Compensation Committee will periodically assess the adequacy, the coherence and the implementation of the compensation policy availing itself, with regard to the Managers with Strategic Responsibilities, of the information provided by the Chief Executive Officer.
The Committee may also be called upon to express an opinion about the type of administrative body to be formed (single party or board), the number of members and the candidates to be presented for director, statutory auditor, chairman, vice chairman and general manager (and/or chief executive officer) of the subsidiaries or affiliates.

The Company will provide the Nominations and Compensation Committee with the financial resources needed to fulfil its duties.

Detailed information about the functions of the "Nominations and Compensation Committee" can be found in the Remuneration Report, published pursuant to Art. 123-*ter* of TUF, available on the website *http://eng.gruppoigd.it/Governance/Compensation.*

3.8 Directors' Remuneration

This information can be found in the Remuneration Report, to which you are invited to refer, published in accordance with art. 123-*ter* of TUF, available on the Company's website *http://eng.gruppoigd.it/Governance/Compensation*.

3.9 Chairman's Committee

CHAIRMAN'S COMMITTEE	
GILBERTO COFFARI	CHAIRMAN
FERNANDO PELLEGRINI	VICE-CHAIRMAN
CLAUDIO ALBERTINI	CHIEF EXECUTIVE OFFICER
ELIO GASPERONI	DIRECTOR

The Chairman's Committee 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 same. The committee is also called upon to express opinions regarding the strategically relevant development and investment transactions to the extent that the latter could have a significant impact on the value or composition of the company's equity or stock price.

The current Chairman's Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders' renewal of the corporate bodies on 15 April 2015. The Chairman's Committee in office from 1 January 2015 through 15 April 2015 was comprised of Gilberto Coffari (Chairman), Sergio Costalli, Claudio Albertini and Roberto Zamboni. As of 17 April 2015, the Chairman's Committee is comprised of Gilberto Coffari (Chairman), Fernando Pellegrini, Claudio Albertini and Elio Gasperoni.

The Chairman's Committee met 6 (six) times in 2015. Each meeting lasted approximately two hours.

3.10 Control and Risk Committee

The Control and Risk Committee was formed by the Board of Directors in accordance with the Corporate Governance Code[20].

→ Composition and role of the Control and Risk Committee (pursuant to art. 123-*bis*, par. 2, lett. d), TUF)

CONTROL AND RISK COMMITTEE

ELISABETTA GUALANDRI	CHAIRMAN (INDEPENDENT)
LIVIA SALVINI	(INDEPENDENT)
ROSSELLA SAONCELLA	(INDEPENDENT)

As the Company is subject to the management and coordination of Coop Alleanza 3.0 s.c.a r.l., who holds 40.92% of the Company's share capital, pursuant to Art. 2497 of the Italian Civil Code, it is subject to Art. 37, paragraph 1 d) of the Consob Market Regulations, based on which the Risk and Control Committee must comprise only independent directors as defined in the Corporate Governance Code and in the same art. 37, paragraph 1 d) of the Consob Market Regulations. The Board of Directors, after having seen the *curricula* of the Committee members verified that director Andrea Parenti possesses adequate knowledge and experience in finance and with compensation policies.

Upon appointment, the Board of Directors examined the curricula of the independent director candidates verifying that they met at least one of the requirements in terms of experience in accounting and finance having worked at least three years as: *(i)* managers in administration, finance and control departments of joint stock companies, or *(ii)* professional activities or as confirmed university professors in law, economics or finance, or *(iii)* managers of public bodies or public administrations active in the banking, financial and insurance sectors.

The Chairman of the Board of Directors attends the meetings of the Control and Risk Committee in his quality as Director in Charge of the Internal Control and Risk Management System, as does the Chairman of the Board of Statutory Auditors or another statutory auditor appointed by him, though the other statutory auditors may attend. The Vice Chairman of the Board of Directors and the Chief Executive Officer are also invited to attend Committee meetings.
The current Control and Risk Committee was appointed by the Board of Directors on 17 April 2015, following the shareholders' renewal of the corporate bodies on 15 April 2015. The Control and Risk Committee in office through 15 April 2015 was comprised of independent directors Elisabetta Gualandri (Chairman), Livia Salvini and Massimo Franzoni. The Control and Risk Committee in office through 15 April 2015 met 3 (three) times, on 23 January, 23 February, 9 April and all members attended.
As of 17 April 2015, Control and Risk Committee is comprised of independent directors Elisabetta Gualandri (Chairman), Livia Salvini and Rossella Saoncella. Between 17 April 2015 and 31 December 2015, the Committee met 4 (four) times on 7 May, 19 May, 21 July and 10 November; Chairman Elisabetta Gualandri and independent director Livia Salvini attended 100% of the meetings and independent director Rossella Saoncella 75% of the meetings.
The Chairman of the Board of Statutory Auditors Romano Conti, in office through the shareholders' meeting held on 15 April 2015, attended 75% of the meetings and the Chairman of the Board of Statutory Auditors Anna Maria Allievi, in office as of the shareholders' meeting held on 15 April 2015, attended 100% of the Committee meetings. Each meeting lasted approximately 1.5 hours. All meetings were properly minuted.

→ Functions of the Control and Risk Committee

The Control and Risk Committee provides the Board of Directors with a preliminary opinion regarding the execution of the following:

- definition of the guidelines for the Company's internal control and risk management system so that the risks faced by the Company and its subsidiaries are correctly identified, assessed, managed and monitored, while also determining the extent to which these risks are compatible with the correct management of the business and the strategic objectives identified;
- yearly evaluation as to the adequacy of the internal control and risk management system with respect to the type of business and risk profile, as well its efficacy;
- approval, at least yearly, of the work plan prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the director, Head of the Internal Control and Risk Management System;
- description of the main characteristics of the internal control and risk management system, providing its own evaluation as to the adequacy of the former;
- evaluation, after having consulted with the Board of Statutory Auditors, of the findings of the external auditors in the letter of recommendations and the report on the main issues that emerged during the financial audit;
- appointment and suspension, as proposed by the Director in Charge of Control and Risk Management System and after having consulted with the Board of Statutory Auditors, of the Head of Internal Audit.

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

a) assesses, along with the Financial Reporting Officer and after having consulted with the external auditors and

20 Corporate Governance Code: Art 7.C.2

the Board of Statutory Auditors, the appropriateness of the accounting standards adopted and, if Groups are involved, their uniformity with a view to the preparation of the consolidated financial statements;

b) expresses opinions on specific aspects concerning the identification of business risks;

c) examines the periodic reports in which the internal control and risk management system is evaluated, along with any particularly relevant reports prepared by internal audit.

d) monitors the independence, adequacy, efficacy and efficiency of the internal audit function;

e) may ask internal audit to carry out controls of specific operating units, while, at the same time, advising the Chairman of the Board of Statutory Auditors;

f) reports to the Board of Directors at least every six months, when the annual and interim reports are approved, on the work performed and the adequacy of the internal control and risk management system.

The functions attributed to the Control and Risk Committee are not exhaustive and may be increased.
The Board of Directors ensures that the Control and Risk Committee receives adequate support in carrying out its duties.
During the meetings held in 2015 the Committee was involved primarily in the following activities:

a. assessment, along with the Financial Reporting Officer, of the appropriateness of the accounting standards adopted and their uniformity with a view to the preparation of the consolidated financial statements;

b. examination of the controls conducted by Internal Audit based on the audit plan agreed, as well as on specific areas required by the Committee, such as, for example: asset fair value appraisal (Italy and Romania), suppliers selection, finance and treasury, investments, active and passive cycle, accounts receivable (Italy and Romania), market communication and internal dealing;

c. issue of a positive opinion with regard to the appointment of the Head of Internal Audit;

d. examination of the progress of the Enterprise Risk Management project carried out in 2015;

e. release of favourable opinion to the Board of Directors on the approval of the audit plan for 2016, prepared by the Head of Internal Audit and based on the risk prioritization process that is part of risk management.

The Company guarantees that the Control and Risk Committee will have the financial resources needed to fulfil its duties.

3.11 Internal Control and Risk Management System

The Internal Control System consists in the set of rules, procedures and organizational structures designed to ensure that the business is run correctly and in line with the objectives agreed upon, through the proper identification, assessment and control of the primary risks facing the company with a view to creating medium/long term value for shareholders. This internal control system helps ensure the safeguarding of the company's assets, the efficiency and efficacy of the company's operations, compliance with laws, regulations, bylaws and internal procedures, as well as the reliability of financial information. As the objective of the internal control system is, therefore, to guarantee the reliability, accuracy, dependability and the timeliness of the financial information, the system is considered an integral part of and not separate from the general risk management system adopted by the Company.

This system is part of the Company's overall organizational and corporate governance structure and reflects the reference models, as well as national and international best practices, also in light of the changing rules.

More in detail, the planning, implementation and monitoring of the internal control and risk management system defined by IGD are modeled after the CoSo Framework; with a view to continuous improvement, the Company develops and updates the system components constantly.

When planning the internal control and risk management system, the level of risk deemed compatible with the Company's strategic goals is considered, including with a view to the sustainability of the Company's operations over the long-term.

The components of the system are summarized below:

a) Control environment

The control environment refers to the organizational context in which the strategies and objectives are defined, the ways in which business activities are structured and the ways in which risks are identified and managed. This includes many elements, including the Company's ethics, expertise and development of personnel, the style with which operations are managed and the methods used to grant special mandates, powers and responsibilities. In line with the framework standards, the control environment includes the following sub-elements:

i) Commitment to integrity and ethical values
The Company has defined and shared its Code of Ethics with employees and staff members. This Code is an official document that contains all the standards underlying the Company's activity. The top management and the supervisory and control bodies which, as described in more detail below, make up the internal control and risk management system, help to ensure compliance with the conduct set out in the Code. The Company is committed to preserving economic, environmental and social sustainability for its stakeholders and has issued a corporate sustainability report every year since 2010.

ii) Exercise of the supervisory responsibilities
The group of individuals which comprise the Company's internal control and risk management system guarantee that the supervisory activities will be carried out in compliance with the law and regulations. More in detail, the different duties (which will be explained more in detail below) are assigned to the Board of Directors, the Director in Charge of the Internal Control and Risk Management System, the Risk and Control Committee, the Board of Statutory Auditors, the Supervisory Board, the Financial Reporting Officer and the Head of Internal Audit.

iii) Definition of the internal control and risk management system's structures, reporting lines and responsibilities.
In 2014, as mentioned above, the Company approved the update of its "Corporate Governance Regulations" in order to implement the changes to the 2014 July Code of Conduct, which strive, among other things, to identify the roles and the responsibilities that should be part of the risk management and internal control system and the main reporting information provided for the coordination of their work.

The internal control and risk management system involves, to the extent of their expertise:

i) the Board of Directors;
ii) the Director charged with creating and managing an effective internal control and risk management system;
iii) the Control and Risk Committee, as the voice of the Board of Directors, formed in accordance with the Corporate Governance Code which must support, after having received adequate information, the evaluations and decisions made by the Board of Directors relating to the internal control and risk management system, as well as the decisions relating to the approval of the periodic financial reports;
iv) the Head of Internal Audit, charged with verifying that the internal control and risk management system is functional and adequate and with coordinating the Enterprise Risk Management (ERM) process;
v) the Financial Reporting Officer who, by law, is charged with establishing adequate administrative and accounting procedures for the preparation of financial documents and reports;
vi) the Board of Statutory Auditors which monitors the efficacy of the internal control and risk management system;
vii) other roles and company divisions assigned specific duties relating to internal control and risk management based on the size, complexity and profile of the business risks (including, for example, the Supervisory Board created pursuant to Legislative Decree 231/2001).

The Board of Directors ensures that the assessments and decisions made relating to the Issuer's risk exposure, the internal control system, the approval of the annual and half-year reports, as well as the relations between the Company and the external auditors are supported by an adequate exchange of information.

The Board of Directors, as part of its strategic supervision, defines the guidelines for the control systems in line with the Company's business risk previously determined by the Board[21].
The Board, by law, must also periodically verify the adequacy of the control systems. Unforeseen events, however, may require further investigation in order to verify the efficacy of the controls in relation to particular situations[22] and the Board, therefore, is also responsible for the adoption of an adequate system in light of the business's characteristics.

Toward this end an efficient organization of the workflow is key to ensuring that any questions relating to internal control, in general, and risk management, in particular, are discussed with the Board after having been adequately briefed by the Control and Risk Committee.

iv) Commitment to attract, develop and retain competent resources
The Company promotes research and development activities in order to enhance the talent and professional expertise of its resources. The human resources management systems adopted foster the enhancement of professional know-how and incentivize the achievement of goals through specific bonus schemes and the development of employee training programs.

v) Promotion of dependability
The Company promotes and enhances dependability on all levels and in the broadest sense of the term which encompasses all aspects of organizational conduct, procedural management, IT, as well as internal and external communications.

b) Risk assessment

Risk assessment is viewed as an integral part of the system. Toward this end, in order to most effectively serve its control and risk management needs, as well as its complexity, its status as a listed company and business dynamics, IGD developed an integrated model for risk management which is in line with renowned international Enterprise Risk Management (ERM) standards. As per these standards, risk assessment is carried out lin line with a) above and is based on four sub-elements:

vi) Definition of appropriate objectives
The Company verifies that the planning, implementation and monitoring of the internal control and risk management system are in line with the Company's strategic, financial, operational and compliance goals.

vii) Identification and assessment of risks
The risk management system adopted is constantly updated and developed by management in order to ensure that it is adequate in light of changes in the organizational structure or business. The methods used as part of the Group's ERM system call for the following periodic activities:

- analysis of the risks identified, the organization of the risk management personnel and the risk control measures used, assessment of the risk identified by the management of Group companies;
- identification of the "risk indicators", which make it possible to identify and assess the impact that the risks under examination could have on the company's performance;
- assessment of the level of risk coverage based on the control mechanisms used;
- prioritization of the risks and the steps to be taken, as well as risk tolerance analysis in accordance with the instructions received from the Group's top management and through an evaluation of the overall exposure and the potential risks impact on the strategic goals.

The Enterprise Risk Management procedures are updated based on the findings of specific risk assessments made by other control bodies (internal audit, system used to control accounting-administrative procedures pursuant to Law 262/05).

viii) Identification and assessment of fraud risk
The Company pays particular attention to potential areas of exposure to the risk of fraud when planning, implementing and monitoring the internal control and risk management system. The ERM model identifies and assesses in the Risk Map an area of risk referred to as "Fraud committed by Company personnel or its stakeholders that could impact its assets and its reputation". The controls defined relating, in particular, to administrative and accounting operations, financial and treasury management, as well as property and retail management, also take into account aspects relating to fraud risk.

The assessments of this sort of risk take into account not only the results of the controls made by system personnel, but also the recommendations and action plans emerged as a result of internal audits and any observations made by the external auditors shared with the Company. With a view to continuously improving the system, the Company will continue to work on preventing fraud risk and the instruments used in this regard.

ix) Identification and analysis of significant changes
As part of the internal control and risk management system, the risks analyzed and assessed are periodically verified and updated in light of strategies, the organizational model and the business operations. The Company, therefore, periodically updates the tools used to identify and assess risk (ERM system, Decree 231/01 Model for organization, management and control, system used to control accounting-administrative procedures pursuant to Law 262/05) to ensure that they fit the Company's organizational and business characteristics, as well as the corporate strategy.

21 Comment - Art. 7 Corporate Governance Code
22 Comment - Art. 7 Corporate Governance Code

c) Control activities

Control activities are defined in accordance with regulations, policies, guidelines and procedures that ensure that the risk management strategies adopted are executed correctly. In line with the framework standards and pursuant to the observations made in b) above, the control activities include the following three sub-elements:

x) Selection and development of control activities

The control activities defined by IGD are based on the definition and deployment of a series of controls designed to mitigate risks of various types, including organizational, procedural, operational or relating to third party interests. The selection of the control activities is rooted in the risk identification and mapping carried out in accordance with the ERM model, the Decree 231/01 Model for organization, management and control and the administrative-accounting control system. As part of these assessment activities, the Company assesses the adequacy of the existing controls with respect to the level of risk identified and determines the steps that need to be taken to strengthen controls, in line with the control objectives defined and shared with top management. Implementation is periodically monitored by the system personnel based on his/her duties and responsibilities.

xi) Selection and development of general activities over technology

Based on the Company's organizational model, a few support services are outsourced relating, for example, to the management of IT and infrastructures. More in detail, IGD stipulated a contract for services with Coop Alleanza 3.0 S.c.a.r.l. based on which the latter manages the IT systems. The Financial Reporting Officer, in particular, outsourced several analyses relating to information systems before certifying the separate and consolidated financial statements for 2015. The purpose of these analyses was to assess “IT General Controls” in order to identify any lack of alignment with respect to the current Internal Control System and the Internal Control objectives outlined in the COSO and CobiT reports and define the steps to be taken in order to improve the situation.

xii) Deployment of controls through policies and procedures

IGD, in line with the control objectives defined, as well as the best market practices and the methods adopted, defined a series of policies and procedures that govern conduct, as well as organizational and management practices (internal regulations and procedures). They form an integral part of internal regulations and procedures, along with the market procedures, administrative-accounting controls, the model for organization, management and control, as well as the procedures called for under the law.

d) Information and communication

Information is needed at all corporate levels in order to identify, assess and carry out the risk management solutions decided upon, as well as the control activities called for with respect to the pre-determined objectives. In line with the framework standards and pursuant to the observations made in c) above, the information and communication activities are defined based on the following three sub-elements:

xiii) Use of relevant information

In order to provide the control activities with concrete support, the Company gathers and assesses relevant information. While the system is being monitored, information is gathered through interviews of management and based on self-assessment initiatives. The Company has also defined a set of Key Risk Indicators that are updated periodically in order to understand elements that could prove useful to understanding potential risks. Similarly, reporting lines and ways to manage information flows are determined by the Legislative Decree 231/01 Supervisory Board, Internal Audit and the Financial Reporting Officer. The management, control bodies and the Board of Directors are provided periodically with reports on the progress of the work being done and updates about any changes relative to the levels of the risks identified.

xiv) External communications

The Company promotes transparent and thorough external communications policies. Toward this end the internal control and risk management system, as well as the corporate events of potential interest to all stakeholders, are made public through the institutional channels adopted by the Company, namely periodic financial reporting, the Report on Corporate Governance and Ownership Structure, the corporate website www.gruppoigd.it and all the disclosures made available to the public by the Investor Relations department.

xv) Internal communications

Internal communications must ensure that all appropriate company staff members are aware of the control and governance rules and that management is updated constantly including with regard to any new provisions relating to the control and risk management system, as well as changes to internal rules. The internal communications system includes the training programs developed in order to provide management with an understanding of the procedures and controls defined by the Company. Information channels are in place through which top management and the control bodies are provided with useful information in order to improve the system or report any lack of compliance with the controls.

e) Monitoring

Information is needed at all corporate levels in order to identify, assess and carry out the decisions made relative to the treatment of risk, as well as deploy the control activities defined in order to reach the goals defined. In line with the framework standards and pursuant to the observations made in d) above, the risk assessment activities include the following two sub-elements:

xvi) Continuous and periodic evaluations

In line with the procedures used to identify, assess, manage and monitor the risks defined by the system adopted, each system player is called upon periodically to report on the functioning of the system and its ability to contain risk within the defined limits as per the guidelines defined by the relative control bodies.

xvii) Evaluations and communication of any deficiencies

The periodic evaluation of the internal control and risk management system makes it possible to single out the areas in need of improvement in order to align the system with the relative control bodies' expectations and the level of risk that the Company can tolerate. The players and the bodies that are part of the internal control and risk management system are involved in the evaluation process and the communication of any deficiencies.

→ Main features of the existing internal control and risk management systems in relation to the financial reporting process

With regard to the internal controls implemented in relation to the financial reporting process, in prior years IGD has undertaken to comply with Law 262/05 by updating the accounting and administrative control models and has also executed the controls necessary to support the Financial Reporting Officer's certification process.
The above mentioned accounting and administrative control system represents the set of rules, procedures and internal tools used by the Company to ensure the reliability, accuracy, and timeliness of financial reporting.
The methods used by the Financial Reporting Officer in the development of the accounting and administrative control system are those described in specific guidelines drafted in this regard which are in line with the recommendations for the Financial Reporting Officer found in the guidelines issued by ANDAF.

a) Internal Control System implemented in relation to IGD's financial reporting process

As part of the financial reporting process, in order to understand the principal risks to which IGD and the Group are exposed, the Financial Reporting Officer works with the parties involved in the Company's and the Group's Enterprise Risk Management system (the working group initially dedicated to the launch of the ERM system) in order to identify and assess business risks.
The activities listed above are described in greater detail below.

Identification of risks associated with financial reporting
During this phase the scope of the analysis is determined relative to the Group companies, the processes of the single companies, as well as the administrative-accounting risks and controls to be investigated further.
The Company constantly evaluates the scope of the analysis and makes the necessary changes and additions, including with regard to the companies operating in Romania. Risks are, therefore, identified for each individual administrative-accounting process.

Assessment of the risks associated with financial reporting
This activity calls for the assessment of financial reporting risk for both entities and processes, as well as for single transactions. Existing controls and the ability to effectively mitigate the risks inherent to administrative-accounting processes are checked.
Based on the approach used, both the risks relating to non-intentional errors and fraud are taken into account and controls are put into place to ensure that these risks are monitored, including as part of control protocols implemented in the context of other components of the overall internal control system.
The approach used also takes into account the manual and IT systems controls supporting the administrative-accounting procedures, namely the automatic IT controls for applications, general controls covering systems access, control of systems development and changes and, lastly, the adequacy of the IT structures. The control system, both on entity and general IT structural levels, is subject to analysis in order to understand how to deploy initiatives to strengthen it.
The analysis of procedures, risks and controls established based on the Financial Reporting Officer's work plan includes the updating of the model used to control accounting and administrative risk with constant risk assessment review pursuant to Law 262/05 and the introductions of new procedures as a result of the scoping reviews. The Financial Reporting Officer constantly monitors the adequacy of the controls identified, and carrying out, when necessary, corrective measures.

Identification of the controls to be used with respect to the risks found
Based on the work carried out to identify procedures, risks and controls, the Company plans the improvements needed to introduce and/or change controls, both general and for single processes. The administrative-accounting procedures are then updated accordingly. IGD's administrative-accounting procedures are defined and deployed in accordance with the organizational structure and corporate processes in place, both in Italy and in Romania. A specific analysis was done of the control system and the accounting IT systems in order to assess the adequacy of the controls with respect to the standards included in the Company's framework.
The Company evaluates the need for and plans updates in order to ensure that the administrative-accounting procedures are in line with the Group's organization and functioning.

Evaluation of the controls used to monitor the risks found
The administrative-accounting procedures are monitored constantly; toward this end, specific testing activities are planned and carried out in order to ensure that the controls called for in the administrative-accounting procedures, as well as any corrective measures, are carried out correctly by the corporate divisions. These evaluations are carried out with respect to both the Italian and Romanian companies.
Furthermore, in accordance with Consob Recommendation n. DIE/0061944 dated 18/7/2013 relating to the fair value of real estate assets held by listed real estate companies, IGD's Board of Directors approved a specific corporate procedure: "Fair Value Measurement of Real Estate Assets".

b) Roles and corporate bodies involved

The internal control and risk management system is based on the clear definition of the roles involved in the different phases of the planning, deployment, monitoring and updating of the system over time. These include the Board of Directors, the Risk and Control Committee, the Board of Statutory Auditors, Director charged with creating and managing an effective internal control and risk management system, the Supervisory Board, the Financial Reporting Officer, Internal Audit, and Company management.
Based on the current internal control and risk management system, the Financial Reporting Officer must report to the Board Directors and participate in the coordination of the control activities.

* * *

During the year, based on the evaluation of the Control and Risk Committee and the Director in Charge of Internal Control and Risk Management, the work done by the Financial Reporting Officer and the Internal Audit report, the Board evaluated the adequacy, efficacy and functioning of the internal control and risk management system.

3.11.01 Director in charge of the Internal Control and Risk Management System

The company called upon the Chairman of the Board of Directors to act as the Director in Charge of the Internal Control and Risk Management System who, following this assignment, is considered an executive director. Previously, the executive director in charge of the internal control system had been the Chief Executive Officer.

In particular the director in charge of internal control and risk management has the following duties:

a) identification – working with the Chief Executive Officer to the extent necessary - of the main business risks of the Company and its subsidiaries, and periodically submiting same to the Board of Directors for examination;
b) execution of the guidelines defined by the Board of Directors, monitoring the planning, implementation and management of the internal control and risk management system, while constantly verifying their overall adequacy, efficacy and efficiency;
c) report periodically to the Board of Directors, as requested by the Board, on the status of risk identification, the overall management of the control system, its functioning and implementation of proposed measures;
d) adapt this system to any change in operating conditions, the law or regulations;
e) may ask internal audit to carry out verifications relating to specific operations and the compliance with rules and internal procedures in the execution of corporate transactions, informing the Chairmen of the Control and Risk Committee and the Board of Statutory Auditors of the results;
f) inform the Board of any problems encountered while carrying out the activities referred to so that the Board of Directors may adopt the necessary measures.
g) submits proposals to the Board of Directors as to who to appoint Head of Internal Audit, any terminations, and compensation and provides the Board of Directors with proposals as to how to ensure that the Head of Internal Audit has access to the resources needed to fulfill his duties.

3.11.02 Head of Internal Audit

In 2012 the Board of Directors, based on the proposal of the Director in Charge of the Internal Control and Risk Management System subject to the favourable opinion of the Board of Statutory Auditors, resolved to appoint the company Unilab to act as Head of Internal Audit in outsourcing. The Company confirmed that Unilab will carry out the assignment for both 2014 and 2015 and determined the compensation.

More in detail, the Head of Internal Audit:

a) verifies, continuously, as well as when specific needs arise and in accordance with international standards, the functioning and adequacy of the internal control and risk management system, based on an audit plan, prepared by the Head of Internal Audit and approved by the Board of Directors based on a structured analysis and prioritization of the main risks;
b) is not responsible for any operational areas and reports directly to the Board of Directors;
c) has direct access to all the information needed to carry out the assignment;
d) prepares periodic reports containing adequate information regarding the activities, how risk management is carried out, as well as the status of the plans defined. The periodic reports contain an evaluation as to the adequacy of the internal control and risk management system;
e) prepares reports about important events in a timely manner;
f) provides the above reports to the Chairman of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as the Director in Charge of the Internal Control and Risk Management System (i.e. the Chairman of the Board of Directors);
g) verifies, as part of the audit plan, the reliability of the IT accounting systems.

The Head of Internal Audit coordinates the ERM process, ensuring that the Chief Executive Officer, the Control and Risk Committee and, when requested, the Board of Directors, are provided with progress reports.

3.11.03 Decree 231/2001 Organizational Model

In 2006 the Board of Directors approved adoption of the Organizational Model, as subsequently amended, which further strengthened the internal control system. In 2015 the Company, as new crimes were added to those for which the Company could be found liable, mapped the core business activities at risk and, consequently, updated the Model and provided employees and management with training in this regard, incorporating the changes introduced by the legislation on anti-recycling.

The Organizational Model seeks to ensure that the system complies with Decree 231/2001 based on which companies were made administratively responsible in criminal proceedings for certain types of crimes committed by top managers and subordinates and is based on the standards and procedures described below.

The Organizational Model includes the following:

a. mapping of the activities at risk based on the information gathered regarding IGD's activities and organizational structure;
b. the Ethical Code, which formulates the general principles (diligence, honesty and fairness) inspiring the conduct of business;
c. internal control mechanisms monitoring areas at risk;
d. the disciplinary system which enforces the Model's rules;
e. the Supervisory Board which is charged with monitoring the effectiveness, adequacy and compliance with the Model.

The Supervisory Board may act independently and must ensure that the Model is constantly updated.

The Supervisory Board also provides the Board of Directors with information regarding the changes that need to be made to the Model in order to comply with norms and regulations and to reflect the business operations.

The Supervisory Board reports to the Chairman of the Board of Directors and the Board of Statutory Auditors on a periodic basis and to the Board of Directors every six months.

Please note that the Company's internal audit, carried out the company Unilab, provides the support necessary for the management and analysis of the information generated pursuant to Art. 6, par. 2, lett. d) of Legislative Decree 231/01, as well as for the execution of specific audits deemed necessary based on the information gathered.

The Supervisory Board in office through 15 April 2015, was comprised of independent directors Fabio Carpanelli (Chairman), Aristide Canosani and Livia Salvini. The Supervisory Board met one (1) time 10 February. Chairman Fabio Carpanelli and independent director Aristide Canosani attended the meeting.
As of 17 April, when new members were appointed, the Supervisory Board is comprised of Fabio Carpanelli (Chairman), Riccardo Sabadini and Alessandra De Martino, none of which are from inside the Company and who have the specific expertise needed to fulfill the duties assigned. Between 17 April 2015 through 31 December 2015, the Supervisory Board met 4 (four) times on 12 May, 21 July, 28 October and 30 November and all members attended.
Each meeting lasted approximately 1 hour. All meetings were properly minuted.

The Model is also available on the company's website *http://eng.gruppoigd.it/Governance/The-Organizational-Model*.

3.11.04 External auditors

The activities related to financial audit are carried out by a company selected by the shareholders from among those listed in Consob's specific roll.
On 18 April 2013 the shareholders, on the basis of a detailed analysis of the motivated opinion submitted by the Board of Statutory Auditors, granted the company PricewaterhouseCoopers S.p.A. the financial audit assignment for the period 2013-2021.
The fees paid the external auditors for the financial audit of IGD's separate and consolidated financial statements at 31 December 2015 can be found in the notes to the separate and consolidated financial statements.

3.11.05 Financial reporting officer

In compliance with art. 154-*bis* of TUF and Article 23.5 of the bylaws, the Board of Directors must appoint a Financial Reporting Officer, subject to the unbinding opinion of the Board of Statutory Auditors, who has matured at least five years of experience in a) administrative or control activities and who has had a supervisory role in companies or entities with assets of not less than €10 million, or b) professional activities, including as part of audit functions, strictly connected to business activities and functions that the officer is called up to perform.

In July 2007, the Board of Directors appointed Grazia Margherita Piolanti as the Financial Reporting Officer for an indefinite period and invested her with responsibilities, powers and means.

The Financial Reporting Officer has access to adequate administrative and accounting procedures in order to draft the separate and, where provided for, the consolidated financial statements, as well as all other financial documents.

The Board of Directors must ensure that the Financial Reporting Officer is granted the organizational and operational power and means needed to carry out the duties assigned herein.

The Financial Reporting Officer must provide a written declaration which accompanies the announcements made by the Company to the market, as well as the interim and financial reports, attesting that the information contained reflects the underlying records, ledgers and accounting entries.
The Financial Reporting Officer, along with the executive officer (s) must provide a report on the separate and consolidated (if prepared) yearly financial statements and on the half year report attesting that the administrative and accounting procedures used to prepare the separate and financial statements are adequate in light of the characteristics of the Company's business.

The Financial Reporting Officer must also attest that the separate and consolidated financial statements:

a) are drawn up in accordance with the international accounting standards recognized by the European Union pursuant to the Regulation 1606/2002/EC of the European Parliament and the European Council of 19 July 2002;
b) correspond to the ledgers and accounting entries;
c) provide fair and truthful disclosures of the company's income statement, balance sheet and financial positions and the companies included in the scope of consolidation.

Lastly, the Financial Reporting Officer, along with the deputized bodies, must attest that the directors' report accurately depicts the operating performance and results of both the Company and the businesses included in the scope of consolidation, as well as the principle risks and uncertainties to which they are exposed.

3.11.06 Coordination of the Internal Control and Risk Management System Personnel

In order to facilitate coordination of the control activities, the Company deemed it useful and opportune to outline the methods of operation as described below.

The Chairman of the Board of Statutory Auditors will call a meeting with the Chairman of the Control and Risk Committee with the frequency agreed upon and at least once a year to discuss the results of their respective control activities, to evaluate planning and the possible coordination of their respective activities. Toward this end, the Chairman of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

Other parties may be invited to attend the meetings which, in addition to periodically, may be called anytime there is a specific need and may include, in addition to the respective committees and bodies, including not as a group, the Director in Charge of the Internal Control and Risk Management System, the Head of Internal Audit, the Financial Reporting Officer, and the Chairman of the Supervisory Board.

In 2015 one meeting was held on 23 February 2015 and was attended by the entire Control and Risk Committee, the Chairman of the Board of Statutory Auditors, the Internal Audit, the Lead Independent Director, the entire Supervisory Board, a partner of the external audit firm, the Director in charge of the Internal Control and Risk Management System, the Chief Executive Officer and the Financial Reporting Officer.

The Chairman of the Control and Risk Committee and the Director in Charge of the Internal Control and Risk Management System meet with the Head of Internal Audit :

(i) to examine the yearly work plan in advance and suggest any changes that might need to be made with regard to the control activities scheduled by the Committee;
(ii) to receive and discuss the results of the activities carried out by the Head of Internal Audit, suggesting any other initiatives that might be called for.

The Chairman of the Supervisory Board meets periodically, at least once every six months, with the Head of Internal Audit: *(i)* to examine the yearly work plan in advance and suggest any changes that might need to be made with regard to the control activities scheduled by the Supervisory Board; *(ii)* to receive and discuss the results of the activities carried out by the Head of Internal Audit, suggesting any other initiatives that might be called for.

Other meetings may be held in addition to the meetings referred to above with the parties listed in this report who are involved in control functions and may be called by the respective Chairmen of the bodies referred to, including together.

3.12 Directors' interests and Transactions with Related Parties

With regard to the transactions with related parties, as of 1 January 2011 the Company applied the "Procedure for Related Party Transactions" approved on 11 November 2010 by the Board of Directors as subsequently amended on 7 November 2013, subject to the favorable opinion of the Committee for Related Party Transactions, pursuant to Art. 2391-*bis* of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of Consob's Regulations for Related Party Transactions. On 6 August 2015, IGD's Board of Directors, after having received a favorable opinion from the Committee for Related Party Transactions, voted to voluntarily expand the scope of the procedures for related party transactions to include material transactions entered into with companies of the Unipol Group.

The Company's Board of Statutory Auditors also verified that the procedure approved by the Board of Directors complied with the Consob Regulations for Related Party Transaction.

The purpose of the "Procedure for Related Party Transactions" is to define the rules governing the approval and execution of related party transactions entered into by the Company, directly or through its subsidiaries, in order to ensure the transparency, as well as the substantive and procedural fairness of the transaction.

The term "Related Party" is defined explicitly in the Regulations, as per IAS 24, with marginal adjustments in order to ensure that the perimeter of related parties and related transactions is correctly determined. In order to maintain consistency in the financial statements, the Company decided to apply the Procedure to the subsidiaries of the company which exercises a significant influence over IGD, pursuant to Art. 4, par. 2, of the Regulations.

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 Regulations distinguish between:
Material related party transactions (including cumulatively): one in which at least one of the following Consob materiality ratios 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 equity IGD SIIQ's capitalization;
(ii) assets materiality ratio: the ratio between the total assets of the entity involved in the transactions and IGD SIIQ's total assets;
(iii) liabilities materiality ratio: the ratio between acquired entity's total liabilities and IGD SIIQ's total assets.

Less material related party transactions, which includes all the other transactions.

The Regulations establish the criteria to be used in approving the material and less material transactions:

- the Committee for Related Party Transactions and the body involved in the approval of the transaction must be provided with complete and adequate information in a timely manner prior to approval;
- the Committee for Related Party Transactions may, at the expense of the Company, avail itself of independent experts;
- a statement attesting to the fact that the transaction is in the best interest of the Company and that the terms and conditions are fair and substantively correct must be included in the minutes, when recorded.
- the Board of Directors and the Board of Statutory Auditors must be informed as to the status of the transactions at least on a quarterly basis.

Furthermore, pursuant to and in accordance with the Regulations, the Procedures for Related Party Transactions also includes a list of the transactions which are not governed by the Regulations (with the exception of certain disclosure requirements) and which include:

1. immaterial transactions (below the amount indicated in the Company's Procedure).
2. resolutions relating to remuneration of directors holding particular offices (Chairman, Chief Executive Officer, committee members) and under certain conditions (i.e. if the company's compensation policy calls for the involvement of the Compensation Committee).
3. compensation packages based on financial instruments approved by the shareholders pursuant to Art. 114-*bis* of TUF.
4. routine transactions concluded in accordance with market equivalent or standard conditions (i.e. service contracts).
5. transactions with or between subsidiaries and associate companies (when the transaction does not correspond to a material interest of other related parties, without prejudice to any periodic accounting information provided).

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

→ Composition and functions of the Committee for Related Party Transactions

COMMITTEE FOR RELATED PARTY TRANSACTION

ROSSELLA SAONCELLA	CHAIRMAN (INDEPENDENT)
ANDREA PARENTI	(INDEPENDENT)
MATTHEW DAVID LENTZ	(INDEPENDENT)

The Committee for Related Party Transactions is comprised of three independent directors appointed by the Board of Directors on 17 April 2015 following the shareholders' renewal of the Board of Directors on 15 April 2015. The

Committee's functions are governed by the Procedures for Related Party Transactions approved by the Board of Directors on 11 November 2010, as subsequently amended, and summarized below.

The Committee for Related Party Transactions in office through 15 April 2015 was comprised of independent directors Riccardo Sabadini (Chairman), Andrea Parenti and Giorgio Boldreghini. The Committee in office through 15 April 2015 met 2 (two) times on 26 March and 8 April. Chairman Presidente Riccardo Sabadini and director Andrea Parenti attended 100% of the meetings and director Giorgio Boldreghini 50%.

As of 17 April 2015, when the Committee for Related Party Transactions was appointed following the renewal of the Board of Directors on 15 April 2015, the Committee is now comprised of independent directors Rossella Saoncella (Chairman), Andrea Parenti and Matthew David Lentz. Between 17 April 2015 and 31 December 2015, the Committee met 5 (five) times on 27 May, 25 June, 9 November, 20 November and 1 December. The Chairman Rossella Saoncella and director Andrea Parenti attended 100% of the meetings and director Matthew David Lentz 80%. Minutes of the meetings were regularly taken. The current Chairman of the Board of Statutory Auditors attended all of the meetings called after 17 April 2015.

Each meeting lasted approximately 1h (one hour). Minutes of the meetings were regularly taken.

The Committee for Related Party Transactions with regard to:

- less material transactions, will issue a non-binding opinion regarding the company's interest in completing the transaction, its fairness and procedural correctness;
- material transactions, without prejudice to the transactions subject to a Board of Directors' resolution, will issue a binding opinion. Furthermore, the Committee for Related Party Transactions, or who on its behalf, will be involved in the preliminary phases (by receiving the information distributed) and the negotiations and is entitled to request information and share comments with the parties involved in the negotiations of this type of transaction. Once the preliminary phases are terminated, the Committee for Related Party Transactions must issue, in a timely manner, a favorable, binding opinion attesting to the fact that the transaction is in the best interest of the Company and that the terms and conditions are fair and substantively correct. In order to formulate its opinion, if deemed necessary and opportune, the Committee for Related Party Transactions may avail itself of one or more independent experts of its choosing. The experts chosen by the Committee must be recognized professionals, experts in the subject matter involved and proven to be without any conflict of interest with regard to the transaction. In the event the Committee is not in favour of the transaction, and if so provided in the bylaws, the Board may, at any rate, proceed with the transaction as long as it is approved by the shareholders. In this instance and whenever the Board of Directors intends to submit a material transaction to the shareholders for approval despite the negative opinion issued by the Committee for Related Party Transactions, the transaction may not be completed in the event a majority of non-related shareholders vote against the transaction, as long as said shareholders represent at least 10% of the share capital with voting rights.

In accordance with Consob's recommendation (Bulletin n. DEM/10078683 of 24 September 2010) that the procedure for related party transactions be renewed every three years, during the Board meeting held on 7 November 2013 the Company, taking into account the experience matured by the Company in the three year period 2010 - 2013 in the application of this type of procedure, as well as the opinion of the Committee for Related Party Transactions, resolved in favour of the Procedure for Related Party Transactions adopted by the Company on 11 November 2010 deeming it effective in ensuring the substantive and procedural fairness of the transactions with related parties.
The procedure described above can be found on the Company's website *http://eng.gruppoigd.it/Governance/Committees/Committee-for-related-party-transactions*.

3.13 Appointment of the Statutory Auditors

Pursuant to Art. 26.2 of the Bylaws, members of the Board of Statutory Auditors are elected on the basis of preference lists that must be filed at the registered office along with declarations in which each candidate states that he/she is not in violation of the limits for multiple assignments provided for under the law, as well as detailed information about each candidate's personal and professional background, at least twenty days in advance of the shareholders' meeting called for this purpose. The lists may be submitted by the shareholders or groups of shareholders holding the interest specified in Consob regulations (for 2016 equal to 2.5% of the Company's share capital).

The appointment and substitution of the standing and alternate auditors pursuant to Art. 26.9 must be done in such a way as to guarantee that the composition of the Board of Statutory Auditors complies with the current law relating to gender equality.

Toward this end, please note that the provisions relating to the composition of the administrative and control bodies, contained in the above mentioned Law 120/2011, include a specific temporary norm calling for the gradual application of the law and that for the first mandate after one year from the date of entry in force of the said Law (i.e. after 12 August 2012) at least one fifth of the directors and statutory auditors should be of the least represented gender.
According to Art. 26 of the bylaws, the following procedure applies to the appointment of the Board of Statutory Auditors:

- from the list obtaining the highest number of votes, two standing auditors and one alternate auditor will be taken in the order in which they appear on the list;
- the third standing auditor and the second alternate auditor are drawn from the list with the second highest number of votes, in the order in which they appear.
- In the event the composition of the Board of Statutory Auditors fails to comply with the law relating to gender equality as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the number of candidates on the same list needed to ensure compliance with the laws governing gender equality. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the missing standing and alternate statutory auditors of the least represented gender with the majority of votes required by law.

In the event of a tie between lists, a new ballot is held between these lists on which all shareholders present at the meeting shall vote. The candidates on the list winning a simple majority of votes are elected in such a way, however, as to ensure that the composition of the Board of Statutory Auditors complies with the current law relating to equal gender opportunities.
The first candidate on the minority list with the second highest number of votes will be appointed Chairman of the Board of Statutory Auditors.

Candidates for statutory auditor must meet the requirements set by law. For the purposes of judging the qualifications of those with at least three years' experience in:

(a) professional activities or as confirmed university professors in law, economics, finance or technical-scientific subjects closely related to the Company's business;
(b) management roles at public bodies or public administrations in sectors closely related to the Company's business, the following rules apply:

- all subjects per letter a) above that are associated with the real estate business or other sectors pertaining to real estate are considered to be closely related to the Company's business;
- sectors pertaining to real estate are those in which the parent companies operate, or those that may be controlled by or associated with companies operating in the real estate business.

Those whose situations are incompatible with the title and/or who do not satisfy the requirements of integrity and qualification established by law, and those who are standing auditors at more than five companies listed on official Italian markets, may not be elected as statutory auditors and, if elected, lose office. Positions held at parent companies, subsidiaries, or affiliates do not apply.

With regard to the Chairman of the Board of Statutory Auditors, pursuant to Art. 148, par. 2 bis, TUF, as amended by the Uniform Savings Act, the former was appointed by the Shareholders' Meeting from the minority list of candidates, in accordance with Articles 26.4 and 26.5 of the bylaws and the current norms and regulations based on which the first candidate on the minority list with the second highest number of votes will be appointed Chairman of the Board of Statutory Auditors.

Please note that the ordinary Annual General Meeting held on 15 April 2015, called to approve the financial statements for 2014, also appointed the Board of Statutory Auditors that will be in charge for the next three years until the Annual General Meeting of 2017.

Roberto Chiusoli, Pasquina Corsi and Anna Maria Allievi were appointed standing auditors and Pierluigi Brandolini, Isabella Landi and Andrea Bonechi were appointed alternate auditors. The Chairman of the Board of Statutory Auditors is Anna Maria Allievi.
The standing auditors Roberto Chiusoli and Pasquina Corsi

and the alternate auditors Pierluigi Brandolini and Isabella Landi were on the list presented by Coop Adriatica and Unicoop Tirreno; the Chairman of the Board of Statutory Auditors Anna Maria Allievi and the alternate auditor Andrea Bonechi were on the list submitted jointly by Ersel Asset Management SGR S.p.A. manager of Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: EasyFund – Equity Italy and Eurizon EasyFund – Equity Italy LTE; Mediolanum Gestione Fondi SgrpA manager of the funds: Mediolanum Flessibile Italia, Mediolanum Flessibile Sviluppo Italia and Mediolanum Flessibile Strategico; Mediolanum International Funds Limited – Challenge Funds; Pioneer Asset Management S.A. manager of the fund Pioneer Fund Italian Equity and Pioneer Investment Management SGRpA manager of Fondo Pioneer Italia Azionariato Crescita. Italia.

3.14 Composition and role of the Board of Statutory Auditors (pursuant to Art. 123-*bis*, par. 2, lett. d) TUF)

The current Board of Statutory Auditors was appointed during the Annual General Meeting held on 15 April 2015 when the corporate bodies were renewed.
The Board of Statutory Auditors in office from 1 January 2015 to 15 April 2015 was comprised of Romano Conti (Chairman), Roberto Chiusoli (standing auditor), Pasquina Corsi (standing auditor), Isabella Landi (alternate auditor), and Monica Manzini (alternate auditor).
The current Board of Statutory Auditors was appointed during the Annual General Meeting held on 15 April 2015 and is comprised of three standing and three alternate auditors: Anna Maria Allievi (Chairman), Roberto Chiusoli (standing auditor), Pasquina Corsi (standing auditor), Pierluigi Brandolini (alternate auditor), Isabella Landi (alternate auditor) taken from the list submitted by the majority shareholders and Andrea Bonechi (alternate auditor) taken from the list submitted by the minority shareholders. List n.1, submitted by Coop Adriatica S.c.a.r.l. and Unicoop Tirreno Soc. Coop., received approximately 76.81% of the votes cast.
List n. 2, list submitted jointly by Ersel Asset Management SGR S.p.A. manager of Fondersel PMI; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI Italia; Eurizon Capital SA manager of the funds: EasyFund – Equity Italy and Eurizon EasyFund – Equity Italy LTE; Mediolanum Gestione Fondi SgrpA manager of the funds: Mediolanum Flessibile Italia, Mediolanum Flessibile Sviluppo Italia and Mediolanum Flessibile Strategico; Mediolanum International Funds Limited – Challenge Funds; Pioneer Asset Management S.A. manager of the fund Pioneer Fund Italian Equity and Pioneer Investment Management SGRpA manager of Fondo Pioneer Italia Azionariato Crescita. Italia, received approximately 16.30% of the votes cast.
The personal characteristics and professional experience of the single members of the Board of Statutory Auditors currently in charge are provided below:

ANNA MARIA ALLIEVI
Chairman of the Board of Statutory Auditors

Born in 1965, Ms. Allievi has a degree in Business Economics from Milan's Cattolica University and is registered with Milan's Role of Chartered Public Accountants since 1996 and is a registered Accounting Expert since 1999. She has been part of the Role of Chartered Public Accountants' commissions and working groups since 2006 and, beginning in 2014, has written several articles for the magazine "Il Revisore legale". She is a standing auditor for CIR S.p.A. and other premier companies like Cap Holding S.p.A., AMGA Legnano S.p.A., public entities and hospitals. She has acted as counsel for several studies after having matured significant experience as a Senior Manager in Deloitte & Touche S.p.A. where she developed specific expertise in Advisory and Quality Control and ultimately assisted clients' BoDs in implementing strategic improvements. She also holds the assignments listed in Table 5.

ROBERTO CHIUSOLI
Standing auditor

Born in 1964, Mr. Chiusoli received a degree in business economics from the University of Bologna. He is a Chartered Public Accountant, registered with Bologna's Role of Chartered Public Accountants and Accounting Experts since 1992, and a Certified Auditor. From 1989 through 1991, he worked in the tax division of a firm that provided legal and tax advisory services. From 1991 to 1996, he worked with Uniaudit S.p.a. auditing and certifying financial statements and ultimately was the head of tax audit. In the same sector, he worked with the financial audit firm Reconta Ernst & Young on the audit and certification of financial statements. As of 16 September 1996 Mr. Chiusoli is part of Legacoop Bologna where he is head of the tax assistance bureau. He is the coordinator of the fiscal services for Legacoop Emilia - Romagna. He is a member of the control bodies of several joint stock companies. He also holds the assignments listed in Table 5.

PASQUINA CORSI
Standing auditor

Born in 1957. Ms. Corsi received a diploma from the Piombino Commercial Technical Institute in 1976. She then worked to become an accredited bookkeeper and accountant in 1995. She is registered with the Role of Chartered Public Accountants and Accounting Experts in the province of Livorno and is active professionally in Campiglia Marittima (LI). She is also a registered financial auditor. Ms. Corsi has been a member of the Audit Board of some municipalities. Ms. Corsi is Chairman of the Board of Statutory Auditors of Ipercoop Tirreno Spa and a standing auditor of I.S.C. S.p.A. She also holds the assignments listed in Table 5.

The statutory auditors were appointed on the basis of a list system for three years, through the date on which the Annual General Meeting is called to approve the financial statements for the year ending on 31 December 2017.

The Board of Statutory Auditors in charge until 15 April 2015, met 3 (three) times on 23 January, 23 February and 23 March with attendance reaching 100% for all members.

Starting from 15 April 2015 until 31 December 2015, the Board met 4 (four) times on 17 April, 7 May, 29 July and 28 October with attendance reaching 100% for all members.

Each meeting lasted an average of 2 hours.

A few meetings were also held with, in particular, Company management, representatives of the external audit company, as well as the Control and Risk Committee.

The Board of Statutory Auditors verified that its members still qualify as independent as defined in the Corporate

Governance Code and in TUF during the meeting held on 11 Februrary 2016, and notified the Board of Directors of the outcome. With regard to auditor Roberto Chiusoli, the Board of Statutory Auditors found that the experience matured over the more than nine years of service strengthened, and did not weaken, his independence. The Board of Statutory Auditors, therefore, found that there were no situations that could compromise or impede this independence or the ability to autonomously judge management's operations. The Board of Statutory Auditors concluded that the fact that Chiusioli has been acting as a statutory auditor for more than nine year does not compromise his independence.
The Board of Statutory Auditors supervises the work of the external auditors.

Furthermore, shareholders grant the assignment to the external auditors on the basis of the motivated opinion submitted by the Board of Statutory Auditors.

Pursuant to Art. 19 of Legislative Decree n. 39/2010, the Board of Statutory Auditors also acts as the Committee for Internal Control and Financial Audit.

The statutory auditors, including individually, may carry out inspections and controls, as well as request that the Directors provide them with information about subsidiaries, about the status of corporate transactions or specific issues, or refer these requests directly to the subsidiaries' administrative and control bodies. The statutory auditors may ask the Head of Internal Audit to carry out audits of specific operating divisions or corporate transactions.

The Board of Statutory Auditors reports on its supervisory activities and any findings to the Annual General Meeting called to approved the full year financial statements in accordance with Art. 2364, paragraph 2, of the Italian Civil Code.

The statutory auditors may also submit proposals to the Annual General Meeting relating to the full year financial statements and their approval, as well as to other matters that they are responsible for.

The Board of Statutory Auditors(at least two statutory auditors), after having notified the Chairman of the Board of Directors, can call the Shareholders' Meetings, meetings of the Board of Directors and, if instituted, the Executive Committee.

The Board of Statutory Auditors, the external auditors, the Control and Risk Committee, as well as all the other entities involved in the supervision of the control systems, will exchange information about the execution of their assignments in a timely manner.

The Board of Statutory Auditors is, at any rate, invited to be proactive and not only reactive in its supervision. The Statutory Auditors should advise the Board of Directors as to the results of its controls so that the latter might implement any corrective measures needed.

The Chairman of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

The names of the statutory auditors in office until 15 April 2015 are shown in Tables 3, while Table 3-*bis* shows the names of the statutory auditors in office at 31 December 2015.

3.15 Relations with Shareholders

The Board of Directors appointed an Investor Relations Manager, Claudia Contarini, and set up a dedicated corporate unit: the IR Manager is part of the Planning, Control and IR Division (of which Raffaele Nardi is in charge), which reports directly to the Chief Executive Officer. There is a specific section on the Company's website (*http://eng.gruppoigd.it/Investor-Relations*) which contains updated information about the Company's stock (performance, dividend, ownership structure, etc.), annual and periodic financial reports, press releases, presentations made by management to the financial community, the financial calendar and the corporate events calendar. Other information of potential interest to shareholders, including information relating to Shareholders' Meetings and the Company's governance system, can be found in the Governance section of the Company's website (*http://www.gruppoigd.it/Governance*).

All the relevant information is published and updated in real time in two languages (Italian and English) on the Company's website. The Company also uses other means to provide timely and easy access to information. Thanks to the use of a mailing list system, interested parties may register on the website *http://www.gruppoigd.it/Iscrizione-Email-Alert*, and receive press releases, newsletters and financial reports immediately after they have been released to the market. In collaboration with the brokers that cover the Company's stock, road shows, meetings and conference calls (scheduled just after the annual and periodic financial results are published or with the business plan is presented) are organized which provide an opportunity for institutional investors to meet with top management. The presentations made to the financial community are published on the Company's website.

In order to guarantee that the Shareholders' Meetings are conducted in an orderly fashion, during the Shareholders' Meeting held on 26 March 2003, shareholders approved the current Regulations for Shareholder Meetings, subsequently updated, which are available on the corporate website at *http://eng.gruppoigd.it/Governance/Shareholders-Meetings*.

3.16 Shareholders' Meetings
(pursuant to Art. 123-*bis*, par. 2, lett. c) TUF)

Pursuant to Art. 10.3 of the bylaws, the protocol for shareholders' meetings is formalized in a set of Regulations, approved by the shareholders in ordinary session.

Regulations governing the attendance and the exercise of voting rights at Shareholders' Meetings have at first been changed pursuant to Legislative Decree n. 27 of 27 January 2010, (the "D. Lgs. 27/2010"), in implementation of EC directive 2007/36/EC relating to shareholders' rights, and subsequently updated with Legislative Decree n. 91 of 18 June 2012, n. 91. Total integration of D. Lgs. 27/2010 in the Company's bylaws was approved by the Board of Directors on 13 December 2010, pursuant to Art. 2365, para. 2, of the Italian Civil Code and Art. 22.1(ii) of the bylaws, as well as by subsequent resolution of the Extraordinary Shareholders' Meeting held on 20 April 2011.

In accordance with the law, the Shareholders' Meetings are convened as per the notice published on the Company's website and in at least one national daily newspaper.

Under Art. 125-*bis* TUF the notice of call must be published at least 30 days prior to the day in which the Shareholders' Meeting is to be held. The timeframe is different when the Shareholders' Meetings are called to *(i)* appoint members of the corporate bodies (i.e. 40 days prior to the day in which the Shareholders' Meeting is to be held); *(ii)* resolve on takeover bids (i.e. 15 days prior to the day in which the Shareholders' Meeting is to be held); and *(iii)* resolve on reducing share capital and appoint a liquidator (i.e. 21 days prior to the day in which the Shareholders' Meeting is to be held).

Pursuant to Art. 12.2 of the bylaws, in order to attend and vote at the Shareholders' Meetings, shareholders must provide the Company with the certification issued by a licensed intermediary indicating the shareholdings recorded as of the seventh trading day prior to the date set for the Shareholders' Meeting in first call (the record date). Under Art. 83-sexies TUF, any movements in the shareholdings subsequent to this period will not be considered for the purposes of voting rights.

Pursuant to Art. 13 of the bylaws, those in possession of voting rights may be represented via a written proxy submitted in accordance with the law. The proxy may also be made by submitting a request with an electronic signature as per art. 21, paragraph 2, of Legislative Decree n. 82 dated 7 March 2005, n. 82, as well as by accessing a specific section on the Company's website and via certified e-mail submitted in accordance with the procedures indicated in the notice of call.

Shareholders may submit questions relating to the items on the agenda prior to the Shareholders' Meeting. The questions received prior to the Shareholders' Meeting will be answered, at the latest, during the meeting itself. The deadline for submitting questions to the Company prior to the Shareholders' Meeting is indicated in the notice of call. This deadline cannot be less than three days prior to the date of the Shareholders' Meeting or five days if it is indicated in the notice of call that the Company will answer the questions received prior to the Shareholders' Meeting. In this case the answer will be provided at least two days prior to the Shareholders' Meeting including via a specific section of the Company's website. No answer is required when the information requested is available in a specific Q&A section of the Company's website.

The current Regulations for Shareholder Meetings are designed to guarantee that the Shareholders' Meetings are conducted in an orderly fashion and in full respect of the rights of each shareholder to request clarifications in relation to certain issues being discussed, to express opinions and submit proposals.

3.17 Additional Corporate Governance practices

(pursuant to Art. 123-*bis*, par. 2, lett. a) TUF)

The Company adopted the Decree 231 Organizational Model as described in more detail in paragraph 3.11.03, to which you should refer.

3.18 Subsequent changes

No changes took place in the corporate governance structure following the end of the year.

Attachments

Table 1: **Information on the ownership structure**

SHARE CAPITAL STRUCTURE	N. OF SHARES	% OF SHARE CAPITAL	LISTED (INDICATE WHICH MARKETS) / NOT LISTED	RIGHTS AND PBBLIGATIONS
ORDINARY SHARES	813,045,631	100%	Liste don the electronic stock market (MTA) organized and managed by Borsa Italiana S.p.A. – STAR segment	-

SIGNIFICANT INTEREST IN SHARE CAPITAL BASED ON COMMUNICATIONS EX ART. 120 AND 122 T.U.F.

DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
COOP ALLEANZA 3.0	COOP ALLEANZA 3.0	40.92	40.92
UNICOOP TIRRENO	UNICOOP TIRRENO	12.93	12.93
SOROS FUND MANAGEMENT LLC	QUANTUM STRATEGIC PARTNERS LTD*	5.00	5.00

Table 2: **Structure of the Board of Directors and Committees as at 15 April 2015**

BOARD OF DIRECTORS													CONTROL AND RISK COMMITTEE		NOMINATIONS AND COMPENSATION COMMITTEE		POSSIBLE EXECUTIVE COMMITTEE	
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec.	Non exec.	Indep. as per the code	Indep. under TUF	N. of other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman ●	Coffari Gilberto	1946	6/11/2000	19/4/2012	Approval of financial statements 31/12/'14	M	x					2/2						
Vice-Chairman	Costalli Sergio	1952	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				0/2						
Chief Executive Officer ◊	Albertini Claudio	1958	28/4/2006	19/4/2012	Approval of financial statements 31/12/'14	M	x					2/2						
Director	Zamboni Roberto	1950	20/9/1999	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Caporioni Leonardo	1964	28/4/2006	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Pellegrini Fernando	1964	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				1/2						
Director	Canosani Aristide	1935	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M		x				2/2						
Director	Carpanelli Fabio	1938	16/9/2004	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			4/4	M		
Director	Franzoni Massimo	1956	26/3/2003	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		1/2	3/3	M				
Director	Gualandri Elisabetta	1955	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		1/2	3/3	P				
Director	Parenti Andrea	1957	23/4/2009	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			4/4	P		
Director ○	Sabadini Riccardo	1957	16/9/2004	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2						
Director	Boldreghini Giorgio	1944	23/4/2009	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2						
Director	Magalotti Tamara	1948	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		2/2			2/4	M		
Director	Salvini Livia	1957	19/4/2012	19/4/2012	Approval of financial statements 31/12/'14	M			x	x		0/2	3/3	M				
OUTGOING DIRECTORS DURING THE YEAR UNDER REVIEW																		

N. of meetings held during the year under review (2015 - until 15 April): 2	Control and Risk Committee: 3	Nominations and compensation Committee: 4	Executive Committee:
Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 147-ter TUF): 2.5% of the share capital			

NOTES:

Symbols listed below must be entered in the "Office" column:

● This symbol indicates the administrator in charge of the internal control and risk management system.

◊ This symbol indicates the main responsible of the Issuer management (Chief Executive Officer or CEO)

○ This symbol indicates the Lead Indipendent Director (LID)

* By date of first appointment of each director we refer to the date in which the director has been appointed for the first time (ever) on the Issuer' BoD

** This column indicates whether the director was elected from a Majority list "M"; a minority list "m"; and list presented by the BoD

*** This column reports the number of appointments held by the person concerned as director or statutory auditor in other companies listed on regulated markets, in Italy or abroad, or in financial, banking, insurance or other large companies.
In the corporate governance report the offices are extensively indicated.

(*) This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.)

(**) This column reports the office of the Director within the Committee: "C": Chairman; "M": Member

Table 2-*bis*: **Structure of the Board of Directors and Committees as at 31 December 2015**

BOARD OF DIRECTORS													CONTROL AND RISK COMMITTEE		NOMINATIONS AND COMPENSATION COMMITTEE		POSSIBLE EXECUTIVE COMMITTEE	
Office	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Exec.	Non exec.	Indep. As per the code	Indep. under TUF	N. of other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman ●	Coffari Gilberto	1946	6/11/2000	15/4/2015	Approval of financial statements at 31/12/'17	M	x					6/6						
Vice-Chairman	Pellegrini Fernando	1964	26/3/2003	15/4/2015	Approval of financial statements at 31/12/'17	M		x			1	5/6						
Chief Executive Officer ◊	Albertini Claudio	1958	28/4/2006	15/4/2015	Approval of financial statements at 31/12/'17	M	x				1	6/6						
Director	Gasperoni Elio	1953	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M		x			3	5/6						
Director	Canosani Aristide	1935	26/3/2003	15/4/2015	Approval of financial statements at 31/12/'17	M		x			1	6/6						
Director	Caporioni Leonardo	1964	28/4/2006	15/4/2015	Approval of financial statements at 31/12/'17	M		x			2	4/6						
Director	Gualandri Elisabetta	1955	19/4/2012	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	4/6	4/4	P	4/4	M		
Director	Carletti Milva	1963	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	5/6			4/4	M		
Director	Saoncella Rossella	1954	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x		5/6	3/4	M				
Director	Lentz Matthew David	1974	15/4/2015	15/4/2015	Approval of financial statements at 31/12/'17	m			x	x		4/6						
Director	Parenti Andrea	1957	23/4/2009	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	6/6			4/4	P		
Director	Salvini Livia	1957	19/4/2012	15/4/2015	Approval of financial statements at 31/12/'17	M			x	x	1	6/6	4/4	M				
OUTGOING DIRECTORS DURING THE YEAR UNDER REVIEW																		
Director	Vojticek John William	1973	15/4/2015	15/4/2015	Resigned on 17/11/2015	m			x	x		2/4						

N. of meetings held during the year under review (2015 - from 15 April): 6	Control and Risk Committee: 4	Nominations and compensation Committee: 4	Executive Committee:

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 147-ter TUF): 2.5% of the share capital

NOTES:

Symbols listed below must be entered in the "Office" column:

● This symbol indicates the administrator in charge of the internal control and risk management system.
◊ This symbol indicates the main responsible of the Issuer management (Chief Executive Officer or CEO)
○ This symbol indicates the Lead Indipendent Director (LID)
* By date of first appointment of each director we refer to the date in which the director has been appointed for the first time (ever) on the Issuer' BoD
** This column indicates whether the director was elected from a Majority list "M"; a minority list "m"; and list presented by the BoD
*** This column reports the number of appointments held by the person concerned as director or statutory auditor in other companies listed on regulated markets, in Italy or abroad, or in financial, banking, insurance or other large companies.
In the corporate governance report the offices are extensively indicated
(*) This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.)
(**) This column reports the office of the Director within the Committee: "C": Chairman; "M": Member

Table 3: **Structure of the Board of Statutory Auditors as at 15 April 2015**

BOARD OF STATUTORY AUDITORS

Office	Member	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent as per the code	Attendance to the Board of Statutory Auditors' meetings ***	N. of other appointments ****
Chairman	Conti Romano	1948	26 March 2003	19/4/2012	Approval of financial statements at 31/12/2014	M		3/3	
Standing Auditor	Chiusoli Roberto	1964	28 April 2006	19/4/2012	Approval of financial statements at 31/12/2014	M		3/3	
Standing Auditor	Corsi Pasquina	1657	19 April 2012	19/4/2012	Approval of financial statements at 31/12/2014	M	X	3/3	
Alternate Auditor	Landi Isabella	1964	28 April 2006	19/4/2012	Approval of financial statements at 31/12/2014	M			
Alternate Auditor	Manzini Monica	1964	23 April 2009	19/4/2012	Approval of financial statements at 31/12/2014	M			
OUTGOING AUDITORS DURING THE YEAR UNDER REVIEW									

N. of meetings held during the year under review (until 15 April 2015): 3

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 148 TUF): 2.5% of the share capital

NOTES:

* By date of first appointment of each auditor we refer to the date in which the auditor has been appointed for the first time (ever) on the Issuer' Board of Statutory Auditors.

* This column indicates whether the auditor was elected from a Majority list "M"; a minority list "m".

*** This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.).

**** This column reports the number of appointments held by the person concerned as director or statutory auditor pursuant to art. 148 bis of TUF and its implementing provisions contained in the Consob Issuer Regulations. The full list of offices is published by CONSOB on its website pursuant to Art. 144-quinquiesdecies of the Consob Issuer Regulations.

Table 3-*bis*: Structure of the Board of Statutory Auditors as at 31 December 2015

BOARD OF STATUTORY AUDITORS

Office	Member	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent as per the code	Attendance to the Board of Statutory Auditors' meetings ***	N. of other appointments ****
Chairman	Allievi Anna Maria	1965	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	m	X	4/4	9
Standing Auditor	Chiusoli Roberto	1964	28 April 2006	15 April 2015	Approval of financial statements at 31/12/2017	M	X	4/4	10
Standing Auditor	Corsi Pasquina	1957	19 April 2012	15 April 2015	Approval of financial statements at 31/12/2017	M	X	4/4	4
Alternate Auditor	Brandolini Pierluigi	1970	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	M			
Alternate Auditor	Landi Isabella	1964	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	M			
Alternate Auditor	Bonechi Andrea	1968	15 April 2015	15 April 2015	Approval of financial statements at 31/12/2017	m			

OUTGOING AUDITORS DURING THE YEAR UNDER REVIEW

N. of meetings held during the year under review (since 15 April): 4

Quorum required for submitting lists by minorities for the appointment of one or more members (ex art. 148 TUF): 2.5% of the share capital

NOTES:

* By date of first appointment of each auditor we refer to the date in which the auditor has been appointed for the first time (ever) on the Issuer' Board of Statutory Auditors.

* This column indicates whether the auditor was elected from a Majority list "M"; a minority list "m".

*** This column reports the % of meetings of the BoD and its committees attended by the directors (no. Attendances/no. meetings in which he could attend; i.e. 6/8; 8/8 etc.).

**** This column reports the number of appointments held by the person concerned as director or statutory auditor pursuant to art. 148 bis of TUF and its implementing provisions contained in the Consob Issuer Regulations. The full list of offices is published by CONSOB on its website pursuant to Art. 144-quinquiesdecies of the Consob Issuer Regulations.

Table 4: **Offices held by the directors as at 31 December 2015**

DIRECTOR	OFFICES HELD IN OTHER COMPANIES
COFFARI GILBERTO **Chairman**	Chairman of the BoD IGD PROPERTY SIINQ S.P.A.
	Director FEDERAZIONE COOPERATIVE PROVINCIA DI RAVENNA S.C.P.A.
ALBERTINI CLAUDIO **Chief Executive Officer**	Vice-Chairman of the BoD and Chief Executive Officer IGD PROPERTY SIINQ S.P.A.
	Vice-Chairman of the BoD UNIPOLSAI INVESTIMENTI SGR S.P.A.
PELLEGRINI FERNANDO **Vice-Chairman**	Vice-Chairman of the BoD IPERCOOP TIRRENO S.P.A.
	Vice-Chairman of the BoD and Chiarman of the Executive Committee SIMGEST S.P.A.
GASPERONI ELIO **Director**	Director FEDERAZIONE COOPERATIVE PROVINCIA DI RAVENNA S.C.P.A.
	Vice-Chairman of the BoD COOP ALLEANZA 3.0 SOC. COOP.
	Chairman of the BoD COOPCICONTO S.R.L.
	Vice-Chairman of the BoD UNIPOL BANCA S.P.A.
	Director SEDICOOP S.R.L. CON UNICO SOCIO
	Director CENTRALE ADRIATICA SOC. COOP.
	Direcor GIGA S.R.L.
	Director LIBRERIE.COOP S.P.A.
	Director PARFINCO S.P.A.
	Chairman of the BoD PHARMACOOP S.P.A.
	Director ROBINTUR S.P.A.
	Vice-Chairman of the BoD INRES S.C.
	Director ENERCOOP ADRIATICA S.P.A.
	Director EATALYWORLD S.R.L.
	Chairman of the BoD EMILIANA S.R.L.
CAPORIONI LEONARDO **Director**	Vice-Chairman of the BoD IMMOBILIARE SVILUPPO DELLA COOPERAZIONE S.P.A.
	Director COOPERATIVA LAVORATORI DELLE COSTRUZIONI SOC. COOP.
	Director AXIS S.R.L.
	Chairman of the Board of Statutory Auditors COMPAGNIA FINANZIARIA ED IMMOBILIARE TOSCANA S.P.A. IN LIQUIDAZIONE
	Director IPERCOOP TIRRENO S.P.A.
	Director FACTORCOOP S.P.A.
	Director FONDO PENSIONE DIRIGENTI COOPERATIVE DI CONSUMO
	Director CASSA DI ASSISTENZA DIRIGENTI COOPERATIVE DI CONSUMATORI
	Director IL PADULETTO S.R.L.
	Supervisory Director with dulie of coordinator of the Internal Control Committee L'AVVENIRE 1921 SOC. COOP.
	Standing Auditor DISTRIBUZIONE ROMA S.R.L.
CANOSANI ARISTIDE **Director**	Director COOP ALLEANZA 3.0 SOC. COOP
CARLETTI MILVA **Director**	Director UNIPOLSAI ASSICURAZIONI S.P.A.
SAONCELLA ROSSELLA **Director**	
GUALANDRI ELISABETTA **Director**	Director DATARIVER S.R.L.
	Director BANCA POPOLARE DELL'EMILIA ROMAGNA SOC. COOP.

continue

Continue Table 4: **Offices held by the directors as at 31 December 2015**

DIRECTOR	OFFICES HELD IN OTHER COMPANIES
PARENTI ANDREA **Director**	Standing Auditor COMMERCIALE ORTOINVEST S.R.L.
	Statutory Auditor CONSORZIO MACROLOTTO IND. N. 2 DI PRATO
	Chairman of the Board of Statutory Auditors F.LLI CIAMPOLINI & C. S.P.A.
	Chairman of the Board of Statutory Auditors FRAMAFRUIT S.P.A.
	Chairman of the Board of Statutory Auditors FRUTTITAL FIRENZE S.P.A.
	Chairman of the Board of Statutory Auditors GALANDI & C. S.P.A.
	Standing Auditor G.F.F. S.R.L.
	Chairman of the Board of Statutory Auditors IMMOBILIARE SUD-EST S.P.A.
	Chairman of the Board of Statutory Auditors FONDAZIONE MAXXI
	Chairman of the Board of Statutory Auditors IMMOBILIARE MINERVA S.P.A.
	Chairman of the Board of Statutory Auditors PENTAFIN S.P.A.
	Chairman of the Board of Statutory Auditors PI.DA S.P.A.
	Chairman of the Board of Statutory Auditors SDI SOCIETA' DISTIRIBUZIONE IMBALLAGGI S.R.L.
	Chairman of the Board of Statutory Auditors TIRRENO IMMOBILIARE S.R.L.
	Statutory Auditor EGAN IMMOBILIARE S.R.L.
	Chairman of the Board of Statutory Auditors ALDO GALANDI S.P.A.
LENTZ MATTHEW DAVID **Director**	
SALVINI LIVIA **Director**	Standing Auditor ATLANTIA S.P.A.
	Chairman of the Board of Statutory Auditors COOPFOND S.P.A.

Table 5: **Offices held by the statutory auditors as at 31 December 2015**

STATUTORY AUDITOR	OFFICE HELD IN OTHER COMPANIES	COMPANY
ANNA MARIA ALLIEVI Chairman of the Board of Statutory Auditors	Standing Auditor	A.M.G.A. LEGNANO S.P.A.
	Standing Auditor	ATINOM S.P.A.
	Chairman of the Board of Statutory Auditors	CERNUSCO VERDE S.R.L.
	Chairman of the Board of Statutory Auditors	A.S.M. S.R.L.
	Standing Auditor	CAP HOLDING S.P.A.
	Standing Auditor	CIR S.P.A.
	Standing Auditor	FONDO PEGASO
	Chairman of the Board of Directors	COOPERATIVA LE SFERE S.A.R.L.
	Alternate Auditor	SOGEFI S.P.A.
ROBERTO CHIUSOLI Standing Auditor	Chairman of the Board of Statutory Auditors	ATAHOTEL S.P.A.
	Chairman of the Board of Statutory Auditors	CASA DI CURA VILLA DONATELLO S.P.A.
	Standing Auditor	DE' TOSCHI S.P.A.
	Chairman of the Board of Statutory Auditors	GRANAROLO S.P.A.
	Standing Auditor	LINEAR LIFE S.P.A.
	Standing Auditor	LINEAR S.P.A.
	Supervisory Director	MANUTENCOOP FACILITY MANAGEMENT S.P.A.
	Chairman of the Board of Statutory Auditors	UNIPOL BANCA S.P.A.
	Standing Auditor	UNIPOL FINANCE S.R.L.
	Chairman of the Board of Statutory Auditors	UNIPOL GRUPPO FINANZIARIO S.P.A.
PASQUINA CORSI Standing Auditor	Statutory Auditor with legal audit assignment	COOP L'ORMEGGIO SOC. COOP.
	Statutory Auditor with legal audit assignment	S.G.F. S.R.L.
	Standing Auditor	IPERCOOP TIRRENO S.P.A.
	Statutory Auditor with legal audit assignment	IMMOBILIARE SVILUPPO DELLA COOPERAZIONE S.P.A.

CENTRO ESP

Ravenna

Opening 1998

Restyling 2005

Mall GLA sq.m 14,993

Food anchor GLA sq.m 11,480

3,354,231 visitors in 2015

IGD Group
Consolidated Financial Statements
at 31/12/2015

04

4.1 Consolidated income statement

CONSOLIDATED INCOME STATEMENT (amounts in thousands of euro)	NOTE	31/12/15 (A)	31/12/14 (B)	CHANGE (A-B)
Revenues:	1	**121,142**	**115,506**	**5,636**
- from third parties		79,684	77,225	2,459
- from related parties		41,458	38,281	3,177
Other income:	2.1	**5,085**	**5,362**	**(277)**
- from third parties		3,295	3,856	(561)
- from related parties		1,790	1,506	284
Revenues from trading property sales	2.2	**2,289**	**1,538**	**751**
Total revenues and operating income		**128,516**	**122,406**	**6,110**
Change in work in progress inventory	6	(559)	(1,143)	584
Total revenues and change in inventory		**127,957**	**121,263**	**6,694**
Costs of work in progress	6	1,574	160	1,414
Services costs:	3	22,260	23,180	(920)
- from third parties		20,303	19,960	343
- from related parties		1,957	3,220	(1,263)
Personnel costs	4	8,813	8,665	148
Other operating costs	5	9,443	9,073	370
Total operating costs		**42,090**	**41,078**	**1,012**
(Depreciation, amortization and provisions)	7	(3,173)	(3,102)	(71)
(Impairment losses)/Reversals on work in progress and inventory	17.22	(2,240)	(2,406)	166
Fair value changes - increases/(decreases)	15.17	3,778	(20,695)	24,473
Total depreciations, amortizations, provisions, impairment and fair value changes		**(1,635)**	**(26,203)**	**24,568**
EBIT		**84,232**	**53,982**	**30,250**
Result from equity investments and assets' disposal	8	**190**	**124**	**66**
Financial income:	9	**92**	**164**	**(72)**
- third parties		87	158	(71)
- related parties		5	6	(1)
Financial charges:	9	**39,624**	**44,904**	**(5,280)**
- third parties		39,555	44,188	(4,633)
- related parties		69	716	(647)
Net financial income		**(39,532)**	**(44,740)**	**5,208**
PRE-TAX PROFIT		**44,890**	**9,366**	**35,524**
Income taxes	10	(310)	2,317	(2,627)
NET PROFIT		**45,200**	**7,049**	**38,151**
Non-controlling interests in net profit		439	253	186
IGD SIIQ S.p.A. share of net profit		**45,639**	**7,302**	**38,337**
- basic earnings per share	11	0.060	0.017	
- diluted earnings per share	11	0.060	0.017	

4.2 Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (amounts in thousands of euro)	31/12/2015	31/12/2014
NET PROFIT	**45,200**	**7,049**
Other comprehensive income that will not reclassified to profit or loss:		
Transaction costs for capital increase	(672)	(4,496)
Recalculation of defined benefit plans	193	(282)
Total other comprehensive income that will not be reclassified to profit or loss, net of tax effects	**(479)**	**(4,778)**
Other comprehensive income that will be reclassified to profit or loss		
Effects of hedge derivatives on net equity	8,630	(11,532)
Tax effects of hedge derivatives on net equity	(3,530)	3,171
Other effects on income statement components	(72)	30
Total other comprehensive income that will be reclassified to profit or loss, net of tax effects	**5,028**	**(8,331)**
Total comprehensive Profit/(Loss) of the period	**49,749**	**(6,060)**
Non-controlling interests in net profit	439	253
IGD SIIQ S.p.A share of net profit	**50,188**	**(5,807)**

4.3 Consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in thousands of euro)	Note	31/12/2015 (A)	31/12/2014 (B)	CHANGE (A-B)
NON-CURRENT ASSETS				
Intangible assets				
Intagible assets with finite useful lives	12	74	82	(8)
Goodwill	13	12,662	12,662	0
		12,736	**12,744**	**(8)**
Property, plant and equipment				
Real estate investments	15	1,970,028	1,782,283	187,745
Buildings	14	8,618	8,861	(243)
Plant and machinery	16	309	473	(164)
Equipments and other assets	16	1,699	2,098	(399)
Improvements on leasehold assets	16	1,273	1,514	(241)
Assets under construction	17	50,533	82,179	(31,646)
		2,032,460	**1,877,408**	**155,052**
other non-current assets				
Deferred tax assets	18	5,387	9,722	(4,335)
Sundry receivables and other non-current assets	19	90	75	15
Equity investments	20	6,366	408	5,958
Non-current financial assets	21	493	1,128	(635)
Derivatives assets	42	12	49	(37)
		12,348	**11,382**	**966**
TOTAL NON-CURRENT ASSETS (A)		**2,057,544**	**1,901,534**	**156,010**
CURRENT ASSETS:				
Work in progress inventories and down payments	22	67,068	69,355	(2,287)
Trade and other receivables	23	12,963	14,036	(1,073)
Related parties trade and other receivables	24	1,111	1,530	(419)
Other current assets	25	3,132	3,623	(491)
Related parties financial receivables and other current financial assets	26	151	151	0
Financial receivables and other current financial assets	26	9,023	-	9,023
Cash and cash equivalents	27	23,603	15,242	8,361
TOTAL CURRENT ASSETS (B)		**117,051**	**103,937**	**13,114**
Non-current assets held for sale (C)	15	**-**	**28,600**	**(28,600)**
TOTAL ASSETS (A+B+C)		**2,174,595**	**2,034,071**	**140,524**
NET EQUITY:				
Share capital		599,760	549,760	50,000
Share premium reserve		39,971	147,730	(107,759)
Other reserve		323,915	231,818	92,097
Grouo profit		58,407	20,921	37,486
Total Group net equity		**1,022,053**	**950,229**	**71,824**
Non-controlling interests		10,150	10,589	(439)
TOTAL NET EQUITY (D)	28	**1,032,203**	**960,818**	**71,385**
NON-CURRENT LIABILITIES				
Deriviatives liabilities	42	35,002	43,961	(8,959)
Non-current financial liabilities	29	764,930	850,466	(85,536)
Provisions for employees severance indemnities	30	2,046	1,910	136
Deferred tax liabilities	18	23,634	24,730	(1,096)
General provisions	31	4,688	1,827	2,861
Sundry payable and other non-current liabilities	32	12,504	6,810	5,694
Related parties sundry payable and other non-current liabilities	32	13,956	13,492	464
TOTAL NON-CURRENT LIABILITIES (E)		**856,760**	**943,196**	**(86,436)**
CURRENT LIABILITIES:				
Current financial liabilities	33	253,155	107,962	145,193
Related parties current financial liabilities	33	-	188	(188)
Trade and other payable	35	14,372	14,512	(140)
Related parties trade and other payable	36	432	522	(90)
Current tax liabilities	37	4,236	954	3,282
Other current liabilities	38	6,513	5,905	608
Related parties other current liabilities	38	6,924	14	6,910
TOTAL CURRENT LIABILITIES (F)		**285,632**	**130,057**	**155,575**
TOTAL LIABILITIES (G= E+F)		**1,142,392**	**1,073,253**	**69,139**
TOTAL NET EQUITY AND LIABILITIES (D + G)		**2,174,595**	**2,034,071**	**140,524**

4.4 Consolidated statement of changes in equity

	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVES	GROUP PROFIT	GROUP NET EQUITY	NON-CONTROLLING INTERESTS	TOTAL NET EQUITY
Balance at 01/01/2014	**325,052**	**147,730**	**246,916**	**33,152**	**752,850**	**10,842**	**763,692**
Profit for the year	0	0		7,302	7,302	(253)	7,049
Cash flow hedge			(8,361)	0	(8,361)	0	(8,361)
Other comprehensive income (losses)	0	0	(4,748)	0	(4,748)	0	(4,748)
Total comprehensive income (losses)	**0**	**0**	**(13,109)**	**7,302**	**(5,807)**	**(253)**	**(6,060)**
Sales of treasury shares	10,976	0	1,098	0	12,074	0	12,074
Share capital increase (DRO 2014)	14,054				14,054		14,054
Share capital increase	199,678				199,678		199,678
Allocation of 2013 profit							
dividends paid	0	0	0	(22,620)	(22,620)	0	(22,620)
to legal reserve	0	0	889	(889)	0	0	0
to other reserve	0	0	(3,976)	3,976	0	0	0
Balance at 31/12/2014	**549,760**	**147,730**	**231,818**	**20,921**	**950,229**	**10,589**	**960,818**

	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVES	GROUP PROFIT	GROUP NET EQUITY	NON-CONTROLLING INTERESTS	TOTAL NET EQUITY
Balance at 01/01/2015	**549,760**	**147,730**	**231,818**	**20,921**	**950,229**	**10,589**	**960,818**
Profit for the year	0	0		45,639	45,639	(439)	45,200
Cash flow hedge			5,100	0	5,100	0	5,100
Other comprehensive income (losses)	0	0	(551)	0	(551)	0	(551)
Total comprehensive income (losses)	**0**	**0**	**4,549**	**45,639**	**50,188**	**(439)**	**49,749**
Share capital increase	50,000				50,000		50,000
Allocation of 2014 profit							
dividends paid	0	0	(9,780)	(18,583)	(28,363)	0	(28,363)
to legal reserve	0	(97,581)	97,581	0	0	0	0
to other reserve	0	(10,178)	(253)	10,431	0	0	0
Balance at 31/12/2015	**599,760**	**39,971**	**323,915**	**58,407**	**1,022,053**	**10,150**	**1,032,203**

4.5 Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW (in thousands of Euro)	31/12/2015	31/12/2014
CASH FLOW FROM OPERATING ACTIVITIES OF THE YEAR:		
Pre-tax profit	**44,890**	**9,366**
Adjustment to reconcile net profit with cash flow generated (absorbed) by operating activities		
Non-cash items	2,413	4,810
Depreciations, amortizations and provisions	3,173	3,102
(Impairment losses) / Reversals on work in progress and inventory	2,240	2,406
Fair value changes - increases / (decreases)	(3,778)	20,695
Income (loss) from equity investments and properties sales	(269)	(124)
CASH FLOW FROM OPERATING ACTIVITIES	**48,669**	**40,255**
Current taxes	(1,072)	(1,075)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAXES	**47,597**	**39,180**
Change in inventories	629	1,157
Net change in current assets and liabilities with third parties	2,692	2,063
Net change in current assets and liabilities with related parties	6,674	(2,596)
Net change in non-current assets and liabilities with third parties	295	1,282
Net change in non-current assets and liabilities with related parties	464	580
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**58,351**	**41,666**
(Investments) in fixed assets	(29,773)	(137,720)
Disposal of fixed assets	29,894	46,962
(Investments) in equity investments net of liquidity obtained with the acquisition of consolidated investments	(129,022)	(100)
CASH FLOW FROM INVESTING ACTIVITIES	**(128,901)**	**(90,858)**
Change in non-current financial assets	635	(278)
Change in financial receivables and other current financial assets with third parties	(1)	20
Change in financial receivables and other current financial assets with related parties	0	202
Dividend reinvestment option	0	13,672
Sale of treasury share	0	12,050
Share capital increase	49,319	195,430
Dividends distribution	(28,363)	(22,620)
Change in current debt with third parties	145,723	(159,965)
Change in current debt with related parties	(188)	(13,668)
Change in non-current debt with third parties	(88,209)	46,144
Change in non-current debt with related parties	0	(15,000)
CASH FLOW FROM FINANCING ACTIVITIES	**78,916**	**55,987**
Exchange gain / (losses) on cash and cash equivalents	(5)	1
NET INCREASE (DECREASE) IN CASH BALANCE	**8,361**	**6,796**
CASH BALANCE AT THE BEGINNING OF THE YEAR	**15,242**	**8,446**
CASH BALANCE AT THE END OF THE YEAR	**23,603**	**15,242**

4.6 Notes to the financial statements

1. General information

The consolidated financial statements of Immobiliare Grande Distribuzione SIIQ S.p.A. at 31 December 2015 were approved and authorized for publication by the Board of Directors on 3 March 2016.

IGD SIIQ S.p.A. is a subsidiary of Coop Adriatica Società Cooperativa a.r.l. (from 1 January 2016: Coop Alleanza 3.0) and is under the management and coordination of that company.

2. Summary of accounting standards

→ 2.1. Preparation criteria

Statement of compliance with International Accounting Standards

The 2015 consolidated financial statements have been prepared in accordance with the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and approved by the European Union, and with instructions issued in compliance with Art. 9 of Legislative Decree 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC).

Reporting formats

The items in the statement of financial position have been classified as current, non-current, or (for 2014) non-current held for sale. Items in the income statement have been classified by type.

The statement of comprehensive income shows the net profit or loss along with income and charges that by express requirement of IFRS are recognized directly in equity.
The statement of changes in equity presents comprehensive income and charges, transactions with shareholders and other changes in shareholders' equity.
The statement of cash flows is prepared using the indirect method, adjusting the pre-tax profit for non-cash items.
The financial statements, tables and explanatory notes are expressed in thousands of euro (€/000 or €K), unless otherwise specified.

Changes in accounting standards

a) New accounting standards

The accounting standards used to prepare the consolidated financial statements are the same as those employed in the Group's annual financial statements for the year ended 31 December 2014, with the exception of the following new standards and interpretations applicable from 1 January 2015.

COMMISSION REGULATION (EU)	TITLE
1361/2014	**Commission Regulation (EU) 1361/2014 of 18 December 2014, published in the Official Journal of the European Union L 365 on 19 December 2014, adopting the Annual Improvements to IFRS 2011-2013 Cycle.** The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards. Amendments to IAS 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements. Adoption of the new standard is not believed to have had a significant impact on the Group's interim condensed consolidated financial statements.

b) Accounting standards, amendments, and interpretations not yet effective and not applied in advance by the Group

The table below reports new international accounting standards, or amendments to existing standards, which were not yet mandatory for financial periods beginning on 1 January 2016. The Group has not opted for early adoption.

Commission regulation (EU)	Title	MANDATORY FROM FINANCIAL YEARS BEGINNING ON OR AFTER
2015/2441	**Commission Regulation (EU) 2015/2441 of 18 December 2015, published in the Official Journal of the European Union L 336 on 23 December, adopting Amendments to IAS 27 - Equity method in separate financial statements.** The amendments allow an entity to use the net equity method described in IAS 28 - Investments in Associates and Joint Ventures to account for investments in subsidiaries, joint ventures and associates in its separate financial statements.	1 January 2016
2015/2406	**Commission Regulation (EU) 2015/2406 of 18 December 2015, published in the Official Journal of the European Union L 333 on 19 December, adopting Amendments to IAS 1 - Presentation of financial statements: Disclosure initiative.** The amendments aim to improve the effectiveness of disclosure and to encourage companies to apply professional judgment in determining what information to disclose in their financial statements when applying IAS 1.	1 January 2016
2015/2343	**Commission Regulation (EU) 2015/2343 of 15 December 2015, published in the Official Journal of the European Union L 330 on 16 December,** adopting the IFRS Annual Improvements 2012-2014 Cycle as part of the ordinary process of streamlining and clarifying the international accounting standards.	1 January 2016
2015/2231	**Commission Regulation (EU) 2015/2231 of 2 December 2015, published in the Official Journal of the European Union L 317 on 3 December, adopting amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets -** Clarification of acceptable methods of depreciation and amortization.	1 January 2016
2015/2173	**Commission Regulation (EU) 2015/2173 of 24 November 2015, published in the Official Journal of the European Union L 307 on 25 November, adopting amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations.** The amendments provide guidance on accounting for acquisitions of interests in joint operations that constitute a business.	1 January 2016
2015/29	**Commission Regulation (EU) 2015/29 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting Amendments to IAS 19 - Defined benefit plans: employee contributions.** The amendments aim to simplify and clarify the accounting for employee or third party contributions linked to defined benefit plans.	1 February 2015
2015/28	**Commission Regulation (EU) 2015/28 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting the Annual Improvements to IFRS 2010-2012 Cycle.** The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2010 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 8 and to IAS 16, 24 and 38 are clarifications or corrections to the respective standards. Amendments to IFRS 2 and IFRS 3 involve changes to the existing requirements or additional guidance on the implementation of those requirements.	1 February 2015

During the year, the IASB made changes to some previously issued IAS/IFRS and published new international accounting standards.
Specifically, on 19 May 2015 the IASB published ED - Effective date of IFRS 15 – Revenue from contracts with customers, a proposal to defer the effective date of the standard by one year. IFRS 15 supersedes IAS 11 and 18, IFRIC 13, 15 and 18, and SIC 31 as from 1 January 2018, introducing new rules for revenue recognition (potentially affecting the amount of revenue recognized in the financial statements, revenue recognition processes and related procedures, commercial offers, internal control processes, taxation, etc.) as well as new and more detailed disclosures. Application of the standard, in the event of full retrospective adoption, will also require at least one comparison period and in any case a detailed preliminary analysis of the structure of contracts with customers.

None of these changes were used when preparing the consolidated financial statements at 31 December 2015 as they have not yet been approved by the European Commission.

→ 2.2. Consolidation

a) Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 31 December 2015, prepared by the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies.
With respect to the previous year, the scope of consolidation has changed due to the acquisition of Punta di Ferro SIINQ S.p.A. on 16 December 2015. Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified. Some companies are carried at cost as their value is immaterial. The resulting amount does not differ from that obtained with the equity method.

NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	PERCENT CONSOLIDATED	HELD BY	PERCENT OF SHARE CAPITAL HELD	OPERATIONS
PARENT COMPANY								
IGD SIIQ S.p.A.	Ravenna, via Agro Pontino 13	Italy	599,760,278.16	EUR				Facility management
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS								
IGD MANAGEMENT S.R.L.	Ravenna, via Villa Glori 4	Italy	75,071,221.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
MILLENNIUM GALLERY S.R.L.	Ravenna, via Villa Glori 4	Italy	100,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management
PORTA MEDICEA S.R.L.	Bologna, via Trattati Comunitari Europei 1957-2007	Italy	60,000,000.00	EUR	80%	IGD Management S.r.l.	80.00%	Construction and marketing
IGD PROPERTY SIINQ S.p.A.	Ravenna, via Villa Glori 4	Italy	50,000,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management
PUNTA DI FERRO SIINQ S.p.A.	Ravenna, via Villa Glori 4	Italy	87,202,912.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management
WIN MAGAZIN S.A.	Bucharest	Romania	113,715.30	ROL	100%	IGD Management S.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Facility management
WINMARKT MANAGEMENT S.R.L.	Bucharest	Romania	1,001,000	ROL	100%	Win Magazin S.A.	100.00%	Agency and facility management services
SUBSIDIARIES VALUED AT COST								
CONSORZIO I BRICCHI	Isola d'Asti, loc. Molini via Prato Boschiero	Italy	6,000.00	EUR		IGD SIIQ S.p.A.	72.25%	Shopping center promotion and management of common areas
CONSORZIO PROPRIETARI C.C. LEONARDO	Imola (Bologna), via Amendola 129	Italy	100,000.00	EUR		IGD SIIQ S.p.A.	52.00%	Shopping center promotion and management of common areas
CONSORZIO PROPRIETARI FONTI DEL CORALLO	Livorno, via Gino Graziani 6	Italy	10,000.00	EUR		IGD SIIQ S.p.A.	68.00%	Shopping center promotion and management of common areas

Continue

continue

NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	PERCENT CONSOLIDATED	HELD BY	PERCENT OF SHARE CAPITAL HELD	OPERATIONS
SUBSIDIARIES VALUED AT COST								
ARCO CAMPUS S.R.L.	Bologna, via dell'Arcoveggio 49/2	Italy	1,500,000.00	EUR		IGD SIIQ S.p.A.	99.98%	Management of real estate and sports facilities/equipment; construction, trading and rental of properties used for commercial sports
ASSOCIATES VALUED AT EQUITY								
RGD FERRARA 2013 S.R.L.	Rome, via Piemonte 38	Italy	100,000.00	EUR		IGD SIIQ S.p.A.	50%	Management of Darsena City shopping center
UNIPOLSAI INVESTIMENTI SGR S.P.A.	Turin, via Carlo Marenco 25	Italy	3,913,588.00	EUR		IGD SIIQ S.p.A.	20%	Asset management
ASSOCIATES VALUED AT COST								
MILLENNIUM CENTER SOC. CONS. R.L.	Rovereto (Trento), via del Garda 175	Italy	10,000.00	EUR		Millennium Gallery S.r.l.	35.40%	Shopping center promotion and management of common areas
OTHERS VALUED AT COST								
INIZIATIVE BOLOGNA NORD	Casalecchio di Reno (Bologna), Via Isonzo 67	Italy	60,000.00	EUR		IGD Management S.r.l.	15.00%	Real estate development
FONDAZIONE VIRTUS PALLACANESTRO BOLOGNA	Bologna, via dell'Arcoveggio 49/2	Italy	1,200,000.00	EUR		IGD SIIQ S.p.A.	n.a.	Sports team promotion

b) Consolidation methods

The consolidated financial statements include the financial statements of the parent company, IGD SIIQ S.p.A., and its subsidiaries at 31 December 2015. The subsidiaries' accounts are prepared each year using the same accounting standards as the parent. The main consolidation methods used to prepare the consolidated financial statements are as follows:

- subsidiaries are consolidated from the date control is effectively transferred to the Group, and cease to be consolidated from the date control is transferred outside the Group; control exists when the Group has the power, directly or indirectly, to influence a company's financial and managerial policies in such a way as to obtain benefits from its operations;
- subsidiaries are consolidated on a line-by-line basis, aggregating all financial statement items in full, regardless of the interest held. Only for the determination of net equity and net profit (loss) is the minority interest, if any, shown separately in the statement of financial position and the income statement;
- the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;
- all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are completely eliminated;
- the financial statements of all IGD SIIQ Group companies that use a functional currency other than that used in the consolidated statements are translated into euros as follows:
  - the assets and liabilities of each balance sheet submitted are translated at the exchange rates in force on the reporting date;
  - the revenue and costs of each income statement are converted at the average exchange rates for the period;
  - all exchange gains and losses arising from this process are shown in the translation reserve under net equity.

→ 2.3. Intangible assets

Intangible assets are recognized at cost when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined. Intangible assets acquired through business combinations are recognized at the fair value defined as of the acquisition date, if that value can be reliably determined.
After their initial recognition, intangible assets are carried at cost. The useful life of intangible assets can be either finite or indefinite. Intangible assets with indefinite useful lives are not amortized but are subject to impairment testing each year, or more frequently, whenever there is any indication of impairment. Further to such testing, if the recoverable value of an asset is less than its book value, the latter is reduced to recoverable value. This reduction constitutes an impairment loss, which is immediately posted to the income statement. An asset's recoverable value is the higher of its net sale value or value in use. Value in use is the present value of expected cash flows generated by the asset. In order to assess losses in value, assets are aggregated to the lowest cash generating unit, i.e. the lowest level for which independent cash flows can be separately identified. In the case of an indicator implying recovery of the value

lost, the asset's recoverable value is re-determined and the book value is increased to that new value. However, the increase in book value can never exceed the net book value that the fixed asset would have had if no impairment had occurred.

→ 2.4. Business combinations and goodwill

Business combinations are accounted for using the purchase method. This requires the fair value recognition of the identifiable assets (including intangible assets previously not recognized) and identifiable liabilities (including contingent liabilities but excluding future restructuring) of the entity acquired. Transaction costs are recognized as soon as they are incurred.
Goodwill acquired in a business combination, which in the separate financial statements is incorporated into the value of the investment acquired, is calculated as the excess of the total consideration transferred, minority interests in net equity and the fair value of any previously held interest in the company over the acquisition-date fair value of the net assets acquired and the liabilities assumed. If the acquisition-date fair value of the net assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, minority interests in net equity and the fair value of any previously held interest in the acquiree, the excess is recognized immediately as income arising from the transaction.
Minority interests in net equity, as of the acquisition date, can be measured at fair value or as a pro-quota proportion of the value of the net assets recognized for the acquiree. This choice is made on a case-by-case basis.
Any contingent consideration provided for in the acquisition agreement is measured at its acquisition-date fair value, and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Subsequent changes in fair value that qualify as adjustments arising during the measurement period are included in goodwill retrospectively. Such changes are those caused by additional information, obtained during the measurement period (not to exceed one year from the business combination), regarding facts and circumstances that existed on the acquisition date.
In the case of business combinations achieved in stages, the interest previously held by the Group is remeasured at fair value as of the date control is acquired, and any resulting gain or loss is recognized in the income statement. Any amounts deriving from the previously held interest and reported in other comprehensive income or losses are reclassified to profit or loss as if the interest had been sold.
If the initial values of a business combination are incomplete at the end of the financial period in which it occurred, in the consolidated financial statements the Group uses provisional amounts for those elements that cannot be measured in full. The provisional amounts are adjusted during the measurement period to take account of new information on facts and circumstances existing on the acquisition date which, if known, would have affected the acquisition-date value of the assets and liabilities recognized.
Business combinations occurring before 1 January 2010 are reported according to the previous version of IFRS 3.
For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the acquirer's individual cash generating units or to the groups of cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities are assigned to those units or groups of units. Each unit or group of units to which goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes;
- is not larger than a segment based on either the primary or secondary reporting format determined in accordance with IFRS 8 - Segment Reporting;
- when goodwill is part of a cash generating unit or group of cash generating units and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill transferred under these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained.

If the disposal concerns a subsidiary, the difference between the sale price and net assets plus accumulated translation differences and goodwill is recognized in profit or loss.
After first-time recognition, goodwill is decreased by accumulated impairment losses, determined as described below.
The recoverable amount of goodwill is determined each year, or more frequently in the case of events or changes in circumstances that may indicate impairment. Impairment is identified through tests based on the ability of each cash generating unit to produce cash flows suitable for recovering the portion of goodwill that has been allocated to it, following the procedures specified in the section on property, plant and equipment. If the amount recoverable by the cash generating unit is lower than the carrying value attributed, then an impairment loss is recognized. Impairment losses on goodwill cannot be reversed in subsequent years. The Company tests goodwill for impairment at 31 December of each year.

→ 2.5. Investment property and assets under construction

Investment property is real estate held in order to earn rent while appreciating in value over time.
Investment property is initially recognized at cost, including transaction expenses (as well as borrowing costs, where applicable), and is subsequently measured at fair value with changes reported in the income statement.
Any work on the properties is added to their carrying value only if it is likely to produce future economic benefits and if the cost can be reliably determined. Other maintenance and repair costs are recognized in the income statement when incurred.
The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this expenditure.
The market value of properties includes the value of their plant and machinery, as well as goodwill acquired.
Investment property is derecognized on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses from the withdrawal or disposal of investment property are recognized to profit or loss in the period in which the withdrawal or disposal takes place.

Assets under construction, consisting of deposits and advance payments, are valued at cost. For land and accessory works on which investment property will be developed, once the building permits are obtained and/or the urban planning agreements signed, and once the procedure for obtaining administrative permits is completed and construction is underway, fair value can be reliably determined and the fair value method is therefore used. Until that time, the asset is recognized at cost, which is compared with recoverable amount at each reporting date in order to determine any loss in value. When construction or development of an investment property is completed, it is restated to "investment property".

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of investment property in accordance with IFRS 13 must reflect, among other things, rental income from current leases and other reasonable and supportable assumptions that market participants would use when pricing the asset under current market conditions.
As stated in paragraph 27 of IFRS 13, a fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property);
- a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property);
- a use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

Highest and best use is determined from the perspective of market participants. An entity’s current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset.
According to IFRS 13, an entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
Fair value is measured on the basis of observable transactions in an active market, and is adjusted, if necessary, to take account of the specific characteristics of the individual real estate investment. If that information is not available, to determine the fair value of an investment property, the company uses the discounted cash flow method (over a variable period of time depending on the duration of outstanding leases) relating to the future net rental income from the property. At the end of that period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate for similar investments.
The specific valuation policies used, as certified in the appraisal report, were as follows:

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

The above methods were applied individually to each property, according to their specific features.

→ 2.6. IAS 23 - Borrowing costs (revised)

Borrowing costs directly attributable to the purchase and construction of investment property and inventory, relating to both new constructions and extensions, are added to the carrying value of the property in question. Interest is capitalized provided that the augmented carrying amount of the asset does *not* increase *beyond fair value.*

→ 2.7. Plant, machinery and equipment

Plant, machinery and equipment that are owned by IGD and are not attributable to investment property are recognized at cost, less commercial discounts and rebates, considering directly attributable expenses as well as an initial estimate of the cost of dismantling and removing the asset and restoring the site where it was located. Costs incurred after purchase are capitalized only if they increase the future economic benefits expected of the asset. All other costs (including financial expenses directly attributable to the purchase, construction or production of the asset) are recognized to profit or loss when incurred. The capitalized charge is recognized to profit and loss throughout the useful life of the tangible asset by means of depreciation.
Depreciation is calculated on a straight-line basis over the asset's estimated useful life, as follows:

CATEGORY	RATE
Wiring, sprinkler system, compressed air	10 %
HVAC system	15 %
Fittings	20 %
Plant management computer	20 %
Special communication systems – telephone	25 %
Special plant	25 %
Alarm/security system	30 %
Sundry equipment and tools	15 %
Office furnishings	12 %
Cash registers and EDP machines	20 %
Personal computers and accessories	40 %

An asset is subject to impairment testing whenever events or changes in circumstances indicate that its carrying value cannot be fully recovered. If the carrying value exceeds the recoverable amount, the asset is written down to reflect the impairment. An asset's recoverable value is the higher of its net sale value or value in use.
In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. Impairment is charged to the income statement as depreciation. Impairment is reversed if the reasons cease to apply.
When an asset is sold or when its use is no longer expected to produce future economic benefits, it is derecognized and any loss or gain (calculated as the difference between the sale value and carrying value) is taken to profit or loss the year the asset is eliminated.

→ 2.8. Finance leasing

Goods held under finance leases, in which IGD assumes all of the risks and benefits of ownership, are capitalized from the inception of the lease at the fair value of the leased good or, if lower, at the present value of the minimum lease payments, including the price of the redemption option.
The liability is recognized under financial payables. Leasing installments are divided into principal and interest so as to obtain a constant interest rate applicable to the remaining principal due. The financial charges are recognized to profit and loss.
Leased investment property is recognized at fair value, on the same basis as investment property owned by IGD.

→ 2.9. Other non-current assets

Other non-current assets consist of deferred tax assets, financial assets relating to derivatives, and miscellaneous.
Receivables and other financial assets other than derivatives, to be held until maturity, are recognized at cost which corresponds to the fair value of the initial consideration paid plus transaction costs. The initial value recognized is subsequently adjusted to take account of the reimbursement of principal, any impairment losses, and amortization of the difference between the redemption value and the initial carrying value. Amortization is charged at the internal effective interest rate, corresponding to the rate which, upon first-time recognition, makes the present value of projected cash flows equal to the initial carrying amount (amortized cost method).

→ 2.10. Inventory, work in progress and advances

Inventory is measured at the lower of cost and fair value. The cost of inventory includes all purchase, transformation and other expenses (including borrowing costs) incurred to bring the inventory to its present location and condition. Given the nature of the Group's inventory, the specific cost method is used.

→ 2.11. Trade and other receivables

Receivables are initially shown at fair value, which coincides with their face value less any impairment. For trade receivables, an impairment provision is made when there is an objective indication (e.g. the likelihood of insolvency or significant financial problems for the debtor) that the Company will not be able to recover all amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced by means of a separate provision. Impaired receivables are written off when they are found to be irrecoverable.

→ 2.12. Cash and cash equivalents

Cash and cash equivalents are recognized, depending on their nature, at face value or amortized cost. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, with an original maturity of no more than three months.

→ 2.13. Financial receivables and other current financial assets

These consist mainly of financial assets held to maturity. This category includes financial assets with fixed or determinate payments and a set maturity, that the company plans and is able to hold until that time. They are initially valued at cost, and subsequently at amortized cost.

→ 2.14. Non-current assets held for sale

Investment property is reclassified to "non-current asset held for sale" if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An asset is reclassified only if it is available for immediate sale in its current condition and if the sale is highly probable (i.e. a purchase commitment exists).
Assets previously classified as investment property and measured at fair value, in accordance with section 5d of IFRS 5, continue to be measured at fair value.
For properties due for sale under a purchase commitment without suspensive conditions, or with suspensive conditions that have been met, fair value is taken as the sale price net of costs to sell. Otherwise, properties continue to be recognized at their standard fair value.

2.15. Financial liabilities

Financial liabilities consist of borrowings, trade payables and other payables.
They are initially recognized at fair value plus transaction costs; subsequently, they are carried at amortized cost which corresponds to their initial value, net of principal reimbursed, and adjusted upward or downward for the amortization of any differences between initial value and value at maturity (using the effective interest method).

2.16. General provisions

General provisions cover liabilities of a definite nature that are certain or likely to arise, but whose amount or timing were unknown at the close of the year. Provisions are recognized when they cover a present obligation (legal or constructive) that stems from a past event, if settlement of the obligation will likely involve an outflow in an amount that can be reliably estimated. The provision covers the best estimate of the amount the company would pay to settle the obligation or transfer it to third parties at the close of the financial period. If the effect is significant, provisions are determined by discounting projected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When cash flows are discounted, the increase in the provision due to the passing of time is recorded as a financial charge.

2.17. Employee benefits

Employee termination indemnities, which are mandatory for Italian companies pursuant to Law 297/1982 (*trattamento di fine rapporto* or TFR), qualify as defined benefit plans and are based, among other factors, on employees' working lives and on the compensation they receive during a pre-determined period of service. The liability for a defined benefit plan, net of any assets servicing the plan, is determined on the basis of actuarial assumptions and is recognized on an accruals basis consistently with the amount of service required to receive the benefits; the liability is valued by independent actuaries. Gains and losses arising from the actuarial calculation are taken to a specific reserve in the statement of comprehensive income under "other comprehensive income". The Group does not offer compensation in the form of share-based payments, as employees do not render services in exchange for shares or options on shares. In addition, the Group does not offer employee incentive plans in the form of share participation instruments.

2.18. Revenue

Revenue is recognized to the extent the Group is likely to enjoy the economic benefits and the amount can be reliably determined. It is shown at the fair value of the consideration received, excluding discounts, rebates and taxes. The following recognition criteria must always be satisfied before revenue is posted to the income statement.

- **Rental income**
  Rental income from the Group's freehold properties is recorded on an accruals basis, according to the leases in force.
- **Service income**
  Service income is recorded with reference to the state of completion of the transaction and only when the outcome of the service can be reliably estimated.
- **Revenue from property sales**
  Revenue from property sales is recognized in profit or loss upon transfer of ownership.

2.19. Interest

Interest income and expense is recorded on an accruals basis with reference to the net value of the financial assets and liabilities concerned, using the effective interest rate.

2.20. Income taxes

a) Current taxes
Current tax liabilities for the present and previous years are measured as the amount expected to be paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date.
Other taxes not related to income, such as those on property and capital, are booked to operating expenses.

b) Deferred taxes
Deferred taxes are calculated on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the statement of financial position.
Deferred tax liabilities are recognized on all taxable temporary differences, except when they derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
The carrying value of a deferred tax asset is reviewed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are also reviewed at each balance sheet date and are recognized to the extent that it becomes probable that sufficient taxable profit will be available. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on current tax rates and those in effect or substantively in effect by the balance sheet date, and considering the manner in which the temporary differences are expected to reverse. Income taxes relating to items that are credited or charged directly to equity are also charged or credited directly to equity and not to profit or loss.

2.21. Earnings per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of IGD SIIQ S.p.A. The information is provided on the basis of consolidated figures only, as provided for by IAS 33.
Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of IGD SIIQ S.p.A. by the weighted average number of shares outstanding during the period.
Diluted earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding, in accordance with paragraphs 19 and 26, plus the weighted average number of shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

2.22. Derecognition of financial assets and financial liabilities

a) Financial assets
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group still has the right to receive cash flows from the asset, but has a contractual obligation to pay these immediately and in full to a third party;
- the Group has transferred the right to receive cash flows from the asset and *(a)* has transferred substantially all risks and rewards of ownership of the financial asset or *(b)* has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Group has transferred the right to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards or has not lost control of the asset, then the asset is recognized to the extent of the Group's continuing involvement. Continuing involvement, which takes the form of a guarantee on the transferred asset, is recognized at the lower of the initial carrying value of the asset and the maximum amount that the Group could be required to pay.

b) Financial liabilities
A financial liability is derecognized when the underlying obligation is expired, canceled or discharged. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences between carrying values recognized in profit or loss.

2.23. Derivative financial instruments

The Group holds derivative financial instruments for the purpose of hedging its exposure to the risk of interest rate changes affecting specific recognized liabilities. In accordance with IAS 39, derivative financial instruments used for hedging qualify for hedge accounting only if:

a) at the inception of the hedge there is formal designation and documentation of the hedging relationship;
b) the hedge is expected to be highly effective;
c) the effectiveness of the hedge can be reliably measured;
d) the hedge is highly effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are measured at fair value. When the financial instruments qualify for hedge accounting, the following rules apply:
Fair value hedge - If a derivative financial instrument is designated as a hedge against changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in profit or loss. The part of the gain or loss from remeasuring the hedged item at fair value that is attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.
Cash flow hedge - If a financial instrument is designated as a hedge against exposure to variations in the cash flows of a recognized asset or liability or a forecast transaction that is highly probable, the effective portion of the gain or loss from remeasuring the instrument at fair value is recognized in a separate equity reserve. The cumulative gain or loss is reversed from the equity reserve and transferred to profit or loss the same year that the effects of the hedged transaction are recognized in profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. If a hedging instrument is closed but the hedged transaction has not yet taken place, the cumulative gains and losses remain in the equity reserve and are restated to profit or loss when the transaction is realized or when a loss in value occurs. If the transaction is no longer expected to occur, the unrealized gains or losses still recognized in the equity reserve are immediately reclassified to profit or loss.
If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the derivative financial instrument are recognized directly to profit or loss.

2.24. SIIQ status

A company defined as an SIIQ (*Società di Investimento Immobiliare Quotata*, similar to a real estate investment trust or REIT), pursuant to Law 296 of 27 December 2006 (as amended) and Ministry Decree 174 of 7 September 2007, can exclude income from rental activities for the purposes of IRES (corporate income tax) and IRAP (regional business tax).
On 16 April 2008, IGD SIIQ S.p.A., which meets the organizational, ownership and statutory requirements, opted for this special status.
At the close of 2015, as at the end of previous years since 2008, it satisfied the financial and earnings parameters set

by law and thus met the objective requirements (see Note 9 of the separate financial statements).
In demanding that property rentals and the equivalent (known as "exempt operations") be the prevailing factor in a company's income statement and statement of financial position, SIIQ rules do not require that they be its sole activity.
IGD SIIQ S.p.A. does maintain marginal operations other than property rental and the equivalent ("taxable operations").
Income from taxable operations has been subject to the standard rules of computation, while the rules stated in paragraphs 119 *et seq.* of Law 296/06 and its implementation decree have been followed for income from exempt operations, taking account of the changes introduced by Law 133 of 12 September 2014.
To distinguish the operating results subject to different accounting and tax treatment, in accordance with paragraph 121 of Law 296/06, IGD SIIQ S.p.A. has kept separate accounts for exempt rental operations and taxable marginal operations.
In keeping with the accounting standards, income from exempt operations include revenue and costs typical of the property rental business, as well as those typical of operations considered to be equivalent.
Likewise, revenue and costs stemming from the company's remaining activities have been allocated to taxable operations.
Under the new rules introduced by Law 164 of 11 November 2014 *("Conversion into law, with amendments, of Decree 133 of 12 September 2014"),* **capital gains** and losses on **rental properties** (whether realized or implicit in fair value measurements) are now included in exempt operations.
In accordance with paragraph 121 of Law 296/06 and with the recommendations contained in Revenue Office Circular 8/E of 7 February 2008, general, administrative and financial costs that cannot be directly attributed to exempt or taxable operations or allocated on the basis of objective parameters have been split according to the ratio of exempt revenue/income/dividends to total revenue/income/dividends.
As for properties (owned or held on the basis of corporeal rights) forming part of rental package deals, the accurate and objective representation of the portion of fees pertaining to the real estate itself has been ensured by making the exempt/taxable allocation on the basis of expert appraisals that quantify the fair value of fees pertaining to rent.
Likewise, the costs common to package deals as a whole (such as shopping center promotion and advertising costs) have been allocated to exempt and taxable operations in the same proportions used for rent. In this specific case, such a policy was thought to be more representative than an allocation based on the company's total revenue. Since these costs relate directly to the package deals and not to IGD's operations as a whole, their correlation with contractual fees is immediate and objective.

3. Use of estimates

The preparation of the consolidated financial statements and notes in accordance with IFRS requires Management to make estimates and assumptions that affect the carrying values of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss. Because assumptions about future performance are highly uncertain, actual results may differ from those forecast, and may require sizable adjustments that cannot presently be foreseen or estimated.

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

Investment property and inventory

The real estate portfolio is appraised twice a year, at 30 June and 31 December, by independent external firms with acknowledged professional qualifications and in-depth knowledge of the characteristics of the properties appraised. To that end, IGD SIIQ S.p.A. has hired CBRE Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield, specialized in the appraisal of investment property, to prepare a report from which the company can determine the fair value of the currently rented portions of shopping centers, malls, hypermarkets, supermarkets, wholesale and fitness zones, stores, offices, and land.
The periodic appraisals are conducted according to an internal procedure that governs the entire process of valuing investment property at fair value: criteria for the selection and appointment of independent appraisers, protocol for extending assignments, protocol for sharing information and documents between the company and the independent appraisers, and overall monitoring and responsibility. The appraisers' contracts define valuation criteria and methods, the means and timing of physical inspections and any other checks of the appraised properties, and the specific reasoning for the method(s) used to appraise the individual asset.
The main information required by the appraisers includes, for rented properties, the rental status of each unit in each shopping center; property taxes; insurance and operating costs for the shopping centers; and any likely incremental costs. For construction in progress, the information concerns the start and end dates of the work, the status of building permits and authorizations, remaining costs, the state of progress, the ribbon-cutting date and projected rentals.
The independent appraisers formulate their own assumptions, such as inflation rates, discount rates and capitalization rates, on the basis of their professional judgment. The following are taken into account when determining the capitalization and discounting rates used to value individual properties:

- the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
- the division of responsibilities for insurance and maintenance between the lessor and the lessee;
- the remaining economic life of the property.

The information given to the appraisers, their assumptions, and the models they use are approved by the Director of Property Development and Management, who is responsible for organizing and coordinating the appraisals and for monitoring and checking them before their results are published in the financial statements.
IGD periodically conducts sensitivity analyses on the values assigned to its assets in order to monitor the impact on the real estate portfolio of changes in the discount rate or capitalization rate as a result of macroeconomic developments. See Note 15 for the quantitative analysis carried out at 31 December 2015, as required by IAS 1.
Monitoring of the indicators defined in the enterprise risk management system supports the Company's evaluation of how this risk is likely to evolve.

Recoverable amount of goodwill

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

Recoverability of deferred tax assets

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

Fair value of derivative instruments

The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates, also with support from external consultants. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Variable revenue

Variable revenue at 31 December is determined on the basis of annual earnings reports from the individual tenants, if available, and otherwise on the basis of monthly reports.

Provision for doubtful accounts

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

Contingent liabilities

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

4. Segment reporting

The income statement and the statement of financial position are broken down below by business segment, followed by a geographical breakdown of revenue from freehold properties.

INCOME STATEMENT	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**120,789**	**115,347**	**5,085**	**5,140**	**2,642**	**1,919**	**0**	**0**	**128,516**	**122,406**
ChaNge in inventories of work in progress	**0**	**0**	**0**	**0**	**(559)**	**(1,143)**	**0**	**0**	**(559)**	**(1,143)**
Direct costs (a) (excluding provisions for doubtful accounts)	24,381	24,816	4,612	4,748	1,991	551	0	0	30,984	30,115
G&A expenses (b)							11,106	10,963	11,106	10,963
Total operating costs (a)+(b)	**24,381**	**24,816**	**4,612**	**4,748**	**1,991**	**551**	**11,106**	**10,963**	**42,090**	**41,078**
(Depreciations, amortization and provisions)	(2,790)	(2,702)	(104)	(121)	5	(2)	(283)	(278)	(3,173)	(3,102)
(Impairment losses)/Reversals on work in progress and inventories	(582)	91	0	0	(1,658)	(2,497)	0	0	(2,240)	(2,406)
Change in Fair Value - increases/(decreases)	3,778	(20,695)	0	0	0	0	0	0	3,778	(20,695)
Total depreciations, amortizations, provisions, impairment and fair value changes	**406**	**(23,306)**	**(104)**	**(121)**	**(1,653)**	**(2,499)**	**(283)**	**(278)**	**(1,635)**	**(26,203)**
EBIT	**96,814**	**67,225**	**369**	**271**	**(1,561)**	**(2,273)**	**(11,389)**	**(11,241)**	**84,232**	**53,982**
Result from equity investments and assets' disposal							**190**	**124**	**190**	**124**
Financial income:							**92**	**164**	**92**	**164**
- third parties							87	158	87	158
- related parties							5	6	5	6
Financial charges:							**39,624**	**44,904**	**39,624**	**44,904**
- third parties							39,555	44,188	39,555	44,188
- related parties							69	716	69	716
Net financial income							**(39,532)**	**(44,740)**	**(39,532)**	**(44,740)**
PRE-TAX INCOME	**96,814**	**67,225**	**369**	**271**	**(1,561)**	**(2,273)**	**(50,731)**	**(55,857)**	**44,890**	**9,366**
Income taxed							(310)	2,317	(310)	2,317
NET PROFIT	**96,814**	**67,225**	**369**	**271**	**(1,561)**	**(2,273)**	**(50,421)**	**(58,174)**	**45,200**	**7,049**
Non-controlling interest in net profit					439	253	0	0	439	253
IGD SIIQ S.p.A. share of net profit	96,814	67,225	369	271	(1,122)	(2,021)	(50,421)	(58,174)	45,639	7,302

STATEMENT OF FINANCIAL POSITION	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
- Real estate investments	1,970,028	1,782,283	0	0	0	0	0	0	1,970,028	1,782,283
- Non-current assets held for sale	0	28,600	0	0	0	0	0	0	0	28,600
- Assets under construction	50,533	82,179	0	0	0	0	0	0	50,533	82,179
Intangible assets	11,655	11,655	1,007	1,007	7	0	67	82	12,736	12,744
Other tangible assets	3,043	3,741	234	338	4	6	8,618	8,861	11,899	12,946
- Sundry receivables and other non-current assets	0	0	0	0	0	8	90	67	90	75
- Equity investments	1,706	199	0	0	0	0	4,660	209	6,366	408
NWC	(15,016)	(2,463)	975	1,005	65,838	68,095	0	0	51,797	66,637
Funds	(5,625)	(2,699)	(1,099)	(1,032)	(10)	(6)	0	0	(6,734)	(3,737)
Sundry payables and other non-current liabilities	(20,234)	(14,069)	0	0	(6,226)	(6,233)	0	0	(26,460)	(20,302)
Net deferred tax (assets)/ liabilities	(20,810)	(17,368)	0	0	2,563	2,360	0	0	(18,247)	(15,008)
Total use of funds	**1,975,280**	**1,872,058**	**1,117**	**1,318**	**62,176**	**64,230**	**13,435**	**9,219**	**2,052,008**	**1,946,825**
Total group net equity	992,968	917,786	(92)	(25)	29,177	32,468	(0)	0	1,022,053	950,229
Non-controlling interests in capital and reserves	0	0	0	0	10,150	10,589	0	0	10,150	10,589
Net (assets) and liabilities for derivatives instruments	34,990	43,912	0	0	0	0	0	0	34,990	43,912
Net debt	947,322	910,360	1,209	1,343	22,849	21,173	13,435	9,219	984,815	942,095
Total sources	**1,975,280**	**1,872,058**	**1,117**	**1,318**	**62,176**	**64,230**	**13,435**	**9,219**	**2,052,008**	**1,946,825**

REVENUES FROM FREEHOLD PROPERTIES	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
	NORTHERN ITALY		CENTER/SOUTHERN ITALY AND ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	50,697	48,335	47,264	43,829	8,506	8,247	106,467	100,411
ONE-OFF REVENUES	41	24	110	42	0	0	151	66
TEMPORARY LOCATION RENTAL	1,195	1,277	962	644	0	0	2,157	1,921
OTHER RENTAL INCOME	-62	269	-14	206	124	34	48	509
TOTAL	**51,871**	**49,905**	**48,322**	**44,721**	**8,630**	**8,281**	**108,823**	**102,907**

Notes to the consolidated financial statements

→ Business combinations: Acquisition of Punta di Ferro S.r.l.

On 16 December 2015, in accordance with the preliminary agreement signed and announced on 2 December 2015, IGD finalized the purchase of Punta di Ferro S.r.l. from UnipolSai for €127.86 million (later adjusted to €129.45 million on the basis of the final balance sheet). The purchase was financed by the proceeds of the capital increase and by short-term credit lines.

On 21 December 2015 the shareholders changed the company's legal form and name to Punta di Ferro SIINQ S.p.A. and on 23 December 2015, meeting the organizational, ownership and statutory requirements, it opted for SIINQ status as from fiscal year 2016. The following table compares the fair value and carrying value (according to IAS/IFRS) of Punta di Ferro S.r.l.'s identifiable assets and liabilities as of the acquisition date:

PUNTA DI FERRO SIINQ S.P.A. Amount in EUR	CARRYING VALUE	FAIR VALUE
Intangible assets		
Property, plant, and equipment	125,000,053	125,000,053
Other non-current assets	95,741	95,741
TOTAL NON-CURRENT ASSETS	**125,095,794**	**125,095,794**
CURRENT ASSETS		
Trade receivables	661,417	661,417
Other current assets	323,377	323,377
Financial receivables and other current financial assets	9,021,677	9,021,677
Cash and cash equivalents	4,716,768	4,716,768
TOTAL CURRENT ASSETS	**14,723,239**	**14,723,239**
TOTAL ASSETS	**139,819,033**	**139,819,033**
NON-CURRENT LIABILITIES		
General provisions	200,000	200,000
Sundry payables and other non-current liabilities	5,737,159	5,737,159
TOTAL NON-CURRENT LIABILITIES	**5,937,159**	**5,937,159**
CURRENT LIABILITIES		
Trade payables	428,177	428,177
Related party trade payables	564,882	564,882
Current tax liabilities	1,963,177	1,963,177
Other current liabilities	919,124	919,124
TOTAL CURRENT LIABILITIES	**3,875,360**	**3,875,360**
TOTAL LIABILITIES	**9,812,519**	**9,812,519**
Net assets acquired (a)	**130,006,514**	**130,006,514**
Cost of investment (b)		**129,449,337**
Negative goodwill (gain) (b)-(a)		**557,177**
Transaction costs		**-191,452**
Net impact on profit for the year		**365,725**

The cost of the investment, €129,449K, includes the price adjustment of €1,592K paid in February 2016 on the basis of the final balance sheet. Therefore, net of €4,717K in cash and cash equivalents acquired with the investment, the financial outlay indicated in the statement of cash flows comes to €123,140K.

The income statement of the acquiree, included in the Group's consolidated income statement as from the date of acquisition, closed with a profit of €236K.

Revenue and other income

REVENUES AND OPERATING INCOME	Note	31/12/2015	31/12/2014	CHANGE
Revenues:	1	**121,142**	**115,506**	**5,636**
- from third parties		79,684	77,225	2,459
- from related parties		41,458	38,281	3,177
Other income:	2.1	**5,085**	**5,362**	**(277)**
- from third parties		3,295	3,856	(561)
- from related parties		1,790	1,506	284
Revenus from trading property sale	2.2	**2,289**	**1,538**	**751**
Total revenues and other operating income		**128,516**	**122,406**	**6,110**

In 2015 the IGD Group earned revenue and other income of €128,516K, including €2,289K from property sales (residential units in the Mazzini section of the Porta a Mare project).
Most of the increase on the previous year stems from positive changes in real estate holdings, with the opening of Clodì retail park in May 2015 and the full-year contribution of the core portfolio acquired in the last quarter of 2014.

Note 1) Revenue

REVENUES		31/12/2015	31/12/2014	CHANGE
Freehold hypermarkets - Rent and business leases from related parties	a.1	**37,836**	**35,454**	**2,382**
Leasehold hypermarkets - Business leases from related parties	a.2	**118**	**117**	**1**
Freehold supermarkets - Rent and business leases from related parties	a.3	**1,699**	**699**	**1,000**
TOTAL HYPERMARKETS/SUPERMARKETS	a	**39,653**	**36,270**	**3,383**
Freehold malls, malls under beneficial interest, offices and city center properties	b.1	**66,969**	**65,766**	**1,203**
Rent		**16,480**	**17,534**	**(1,054)**
Related parties		945	804	141
Third parties		15,535	16,730	(1,195)
Business lease		**50,489**	**48,232**	**2,257**
Related parties		488	485	3
Third parties		50,001	47,747	2,254
Leasehold malls	b.2	**11,407**	**10,656**	**751**
Rent		**584**	**518**	**66**
Related parties		116	111	5
Third parties		468	407	61
Business lease		**10,823**	**10,138**	**685**
Related parties		214	122	92
Third parties		10,609	10,016	593
Other contracts and temporary rents	b.3	**3,113**	**2,814**	**299**
Other contracts and temporary rents		3,071	2,325	746
Other contracts and temporary rents - related parties		42	489	(447)
TOTAL MALLS	b	**81,489**	**79,236**	**2,253**
GRAND TOTAL	a+b	**121,142**	**115,506**	**5,636**
of which related parties		41,458	38,281	3,177
of which third parties		79,684	77,225	2,459

Rent and business lease revenue increased by €5,636K for the year.
The most significant changes concerned the growth in rent from freehold hypermarkets and supermarkets (+€3,383K), due primarily to the full-year contribution of the core portfolio acquired in October 2014, as well as the May 2015 inauguration of Clodì retail park in Chioggia.

Rent and business lease revenue from freehold malls, offices and city center properties increased by €1,203K, chiefly as a result of: *(i)* higher revenue due to the expansion of Centro d'Abruzzo, the remodeling of Le Porte di Napoli, the opening of retail units at Piazza Mazzini in Livorno, and the opening in May 2015 of Clodì retail park; *(ii)* the contribution of the Punta di Ferro mall from 16 December 2015; *(iii)* revenue growth in Romania thanks to a 7.5% increase in occupancy and an average 3.7% upside on contract renewals; and *(iv)* the release to the income statement of excess provisions for doubtful accounts in light of the first provisional payment from the Darsena FM bankruptcy. These positive factors were partially offset by *(i)* the disposal of City Center Rizzoli at the end of May 2015 and of the Fonti del Corallo mall on 26 February 2014; and *(ii)* strategic vacancies at malls in Italy and instrumental vacancies for continued investment in Romania.
The increase in rent and business lease revenue from leasehold malls (+€751K) is due primarily to the sale of the Fonti del Corallo mall, now held under a lease agreement.
For further information, see the income statement review (section 2.2.1) in the Directors' Report.

Note 2.1) Other income

OTHER INCOME	31/12/2015	31/12/2014	CHANGE
Facility management revenues	3,135	3,166	(31)
Pilotage and construction revenues	140	438	(298)
Other revenues	20	252	(232)
Total other income from third parties	**3,295**	**3,856**	**(561)**
Other refunds - related parties	9	0	9
Facility management revenues - related parties	1,606	1,447	159
Pilotage and construction revenues	48	2	46
Portfolio management and rent management revenues - related parties	41	26	15
marketing revenues	86	31	55
Total other income from related parties	**1,790**	**1,506**	**284**
Total	**5,085**	**5,362**	**(277)**

Other income from third parties decreased by €561K with respect to the previous year. This is due mainly to a reduction in pilotage and construction revenue, reflecting the work performed in 2014 on the Centro d'Abruzzo expansion (inaugurated on 10 April 2014).
"Other income from related parties" increased by €284K, mainly as a result of: *(i)* facility management revenue from related parties (+€159K), due to the contract for the opening of Clodì retail park and the full-year contribution of contracts for the Centro d'Abruzzo expansion and for Piazza Mazzini in Livorno, and *(ii)* pilotage revenue from related parties in connection with the Clodì retail park inauguration.

Note 2.2) Income from the sale of trading properties

This came to €2,289K in 2015 and concerns seven residential units, seven enclosed garage units and one parking space in the Mazzini section of Porta a Mare, compared with five residential units, three enclosed garage units and one parking space sold the previous year.

Note 3) Service costs

SERVICE COSTS	31/12/2015	31/12/2014	CHANGE
Third parties service costs	**20,303**	**19,960**	**343**
Paid rents	10,235	9,733	502
Promotional and advertising expenses	814	568	246
Facility management costs	2,835	2,947	(112)
Facility management administration costs	631	612	19
Insurances	637	593	44
Professional fees	201	342	(141)
Directors' and statutory auditors' fees	819	881	(62)
External auditing fees'	209	186	23
Investor relations, Consob, Monte Titoli costs	374	306	68
Shopping centers pilotage and construction costs	50	251	(201)
Consulting	1,286	1,145	141
Maintenance and repairs	300	471	(171)
Other costs for services	1,912	1,925	(13)
Related parties service costs	**1,957**	**3,220**	**(1,263)**
Paid rents	0	1,516	(1,516)
Promotional and advertising expenses	25	25	0
Service	298	315	(17)
Facility management costs	1,481	1,232	249
Insurances	67	69	(2)
Directors' and statutory auditors' fees	86	51	35
Other costs for services	0	12	(12)
Total	**22,260**	**23,180**	**(920)**

Service costs decreased by €920K on the previous year and mostly include rent and usage fees for properties managed by IGD, facility management and maintenance costs, and other expenses such as fees paid to the directors, statutory auditors, external auditors and consulting firms.
The principal changes concerned: *(i)* rent, which rose by €502K due mainly to the sale of Le Fonti del Corallo mall in Livorno at the end of the first quarter of 2014, now operated by the buyer under a long-term lease agreement; *(ii)* promotional expenses, which increased due in part to the new opening in Chioggia; *(iii)* facility management costs with related parties, which rose mainly as a result of the charges for vacant premises at Piazza Mazzini, which was partially opened in the second half of 2014; and *(iv)* consulting fees, in connection with the implementation of new projects. These were offset by decreases in *(i)* rent paid to related parties, due to the purchase of the Città delle Stelle mall (previously operated under a usufruct agreement) in October 2014; and *(ii)* pilotage costs, reflecting the work performed in 2014 for the Centro d'Abruzzo expansion.

Note 4) Cost of labor

PERSONNEL COSTS	31/12/2015	31/12/2014	CHANGE
Wages and salaries	6,379	6,319	60
Social security	1,805	1,788	17
Severance pay	419	328	91
Other costs	210	230	(20)
TOTAL	**8,813**	**8,665**	**148**

The increase in the cost of labor is due primarily to the higher provision for severance pay in accordance with IAS 19, as well as the full-year impact of various contractual adjustments.
Severance pay includes contributions to supplementary funds in the amount of €96K.
The workforce is broken down by category below:

DIVISION OF WORKFORCE BY CATEGORY	31/12/2015	31/12/2014
Executives	5	5
Middle managers	25	25
White collars	136	138
TOTAL	**166**	**168**

Note 5) Other operating costs

OTHER OPERATING COSTS	31/12/2015	31/12/2014	CHANGE
IMU/TASI/Property tax	8,396	7,996	400
Other taxes	88	68	20
Contract registration	376	384	(8)
Out-of-period (income)/charges	(8)	31	(39)
Membership fees	122	123	(1)
Losses on receivables	79	43	36
Sundry penalties	0	7	(7)
Fuels and tolls	171	176	(5)
Magazines subscriptions, office supplies, forms	73	94	(21)
Other operating costs	146	151	(5)
TOTAL	**9,443**	**9,073**	**370**

The change in other operating costs is due mostly to the municipal tax on freehold properties (IMU), which increased as a result of the core portfolio purchased during the second half of 2014 (supermarkets at Cecina and Civita Castellana and hypermarkets at Città delle Stelle, Schio and Cesena) and the inclusion of Clodì retail park.

Note 6) Change in work in progress inventory

CHANGE IN WORK IN PROGRESS INVENTORIES	31/12/2015	31/12/2014	CHANGE
Construction costs of the year	1,574	160	1,414
Change in inventories for disposal	(2,133)	(1,303)	(830)
Change in work in progress inventories	**(559)**	**(1,143)**	**585**

Work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno decreased by €559K in 2015 due to the sale of residential units (see Note 2.2), net of the advancement of works for the period. In 2015 no financial expenses were capitalized, so as not to give the project a higher value than its appraised fair value.

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

DEPRECIATIONS, AMORTIZATION, PROVISIONS AND FAIR VALUE CHANGES	31/12/2015	31/12/2014	CHANGE
Amortizations	(43)	(34)	(9)
Depreciations	(1,221)	(1,380)	159
Provisions for doubtful accounts	(1,498)	(1,563)	65
Other provisions	(411)	(125)	(286)
Total depreciations, amortizations and provisions	**(3,173)**	**(3,102)**	**(71)**
(Impairment losses)/reversals on work in progress and inventories	**(2,240)**	**(2,406)**	**166**
Fair value changes	**3,778**	**(20,695)**	**24,473**
Total depreciation, amortization, impairment and fair value changes	**(1,635)**	**(26,203)**	**24,568**

- Total depreciation and amortization decreased by €150K, due mostly to the reclassification to Investment property, in the second half of 2014, of plant at the Città delle Stelle mall that had been operated under a usufruct agreement but was purchased in the month of October.
- The allocation to the provision for doubtful accounts, €1,498K, was lower than the previous year's by €65K. The amount is determined by evaluating the individual positions of clients in order to adjust them to estimated realizable value, and decreased to reflect the reduction in impaired receivables. See Note 23 for changes in this provision.
- Other provisions refer to the estimated outcome of two IMU (municipal property tax) disputes regarding Le Maioliche (Faenza) and La Torre (Palermo) shopping centers.
- "(Impairment losses)/reversals on work in progress and inventory" (-€2,240K) cover the following: *(i)* an impairment loss of €698K for the

expansion of Porto Grande (listed as assets under construction), to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 31 December 2015; *(ii)* the reversal of a previous impairment loss of €116K regarding the Lips and Arsenale sections of the Porta a Mare project, to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 31 December 2015; *(iii)* an impairment loss of €1,658K regarding work in progress inventory for the Porta a Mare project, to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 31 December 2015.

- The item "Fair value changes" (€3,778K) covers: *(i)* a net revaluation of €3,709K (see Note 15) carried out to match the carrying value of investment property to its fair value at 31 December 2015; *(ii)* a net revaluation of €69K to adjust construction in progress to fair value (ESP expansion for +€426K and Officine for -€357K; see Note 17).

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

RESULT FROM EQUITY INVESTMENTS AND ASSETS DISPOSALS	31/12/2015	31/12/2014	CHANGES
Result from Rizzoli disposal	(292)	0	(292)
Capital income from the sale of le "Fonti del Corallo" mall	0	124	(124)
Result from equity investments	63	0	63
Punta di Ferro negative goodwill	366	0	366
Price adjustment on sale equity investments	53	0	53
Total result from equity investments and assets disposals	**190**	**124**	**66**

At 31 December 2015 total income of €190K derives from: *(i)* the positive impact of consolidating Punta di Ferro (negative goodwill net of transaction costs); *(ii)* net income from equity investments; *(iii)* the price adjustment on the sale of the RGD joint venture with respect to the initial allotment received; and *(iv)* the proceeds of the sale of the Rizzoli investment property.

Note 9) Financial income and charges

FINANCIAL INCOME	31/12/2015	31/12/2014	CHANGES
Bank interest income	17	70	(53)
Other interests income and equivalents	26	86	(60)
Eschange gains	44	2	42
Total third parties	**87**	**158**	**(71)**
Interest income from related parties	5	6	(1)
Total related parties	**5**	**6**	**(1)**
Total financial income	**92**	**164**	**(72)**

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

FINANCIAL CHARGES	31/12/2015	31/12/2014	CHANGES
Interest expenses on security deposits	69	120	(51)
Interest expenses on Coop Adriatica account	0	596	(596)
Total related parties	**69**	**716**	**(647)**
Interst expenses to banks	217	1,879	(1,662)
Other interests and charges	828	578	250
Exchange losses / (gain)	9	5	4
Mortgage loan interests	14,372	19,403	(5,031)
Financial charges on leasing	80	97	(17)
Bond interests and charges	11,936	11,157	779
IRS spread	12,113	11,909	204
Capitalized interests	0	(840)	840
Total third parties	**39,555**	**44,188**	**(4,633)**
Total financial charges	**39,624**	**44,904**	**(5,280)**

Financial charges went from €44,904K in 2014 to €39,624K this year. The decrease of €5,280K is mostly explained by: *(i)* the reduction in net debt over the course of the year, due essentially to the capital increase carried out at the end of 2014; and *(ii)* the lower cost of borrowing. More specifically, there was a reduction in the spreads charged on both short-term facilities and mortgage loans refinanced during the previous year, as well as a decrease in the Euribor from 0.21 (3M average in 2014) to -0.02 (3M average this year). Financial charges also decreased due to the early repayment on 1 June 2015 of the loan taken out in 2011 from CentroBanca, for the purchase of Conè hypermarket, originally maturing on 30 June 2016; the repayment on 15 June 2015 of the CentroBanca loan for the Palazzo Orlando property at Porta a Mare, at its natural maturity; and the closure in 2014 of mortgage current accounts (Intesa San Paolo and Monte dei Paschi) and various borrowing facilities originally with Mediocredito Italiano (partial reimbursement for Faenza, repayment for Rizzoli), Credito Valtellinese, Iccrea Banca and Coop Adriatica. In 2014, unamortized transaction costs of €782K were recognized in connection with these closures. The trend was partially offset by an increase in financial charges on the €150 million bond loan issued on 7 May 2014 and the €162 million bond loan issued on 21 April 2015, regulating the swap offer made to the holders of the bonds entitled “Euro 144,900,000 4.335 per cent. Notes due 7 May 2017” and “Euro 150,000,000 3.875 per cent. Notes due 7 January 2019."

For 2015, the average cost of debt (without considering recurring and non-recurring transaction costs) was 3.67%, down from 4.03% the previous year, while the weighted average effective cost of debt went from 4.27% to 4.00%. During the year, unlike in 2014, no interest was capitalized on construction in progress.

Note 10) Income taxes

INCOME TAXES	31/12/2015	31/12/2014	CHANGES
Current taxes	1,072	1,145	(73)
IRAP tax credit	(1,191)	0	(1,191)
Deferred tax liabilities	(1,640)	(12,565)	10,925
Deferred tax assets	1,349	13,757	(12,408)
Out-out-of period income/charges	100	(20)	120
Total	**(310)**	**2,317**	**(2,627)**

Current and deferred taxes came to -€310K for the year, an improvement of €2,627K with respect to 2014.

The change is mostly due to: *(i)* a reduction in taxes caused by lower property sales in 2015; *(ii)* the greater positive effect of Italy's ACE (Aiuto alla Crescita Economica) benefit resulting from the capital increase carried out in 2014, used to reduce corporate income tax (IRES) and as a credit on regional business tax (IRAP); *(iii)* the adjustment of deferred tax assets and liabilities, for a positive impact of €505K, due to the reduction in the IRES rate from 27.5% to 24% starting in 2017 in accordance with the 2016 Stability Law (Law 208 of 28 December 2015); and *(iv)* the reversal, recognized as of 31 December 2014, of deferred tax assets (€16,024K) and deferred tax liabilities (€14,136K) provided for until 31 December 2013 (for a net negative impact of €1,888K), due to the enactment on 13 September 2014 of Decree Law 133/2014 whose provisions include the classification as exempt operations of capital gains and losses on rental properties.

Also, in light of the tax authorities' Circular 32/E of 17 September 2015 and further details regarding compliance from fiscal year 2014 with Legislative Decree 133/2014, IGD recalculated its prior-year taxes which resulted in the non-deductibility of the net loss for tax purposes on the sale of the Fonti del Corallo mall in Livorno. Because this lowered the tax loss, deferred tax assets were reversed in the amount of €957K.

Below is a reconciliation between theoretical income tax and actual income tax for the years ended 31 December 2015 and 31 December 2014.

RECONCILIATION OF INCOME TAX APPLICABLE TO PROFIT BEFORE TAX	31/12/15	31/12/14
Pre-tax profit	**44,890**	**9,366**
Theoretical tax charge (27.5%)	12,345	2,576
Profit resulting in the income statement	44,890	9,366
Increases		
IMU - Property tax	7,187	6,837
Negative Fair Value	0	20,695
Devaluation on ongoign projects and inventories	2,240	2,681
Other increases	10,072	8,695
Decreases		
Change in tax-exempt income	(48,949)	(29,199)
Deductible depreciations	(6,976)	(6,304)
Impairment/reversals of work in progress	0	(275)
Positive fair value	(3,778)	0
Other changes	(46)	(7,382)
Taxable income	**4,640**	**5,114**
Use of ACE benefit	**1,528**	**127**
Taxable income net of losses	**3,112**	**4,987**
Lower current taxes recongnixable directly in equity	***(33)***	***(30)***
Current taxes of the year	***776***	***888***
Income from tax consolidation	***(49)***	***(144)***
Current IRES for the year	***727***	***744***
Defference between value and cost of production	**83,341**	**78,589**
Theoretical IRAP (3.9)	3,250	3,065
Defference between value and cost of production	**83,341**	**78,589**
Changes:		
Increases	13,634	12,273
Decreases	(8,170)	(15,688)
Change in exempt income	(74,053)	(64,456)
Other deductions	(7,700)	(2,142)
Taxable income for IRAP purpose	**7,052**	**8,576**
Lower IRAP charged directly to equity	**(2)**	**(16)**
Current IRAP for the year (b)	***345***	***401***
Total current taxes (a + b)	**1,072**	**1,145**

Note 11) Earnings per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of IGD SIIQ S.p.A. The information is provided on the basis of consolidated figures only, as provided for by IAS 33.

EARNINGS PER SHARE	31/12/15	31/12/14
Net profit attributable to IGD SIIQ S.p.A shareholders	45,639	7,302
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	45,639	7,302
Weighted average number of ordinary shares for purposes of basic earnings per share	758,375,361	426,638,223
Weighted average number of ordinary shares for purposes of diluted earnings per share	758,375,361	426,638,223
Basic earnings per share	**0.060**	**0.017**
Diluted earnings per share	**0.060**	**0.017**

Note 12) Intangible assets with finite useful lives

INTANGIBLE ASSETS WITH FINITE USEFUL LIVES 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	AMORTIZATION	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Intangible assets with finite useful lives	88	24		(34)	4	82
Intangible assets with finite useful lives under development	4				(4)	0
Total intangible assets with finite useful lives	**92**	**24**	**0**	**(34)**	**0**	**82**

INTANGIBLE ASSETS WITH FINITE USEFUL LIVES 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	AMORTIZATION	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Intangible assets with finite useful lives	82	35		(43)		74
Total intangible assets with finite useful lives	**82**	**35**	**0**	**(43)**	**0**	**74**

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of trademarks used by the Group, which are amortized over 10 years, and of business software, amortized over 3 years. In 2015 there were no impairment losses or reversals on intangible assets. The increase of €35K refers mostly to costs incurred for the implementation of Porta Medicea's website, for business software and for development of the logo of the new Clodì retail park.

Note 13) Goodwill

GOODWILL 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Goodwill	**11,427**			**1,235**	**12,662**

GOODWILL 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Goodwill	**12,662**				**12,662**

Goodwill has been allocated to the individual cash generating units (CGUs). Below is the breakdown of goodwill by CGU at 31 December 2015:

GOODWILL	31/12/14	31/12/15
Millennium s.r.l.	3,952	3,952
Winmagazine S.A.	5,409	5,409
Winmarkt management s.r.l.	1	1
Fonti del Corallo	1,300	1,300
Centro Nova	546	546
San Donà	448	448
Service	1,006	1,006
Total	**12,662**	**12,662**

Goodwill for Millennium and Winmagazin refers to consolidation differences arising upon acquisition and first-time consolidation of the corresponding legal entities. The recoverability of the goodwill allocated to these CGUs has been analyzed on the basis of the property appraisals by CBRE Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield in accordance with the criteria described in Note 15 below. Specifically, this goodwill covers the possibility to sell properties owned by the subsidiaries (through the equity investment) without incurring taxes. Therefore, recoverability derives from the tax savings that could be achieved from the investment's sale, and is measured on the basis of the deferred tax provision covering the higher book value of the property with respect to the tax-deductible amount. Goodwill for the CGUs Fonti del Corallo, Centro Nova, San Donà, Service, and Winmarkt Management pertains to business management for properties not owned by the Group, as well as services (facility management) provided at shopping centers owned by the Group and by third parties. The figures were retested for impairment during preparation of the financial statements. Value in use was calculated by projecting cash flows estimated in the 2016 budget and, for 2017 and 2018, in the 2015-2018 business plan approved by the Board of Directors on 7 May 2015. The discount rate (WACC) was 4.82%; the risk premium contained in the cost of equity is 4.90%, while the borrowing rate used is the average rate paid to obtain funding. A perpetual growth rate (g) of 1% was assumed in the projection. The test did not suggest the need to adjust the amounts reported.

Note 14) Buildings

BUILDINGS 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	BALANCE AT 31/12/2014
Historical cost	10,114				10,114
Accumulated depreciation	(1,009)			(244)	(1,253)
Net carrying value	**9,105**	**0**	**0**	**(244)**	**8,861**

BUILDINGS 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	BALANCE AT 31/12/2015
Historical cost	10,114				10,114
Accumulated depreciation	(1,253)			(243)	(1,496)
Net carrying value	**8,861**	**0**	**0**	**(243)**	**8,618**

This item refers to the purchase of the building housing IGD SIIQ S.p.A.'s head office. The only movement during the year was depreciation.

Note 15) Investment property

As required by IAS 40, the following table reconciles the opening and closing value of investment property, with increases, decreases, and changes in fair value shown separately.

INVESTMENT PROPERTY 2014	BALANCE AT 01/01/2014	INCREASES	ASSETS ACQUISITION POST CAPITAL INCREASES	DECREASES	REVALUATIONS	IMPAIRMENT	RECLASSIFICATION	TRANSFER TO NON-CURRENT ASSETS HELD FOR SALE	BALANCE AT 31/12/2014
Investment property	**1,723,693**	**19,611**	**94,744**	**(46,801)**	**19,950**	**(42,830)**	**42,516**	**(28,600)**	**1,782,283**

INVESTMENT PROPERTY 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	REVALUATIONS	IMPAIRMENT	RECLASSIFICATION	CHANGE CONSOLIDATION AREA	BALANCE AT 31/12/2015
Investment property	**1,782,283**	**23,467**	**(1,204)**	**34,427**	**(30,718)**	**36,773**	**125,000**	**1,970,028**

Changes in investment property with respect to 31 December 2014 concern work carried out and completed for approximately €23,467K, including: *(i)* work completed during the year on the Chioggia retail park, inaugurated on 14 May, for €5,815K; *(ii)* internal restyling and fit-out work at Centro Sarca mall, amounting to €5,232K for the year; *(iii)* restyling and fit-out work and renovation of the parking facility at Centro Borgo shopping center (€4,176K);

(iv) renovation of the parking facility of Porto Grande shopping center (€698K) and contribution for construction of the underpass (€40K); *(v)* extraordinary maintenance work at various shopping centers in Romania (€2,896K); *(vi)* waterproofing and new plant at Guidonia shopping center (€460K); *(vii)* work on the shopping center in Palermo for construction of a multiplex cinema (€2,066K); and *(viii)* other minor improvements, mainly at Abruzzo, Super Aquileia, Centro Darsena and Le Maioliche (€2,083K). The balance also increased with the reclassification of €6,273K for work capitalized in prior years and now completed (Centro Sarca restyling for €3,407K, Centro Borgo restyling for €1,109K, Romanian centers for €1,206K, Porto Grande underpass for €380K, Darsena for €124K and I Bricchi for €47K), and the reclassification of the Chioggia retail park (€30.5 million) from assets under construction. Decreases came to €1,204K and refer primarily to the sale of land in Faenza to the parent, Coop Adriatica (now Coop Alleanza 3.0).
The acquisition of Punta di Ferro increased investment property by €125 million.
As for fair value adjustments, investment property was revalued in the amount of €34,427K and written down by €30,718K, for a net positive impact of €3,709K.

Non-current assets held for sale
On 27 May 2015, in accordance with a preliminary contract dated 15 January 2015 and with the suspensive conditions satisfied, IGD signed a definitive contract for the sale to UBS Real Estate GmbH of a complex on Via Rizzoli in the historical heart of Bologna for €29.4 million. Therefore, at 31 December 2015, the item Non-current assets held for sale shows a balance of zero.

For the calculation of fair value, see section 2.5 ("The real estate portfolio") and the appraisals by CBRE Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield in this Annual Report.

Fair value hierarchy
Disclosures on the fair value hierarchy for non-financial assets and liabilities are provided below in accordance with IFRS 13. The fair value hierarchy classifies into three levels the inputs to valuation techniques used to measure fair value. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). More specifically:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

  (a) quoted prices for similar assets or liabilities in active markets;
  (b) quoted prices for identical or similar assets or liabilities in markets that are not active;
  (c) inputs other than quoted prices that are observable for the asset or liability, for example:
    (i) interest rates and yield curves observable at commonly quoted intervals;
    (ii) implied volatilities;
    (iii) credit spreads;
  (d) market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability.

The IGD Group's real estate portfolio has been measured according to Level 3 fair value models as the inputs directly and indirectly unobservable in the market, used in the valuation models, are greater than the observable inputs.
IGD Group investment property measured at fair value is shown in the table below.

FAIR VALUE MEASUREMENTS AT 31/12/2015	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKET (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN THE MARKET (LEVEL 3)
Investment property Italy:			
Malls and retail parks			1,136,808
City Center			23,700
Hypermarkets and supermarkets			632,930
Residual portions of property			5,989
Total investment property Italy			**1,799,428**
Investment property Romania:			
Shopping malls			167,300
PLOJESTI - Junior office building			3,300
Total Romania			**170,600**
IGD Group: Investment property			**1,970,028**
Total development initiatives			**23,500**
Porta a Mare project			
Porta a Mare project (1)			16,010
Total trading properties			**16,010**
Total IGD Group investment property measured at fair value			**2,009,538**

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

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

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

The above methods were applied individually to each property, according to their specific features.
Properties are assessed according to their highest and best use, meaning that of all uses that are physically possible, legally permissible and financially feasible, only those potentially resulting in highest value are considered.
The following are taken into account when determining the capitalization and discounting rates used to value individual properties:

- the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
- the division of responsibilities for insurance and maintenance between the lessor and the lessee;
- the remaining economic life of the property.

Sensitivity analysis at 31/12/2015

For properties carried at fair value, measurements are considered to be at Level 3 of the fair value hierarchy, as mentioned above. Quantitative information on the impact of the most significant unobservable inputs (discount rate and gross cap out) is provided below: Amounts reflect the increase or decrease in the value of the real estate portfolio, distinguished by asset class.

ASSET CLASS €/K	HYPERMARKETS AND SUPERMARKETS	MALLS AND RETAIL PARKS	CITY CENTER	INVESTMENT PROPERTY ROMANIA
Market value at 31/12/2015 +0.5 discount rate	-25,270	-48,518	-822	-6,600
Market value at 31/12/2015 -0.5 discount rate	26,043	51,893	958	6,200
Market value at 31/12/2015 +0.5 gross cap out	-26,356	-43,534	-1,007	-5,900
Market value at 31/12/2015 -0.5 gross cap out	31,377	51,921	1,293	6,200
Market value at 31/12/2015 +0.5 discount rate +0.5 gross cap out	-51,052	-89,810	-1,828	-11,900
Market value at 31/12/2015 -0.5 discount rate -0.5 gross cap out	60,768	106,794	2,263	12,900
Market value at 31/12/2015 +0.5 discount rate -0.5 gross cap out	2,349	170	367	-700
Market value at 31/12/2015 -0.5 discount rate +0.5 gross cap out	-135	3,641	-147	100

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

PLANTS AND MACHINERY 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2014
Historical cost	3,457	0	0	0	(556)	0	2,901
Accumulated depreciations	(2,257)	0	0	(338)	167	0	(2,428)
Net carrying value	**1,200**	**0**	**0**	**(338)**	**(389)**	**0**	**473**

PLANTS AND MACHINERY 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2015
Historical cost	2,901	44	0	0	0	0	2,945
Accumulated depreciations	(2,428)	0	0	(208)	0	0	(2,636)
Net carrying value	**473**	**44**	**0**	**(208)**	**0**	**0**	**309**

EQUIPMENT 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICA-TIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2014
Historical cost	4,345	877	0	0	0	0	5,222
Accumulated depreciations	(2,560)	(22)	0	(542)	0	0	(3,124)
Net carrying value	**1,785**	**855**	**0**	**(542)**	**0**	**0**	**2,098**

EQUIPMENT 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICA-TIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2015
Historical cost	5,222	148	0	0	0	(12)	5,358
Accumulated depreciations	(3,124)	(43)	0	(496)	0	4	(3,659)
Net carrying value	**2,098**	**105**	**0**	**(496)**	**0**	**(8)**	**1,699**

LEASEHOLD IMPROVEMENTS 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICA-TIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2014
Net carrying value	**1,503**	**171**		**(256)**	**96**		**1,514**

LEASEHOLD IMPROVEMENTS 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICA-TIONS	CURRENCY TRANSLATION GAIN / LOSS	BALANCE AT 31/12/2015
Net carrying value	**1,514**	**33**		**(274)**			**1,273**

Most of the changes in plant and machinery, equipment, and leasehold improvements reflect depreciation for the year and purchases worth €225K.

Leasehold improvements consist of structural work on properties not owned by IGD and are amortized over the duration of the lease.

Note 17) Assets under construction

ASSETS UNDER CONSTRUCTION 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	RECLASSIFI-CATION	(IMPAIRMENT LOSSES)/ REVERSALS	*FAIR VALUE CHANGES*	CAPITALIZED INTERESTS	CURRENCY TRANSLA-TION GAIN/ LOSSES	BALANCE AT 31/12/2014
Assets under construction	**100,249**	**22,291**	**(37)**	**(43,458)**	**91**	**2,185**	**840**	**18**	**82,179**

ASSETS UNDER CONSTRUCTION 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	RECLASSIFI-CATIONS	(IMPAIRMENT LOSSES) / REVERSALS	*FAIR VALUE CHANGES*		CURRENCY TRANSLA-TION GAIN / LOSSES	BALANCE AT 31/12/2015
Assets under construction	**82,179**	**6,013**	**(382)**	**(36,773)**	**(582)**	**69**		**9**	**50,533**

Assets under construction decreased by €31,646K, due mostly to the reclassification to property, plant and equipment of €36,773 in finished works and the addition of €6,013K for investments still in course, including: *(i)* fit out work, cinema roofing and BREEAM certification at Centro Sarca, for €309K; *(ii)* urban infrastructure work at Porta a Mare (retail portion only), mostly for the pedestrian bridge between Mazzini and Officine and the diaphragm seals, as well as construction on the Officine section, for a total of €1,771K; *(iii)* expansion work at ESP (€2,874K) and Porto Grande (€56K), plus advances paid (€830K); *(iv)* earthquake protection work at Darsena (€121K) and other minor improvements (€52K). Of the projects nearing completion (measured at fair value), the ESP expansion was revalued by €426K and the Officine section of Porta a Mare was written down by €357K, for a net positive impact of €69K. The Porto Grande expansion and the Lips-Arsenale project (Porta a Mare), carried at adjusted cost, were respectively written down by €698K and written back by €116K to bring their carrying amount into line with the lower of cost and appraised fair value, for a net impact of -€582K.

See section 2.5 on the real estate portfolio for further details.

Note 18) Deferred tax assets and deferred tax liabilities

As in 2014, deferred tax assets and liabilities have been offset in accordance with paragraph 74 of IAS 12, given that: *(i)* the company is entitled to offset current tax assets and liabilities and *(ii)* the deferred tax assets and liabilities are associated with income taxes charged by the same tax jurisdiction.
Net deferred tax assets reflect the deferred tax assets and liabilities of the Italian companies, while the deferred tax liabilities shown in the statement of financial position concern the Romanian subsidiary.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES	31/12/2015	31/12/2014	CHANGE
Deferred tax assets	12,303	17,148	(4,845)
Deferred tax liabilities	(6,916)	(7,426)	510
Deferred tax assets and deferred tax liabilities	**5,387**	**9,722**	**(4,335)**

In detail:

DEFERRED TAX ASSETS	31/12/2015	31/12/2014	CHANGE
Capital operations	92	118	(26)
Taxed provisions	292	267	25
Interest rate swaps	7,935	11,467	(3,532)
Impairment losses on inventories	2,560	2,360	200
Impairment losses on equity investments and financial receivables	235	231	4
Loss from tax consolidation	1,163	1,785	(622)
Other effects	26	22	4
ACE reportable effect	0	898	(898)
Total deferred tax assets	**12,303**	**17,148**	**(4,845)**

Deferred tax assets mainly originate from:

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

Most of the change for the year stems from: *(i)* the reversal of deferred tax assets on mortgage hedging instruments (IRS) due to the decrease in their negative fair value; *(ii)* the adjustment of deferred tax assets provided for in previous years due to the reduction in the IRES rate from 27.5% to 24% starting in 2017, in accordance with the 2016 Stability Law (Law 208 of 28 December 2015); *(iii)* the recognition of deferred tax assets on the writedown of Porta a Mare inventory; and *(iv)* the reversal of deferred tax assets recognized in 2014 for the ACE benefit and tax losses, due mostly to the recalculation of taxable income (see Note 10) and the conversion of the ACE benefit into a tax credit as provided for by Decree Law 91/2014.

DEFERRED TAX LIABILITIES	31/12/2015	31/12/2014	CHANGE
Tax effect on properties fair value	6,778	7,190	(412)
Tax effect on bond	15	28	(13)
Other effects	123	208	(85)
Total deferred tax liabilities	**6,916**	**7,426**	**(510)**

Deferred tax liabilities principally concern the difference between the fair value of investment property and its value for tax purposes. Most of the change relates to the impairment losses charged for the fair value adjustment of certain investment properties, as well as adjustments due to the decrease in the IRES rate.
The deferred tax liabilities remaining in the statement of financial position pertain to the fair value adjustment of the Romanian properties owned by WinMagazin.

DEFERRED TAX LIABILITIES	31/12/2015	31/12/2014	CHANGE
Tax effect on fair value of Romanian properties	23,634	24,730	(1,096)
Total deferred tax liabilities	**23,634**	**24,730**	**(1,096)**

Note 19) Sundry receivables and other non-current assets

SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS	31/12/2015	31/12/2014	CHANGE
Tax credit	4	4	0
Due from others	23	23	0
Security deposits	63	48	15
Total	**90**	**75**	**15**

The change in this item is due to the increase in security deposits.

Note 20) Equity investments

EQUITY INVESTMENTS	31/12/2014	INCREASES	DECREASES	REVALUATIONS/ (WRITEDOWNS)	RECLASSIFICATIONS	CHANGE IN CONSOLIDATED AREA	31/12/2015
Equity investments in subsiadiaries							
Consorzio Proprietari C.C.Leonardo	52						52
Consorzio Proprietari Fonti del Corallo	7						7
Consorzio C.C. i Bricchi	4						4
Consorzio Puntadiferro						6	6
Arco Campus Srl					1,507		1,507
Equity investments in associates							
Rgd Ferrara 2013 Srl	50			1			51
Consorzio Millennium Center	4						4
Virtus College Srl	10	1,497			(1,507)		0
UnipolSai Investimenti SGR S.p.A.		4,360		218			4,578
Equity investments in other companies	**281**	**26**	**0**	**(150)**	**0**		**157**
Total	**408**	**5,883**	**0**	**69**	**0**		**6,366**

Equity investments in subsidiaries went up due to the capital increase of Arco Campus S.r.l. (the new name adopted during the year by Virtus College S.r.l.), which raised IGD's interest in the company from 48.75% to 99.98%.

The increase in equity investments in associates reflects the purchase of a 20% share in UnipolSai Investimenti SGR S.p.A. During the year, investments in associates were revalued by €219K as a result of their measurement using the equity method.

Note 21) Non-current financial assets

NON-CURRENT FINANCIAL ASSETS	31/12/2015	31/12/2014	CHANGE
Non-current financial assets	**493**	**1,128**	**(635)**

This item contains the non-current portion of interest-free loans granted to IBN (€393K, net of a €280K writedown) and an interest-bearing loan of €100K granted to Fondazione Virtus Pallacanestro Bologna. See Note 40 for further information.

Note 22) Work in progress inventory and advances

WORK IN PROGRESS INVENTORIES AND ADVANCES	31/12/2014	INCREASES	DECREASES	WRITEDOWNS	31/12/2015
Porta a Mare project	69,241	1,574	(2,133)	(1,658)	67,024
Advances	114	7	(77)		44
Total work in progress	**69,355**	**1,581**	**(2,210)**	**(1,658)**	**67,068**

Inventory for work in progress related to land, buildings and urbanization works at the multifunctional complex in Livorno underwent: *(i)* an increase due to the advancement of urban infrastructure works (mostly for the bridge between the Mazzini and the Officine sections) and the finishing of some residential units (Mazzini) and offices (Palazzo Orlando), for a total of 1,574K; *(ii)* a decrease for the final sale during the period of seven properties, seven enclosed garage units and one parking space (€2,133K); and *(iii)* a writedown to adjust carrying amount to the lower of cost and appraised fair value (€1,658K).

Note 23) Trade and other receivables

TRADE AND OTHER RECEIVABLES	31/12/2015	31/12/2014	CHANGE
Trade and other receivables - third parties	28,112	29,709	(1,597)
Provision for doubtful accounts	(15,149)	(15,673)	524
Total	**12,963**	**14,036**	**(1,073)**

Trade receivables, gross of the provision for doubtful accounts, decreased by €1,597K with respect to 31 December 2014. IGD has received €640K plus VAT with the initial payment from the Darsena FM bankruptcy, and has therefore reversed to the income statement the excess provision against the Darsena account, in the amount of €354K. The provision for doubtful accounts reflects recovery estimates on problem credits and is in line with the previous year.

Movements in the provision for doubtful accounts are shown below:

MOVEMENTS IN PROVISION FOR DOUBTFUL ACCOUNTS	31/12/2014	TRANSLATION EFFECT	UTILIZATIONS	WRITEDOWNS / (UTILIZATION) OF DELINQUENT INTERESTS	ALLOCATIONS	DARSENA SURPLUS	CHANGE OF CONSOLIDATED AREA	31/12/2015
Provision for doubtful accounts	**15,673**	**(19)**	**(1,879)**	**(18)**	**1,488**	**(354)**	**258**	**15,149**

The following table shows receivables by geographical area:

RECEIVABLES BY GEOGRAPHICAL AREA	2014	2015
Receivables Italy	27,732	26,230
Provision for doubtful account	(13,787)	(13,370)
Net receivables - Italy	**13,945**	**12,860**
Receivables Romania	1,977	1,882
Provision for doubtful accounts	(1,886)	(1,779)
Net receivables - Romania	**91**	**103**

Note 24) Related party trade and other receivables

RELATED PARTIES TRADE AND OTHER RECEIVABLES	31/12/2015	31/12/2014	CHANGE
Parent company	49	34	15
Total parent company	**49**	**34**	**15**
Associates	355	397	(42)
Total associates	**355**	**397**	**(42)**
Consorzio dei proprietari Centro Leonardo	0	1	(1)
Adriatica Luce e Gas	11	26	(15)
Vignale Comunicazioni srl	0	112	(112)
Unicoop Tirreno scarl	104	327	(223)
Librerie Coop spa	9	27	(18)
Robintur spa	1	1	0
Millennium Center	7	0	7
Consorzio La Torre	8	172	(164)
Consorzio Crema	144	53	91
Consorzio Porta a Mare	63	72	(9)
Consorzio Katanè	338	237	101
Consorzio Lame	1	1	0
Consorzio Coné	20	0	20
Consorzio Sarca	1	70	(69)
Other related parties	**707**	**1,099**	**(392)**
Total related parties	**1,111**	**1,530**	**(419)**

This item decreased by €419 K. See Note 40 for details.

Note 25) Other current assets

OTHER CURRENT ASSETS	31/12/2015	31/12/2014	CHANGES
Tax credits			
VAT credits	544	1,954	(1,410)
IRES credits	421	342	79
IRAP credits	1,124	85	1,039
Due from others			
Advances paid to suppliers	3	6	(3)
Accrued income and prepayments	436	474	(38)
Deferred costs	27	199	(172)
Other	577	563	14
Total current assets	**3,132**	**3,623**	**(491)**

Other current assets decreased by €491K, due mainly to: *(i)* VAT settlement for the month of December, which (unlike in 2014) constituted a net payable for various companies; *(ii)* an increase in IRAP credits due to the conversion of excess ACE benefits; and *(iii)* a decrease in deferred costs, reflecting the reversal to the income statement of costs incurred during construction of the Clodì shopping center in Chioggia (inaugurated in May 2015).

Note 26) Financial receivables and other current financial assets

CURRENT FINANCIAL ASSETS	31/12/2015	31/12/2014	CHANGES
Other financial assets	9,023	0	9,023
Total - third parties	**9,023**	**0**	**9,023**
Other related parties	151	151	0
Total - related parties	**151**	**151**	**0**

Other financial assets include two time deposits of €3 million and €6 million, both maturing on 31 May 2016 and paying interest of 0.6%, originating from the Punta di Ferro acquisition.

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

Note 27) Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31/12/2015	31/12/2014	CHANGES
Cash and cash equivalents at banks, financial institutions and post offices	23,480	15,152	8,328
Cash on hand	123	90	33
Total cash and cash equivalents	**23,603**	**15,242**	**8,361**

Cash and cash equivalents at 31 December 2015 consisted mainly of current account balances at banks. The increase reflects the acquisition of Punta di Ferro. In the context of the guarantees required for the BNP Paribas loan (Italian branch), there are escrow accounts amounting to €7,595K.

Note 28) Net equity

NET EQUITY	31/12/2015	31/12/2014	CHANGE
Share capital	599,760	549,760	50,000
Share premium reserves	39,971	147,730	(107,759)
Total other reserves	**323,915**	**231,818**	**92,097**
Legal reserve	109,952	12,348	97,604
Euro conversion reserve	0	23	(23)
Goodwill reserve	3,956	13,736	(9,780)
Reserve for the purchase of treasury shares	0	(10,178)	10,178
Cash flow hedge reserve	(21,931)	(25,035)	3,104
Cash flow hedge reserve - subsidiaries	(3,197)	(5,193)	1,996
Bond issue reserve	29,806	29,806	0
Capital increase reserve	(6,156)	(5,484)	(672)
Recalculation of defined benefit plans	(18)	(153)	135
Recalculation of defined benefit plans - subsidiaries	(30)	(88)	58
Fair value reserve	213,204	226,297	(13,093)
Reserve available for asset disposal	2,662	0	2,662
Translation reserve	(4,333)	(4,261)	(72)
Total Group profit	**58,407**	**20,921**	**37,486**
Group profit (loss) carried forward	12,768	13,619	(851)
Group profit (loss) for the period	45,639	7,302	38,337
Group net equity	**1,022,053**	**950,229**	**71,824**
Non-controlling interests in capital and reserves	10,589	10,842	(253)
Non-controlling interests in profit (loss)	(439)	(253)	(186)
Non-controlling interests	**10,150**	**10,589**	**(439)**
Consolidated net equity	**1,032,203**	**960,818**	**71,385**

Movements in share capital and reserves resulted from:

- use of the share premium reserve for €107,759K, with €97,581K added to the legal reserve and €10,178K used to fully cover the negative reserve for the sale of treasury shares;
- use of the full €23K from the Euro conversion reserve to supplement the legal reserve;
- addition of €97,604K to the legal reserve, as above;
- reclassification of €10,431K from the fair value reserve to profit carried forward, as this reserve is no longer unavailable pursuant to Art. 6 of Legislative Decree 38 of 28 February 2005;
- distribution of €28,363K in dividends for 2014, through use of the goodwill reserve for €9,780K and of profit carried forward for the remainder;
- reclassification of €2,662K from the fair value reserve to the distributable reserve from the sale of properties, as that amount is no longer unavailable pursuant to Art. 6 of Legislative Decree 38 of 28 February 2005 due to the sale of investment property during the year.

Net equity also changed due to:

- movements in the translation reserve for the translation of foreign currency financial statements, in the amount of -€72K;
- costs relating to capital increases for -€681K;
- tax effects on additional capital increase transaction costs for +€9K;
- the adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (+€3,104K for the parent company and +€1,996K for a subsidiary);
- movements in the reserve for recalculation of defined benefit plans for +€193K;
- the profit for the year allocable to owners of IGD SIIQ S.p.A. (€45,639K) and the result allocable to non-controlling interests (-€439K).

Note 29) Non-current financial liabilities

NON-CURRENT FINANCIAL LIABILITIES	DURATION	31/12/2015	31/12/2014	CHANGE
Mortgage loans		**477,642**	**553,293**	**(75,651)**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	0	11,371	(11,371)
09 Interbanca IGD	25/09/2006 - 05/10/2021	70,004	82,507	(12,503)
05 BreBanca IGD MONDOVICINO (Mall)	23/11/2006 - 10/01/2023	7,547	8,478	(931)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	51,088	55,454	(4,366)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	8,245	8,811	(566)
01 Unipol SARCA	10/04/2007 - 06/04/2027	71,335	74,320	(2,985)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	21,572	22,888	(1,316)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	20,498	22,249	(1,751)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	11,610	12,539	(929)
14 MPS Palermo (Mall)	21/12/2010 - 30/11/2025	25,295	27,161	(1,866)
17 Carige Palermo IGD (Hyper)	12/07/2011 - 30/06/2027	18,341	19,878	(1,537)
15 CentroBanca Cone (Mall)	22/12/2010 - 31/12/2025	33,463	36,083	(2,620)
16 CentroBanca Cone (Hyper)		0	12,369	(12,369)
03 BPV Porta Medicea	02/08/2011 - 25/07/2026	6,751	8,285	(1,534)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	0	19,957	(19,957)
23 Finanziamento BNP	03/12/2013 - 26/11/2018	131,893	130,943	950
Due to bonds		**282,349**	**291,181**	**(8,832)**
Bond 122,90ML	07/05/2013- 07/05/2017	6,722	120,961	(114,239)
Bond 22 ML	07/05/2013- 07/05/2017	1,210	21,860	(20,650)
Bond 150 ML	07/05/2014 - 07/01/2019	123,849	148,360	(24,511)
Bond 162 ML	21/04/2015 - 21/04/2022	150,568	0	150,568
Due to other sources of finance		**4,939**	**5,992**	**(1,053)**
Contingent liabilities for mall and business division		375	1,125	(750)
Sardaleasing for Bologna offices	30/04/2009 - 30/04/2027	4,564	4,867	(303)
Total financial liabilities with third parties		**764,930**	**850,466**	**(85,536)**

Mortgage loans

Mortgage loans are secured by properties. The change is due to the reclassification to current financial liabilities of the principal falling due in the next 12 months, and to the early repayment of the Centrobanca Conè Iper loan in June 2015. The average interest rate on adjustable-rate mortgage loans at 31 December 2015 was 1.10%.

Bonds

In response to the bond transaction approved by the Board of Directors on 8 April 2015, the terms of which are reported in the section on significant events during the year, on 14 April the company received *(i)* for the bonds maturing in 2017, offers for a total nominal amount of €136,900,000; and *(ii)* for the bonds maturing in 2019, offers for a total nominal amount of €25,100,000. On 21 April it therefore issued a new bond loan for €162 million. The cost of this transaction was €9,503K as cash consideration for the bonds exchanged, plus €5,952K in interest accrued on the existing bonds from the immediately preceding interest payment date (inclusive) until 21 April, for a total of €15,455K. Additional transaction costs came to €1,051K. Pursuant to IAS 39 (par. 40) and AG 62, IGD arranged to ensure that the contractual terms of the new bond did not differ substantially from those of the bonds being exchanged, so the transaction could be accounted for as debt restructuring rather than the settlement of a liability. Therefore, the difference of €1,981K between the carrying value of the loans at the exchange date and the redemption amount at maturity was included, along with the new transaction and buyback costs, in the calculation of amortized cost. The table below details these bond transactions:

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/'15	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTIZATION FROM 22/04/'15 TO 31/12/'15	31/12/2015	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 150 ML	150,000		(25,100)	124,900		124,900		
Transaction costs	(1,640)	114	255	(1,270)	219	(1,051)		
Totale Bond 150 ML	**148,360**	**114**	**(24,844)**	**123,630**	**219**	**123,849**	**3.875%**	**4.17%**

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/2015	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTIZATION FROM 22/04/'15 TO 31/12/'15	31/12/2015	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 122,90ML	122,900		(116,115)	6,785		6,785		
Transaction costs	(1,939)	236	1,609	(94)	31	(63)		
Total Bond 122,90ML	**120,961**	**236**	**(114,506)**	**6,691**	**31**	**6,722**	**4.335%**	**5.07%**

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/2015	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTIZATION FROM 22/04/'15 TO 31/12/'15	31/12/2015	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 22 ML	22,000		(20,785)	1,215		1,215		
Transaction costs	(140)	17	116	(7)	2	(5)		
Total Bond 22 ML	**21,860**	**17**	**(20,669)**	**1,208**	**2**	**1,210**	**4.335%**	**4.63%**

DUE TO BONDS	31/12/2014	EXCHANGE OFFER EFFECTS	BUYBACK AND ANCILLARY COSTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTIZATION FROM 22/04/'15 TO 31/12/'15	31/12/2015	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 162 ML	0	162,000		162,000		162,000		
Transaction costs	0	(1,981)	(10,554)	(12,535)	1,103	(11,432)		
Total Bond 162 ML	**0**	**160,019**	**(10,554)**	**149,465**	**1,103**	**150,568**	**2.65%**	**3.94%**

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 31 December 2015.

NAME PROPERTY	OWNER	TYPE OF PRODUCT COUNTERPARTY	START DATE END DATE	REPAYMENT COVENANT	INDICATOR I)	INDICATOR II)	INDICATOR III)	INDICATOR IV)
04 **BNL Rimini IGD** MALATESTA - Rimini	IGD SIIQ S.p.A.	Loan BNL Banca Nazionale del Lavoro	06/09/06 06/10/16	Straight-line amortization of principal: €1.9mn p.a; balloon payment: €10mn Financial condition of IGD SIIQ S.p.A.: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	0.71			
05 **BreBanca IGD** MONDOVICINO (mall)	IGD SIIQ S.p.A.	Mortgage Banca Regionale Europea	23/11/06 10/01/23	Amortization with increasing principal None				
01 **Unipol Larice** SARCA (mall)	IGD Management s.r.l.	Mortgage Unipol Merchant	10/04/07 06/04/27	Straight-line amortization of principal: €3mn p.a; balloon payment: €40.7mn Certified consolidated financial statements ratio of net debt (including derivative assets and liabilities) to equity must not exceed 2.3	0.99			

continue

NAME PROPERTY	OWNER	TYPE OF PRODUCT COUNTERPARTY	START DATE END DATE	REPAYMENT COVENANT	INDICATOR I)	INDICATOR II)	INDICATOR III)	INDICATOR IV)
06 **Unipol Lungosavio IGD** LUNGO SAVIO - Cesena (mall)	IGD SIIQ S.p.A.	Mortgage Unipol Merchant	31/12/08 31/12/23	Amortization with increasing principal and balloon payment of €3.6mn None				
07 **Carige Nikefin Asti** I BRICCHI - Isola D'Asti (mall)	IGD SIIQ S.p.A.	Mortgage Banca Carige	31/12/08 31/03/24	Amortization with increasing principal and balloon payment of €9.5mn None				
08 **Carisbo Guidonia IGD** TIBURTINO - Guidonia (mall + hypermarket)	IGD SIIQ S.p.A.	Mortgage Cassa di Risparmio di Bologna	27/03/09 27/03/24	Straight-line amortization of principal: €4.1mn p.a; balloon payment: €24mn Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6 through to maturity	0.99			
09 **Interbanca IGD** Iper LUGO - Ravenna, Iper MAESTRALE - Senigallia, Iper MIRALFIORE - Pesaro, CENTRO D'ABRUZZO - Pescara (hyper), , LE PORTE DI NAPOLI - Afragola (hyper), - PORTOGRANDE (hyper+mall), Iper LEONARDO	IGD SIIQ S.p.A.	Loan GE Capital	25/09/06 05/10/21	Amortization with increasing principal Consolidated financial statements: ratio of net debt (including derivative assets liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	0.99			
10 **Mediocredito Faenza IGD** LE MAIOLICHE - Faenza (hypermarket)	IGD SIIQ S.p.A.	Loan Mediocredito banca SPA	05/10/09 30/06/29	Straight-line amortization of principal: €0.94 mn p.a IGD SIIQ S.p.A. financial statements: ratio of external net debt to equity + intercompany loans must not exceed 2.7	0.75			
14 **MPS Palermo** Palermo (mall)	IGD SIIQ S.p.A.	Mortgage Monte dei Paschi di Siena	21/12/10 30/11/25	Amortization with increasing principal and balloon payment of €6.6mn Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.7; ii) loan to value ratio for the individual property must not exceed 70%	0.99	48.19%		
15 **CentroBanca Coné Gall** CONÈ (mall)	IGD SIIQ S.p.A.	Loan CentroBanca	22/12/10 31/12/25	Straight-line amortization of principal: €2.64mn p.a; balloon payment: €10.56mn Consolidated financial statements: ratio of net debt (including derivative assets and liabilities) to equity no higher than 2	0.99			
13 **CR Veneto Mondovì** MONDOVICINO (Retail Park)	IGD SIIQ S.p.A.	Mortgage Cassa di Risparmio del Veneto	08/10/09 01/11/24	Straight-line amortization of principal: €1.65mn p.a; balloon payment: €8.55mn Certified consolidated financial statements ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6	0.99			
17 **Carige Palermo IGD** PALERMO (hypermarket)	IGD SIIQ S.p.A.	Mortgage Banca Carige	12/07/11 30/06/27	Amortization with increasing principal None				

continue

NAME PROPERTY	OWNER	TYPE OF PRODUCT COUNTERPARTY	START DATE END DATE	REPAYMENT COVENANT	INDICA-TOR I)	INDICA-TOR II)	INDICA-TOR III)	INDICA-TOR IV)
03 **BPV Porta Medicea** PORTA MEDICEA	Porta Medicea	Mortgage Banca Popolare di Verona	02/08/11 25/07/26	Straight-line amortization of principal: €0.8mn p.a Porta Medicea S.r.l.: i) debt/equity ≤ 1.0; ii) equity ≥ €55mn; iii) LTV < 65%. The covenant is broken if two of the three conditions are violated.	0.42	€/000 53,975	47.20%	
18 **CC Ipotecario - Tiraggi** 1st MORTGAGE CREMA, 1st MORTGAGE LE FONTI DEL CORALLO (hyper)	IGD SIIQ S.p.A.	Credit facility secured by mortgage Cassa di Risparmio di Firenze	20/12/11 19/12/16	Gradual reduction of available credit by €20mn p.a., from 2015 to maturity Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must be less than or equal to 1.6 through to maturity; ii) ratio of EBITDA to financial charges must be greater than 1.5; iii) ratio of net debt to market value must be less than or equal to 0.65.	0.99	2.14	48.98%	
23 **Bnp Paribas** SC CASILINO - HYPER LAME - MALL CATANIA- SC ESP - SC BORGO	IGD Property SIINQ S.p.A.	Loan Bnp Paribas	03/12/13 26/11/18	Bullet i) LTV ratio below 45%; ii) Interest cover ratio above 190%.	39.40%	2.91		
24 **Notes 3.875% - Due 07/01/2019** Unsecured	IGD SIIQ SpA	Bond Payng Agent - Bnp Paribas	07/05/14 07/01/19	Bullet i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	47.30%	2.34	26.51%	1.86
25 **Notes 4.335% - Due 07/05/2017** Unsecured	IGD SIIQ SpA	Bond Payng Agent - Bnp Paribas	07/05/13 07/05/17	Bullet None				
26 **Notes 2.65% - Due 21/04/22** Unsecured	IGD SIIQ SpA	Bond Payng Agent - Bnp Paribas	21/04/15 21/04/22	Bullet i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	47.30%	2.34	26.51%	1.86

Note 30) Provision for employee severance indemnities

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

PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES	BALANCE AT 01/01/2014	ACTUARIAL (GAIN) / LOSSES	UTILIZATION	ALLOCATION	FINANCIAL CHARGES - IAS 19	BALANCE AT 31/12/2014
Provisions for employee severance indemnities	1,403	283	(58)	236	46	1,910

PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES	BALANCE AT 01/01/2015	ACTUARIAL (GAIN) / LOSSES	UTILIZATION	ALLOCATION	FINANCIAL CHARGES - IAS 19	BALANCE AT 31/12/2015
Provisions for employee severance indemnities	1,910	(193)	(24)	318	35	2,046

The following charts show the demographic and financial assumptions used:

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

FINANCIAL ASSUMPTIONS	2015
Cost of living increase	1.50% 2016
	1.80% 2017
	1.70% 2018
	1.60% 2019
	2.00% from 2020 onward
Discount rate	2.30%
Increase in total compensation	Executives 2.5%
	White collar/Middle managers 1.0%
	Blue collar 1.0%
Increase in severance indemnity provision	2.625% 2016
	2.850% 2017
	2.775% 2018
	2.700% 2019
	3.000% from 2020 onward

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

Additional information

- sensitivity analysis, showing the impact in absolute terms of each reasonably possible change in actuarial hypotheses at the close of the year;
- amount of contribution for the following year;
- average financial duration of the liability for defined benefit plans;
- estimated payouts.

SENSITIVITY ANALYSIS OF MAIN VARIABLES ON TFR AT 31 DECEMBER 2015

CHANGE IN ASSUMPTION	AMOUNT OF TFR PROVISION - €/K
Inflation +0.25%	2,094.97
Inflation -0.25%	1,980.11
Discount rate +0.25%	1,965.39
Discount rate -0.25%	2,111.30
Turnover rate +1%	2,017.86
Turnover rate -1%	2,057.73

	€/K
Service cost 2016	264.00

	years
Plan duration	20.00

	€/K
Estimated payouts, year 1	67.11
Estimated payouts, year 2	146.72
Estimated payouts, year 3	77.00
Estimated payouts, year 4	84.91
Estimated payouts, year 5	207.62

Note 31) General provisions

GENERAL PROVISIONS	31/12/2014	UTILIZATIONS	ALLOCATIONS	CHANGE OF CONSOLIDATED AREA	31/12/2015
Provision for taxation	638	(58)	512		1,092
Bonus provision	719	(706)	759		772
Other general provisions	470		2,154	200	2,824
Total	**1,827**	**(764)**	**3,425**	**200**	**4,688**

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

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

Other general provisions
These cover the risks arising from litigation in course, as well as probable future expenses. The allocation refers to potential liabilities from litigation commenced during the period. The change for scope of consolidation refers to unfinished urban infrastructure works associated with the Punta di Ferro acquisition.
See Note 45 for further information.

Note 32) Sundry payables and other non-current liabilities

SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Deferred income	6,226	6,233	(7)
Payables for substitute tax	5,891	230	5,661
Other liabilities	387	347	40
Total	**12,504**	**6,810**	**5,694**

This item mostly concerns the City of Livorno for additional secondary urban infrastructure works as provided for by contract (€2,776K) and works to be delivered to Porta a Mare S.p.A. (€3,450K).
Payables for substitute tax consist of the non-current portion of the substitute tax on the capital gain from the sale of Centro Lame hypermarket, as well as the substitute tax for Punta di Ferro's adoption of SIINQ status (€5,737K, or four fifths of €7,171K), to be paid in five annual installments.
Related party payables are shown below:

SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Parent	**11,514**	**11,074**	**440**
Security deposits from Coop Adriatica	11,514	11,074	440
Related parties	**2,442**	**2,418**	**24**
Security deposits form Unicoop Tirreno	1,960	1,939	21
Security deposits from Vignale Comunicazione	0	25	(25)
Security deposits from Adriatica Luce&Gas	30	0	30
Security deposits from Campania Distribuzione Moderna	452	454	(2)
Total	**13,956**	**13,492**	**464**

Security deposits refer to the sums advanced on the leasing of hypermarkets and malls. They pay interest at the rates provided for by law.
Security deposits from Coop Adriatica increased due mostly to the opening of the Clodì retail park in Chioggia, leased to the controlling company against a deposit of €415K.
Security deposits from Vignale Comunicazione are now shown under Unicoop Tirreno as a result of the merger by absorption in April 2015.

Note 33) Current financial liabilities

CURRENT FINANCIAL LIABILITIES	DURATION	31/12/2015	31/12/2014	CHANGE
Banca Pop. Emilia Romagna - ultra short-term	16/12/2015 - 16/06/2016	16,700	8,500	8,200
Banca Pop. Emilia Romagna - ultra short-term	28/12/2015 - 28/06/2016	8,000	1,000	7,000
Banca Pop. Emilia Romagna - ultra short-term	23/12/2015 - 23/06/2016	2,000	0	2,000
Banca Pop. Emilia Romagna - ultra short-term	03/11/2015 - 04/01/2016	1,800	0	1,800
Banca Pop. Emilia Romagna - ultra short-term	10/11/2015 - 12/01/2016	1,500	0	1,500
Carisbo - ultra short-term	16/12/2015 - 16/02/2016	10,001	7,004	2,997
Banco Popolare - ultra short-term	16/12/2015 - 16/03/2016	3,500	0	3,500
Banco Popolare - ultra short-term	18/12/2015 - 16/03/2016	9,000	0	9,000
Cassa di Risparmio del Veneto	15/12/2015 - 15/02/2016	15,002	0	15,002
Cassa di Risparmio del Veneto	15/12/2015 - 15/02/2016	10,002	0	10,002
Mps - ultra short-term	18/12/2015 - 18/03/2016	30,000	0	30,000
Bnl - Bologna	16/12/2015 - 16/03/2016	18,500	5,000	13,500
Cassa risp. Firenze ultra short-term	21/12/2015 - 22/02/2016	15,001	0	15,001
Banca Regionale Europea ultra short-term	16/12/2015 - 16/02/2016	20,002	0	20,002
Bnl - Bologna	a revoca	1,500	1,500	0
Cassa di Risparmio di Cesena c/c	a vista	4,996	0	4,996
Mps c/c	a vista	7,986	5,716	2,270
Emilbanca c/c	a vista	1,489	1,398	91
Banca Pop. Emilia Romagna c/c	a vista	633	0	633
Total due to banks		**177,612**	**30,118**	**147,494**
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	11,388	1,861	9,527
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	970	927	43
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	568	534	34
09 Interbanca IGD	25/09/2006-05/10/2021	12,731	12,305	426
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4,136	4,142	(6)
01 Unipol SARCA	10/04/2007 - 06/04/2027	3,097	3,127	(30)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1,326	1,243	83
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1,729	1,763	(34)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	933	0
14 MPS Palermo (Mall)	21/12/2010 - 30/11/2025	1,918	1,874	44
17 Carige Palermo IGD (Hyper)	12/07/2011 - 30/06/2027	1,537	1,504	33
15 CentroBanca Cone (Mall)	22/12/2010 - 31/12/2025	2,640	2,640	0
16 CentroBanca Cone (Hyper)		0	800	(800)
02 CentroBanca Porta Medicea	24/06/2013 - 15/06/2015	0	11,002	(11,002)
03 BPV Porta Medicea	02/08/2011 - 25/07/2026	717	795	(78)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	19,979	20,000	(21)
23 Finanziamento BNP	03/12/2013 - 26/11/2018	1,278	1,258	20
Total mortgage loans with banks		**64,947**	**66,708**	**(1,761)**
Leasing for Igd HQ	30/04/2009 - 30/04/2027	303	293	10
Other financial payables		750	750	0
Contigent liability for mall		0	2,154	(2,154)
Adjustment of Punta di Ferro price	18/02/16	1,592	0	1,592
Total due to other sources of finance		**2,645**	**3,197**	**(552)**
Bond 122,9 ML	07/05/2013 - 07/05/2017	191	3,474	(3,283)
Bond 22 ML	07/05/2013 - 07/05/2017	34	622	(588)
Bond 150 ML	07/05/2014 - 07/01/2019	4,747	3,843	904
Bond 162 ML	21/04/2015 - 21/04/2022	2,979	0	2,979
Total due to bonds		**7,951**	**7,939**	**12**
Total current financial liabilities with third parties		**253,155**	**107,962**	**145,193**
Coop loan Le Maioliche		0	188	(188)
Total current financial liabilities with related parties		**0**	**188**	**(188)**

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

The principal changes in current financial liabilities relate to:

- the opening of ultra-short-term loans during the year, mainly in connection with the Punta di Ferro acquisition;
- the repayment of principal falling due during the period on existing mortgage loans;
- the repayment of the short-term portion of the Centrobanca loan falling due by the end of June;
- the early repayment of the Centro Banca Conè Iper loan in June 2015;
- the elimination of current financial liabilities with related parties through payment of the interest due on the loan from Coop Adriatica, repaid in 2014.

Note 34) Net financial position

The table below presents the net financial position at 31 December 2015 and 31 December 2014. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

Credit lines with banks amount to €302.5 million, of which €119.97 million was unutilized at the close of the year.
See the section "Statement of financial position and financial review" of the Directors' Report for comments.

NET DEBT	31/12/2015	31/12/2014
Cash and cash equivalents	(23,603)	(15,242)
Related parties financial receivables and other current financial assets	(151)	(151)
Financial receivables and other current financial assets	(9,023)	0
LIQUIDITY	**(32,777)**	**(15,393)**
Related parties current financial liabilities	0	188
Passività finanziarie correnti	179,954	33,022
Mortage loans - current portion	64,947	66,708
Leasing - current portion	303	293
Bond loan - current portion	7,951	7,939
CURRENT DEBT	**253,155**	**108,150**
CURRENT NET DEBT	**220,378**	**92,757**
Non-current financial assets	(493)	(1,128)
Non-current financial liabilities due to other sources of finance	375	1,125
Leasing - non-current portion	4,564	4,867
Non-current financial liabilities	477,642	553,293
Bond loan	282,349	291,181
NON-CURRENT NET DEBT	**764,437**	**849,338**
NET DEBT	**984,815**	**942,095**

Note 35) Trade and other payables

TRADE AND OTHER PAYABLES	31/12/2015	31/12/2014	CHANGES
Trade payables	14,372	14,512	(140)

Trade payables were in line with the previous year.

Note 36) Related party trade and other payables

RELATED PARTIES TRADE AND OTHER PAYABLES	31/12/2015	31/12/2014	CHANGES
Parent	141	263	(122)
Other related parties:	291	259	32
Consorzio Lame	67	56	11
Consorzio La Torre - PA	5	71	(66)
Consorzio Conè	1	0	1
Consorzio Chioggia	54	0	54
Consorzio Porta a Mare	3	55	(52)
Consorzio Katanè	0	15	(15)
Consorzio Proprietari Leonardo	4	10	(6)
Consorzio I Bricchi	104	32	72
Unicoop Tirreno	5	10	(5)
Consorzio Crema	4	4	0
Consorzio Fonti del Corallo	19	2	17
Librerie Coop	0	4	(4)
Consorzio Puntadiferro	25	0	25
Total related parties	**432**	**522**	**(90)**

Related party payables decreased by €90K. See Note 40 for additional information.

Note 37) Current tax liabilities

CURRENT TAX LIABILITIES	31/12/2015	31/12/2014	CHANGES
IRPEF included regional and municipal surtax	517	579	(62)
Irap	67	88	(21)
Ires	663	138	525
VAT	1,440	39	1,401
Drainage consortium	11	11	0
Other taxes	23	22	1
Substitute tax	1,515	77	1,438
Total current tax liabilities	**4,236**	**954**	**3,282**

Most of the change, totaling €3,282K, concerns the substitute tax of €1,434K (one fifth of €7,171K) due by Punta di Ferro in 2016; a VAT increase of €1,401K; and a combined rise in income taxes due by Punta di Ferro and Winmagazin (+€525K).

Note 38) Other current liabilities

OTHER CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Social security	352	361	(9)
Accrued liabilities and deferred income	482	640	(158)
Insurance	8	8	0
Due to employees	708	769	(61)
Security deposits	4,195	3,285	910
Unclaimed dividends	1	1	0
Advances received, due within one year	273	231	42
Other liabilities	494	610	(116)
Total other liabilities	**6,513**	**5,905**	**608**

Most of the increase in this item is due to security deposits received on new contracts signed when the expanded Centro d'Abruzzo shopping center was opened in April 2014. Related party payables are shown below:

RELATED PARTIES OTHER CURRENT LIABILITIES	31/12/2015	31/12/2014	Changes
Other payables	6,924	14	6,910
Total related parties other liabilities	**6,924**	**14**	**6,910**

The increase reflects rent for the first quarter of 2016 that was received in advance from the controlling company, Coop Adriatica (from 1 January: Coop Alleanza 3.0). This caused a rise in other liabilities with related parties.

See note 40 for details.

Note 39) Dividends

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

Note 40) Related party disclosures

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

RELATED PARTIES DISCLOSURES	RECEIVABLES AND OTHER CURRENT ASSETS	FINANCIAL RECEIVABLES	PAYABLES AND OTHER CURRENT LIABILITIES	PAYABLES AND OTHER NON-CURRENT LIABILITIES	FINANCIAL PAYABLES	OTHER RECEIVABLES AND OTHER NON-CURRENT ASSETS	FIXED ASSETS - INCREASES	FIXED ASSETS - DECREASES
Coop Adriatica scarl	49	0	7,051	11,514	0	0	(1,222)	(950)
Robintur spa	1	0	0	0	0	0		
Librerie.Coop spa	9	0	0	0	0	0		
Adriatica Luce e Gas	11	0	0	30	0	0		
Campania Distribuzione Moderna	0	0	0	452	0	0		
Unicoop Tirreno Scarl	104	0	19	1,960	0	0		
Consorzio prop. Fonti del Corallo	0	0	19	0	0	0	55	
Consorzio Cone'	20	0	1	0	0	0		
Consorzio Clodì	0	0	55	0	0	0		
Consorzio Crema	144	0	4	0	0	0		
Consorzio I Bricchi	0	0	104	0	0	0		
Consorzio Katané	338	0	0	0	0	0		
Consorzio Lame	1	0	67	0	0	0	83	
Consorzio Leonardo	0	0	4	0	0	0	7	
Consorzio La Torre	8	0	5	0	0	0		
Consorzio Millenniun Center	7	0	0	0	0	0		
Consorzio Punta di Ferro	0	0	25	0	0	0		
Consorzio Porta a Mare	63	0	3	0	0	0		
Consorzio Sarca	1	0	0	0	0	0		
Iniziative Bo Nord	0	393	0	0	0	0		
Rgd ferrara 2013	355	151	0	0	0	0		
Total	1,111	544	7,357	13,956	0	0	(1,077)	(950)
Amount reported	**84,274**	**9,667**	**28,241**	**26,460**	**1,018,085**	**90**		
Total increase / decrease for the year							**29,773**	**29,894**
% of the total	**1.32%**	**5.63%**	**26.05%**	**52.74%**	**0.00%**	**0.00%**	**-3.62%**	**-3.18%**

RELATED PARTY DISCLOSURES	REVENUES AND OTHER INCOME	FINANCIAL INCOME	COSTS	FINANCIAL CHARGES
Coop Adriatica scarl	27,493	0	312	57
Robintur spa	237	0	0	0
R.P.T. Robintur Travel Partner srl	13	0	0	0
Librerie.Coop spa	739	0	0	0
Adriatica Luce e Gas	140	0	0	0
Campania Distribuzione Moderna	900	0	0	2
Unicoop Tirreno Scarl	6,103	0	70	10
Consorzio prop. Fonti del Corallo	0	0	4	0
Consorzio Cone'	164	0	148	0
Consorzio Clodì	25	0	83	0
Consorzio Crema	102	0	26	0
Consorzio I Bricchi	112	0	487	0
Consorzio Katané	200	0	150	0
Consorzio Lame	178	0	0	0
Consorzio Leonardo	229	0	0	0
Consorzio La Torre	195	0	307	0
Consorzio Millenniun Center	105	0	120	0
Consorzio Punta di Ferro	0	0	6	0
Consorzio Porta a Mare	75	0	244	0
Consorzio Sarca	232	0	0	0
DistribuzioneCentro Sud s.r.l.	546	0	0	0
Coop Sicilia	4,989	0	0	0
Rgd ferrara 2013	462	5	0	0
UnipolSai Sgr	9	0	0	0
Total	**43,248**	**5**	**1,957**	**69**
Amount reported	**128,516**	**92**	**42,090**	**39,624**
% of the total	**33.65%**	**5.78%**	**4.65%**	**0.17%**

The Group has financial and economic relationships with its controlling company, Coop Adriatica (from 1 January 2016: Coop Alleanza 3.0); with other companies in the Coop Adriatica Group (Robintur S.p.A., Librerie Coop S.p.A., R.P.T. Robintur Travel Partner S.r.l. and Adriatica Luce e Gas S.r.l.); with Unicoop Tirreno, Coop Sicilia, and Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno); and with Distribuzione Centro Sud (owned 45% by Coop Adriatica and Unicoop Tirreno).
Related party transactions are conducted at arm's length and are recognized at face value.

Transactions with Coop Adriatica (from 1 January: Coop Alleanza 3.0) and its subsidiaries
Transactions with the controlling company Coop Adriatica refer to:
- the rental of investment property to Coop Adriatica for use as hypermarkets and supermarkets; rental income in 2015, including for retail premises, amounted to €27 million;
- provision of electronic data processing services by Coop Adriatica;
- cost of on-site assistance during expansion and new construction;
- payables in the form of security deposits received on leases;
- partial reimbursement the work on Chioggia retail park, amounting to €1.23 million for the year;
- sale of land in Faenza for €0.95 million;
- current account loans with a balance of zero at 31 December 2015.

Transactions with Robintur S.p.A. and R.P.T. Robintur Travel Partner S.r.l. concern the leasing of store space at malls and the supply of services. For the year ended 31 December 2015, €237K in rent was received from Robintur S.p.A. and €13K from R.P.T. Robintur Travel Partner S.r.l.

Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers and the leasing of the third floor of the building that houses IGD's head office. For the year, the Group received €739K under this arrangement.

Transactions with Adriatica Luce e Gas S.r.l. refer to the rental of part of the second floor of the building where IGD has its head office. For the year, the Group received €140K under this arrangement.

Transactions with Coop Sicilia
Transactions with Coop Sicilia, owned 50% by Coop Adriatica, concern receivables and income from the leasing of properties used as hypermarkets. In the year ended 31 December 2015 such income amounted to €5 million.

Transactions with Unicoop Tirreno
Transactions with Unicoop Tirreno consist of:
- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets. For the year, the Group received €6.1 million under these arrangements.

Transactions with other Group companies
Transactions with Consorzio Proprietari Leonardo, Consorzio Lame, Consorzio Conè, Consorzio La Torre, Consorzio Crema, Consorzio Sarca, Consorzio Katanè, Consorzio Porta a Mare, Consorzio Millennium Center, Consorzio Clodì, and Consorzio Bricchi concern receivables and income for facility management services at shopping centers; the costs incurred with Consorzio Bricchi, Consorzio Conè, Consorzio Crema, Consorzio La Torre, Consorzio Porta a Mare, Consorzio

Clodì, Consorzio Millennium Center, Consorzio Puntadiferro, and Consorzio Katanè refer to service charges for vacant units. Transactions with Consorzio Lame, Consorzio Fonti del Corallo, and Consorzio Proprietari Leonardo concern extraordinary maintenance work on buildings.

Transactions with Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Afragola hypermarket for €900K.

Transactions with Distribuzione Centro Sud (owned 45% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Guidonia hypermarket for €546K.

Transactions with Iniziative Immobiliari Bologna Nord, held 15%, refer to an interest-free loan with a balance of €673K (written down by €280K) at 31 December 2015.

Transactions with RGD Ferrara 2013 S.r.l., formed on 30 September 2013 to manage the Darsena City shopping center in Ferrara (a joint venture between IGD and Beni Stabili), consist of: *(i)* rental of the Darsena property by IGD (rent for 2015 amounted to €462K) and *(ii)* an interest-bearing loan in the amount of €150K, with interest charged at the 3-month Euribor plus a spread of 350 basis points.

Note 41) Management of financial risk

In the course of business, the Group is exposed to various financial risks: interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group has operational and financial policies aimed at reducing the impact of such risks on performance, in part through the use of interest rate derivatives. The Board of Directors reviews and agrees on policies to manage these risks.

Interest rate risk

The main risk factor is the volatility of interest rates and the effect this has on borrowing and on the investment of liquid funds.

The Group borrows mainly through short-term facilities and long-term mortgage loans charging adjustable interest, so it risks an increase in financial charges if interest rates go up. The Finance department monitors interest rate risk constantly, in coordination with top management. To hedge interest rate risk, the Group has entered into interest rate swaps covering about 87% of its exposure to rate fluctuations on long-term loans, which allow it to collect the adjustable interest rate in exchange for payment of a fixed rate. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model. See Note 42 for quantitative information on derivatives.

Liquidity risk

This refers to problems with liquidity management, insufficient resources to finance the business, and difficulty keeping up with loans or obtaining new credit. Liquidity is monitored through cash flow planning, and risk is mitigated by the Group's extensive credit lines.

The Finance department uses a financial forecasting tool to monitor expected cash flows over a one-quarter rolling horizon and makes sure there is enough liquidity to operate the business. Cash flow sensitivity, stress testing and VAR estimation are all used with respect to financial risk. As for long-term loans, each facility finances a specific project, which minimizes the risk of needing to refinance. Some long-term loans involve covenants; this aspect is monitored constantly by the chief financial officer, who also coordinates with management to gauge the likelihood of violating the covenants as a result of the strategic, operational, compliance and financial risks mapped, using the enterprise risk management system.

Financial commitments are covered by funds confirmed by the banks, and unutilized credit facilities are available. Liquidity risk is managed prudently to avoid incurring excessive costs in the case of unforeseen events, which could have a further negative impact on market reputation.

Credit risk

Credit risk takes the form of customer insolvency and difficulty collecting payments. To mitigate these risks, tenants go through a pre-contractual selection process, based on financial standing and earnings prospects. Reviews of potential customers are performed also with the help of external specialists and aim to identify any risk factors for the company.

All customers are asked for bank guarantees and/or security deposits to guarantee fulfillment of their commitments. Throughout the life of the contract, the company monitors compliance on an ongoing basis, and follows internal credit management procedures in the event any problems arise; when the business relationship is secure, measures to assist the tenant may be taken. The credit situation is also constantly monitored by way of the customer payment calendar, which is formalized every quarter but checked on a daily basis to stay abreast of the measures taken/required to collect receivables.

Foreign exchange risk

The Group is exposed to foreign exchange risk for its operations in Romania. Fluctuations in the value of the Romanian lei could lead to the writedown of properties held or to the unsustainability of contractual obligations for tenants in Romania, where rent is denominated in lei but anchored to the performance of the euro.

At the moment, IGD mitigates this risk through constant efforts to optimize the merchandising mix and tenant mix and to support the value of the real estate portfolio, in part by making improvements.

Commercial policies are determined with care and with the utmost attention to local consumption styles and market demands. To that end, the Group employs a specialized team made up of head office and local professionals, to seek the right trade-off between the expertise acquired at the corporate level and knowledge of the local context.

Capital management

The primary objective of the Group's capital management is to make sure it maintains a solid credit rating and sufficient capital indicators to support the business and maximize shareholder value. This is pursued by:

1. keeping the net debt/equity ratio at 1.5x or below (the ratio was 0.95x at 31 December 2014 and 0.93x at 31 December 2015);

2. keeping the loan-to-value ratio under 60% (it was 47.30% at the close of the year, down from 48.28% at the end of 2014).

Note 42) Derivative instruments

The IGD Group has engaged in derivative contracts for the use of interest rate swaps. The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

FAIR VALUE - HIERARCHY	31/12/2015	31/12/2014	CHANGE	LEVEL
Derivative assets	12	49	(37)	2
Derivative liabilities	(35,002)	(43,961)	8,959	2
Interest rate swaps - net effect	**(34,990)**	**(43,912)**	**8,922**	

CONTRACTS IN DETAIL	IRS 04 - EX MPS 3.84%	IRS 07 - BANCA ALETTI 3.420%	IRS 09 - BNP PARIBAS 3.439%	IRS 10 - EX MPS 3.439%	IRS 08 - EX MPS 3.420%	IRS 06 - CARISBO 3.3495%	IRS 12 - CARISBO 3.177%	IRS 05 - BNP PARIBAS
Nominal amount	11,384,615	13,892,900	13,892,900	13,892,900	13,892,900	8,478,260	13,892,900	74,500,000
Inception date	06/10/06	10/06/09	10/06/09	11/06/09	12/06/09	12/02/09	28/10/09	06/10/07
Maturity	06/10/16	05/10/21	05/10/21	05/10/21	05/10/21	10/01/23	05/10/21	06/10/17
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half - yearly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months
Customer rate	3.84%	3.42%	3.44%	3.44%	3.42%	3.35%	3.18%	4.38%

CONTRACTS IN DETAIL	IRS 11 - EX MPS 3.175%	IRS 16 - ALETTI 3.285%	IRS 17 - ALETTI 2.30%	IRS 14 - CARISBO 3.272%	IRS 13 - CARISBO 3.412%	IRS 15 - EX MPS 3.25%	IRS 18 - MPS 2.30%	IRS 19 - CARISBO 2.30%
Nominal amount	13,892,900	6,892,976	14,087,250	9,190,635	8,828,975	6,892,976	14,087,250	14,087,250
Inception date	28/10/09	28/04/10	27/08/10	28/04/10	28/04/10	28/04/10	27/08/10	27/08/10
Maturity	05/10/21	31/03/24	27/03/24	28/03/24	29/12/23	28/03/24	27/03/24	27/03/24
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half - yearly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	3.18%	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%	2.30%

CONTRACTS IN DETAIL	IRS 20 - CARISBO 2.285%	IRS 21 - MPS 2.80%	IRS 22 - CARISBO 3.25%	IRS 24 - CARISBO 2.429%	IRS 23 - CARISBO 2.429%	IRS 25 - ALETTI 2.427%	IRS 26 - CRF 40 MLN 4.427%
Nominal amount	14,087,250	11,785,715	22,575,000	18,150,000	7,260,000	10,890,000	20,000,000
Inception date	27/08/10	12/07/11	12/07/11	12/09/11	12/09/11	12/09/11	22/12/11
Maturity	27/03/24	31/03/24	01/11/24	31/12/25	31/12/25	31/12/25	30/09/16
IRS frequency	Quarterly	Quarterly	Half - yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	2.45%

Note 43) Subsequent events

At the date of approval, no events following the reporting date had occurred that would require the Group to adjust the figures in the financial statements or report elements not previously disclosed.

Note 44) Commitments

At 31 December 2015 the Group had the following major commitments:

- Contract for urban infrastructure and digging in relation to the expansion of ESP shopping center (remaining amount: €3.5 million).
- Contract for structural work, civil construction and finishing work in relation to the expansion of ESP shopping center, for a total of €16.6 million.
- Contract for the development of the "Officine Storiche" section, for a remaining amount of €31 million.
- Preliminary contract for the purchase from Unicoop Tirreno of the mall to be built inside the shopping center, currently under construction in Grosseto. The purchase price is €45 million, plus taxes and transaction costs. The sale depends on satisfaction of a suspensive condition. Payment is due upon transfer of title, after the opening scheduled for the second half of 2016.

Note 45) Disputes

Information is provided below on the main disputes involving Group companies.

Darsena

Due to the dissolution of the joint venture with Beni Stabili S.p.A. SIIQ on 15 December 2010, resulting in the sale of 50% of RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) by Immobiliare Larice (now IGD Management S.r.l.) and the joint purchase of the Darsena City shopping center, the IGD Group has a commitment with RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) to assume its share of all income and costs associated with the contracts signed on 15 March 2006 and transferred to RGD S.r.l. (now Beni Stabili) on 29 March 2007.

ACTION TAKEN BY RGD S.r.l. IN AGREEMENT WITH IGD SIIQ S.p.A.

Given the receivables accrued to RGD S.r.l. (now Beni Stabili S.p.A. SIIQ), over time and in agreement with IGD SIIQ S.p.A. it has filed several legal actions against Magazzini Darsena S.p.A. and Darsena FM S.r.l. (both of them now bankrupt), as follows:

- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) filed for an injunction against Magazzini Darsena S.p.A. for non-payment of rent on the Ferrara building forming part of the Darsena City shopping center, owned by Riqualificazione Grande Distribuzione S.p.A. SIINQ (now merged into Beni Stabili S.p.A. SIIQ). The injunction of €6,984K was confirmed by the court after the plaintiff's counter-arguments and then appealed by Magazzini Darsena S.p.A., which at the conclusion of the appeal was ordered to pay the above amount net of the sum collected in the meantime through enforcement of the rent guarantee in the amount of €3,640K.
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) requested and obtained a preventive attachment of €35 million against Magazzini Darsena S.p.A. and of €38 million against Darsena FM S.r.l. (owner of the business operated inside the shopping center and promised for sale).
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) filed two suits pursuant to Art. 447 bis of the Code of Civil Procedure to force Magazzini Darsena and Darsena FM S.r.l. to pay the rent falling due subsequent to the missed payments covered by the injunction. Magazzini Darsena was ordered to pay €5.2 million (the amount of rent accrued as of 4 April 2012) plus VAT, interest and legal expenses, while the case against Darsena FM S.r.l. was suspended when the company was declared bankrupt.
- RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) had asked the Arbitration Board of Milan to determine the legitimacy of the price adjustment clause in the contract for the purchase of the Darsena City shopping center and calculate the amount of said adjustment, and to confirm the obligation of Magazzini Darsena S.p.A. and the joint obligation of Darsena FM S.r.l. and the parent company Partxco S.p.A. to pay future rent and the penalty that had accrued for the late delivery of "portion B" of the shopping center.

On 8 July 2013, the Arbitration Board issued its decision, ordering: *(i)* Partxco to pay a penalty of €12.5 million for Magazzini Darsena's failure to pay rent; *(ii)* Magazzini Darsena and Partxco to pay a penalty of €16 million for the delay in completing building "B"; and *(iii)* Magazzini Darsena, Darsena FM and Partxco to accept the price adjustment of €2.5 million (which Beni Stabili S.p.A. SIIQ had already received through enforcement of the guarantee, as mentioned above). The adversaries were also ordered to reimburse the Company for some legal expenses and for three quarters of the arbitration costs. The above receivables were officially claimed and included on the creditors' list of Magazzini Darsena and Darsena FM. In June 2014 Partxco challenged the decision with the Appeals Court of Milan. Subsequently, with a ruling of 24 June 2014, Partxco was declared bankrupt and the challenge was therefore interrupted in accordance with the law. Beni Stabili S.p.A. SIIQ filed a response to the challenge, in case Partxco's receiver decided to pursue it. The first hearing was held on 2 December

2014, at which time the case was declared suspended due to Partxco's bankruptcy. With a statement filed on 27 February, the receiver summarized Partxco's challenge to the decision. At the hearing of 12 May 2015, the court announced that it would hand down a decision and set the legally required deadlines (60 and 90 days) for closing statements and replies.
On 29 October 2015 the Appeals Court of Milan, ruling on Partxco's challenge, formally dismissed the case and ordered Partxco's receivership to reimburse Beni Stabili S.p.A. SIIQ for court fees in the amount of €15,000.
On 11 February 2016, Partxco served timely notice of its appeal to the Court of Cassation, whose decision is therefore pending.

- In the meantime, during the course of the above lawsuits, the Company enforced the bank guarantee of €2.5 million that Magazzini Darsena had posted to secure payment of the price adjustment. This took place further to the decision in favor of Beni Stabili S.p.A. SIIQ after Magazzini Darsena S.p.A. filed for an injunction against enforcement of the guarantee, a decision that was affirmed on appeal.

Given repeated news of the increasingly dire situation of its counterparties and in the absence of any proposals from them that might allow the disputes to be resolved, IGD SIIQ S.p.A., together with the shopping center's co-owner Beni Stabili S.p.A. SIIQ, had also filed to have the companies declared bankrupt while awaiting the court decisions, in order to obtain access as quickly as possible to the businesses operating inside the shopping center so as to turn the center around financially. This action led to the declaration of bankruptcy of Magazzini Darsena S.p.A. and Darsena FM S.r.l. on 26 and 29 July 2013. The provisional liabilities assessment includes the receivables claimed from both of the companies now undergoing bankruptcy procedures. Recently, an initial partial allotment was drawn up for the Darsena FM bankruptcy and the companies received their first payment. An additional payment will arrive with the final allotment.

ACTION TAKEN DIRECTLY BY IGD SIIQ S.p.A.
In November 2011 IGD filed a complaint per Art. 447 bis of the Code of Civil Procedure with the Court of Ferrara, demanding that Magazzini Darsena S.p.A. settle unpaid rent accrued since 1 January 2011. After a series of postponements, both procedural and as a result of Decree Law 74/2012, the case was suspended at the hearing of 27 November 2013 due to Magazzini Darsena's declaration of bankruptcy.

In July 2013 IGD also filed a complaint per Art. 447 bis of the Code of Civil Procedure against Darsena FM S.r.l., in subrogation, for the rent due from Magazzini Darsena S.p.A. Because Darsena FM was declared bankrupt, the case was suspended at the hearing of 22 January 2014.

BANKRUPTCY OF MAGAZZINI DARSENA S.p.A. AND DARSENA FM S.r.l.
With decisions dated 26 and 29 July 2013, the Court of Ferrara declared both companies bankrupt.
Further to those rulings, IGD SIIQ S.p.A. and Beni Stabili S.p.A. SIIQ managed to reach a partial settlement with the official receiver, signed on 29 October 2013.
Under the partial settlement, the companies were awarded the building by the receivership of Magazzini Darsena and through a 50-50 joint venture between IGD SIIQ S.p.A. and Beni Stabili S.p.A. they acquired the business (with its commercial permits) from the receivership of Darsena FM for the price of €255K plus taxes, terminated the preliminary contract to purchase the adjacent property ("Building B") and the associated agreements, and obtained Magazzini Darsena's definitive acceptance of the price reduction of €2,500K for the purchase of "Building A" (the amount Beni Stabili S.p.A. SIIQ had already collected through enforcement of the guarantee).
Under the settlement, the companies did not waive their right to the receivables accrued up to the date of bankruptcy and resulting from court decisions against the bankrupt firms, nearly all of which were therefore registered as claims.
In 2012 IGD SIIQ S.p.A. was summoned to court by Magazzini Darsena, Darsena FM and Partxco regarding the management agreement of Darsena City shopping center. IGD SIIQ S.p.A. appeared in court and filed a statement and related pleadings. Because IGD SIIQ S.p.A.'s legal advisors believe that the plaintiff's claims are not supported by sufficient evidence or legal grounds, the Company has recognized no liability in this regard. On 17 July 2013, the Court of Ferrara filed its decision rejecting the plaintiff's demands and ordering Magazzini Darsena, Darsena FM and Partxco to reimburse IGD SIIQ S.p.A.'s legal expenses in the amount of €20,000.00.
Further to that decision, on 8 October 2013 IGD SIIQ S.p.A. was summoned to the Court of Bologna for an appeal filed by Partxco against the ruling to indemnify IGD. At the initial hearing on 4 March 2014, a court date of 18 December 2018 was set for the announcement of conclusions. Because Partxco was then declared bankrupt on 24 June 2014, this proceeding will also be suspended at the next scheduled hearing, subject to resumption by the receiver. IGD SIIQ S.p.A.'s lawyers are confident that the appeal will be rejected and the initial decision confirmed, given the logical arguments on which that decision was based and the documentation submitted as proof of IGD's proper and complete fulfillment of all obligations.

Vibo Valentia

In May 2013, GAM S.p.A. took IGD SIIQ S.p.A. to court in Milan concerning the framework agreement signed by those parties in May 2007, whereby IGD was to purchase a 50% share of a new company owning a shopping center in Vibo Valentia to be built by the prospective seller GAM, subject to a positive due diligence report.
Back in June 2012, as the deadline had elapsed and the due diligence outcome was negative, IGD SIIQ S.p.A. had notified GAM that the framework agreement was no longer valid for a number of reasons, and that in any case it wished to withdraw from the agreement; GAM denied that the due diligence outcome was negative and refused to allow the withdrawal.
The present lawsuit therefore alleged that the framework agreement was terminated for breach of obligation by IGD and asked for compensation of the damages allegedly suffered by GAM. IGD contested that claim and asked the court to rule that the framework agreement had lapsed for a number

of reasons (including the negative due diligence and resulting withdrawal), filing a counterclaim against the plaintiff. Given the groundlessness of GAM's claims, as confirmed by IGD's legal advisors, no liability had been recognized in this regard. The Court of Milan settled the dispute at the lower-court level with decision 628 of December 2014, published on 19 January 2015, which logically and coherently rejects all of GAM's claims against IGD by agreeing with the basis of the negative due diligence report and therefore with IGD's legitimate withdrawal from the (no longer valid) framework agreement, ordering the plaintiff not only to reimburse IGD's legal expenses but also to pay it damages for frivolous action in accordance with Art. 96 of the Code of Civil Procedure.
On 10 April 2015, GAM notified IGD that it had appealed the lower-court decision and asked for enforcement of that ruling to be suspended. On 30 June 2015, IGD filed an appearance and response, including a cross-appeal contesting all of its adversary's pleas. At the hearing of 15 September 2015 the commission rejected GAM's request for suspension of enforcement of the lower-court decision and scheduled arguments for 1 December 2015. The decision is pending, with concluding statements due by 29 January 2016 and rebuttals by 19 February.
GAM's appeal demands the reversal of decision 628/2015 based on the same arguments it put to the Court of Milan, which that court rejected as baseless in a sound and logical explanation. At present, as the arguments previously rejected have simply been restated at the appeal level, IGD—along with its legal advisors—expects the lower-court decision to be upheld. To ensure a watertight defense, however, IGD has filed a cross-appeal as there are other reasons to find that the framework agreement is no longer valid that were not given enough weight or emphasis in the lower-court decision, leading to our legitimate withdrawal from the agreement following the negative due diligence report. Meanwhile, the amount GAM has been ordered to pay IGD is in the process of being collected.

Iniziative Immobiliari Siciliane S.r.l.

During the first half of 2015, Iniziative Immobiliari Siciliane S.r.l. (IIS) filed a lawsuit in Ravenna against IGD SIIQ S.p.A. concerning the purchase of a mall, within the broader purchase of the Katanè shopping center in Gravina di Catania, under a contract signed on 29 October 2009. At issue is whether IIS should receive a supplement on the agreed price, under Art. 2 of that contract, to be quantified after the fifth anniversary of the shopping center's grand opening on the basis of certain variables.
The dispute is over what to include in the calculation of rent for the purpose of determining the price supplement (if any), and what to include in the initial calculation of rent to determine whether it increased.
Specifically, IIS has asked the Court of Ravenna to find that for the purposes of calculating a price supplement, certain items should be included which in IGD's opinion should not.
On 25 June 2015, IGD filed an appearance and response contesting all of its opponent's claims, stating that it owes no price supplement to IIS, as the amount of rent for the purposes of this calculation had not increased with respect to the threshold agreed.
On the basis of the arguments filed, IGD asked the Court of Ravenna to reject all demands made by IIS. As a subordinate measure, IGD objected that a different interpretation of the clause on how to quantify a price supplement should be considered null and void, as the object of the contract would be undetermined and undeterminable.
The hearing, set for 15 July 2015 in the summons, was postponed by the court to 20 July. On that date, the deadlines were set in accordance with Art. 183(6) of the Code of Civil Procedure and the case was adjourned until 15 December 2015, at which time IIS dropped its petition for preliminary expert testimony pursuant to CCP Art. 696 bis at the express request of the court.
After the standard exchange of pleadings, the court set the discovery hearing for 6 April 2016.
The interpretation of the price supplement clause that IGD has argued in its defense is also supported by its legal advisors and suggests that the case will be concluded largely in IGD's favor.

Note 46) Tax litigation

Following the tax audit concluded on 11 September 2008, IGD received an audit report without significant findings, but with a recommendation to revalue closing inventories for about €645K; this generated an IRES (corporate tax) charge of €213.1K and an IRAP (regional business tax) charge of €27.4K plus penalties of €240.5K, all of which has been paid.
IGD then received an assessment claiming that it had mistakenly interpreted the type of contract (sale of a future asset rather than a commissioned job) and therefore misclassified inventories, subjecting them to the wrong set of tax rules. The Company's appeal to the Provincial Tax Commission of Ravenna was rejected with a ruling of January 2011.
In September 2011 IGD appealed the lower commission's decision and requested a public hearing with the Regional Tax Commission, asking it to declare the assessment null and void.
In May 2014 the Regional Commission rejected the appeal and on 28 August IGD was ordered to settle the remaining third of the taxes and penalties charged, which it paid on 24 October 2014.
In December 2014 IGD appealed to the Court of Cassation; after that final ruling, it plans to request that the tax be refunded because any error caused a simple carry-over effect from one year to the next.
On 23 December 2015 the regional tax

authorities of Emilia Romagna served Immobiliare Grande Distribuzione SIIQ S.p.A. with two assessments arguing that €240,625.00 in costs incurred in 2010 had been unduly deducted and that the corresponding €48,125.00 in VAT had been unduly credited against VAT payable. The assessments resulted from a notification that the provincial tax authorities of Ravenna had received from the Sicilian regional office, which began by stating that the Sicilian authorities had served Coop Sicilia S.p.A. (head office in San Giovanni La Punta in the province of Catania) with an assessment based on the disallowance of costs incurred for services that were deemed to lack sufficient documentation. On that basis, the Sicilian regional office recommended that the Ravenna provincial authorities disallow the portion of those costs that Coop Sicilia had charged to IGD under a contract between the two companies. After reviewing the papers and looking into the matter carefully, IGD's advisors concluded that the assessments are unfounded and filed settlement requests for both.

Note 47) IFRS 7 - Financial Instruments: Disclosures

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with IAS 39.
For this purpose, financial assets are split into four categories:

- Financial assets measured at fair value through profit and loss: at 31 December 2015 the Group had no financial instruments in this category.
- Held to maturity investments: the Group has no financial instruments belonging to this category.
- Loans and receivables: in this category the Group has trade, financial and other receivables, and cash and deposits. They mature within 12 months and are therefore carried at face value (net of any impairment).
- Available for sale financial assets: the Group has no financial instruments belonging to this category.

There are only two categories of financial liability:

- Financial liabilities measured at fair value through profit and loss;
- Financial liabilities measured at amortized cost.

Classification in the statement of financial position

The Group's financial instruments are included in the statement of financial position as follows.
The item "Other non-current assets" covers sundry receivables and other non-current assets, including derivative instruments.
The item "Current assets" includes trade receivables, other current receivables, and cash and cash equivalents. "Cash and cash equivalents" include bank and post office deposits and cash and valuables on hand. The other assets consist of investments outstanding at the balance sheet date.
The item "Non-current liabilities" includes mortgage loans from banks, derivatives, the bond loan, sundry payables and security deposits.
The item "Current liabilities" covers short-term payables to banks, the current portion of medium/long-term loans, trade payables and other current payables.

The items in the statement of financial position are classified below according to the categories required by IAS 39 at 31 December 2015 and 31 December 2014:

CLASSIFICATION 31/12/2015	CARRYING VALUE										
	Financial assets/ liabilities designated at fair value	Financial assets/ liabilities measured at fair value held for trading	receivables and loans	Financial assets held to maturity	Financial assets available for sale	Financial liabilities measured at amortized cost	Hedging instruments	Total	of which current	of which non-current	FAIR VALUE
ASSETS											
Other non-current liabilities											
Sundry receivables and other non-current assets			86					86		86	86
Equity investments			6,366					6,366		6,366	6,366
Non-current financial assets			493					493		493	493
Assets for derivative instruments							12	12		12	12
Current assets											
Trade and other receivables			12,963					12,963	12,963		12,963
Related parties trade and other receivables			1,111					1,111	1,111		1,111
Other current assets			1,043					1,043	1,043		1,043
Related party financial receivables and other current financial assets			151					151	151		151
Financial receivables and other current financial assets				9,023				9,023	9,023		9,023
Cash and cash equivalents			23,603					23,603	23,603		23,603
TOTAL FINANCIAL ASSETS	**0**	**0**	**45,816**	**9,023**	**0**	**0**	**12**	**54,851**	**47,894**	**6,957**	**54,851**
LIABILITIES											
Financial liabilities											
Liabilities for derivative instruments							35,002	35,002		35,002	35,002
Due to banks						177,612		177,612	177,612		177,612
Leasing						4,867		4,867	303	4,564	4,640
Bond						290,300		290,300	7,951	282,349	306,409
Due to other sources of finance						2,717		2,717	2,342	375	2,717
Mortgage loans						542,589		542,589	64,947	477,642	536,268
Non-current financial liabilities											
Sundry payables and other non-current liabilities						6,613		6,613		6,613	6,613
Related parties sundry payables and other non-current liabilities						13,956		13,956		13,956	13,956
Current liabilities											
Trade and other payables						14,372		**14,372**	14,372		**14,372**
Related parties trade and other payables						432		**432**	432		**432**
Other current liabilities						5,453		**5,453**	5,453		**5,453**
Related parties other current liabilities						6,924		**6,924**	6,924		**6,924**
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1,065,835**	**35,002**	**1,100,837**	**280,336**	**820,501**	**1,110,398**

CLASSIFICATION 31/12/2014	CARRYING VALUE										FAIR VALUE
	Financial assets/ liabilities designated at fair value	Financial assets/ liabilities measured at fair value held for trading	receivables and loans	Financial assets held to maturity	Financial assets available for sale	Financial liabilities measured at amortized cost	Hedging instruments	Total	of which current	of which non-current	
ASSETS											
Other non-current liabilities											
Sundry receivables and other non-current assets			70					70		70	70
Equity investments			408					408		408	408
Non-current financial assets			1,128					1,128		1,128	1,128
Assets for derivative instruments							49	49		49	49
Current assets											
Trade and other receivables			14,036					14,036	14,036		14,036
Related parties trade and other receivables			1,530					1,530	1,530		1,530
Other current assets			1,242					1,242	1,242		1,242
Related party financial receivables and other current financial assets			151					151	151		151
Financial receivables and other current financial assets				0				0	0		0
Cash and cash equivalents			15,242					15,242	15,242		15,242
TOTAL FINANCIAL ASSETS	**0**	**0**	**33,807**	**0**	**0**	**0**	**49**	**33,856**	**32,201**	**1,655**	**33,856**
LIABILITIES											
Financial liabilities											
Liabilities for derivative instruments							43,961	43,961		43,961	43,961
Due to banks						30,118		30,118	30,118		30,118
Leasing						5,160		5,160	293	4,867	4,900
Bond						299,120		299,120	7,939	291,181	318,469
Due to other sources of finance						4,029		4,029	2,904	1,125	4,029
Mortgage loans						620,001		620,001	66,708	553,293	617,609
Related parties current financial liabilities						188		188	188		188
Non-current financial liabilities											
Sundry payables and other non-current liabilities						6,580		6,580		6,580	6,580
Related parties sundry payables and other non-current liabilities						13,492		13,492		13,492	13,492
Current liabilities											
Trade and other payables						14,512		14,512	14,512		14,512
Related parties trade and other payables						522		522	522		522
Other current liabilities						4,775		4,775	4,775		4,775
Related parties other current liabilities						14		14	14		14
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**998,511**	**43,961**	**1,042,472**	**127,973**	**914,499**	**1,059,169**

For each financial instrument, both carrying value and fair value are indicated. The two values coincide for most instruments, as their maturity is short term. They differ for long-term instruments, such as mortgage loans, leasing installments and bonds.

To calculate the fair value of liabilities measured at amortized cost, the Group has discounted future cash flows to present value using a risk-free (zero coupon) curve estimated at 31 December, as reported by Bloomberg. The calculation takes account of the credit spread that banks would currently grant to IGD.

The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market. The fair value of financial liabilities was calculated using the credit spread that banks would grant to IGD SIIQ S.p.A. as of the measurement date. At 31 December 2015 a credit spread of 2.35% was applied (2.25% the previous year).

Collateral

Below is a list of financial assets pledged as collateral for contingent liabilities.

COLLATERAL GIVEN	CARRYING VALUE 31/12/2015	CARRYING VALUE 31/12/2014
Security deposits		
- Sundry receivables and other assets	86	70

The following table shows the impairment of trade receivables:

IMPAIRMENT	IMPAIRMENT OF TRADE RECEIVABLES 31/12/2015	IMPAIRMENT OF TRADE RECEIVABLES 31/12/2014
Opening balance	**15,673**	**15,045**
Allocations		
- from individual writedowns	1,470	1,546
Utilizations	-1,879	-918
Impairment reversals		
Other movements	-115	0
Total	**15,149**	**15,673**

Gains and losses from financial instruments

The table below reports the gains and losses from financial instruments held. These derive from the impairment of trade receivables and hedge derivatives.

For hedge derivatives, the table shows the amount of the differentials paid and collected. The effects of fair value changes charged to the CFH reserve under equity (net of the tax effects) came to +€3,104K in 2015 and -€9,242K in 2014. The effects of fair value changes in the derivatives held by consolidated subsidiaries, charged to a separate CFH reserve under equity (net of the tax effects), amounted to +€1,996K in 2015 and +€881K the previous year.

INCOME STATEMENT 31/12/2015 NET GAIN (LOSS)	CARRYING VALUE						
	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	HEDGING INSTRUMENTS
Financial assets / liabilities							-12,113
Trade and other receivables			-1,470				
Total	**0**	**0**	**-1,470**	**0**	**0**	**0**	**-12,113**

INCOME STATEMENT 31/12/2014 NET GAIN (LOSS)	CARRYING VALUE						
	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	HEDGING INSTRUMENTS
Financial assets / liabilities							-11,909
Trade and other receivables			-1,546				
Total	**0**	**0**	**-1,546**	**0**	**0**	**0**	**-11,909**

The next table shows income and charges from financial assets and liabilities not measured at fair value:

INTEREST INCOME	31/12/2015	31/12/2014
Interest income on financial assets not measured at fair value		
- Deposits	43	156
- From affiliates	5	6

INTEREST EXPENSES	31/12/2015	31/12/2014
Interest expenses on financial liabilities not measured at fair value		
- Security deposits	69	120
- Sundry payables and other liabilities	828	578
- To parent	-	596
- Financial liabilities		
- Mortgage loans	14,372	19,403
- Leasing	80	97
- Bond	11,936	11,157
- Capitalized interest	0	-840
- Short-term borrowings	217	1,879

Credit risk

The maximum credit risk on the Group's other financial assets, including cash and cash equivalents, financial assets available for sale and certain derivative instruments, is the carrying value of these assets in the event of the counterparty's insolvency. This analysis includes off-balance sheet positions, such as future commitments. The maximum exposure is presented gross of any mitigation through the use of various kinds of hedge.

The table below presents the maximum exposure to credit risk for balance sheet components, divided into categories, including derivatives with a positive fair value. Derivative financial instruments are listed as "hedge derivatives," although in the statement of financial position they are included under "financial assets."

Where financial instruments are measured at fair value, the amounts shown represent current credit risk, but not the maximum exposure to credit risk that could arise in the future due to changes in fair value.

MAXIMUM EXPOSURE TO CREDIT RISK	31/12/2015	31/12/2014
Receivables and loans		
Sundry receivables and other assets	86	70
Financial assets	9,023	-
Trade and other receivables	12,963	14,036
Related parties trade and other receivables	1,111	1,530
Other assets	1,043	1,236
Cash and cash equivalents	23,480	15,152
Financial receivables and other financial assets	644	1,279
Receivables from third parties		
Hedging instruments	12	49
Guarantees		
Total	**48,362**	**33,351**

Liquidity risk

Maturities are broken down below on the basis of undiscounted cash flows; the amounts shown take account of the first date on which payment can be requested.

The assumptions underlying the maturity analysis are as follows:

- for the future cash flows of long-term floating-rate payables, the forward rate curve at 31 December has been used;
- for the future cash flows of the fixed-rate bonds, the contractual flows have been used;
- for derivatives, the analysis includes those representing assets at 31 December, for which both outflows and inflows are shown, as their purpose is to hedge financial liabilities. At the balance sheet date, all derivatives had a negative fair value;
- amounts include cash flows from both the interest and the principal component.

The method used to analyze and determine significant variables did not change since the previous year.

MATURITY ANALYSIS AT 31/12/2015 LIABILITIES	ON SIGHT	< 3 MONTHS	3 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
NON-DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage loans	6,827	3,135	22,600	42,063	43,590	259,265	234,775	612,255
Leasing	31	62	93	186	380	1,233	3,670	5,655
Bonds	4,840	0	4,640	0	17,480	147,459	170,586	345,005
Short-term credit lines	177,612	0	0	0	0	0	0	177,612
TOTAL	**189,310**	**3,197**	**27,333**	**42,249**	**61,450**	**407,957**	**409,031**	**1,140,527**
DERIVATIVE FINANCIAL INSTRUMENTS								
Interest rate swaps	1,821	999	3,102	5,656	8,277	12,310	4,087	36,252
TOTAL	**1,821**	**999**	**3,102**	**5,656**	**8,277**	**12,310**	**4,087**	**36,252**
EXPOSURE AT 31/12/2015	**191,131**	**4,196**	**30,436**	**47,905**	**69,727**	**420,267**	**413,118**	**1,176,779**

MATURITY ANALYSIS AT 31/12/2014 LIABILITIES	ON SIGHT	< 3 MONTHS	3 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
NON-DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage loans	6,897	3,432	34,619	33,671	88,549	266,147	274,709	708,024
Leasing	31	63	95	190	384	1,211	4,068	6,042
Bonds	5,813	0	6,281	0	12,094	318,619	0	342,807
Short-term credit lines	30,118	0	0	0	0	0	0	30,118
TOTAL	**42,859**	**3,495**	**40,995**	**33,861**	**101,027**	**585,977**	**278,777**	**1,086,991**
DERIVATIVE FINANCIAL INSTRUMENTS								
Interest rate swaps	1,915	1,074	3,288	5,957	10,846	16,390	7,517	46,987
Total	**1,915**	**1,074**	**3,288**	**5,957**	**10,846**	**16,390**	**7,517**	**46,987**
EXPOSURE AT 31/12/2014	**44,774**	**4,569**	**44,283**	**39,818**	**111,873**	**602,367**	**286,294**	**1,133,978**

Interest rate risk

The basic objective of managing interest rate risk is to immunize the Group's net financial income from changes in market rates, by keeping volatility in check through the consistent management of the risk/yield profile of the Group's financial liabilities.

Floating-rate instruments expose the Group to interest rate risks on cash flows, while fixed-rate instruments expose the Group to interest rate risk on fair value.

The following table presents the sensitivity analysis of interest rate risk, showing the impact on equity and profit/loss, as required by IFRS 7.

The sensitivity analysis was conducted in consideration of the financial statement items that generate interest at floating rates or that are exposed to fair value changes, assuming parallel increases or decreases in the interest rate curves of each currency.

INTEREST RATE RISK - EXPOSURE AND SENSITIVITY ANALYSIS	BENCHMARK	INCOME STATEMENT				NET EQUITY			
		SHOCK UP		SHOCK DOWN		SHOCK UP		SHOCK DOWN	
		31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Interest-bearing assets	Euribor	193	117	-19	-12				
Ultra-short-term borrowings	Euribor	-1,776	-301	178	30				
Financial liabilities	Euribor	-4,169	-4,954	417	495				
Derivatives	Euribor								
- cash flow		3,565	4,060	-357	-406				
- *fair value*						12,955	16,815	-1,347	-1,754
TOTAL		**-2,187**	**-1,077**	**219**	**107**	**12,955**	**16,815**	**-1,347**	**-1,754**

The assumptions underlying the sensitivity analysis are as follows:

- medium- and long-term mortgage loans were analyzed according to exposure at the reporting date;
- ultra-short-term borrowings and deposits were analyzed according to exposure at the end of the year;
- the initial shift in the interest rate curve was assumed to be +100/-10 basis points (unchanged since the previous year);
- in determining changes associated with floating-rate financial instruments, it was assumed that no interest rates have already been set;
- the values affecting equity have been calculated as the difference between the fair values calculated with the shock-modified curve and the fair values of derivatives at the balance sheet date;
- The analysis assumes that all other risk variables remain constant.

For the sake of comparison, the same measurement was conducted both on 2015 and 2014.

The method used to analyze and determine significant variables did not change since the previous year.

4.7 Management and coordination

IGD SIIQ S.p.A. is a subsidiary of Coop Adriatica S.c.a.r.l. (from 1 January: Coop Alleanza 3.0) of Villanova di Castenaso (province of Bologna) and is under the management and coordination of that company.

Pursuant to Article 2497 bis (4) of the Italian Civil Code, key figures from the latest approved financial statements of Coop Adriatica S.c.a.r.l. are presented below:

FINANCIAL STATEMENTS: COOP ADRIATICA	2014	2013
BALANCE SHEET (per Civil Code art. 2424)		
ASSETS		
A) - SUBSCRIBED CAPITAL UNPAID		
B) - FIXED ASSETS	1,568,272,741	1,533,840,928
C) - CURRENT ASSETS	2,464,008,682	2,223,673,315
D) - ACCRUED INCOME AND PREPAYMENTS	24,712,772	19,651,850
TOTAL ASSETS	**4,056,994,195**	**3,777,166,093**
LIABILITIES		
A) - NET EQUITY	977,228,869	942,885,241
B) - GENERAL PROVISIONS	17,660,268	23,745,272
C) - PROVISIONS FOR EMPLOYEES SEVERANCE INDEMNITIES	67,693,570	69,498,177
D) - PAYABLES	2,992,774,171	2,737,127,602
E) - ACCRUED LIABILITIES AND DEFERRED INCOME	1,637,317	3,909,801
TOTAL LIABILITIED AND NET EQUITY	**4,056,994,195**	**3,777,166,093**
MEMORANDUM ACCOUNT	**411,997,831**	**135,669,891**
INCOME STATEMENT (Per Civil Code art. 2425)		
A) - PRODUCTION VALUE	2,110,734,836	2,106,220,170
B) - PRODUCTION COSTS	-2,117,080,216	-2,105,328,476
C) - FINANCIAL INCOME AND CHARGES	75,050,400	65,079,974
D) - ADJUSMENT TO THE VALUE OF FINANCIAL ASSETS	-17,006,802	-26,520,701
E) - EXTRAORDINARY INCOME AND CHARGES	-3,152,423	9,310,431
Income taxes	-19,874,196	-15,935,686
NET PROFIT (LOSS) FOR THE YEAR	**28,671,599**	**32,825,711**

4.8 List of significant equity investments

Below is a full list of significant equity investments held by IGD SIIQ S.p.A. at 31 December 2015.

NAME	REGISTERD OFFICE	COUNTRY	HELD BY	% HELD DIRECTLY	% HELD INDIRECTLY	TOTAL % HELD
IGD MANAGEMENT S.R.L.	Ravenna, via Villa Glori 4	Italy	IGD SIIQ S.p.A.	100.00%		100.00%
MILLENNIUM GALLERY S.R.L	Ravenna, via Villa Glori 4	Italy	IGD SIIQ S.p.A.	100.00%		100.00%
IGD PROPERTY SIINQ S.P.A.	Ravenna, via Villa Glori 4	Italy	IGD SIIQ S.p.A.	100.00%		100.00%
PUNTA DI FERRO SIINQ S.P.A.	Ravenna, via Villa Glori 4	Italy	IGD SIIQ S.p.A.	100.00%		100.00%
PORTA MEDICEA S.R.L.	Bologna, Via Trattati Comunitari Europei 1957 2007 13	Italy	IGD Management s.r.l.		80.00%	80.00%
WIN MAGAZIN S.A.	Bucarest	Romania	IGD Management s.r.l.		99.90%	100.00%
			IGD SIIQ S.p.A.	0.10%		
WINMARKT MANAGEMENT S.R.L.	Bucarest	Romania	Win Magazin S.A.		100.00%	100.00%
ARCO CAMPUS S.RL.	Bologna, via dell'Arcoveggio n.49/2	Italy	IGD SIIQ S.p.A.	99.98%		99.98%
MILLENNIUM CENTER SOC. CONS. R.L.	Rovereto (Trento), via del Garda n.175	Italy	Millennium Gallery s.r.l		35.40%	35.40%
RGD FERRARA 2013 S.R.L.	Roma, via Piemonte 38	Italy	IGD SIIQ S.p.A.	50%		50.00%
UNIPOLSAI INVESTIMENTI SGR S.P.A.	Torino, Via Carlo Marendo n. 25	Italy	IGD SIIQ S.p.A.	20%		20%
INIZIATIVE BOLOGNA NORD	Casalecchio di Reno (Bologna), via Isonzo n. 67	Italy	IGD Management s.r.l.		15.00%	15.00%

4.9 Information pursuant to Art. 149-*duodecies* of Consob's regulations for issuers

The following chart, prepared in accordance with Art. 149 *duodecies* of Consob's regulations for issuers, shows the fees pertaining to 2015 for external auditing and for services other than auditing rendered by the accounting firm or by entities in its network.

Amounts in thousands of Euro	SERVICE PROVIDER	RECIPIENT	FEES IN 2015
Auditing	PricewaterhouseCoopers S.p.A.	IGD SIIQ S.p.A.	104
	PricewaterhouseCoopers S.p.A.	Subsidiaries IGD Property siinq spa, Punta di Ferro siinq spa, IGD Management s.r.l., Millennium Gallery s.r.l., Portamedicea s.r.l.	71
	PricewaterhouseCoopers Audit S.r.l.	Società controllate Romania	34
Other services	PricewaterhouseCoopers S.p.A.	IGD SIIQ S.p.A.	193
TOTAL			**402**

4.10 Certification of the consolidated financial statements

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

PURSUANT TO ART. 81 TER OF THE CONSOB REGULATION ADOPTED

WITH RESOLUTION 11971 OF 14 MAY 1999, AS AMENDED

1. We, the undersigned, Claudio Albertini as chief executive officer and Grazia Margherita Piolanti as financial reporting officer of IGD SIIQ S.p.A., hereby declare, including in accordance with Art. 154-bis (3) and (4) of Legislative Decree 58/98:
   - the adequacy of in relation to the characteristics of the business; and
   - the company's due compliance with

     the administrative and accounting procedures for the preparation of the consolidated financial statements during the year 2015.

2. We also confirm that:

   2.1. the consolidated financial statements:

   a) have been prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;

   b) correspond to the ledgers and accounting entries;

   c) provide fair and truthful disclosure of the financial status and performance of the issuer and the companies included in the consolidation;

   2.2 the directors' report contains a reliable analysis of the performance, results, and current situation of the issuer and the companies in the consolidation, along with a description of the main risks and uncertainties to which they are exposed.

Bologna, 3 March 2016

Claudio Albertini
Chief Executive Officer

Grazia Margherita Piolanti
Financial Reporting Officer

4.11 External Auditors' Report

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter also the "Company") and its subsidiaries (hereinafter also the "IGD Group"), which comprise the consolidated statement of financial position as of 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of these consolidated financial statements that give a true and fair view in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n° 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and

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the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the IGD Group as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/98, which are the responsibility of the directors of the Company, with the consolidated financial statements of the IGD Group as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the IGD Group as of 31 December 2015.

Bologna, 21 March 2016

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

TIBURTINO SHOPPING CENTER

Guidonia Montecelio (Roma)

Opening 2009

Mall GLA sq.m 32,988

Food anchor GLA sq.m 9,633

5,512,238 visitors in 2015

UNI EN ISO 14001
environmental certification

IGD SIIQ S.p.A.
Separate Financial Statements
at 31/12/2015

05

5.1 Income Statement

INCOME STATEMENT (amounts in Euro)	Note	31/12/2015 (A)	31/12/2014 (B)	CHANGES (A-B)
Revenues:	1	**73,465,042**	**68,321,826**	**5,143,216**
- from third parties		39,657,012	37,799,364	1,857,648
- from related parties		33,808,030	30,522,462	3,285,568
Other income:	2	**1,535,902**	**1,931,838**	**(395,936)**
- from third parties		90,941	448,730	(357,789)
- from related parties		1,444,961	1,483,108	(38,147)
Total revenues and operating income		**75,000,944**	**70,253,664**	**4,747,280**
Service costs	3	11,676,657	12,593,261	(916,604)
- from third partes		10,020,482	9,591,912	428,570
- from related parties		1,656,175	3,001,349	(1,345,174)
Personnel costs	4	4,726,197	4,619,268	106,929
Other operating costs	5	5,744,196	5,468,309	275,887
Total operating costs		**22,147,050**	**22,680,838**	**(533,788)**
(Amortization and provisions)	6	(1,731,544)	(1,624,808)	(106,736)
(Impairment losses)/Reversals on work in progress	15	(698,278)	275,744	(974,022)
Fair value changes - increases/(decreases)	13.15	12,874,895	(14,272,860)	27,147,755
Total amortization, provisions, impairment loss and fair value changes		**10,445,073**	**(15,621,924)**	**26,066,997**
EBIT		**63,298,967**	**31,950,902**	**31,348,065**
Result from equity investments and asset disposals	7	**8,822,357**	**123,717**	**8,698,640**
Financial income:	8	**751,054**	**1,881,863**	**(1,130,809)**
- from third parties		19,442	120,891	(101,449)
- from related parties		731,612	1,760,972	(1,029,360)
Financial charges	8	**27,038,297**	**31,327,141**	**(4,288,844)**
- from third parties		26,986,892	30,790,567	(3,803,675)
-from related parties		51,405	536,574	(485,169)
Net financial income		**(26,287,243)**	**(29,445,278)**	**3,158,035**
PRE-TAX PROFIT		**45,834,081**	**2,629,341**	**43,204,740**
Income taxes for the period	9	822,881	(1,052,048)	1,874,929
NET PROFIT FOR THE PERIOD		**45,011,200**	**3,681,389**	**41,329,811**

5.2 Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (Amounts in Euro)	31/12/2015	31/12/2014
Net profit for the period	45,011,200	3,681,389
Other comprehensive income that will not be reclassified to profit or loss:		
Transaction costs for capital increase	(672,179)	(4,496,126)
Recalculation of defined benefit plan	135,405	(182,683)
Total comprehensive income that will not be reclassified to profit or loss for the period, net of tax effects	**(536,774)**	**(4,678,809)**
Hedge derivatives' effects on net equity	5,674,846	(12,747,408)
Hedge derivatives' tax effects on net equity	(2,570,558)	3,505,537
Total other comprehensive income that will be reclassified to profit or loss, net of tax effect	**3,104,288**	**(9,241,871)**
Total comprehensive Profit/(Loss) for the period	**47,578,714**	**(10,239,291)**

5.3 Statement of financial position

STATEMENT OF FINANCIAL POSITION (Amounts in Euro)	Note	31/12/2015 (A)	31/12/2014 (B)	CHANGES (A-B)
NON-CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	10	39,779	50,655	(10,876)
Goodwill	11	1,300,000	1,300,000	0
		1,339,779	**1,350,655**	**(10,876)**
Tangible assets				
Investment property	13	1,180,382,983	1,127,201,271	53,181,712
Building	12	8,617,990	8,861,496	(243,506)
Plants and machinery	14	9,621	11,606	(1,985)
Equipment and other assets	14	545,344	768,792	(223,448)
Improvements on leasehold assets	14	4,270	-	4,270
Assets under construction	15	36,019,895	63,457,121	(27,437,226)
		1,225,580,103	**1,200,300,286**	**25,279,817**
Other non-current assets				
Deferred tax assets	16	8,209,632	12,318,843	(4,109,211)
Sundry receivables and other non-current assets	17	23,648	23,402	246
Equity investments	18.1	522,512,481	387,331,227	135,181,254
Non-current financial activities	18.2	100,000	594,500	(494,500)
Derivative assets	40	12,057	48,922	(36,865)
		530,857,818	**400,316,894**	**130,540,924**
TOTAL NON-CURRENT ASSETS (A)		**1,757,777,700**	**1,601,967,835**	**155,809,865**
CURRENT ASSETS:				
Trade and other receivables	19	7,098,872	8,400,836	(1,301,964)
Related parties trade and other receivables	20	526,759	1,047,611	(520,852)
Other current assets	21	1,913,872	1,954,748	(40,876)
Related parties other current assets	22	68,983	631,328	(562,345)
Financial receivables and other current financial assets	23	51,447,409	89,097,541	(37,650,132)
Cash and cash equivalents	24	8,571,706	2,124,553	6,447,153
TOTAL CURRENT ASSETS (B)		**69,627,601**	**103,256,617**	**(33,629,016)**
Non-current assets held for sale (C)	13	**-**	**28,600,000**	**(28,600,000)**
TOTAL ASSETS (A) + (B) + (C)		**1,827,405,301**	**1,733,824,452**	**93,580,849**
Share capital		599,760,278	549,760,279	49,999,999
Share premium reserve		39,971,151	147,730,288	(107,759,137)
Other reserves		331,475,850	241,359,144	90,116,706
Profits		45,011,306	8,153,415	36,857,891
TOTAL NET EQUITY (D)	25	**1,016,218,585**	**947,003,126**	**69,215,459**
NON-CURRENT LIABILITIES:				
Derivative liabilities	40	30,007,631	36,002,145	(5,994,514)
Non-current financial liabilities	26	554,576,714	635,792,413	(81,215,699)
Related parties non-current financial liabilities	26	-	200	(200)
Provisions for employee severance indemnities	27	1,267,684	1,188,237	79,447
General provisions	28	4,158,391	1,511,162	2,647,229
Sundry payables and other non-current financial liabilities	29	159,101	235,794	(76,693)
Related parties sundry payables and other non-current financial liabilities	29	9,830,153	9,366,474	463,679
TOTAL NON-CURRENT LIABILITIES (E)		**599,999,674**	**684,096,425**	**(84,096,751)**
CURRENT LIABILITIES:				
Current financial liabilities	30	191,879,417	88,529,691	103,349,726
related parties current financial liabilities	30	2,000,089	188,215	1,811,874
Trade and other payables	32	7,487,998	9,610,168	(2,122,170)
Related parties trade and other payables	33	349,029	421,268	(72,239)
Current tax liabilities	34	1,242,565	571,678	670,887
Other current liabilities	35	3,154,985	3,191,553	(36,568)
Related parties other current liabilities	36	5,072,959	212,328	4,860,631
TOTAL CURRENT LIABILITIES (F)		**211,187,042**	**102,724,901**	**108,462,141**
TOTAL LIABILITIES (G = E+F)		**811,186,716**	**786,821,326**	**24,365,390**
TOTAL NET EQUITY AND LIABILITIES (D + G)		**1,827,405,301**	**1,733,824,452**	**93,580,849**

5.4 Statement of changes in equity

	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVE	PROFITS	NET EQUITY
Balance at 01/01/2014	**325,051,647**	**147,730,288**	**257,268,899**	**24,005,330**	**754,056,164**
Net profit for the period	0	0		3,681,389	3,681,389
Cash flow hedge derivative evaluation			(9,241,871)		(9,241,871)
Other comprehensive income (losses)	0	0	(4,678,809)	0	(4,678,809)
Total comprehensive income (losses)			**(13,920,680)**	**3,681,389**	**(10,239,291)**
Other effects	0	0		74	74
Sale of treasury shares	10,976,592		1,097,659		12,074,251
Share capital increase (DRO 2014)	14,053,980				14,053,980
Share capital increase	199,678,060				199,678,060
Allocation of 2013 profit:					
- dividend	0	0	0	(22,620,112)	(22,620,112)
- to legal reserve	0	0	889,245	(889,245)	0
- to other reserve	0	0	(3,975,979)	3,975,979	0
Balance at 31/12/2014	**549,760,279**	**147,730,288**	**241,359,144**	**8,153,415**	**947,003,126**

	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVE	PROFITS	NET EQUITY
Balance at 01/01/2015	**549,760,279**	**147,730,288**	**241,359,144**	**8,153,415**	**947,003,126**
Net profit for the period	0	0		45,011,200	45,011,200
Cash flow hedge derivative evaluation			3,104,288		3,104,288
Other comprehensive income (losses)	0	0	(536,774)	0	(536,774)
Total comprehensive income (losses)	**0**	**0**	**2,567,514**	**45,011,200**	**47,578,714**
Other effects	0	0		107	107
Share capital increase	49,999,999				49,999,999
Allocation of 2014 profit					
- dividends	0	0	(9,779,676)	(18,583,685)	(28,363,361)
- to legal reserve	0	(97,580,905)	97,580,905		0
- to other reserve	0	(10,178,232)	(252,037)	10,430,269	0
Balance at 31/12/2015	**599,760,278**	**39,971,151**	**331,475,850**	**45,011,306**	**1,016,218,585**

5.5 Statement of cash flows

STATEMENT OF CASH FLOW (In Euro)	31/12/2015	31/12/2014
CASH FLOW FROM OPERATING ACTIVITIES		
Pre-tax profit	**45,834,081**	**2,629,341**
Adjusments to reconcile net profit for the period with cash flow generated (absorbed) by operating activities:		
Non-cash items	1,453,227	3,193,434
(Amortization and provisions)	1,731,544	1,624,808
(Impairment losses)/Reversals on assets under construction	698,278	(275,744)
Fair value changes - Increases/(Decreases)	(12,874,895)	14,272,860
Capital gain / Losses from equity investments	441,493	(123,717)
CASH FLOW FROM OPERATING ACTIVITIES	**37,283,728**	**21,320,982**
Current taxes	(205,229)	444,340
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAXES	**37,078,499**	**21,765,322**
Net change in current assets and liabilities with third parties	109,258	2,737,379
Net change in current assets and liabilities with related parties	5,871,589	(2,970,538)
Net change in non-current assets and liabilities with third parties	119,576	2,157,482
Net change in non-current assets and liabilities with related parties	463,679	580,078
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**43,642,601**	**24,269,723**
(Investments) in fixed assets	(14,748,250)	(132,005,200)
Disposals in fixed assets	29,420,630	46,916,019
(Investments) in equity investments	(133,739,210)	(99,445)
CASH FLOW FROM INVESTING ACTIVITIES	**(119,066,830)**	**(85,188,626)**
Change in non-current financial assets	494,500	(216,500)
Change in financial receivables and other current financial assets with related parties	37,650,132	(64,381,490)
Dividend reinvestment option	0	13,672,414
Sale of treasury shares	0	12,050,220
Share capital increase	49,318,292	195,429,759
Dividends distribution	(28,363,361)	(22,620,112)
Change in current financial debt with third parties	103,898,501	(123,236,884)
Change in current financial debt with related parties	1,811,874	(176,424)
Change in non-current financial debt with third parties	(82,938,356)	63,399,951
Change in non-current financial debt with related parties	(200)	(15,000,000)
CASH FLOW FROM FINANCING ACTIVITIES	**81,871,382**	**58,920,934**
NET INCREASE (DECREASE) IN CASH BALANCE	**6,447,153**	**(1,997,969)**
CASH BALANCE AT THE BEGINNING OF THE YEAR	**2,124,553**	**4,122,522**
CASH BALANCE AT THE END OF THE YEAR	**8,571,706**	**2,124,553**

5.6 Notes to the financial statements

1. General information

The draft financial statements of Immobiliare Grande Distribuzione SIIQ S.p.A. at 31 December 2015 were approved and authorized for publication by the Board of Directors on 3 March 2016.

IGD SIIQ S.p.A. is a subsidiary of Coop Adriatica Società Cooperativa a.r.l. (from 1 January: Coop Alleanza 3.0) and is under the management and coordination of that company.

2. Summary of accounting standards

→ 2.1. Preparation criteria

Statement of compliance with International Accounting Standards

The separate financial statements for 2015 have been prepared in accordance with the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and approved by the European Union, and with instructions issued in compliance with Art. 9 of Legislative Decree 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC).

Reporting formats

The items in the statement of financial position have been classified as current, non-current, or (for 2014) non-current held for sale. Items in the income statement have been classified by type.

The statement of comprehensive income shows the net profit or loss along with income and charges that by express requirement of IFRS are recognized directly in equity.

The statement of changes in equity presents comprehensive income and charges, transactions with shareholders and other changes in shareholders' equity.

The statement of cash flows is prepared using the indirect method, adjusting the profit for non-cash items.

The financial statements, tables and explanatory notes are expressed in euro (EUR), unless specified otherwise.

Changes in accounting standards

a) New accounting standards

The accounting standards used to prepare the separate financial statements are the same as those employed in the annual financial statements for the year ended 31 December 2014, with the exception of the following new standards and interpretations applicable from 1 January 2015.

COMMISSION REGULATION (EU)	Title
1361/2014	Commission Regulation (EU) 1361/2014 of 18 December 2014, published in the Official Journal of the European Union L 365 on 19 December 2014, adopting the Annual Improvements to IFRS 2011-2013 Cycle. The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards. Amendments to IAS 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements. Adoption of the new standard is not believed to have had a significant impact on the Company's financial statements.

b) Accounting standards, amendments, and interpretations not yet effective and not applied in advance

The table below reports new international accounting standards, or amendments to existing standards, whose adoption was not yet mandatory for financial periods beginning on 1 January 2016. The Company has not opted for early adoption.

COMMISSION REGULATION (EU)	TITLE	MANDATORY FROM FINANCIAL YEARS BEGINNING ON OR AFTER
2015/2441	**Commission Regulation (EU) 2015/2441 of 18 December 2015, published in the Official Journal of the European Union L 336 on 23 December, adopting Amendments to IAS 27 - Separate financial statements: Equity method in separate financial statements.** The amendments allow an entity to use the net equity method described in IAS 28 - Investments in Associates and Joint Ventures to account for investments in subsidiaries, joint ventures and associates in its separate financial statements.	1 January 2016
2015/2406	**Commission Regulation (EU) 2015/2406 of 18 December 2015, published in the Official Journal of the European Union L 333 on 19 December, adopting Amendments to IAS 1 - Presentation of financial statements: Disclosure initiative.** The amendments aim to improve the effectiveness of disclosure and to encourage companies to apply professional judgment in determining what information to disclose in their financial statements when applying IAS 1.	1 January 2016
2015/2343	**Commission Regulation (EU) 2015/2343 of 15 December 2015, published in the Official Journal of the European Union L 330 on 16 December,** adopting the IFRS Annual Improvements 2012-2014 Cycle as part of the ordinary process of streamlining and clarifying the international accounting standards.	1 January 2016
2015/2231	**Commission Regulation (EU) 2015/2231 of 2 December 2015, published in the Official Journal of the European Union L 317 on 3 December, adopting amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets** -Clarification of acceptable methods of depreciation and amortization.	1 January 2016
2015/2173	**Commission Regulation (EU) 2015/2173 of 24 November 2015, published in the Official Journal of the European Union L 307 on 25 November, adopting amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations.** The amendments provide guidance on accounting for acquisitions of interests in joint operations that constitute a business.	1 January 2016
2015/29	**Commission Regulation (EU) 2015/29 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting Amendments to IAS 19 - Defined benefit plans: employee contributions.** The amendments aim to simplify and clarify the accounting for employee or third party contributions linked to defined benefit plans.	1 February 2015
2015/28	**Commission Regulation (EU) 2015/28 of 17 December 2014, published in the Official Journal of the European Union L 5 on 9 January, adopting the Annual Improvements to IFRS 2010-2012 Cycle.** The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards or where clarification of wording is required. Amendments to IFRS 8 and to IAS 16, 24 and 38 are clarifications or corrections to the respective standards. Amendments to IFRS 2 and IFRS 3 involve changes to the existing requirements or additional guidance on the implementation of those requirements.	1 February 2015

During the year, the IASB made changes to some previously issued IAS/IFRS and published new international accounting standards.
Specifically, on 19 May 2015 the IASB published ED - Effective date of IFRS 15 – Revenue from contracts with customers, a proposal to defer the effective date of the standard by one year.
IFRS 15 supersedes IAS 11 and 18, IFRIC 13, 15 and 18, and SIC 31 as from 1 January 2018, introducing new rules for revenue recognition (potentially affecting the amount of revenue recognized in the financial statements, revenue recognition processes and related procedures, commercial offers, internal control processes, taxation, etc.) as well as new and more detailed disclosures. Application of the standard, in the event of full retrospective adoption, will also require at least one comparison period and in any case a detailed preliminary analysis of the structure of our contracts with customers.

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

→ 2.2. Intangible assets

Intangible assets are recognized at cost when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined. Intangible assets acquired through business combinations are recognized at the fair value defined as of the acquisition date, if that value can be reliably determined.
After their initial recognition, intangible assets are carried at cost. The useful life of intangibles can be either finite or indefinite. Intangible assets with indefinite useful lives are not amortized but are subject to impairment testing each year, or more frequently, whenever there is any indication of impairment. Further to such testing, if the recoverable value of an asset is less than its book value, the latter is reduced to recoverable value. This reduction constitutes an impairment loss, which is immediately posted to the income statement. An asset's recoverable value is the higher of its net sale value or value in use. Value in use is the present value of expected cash flows generated by the asset. In order to assess losses in value, assets are aggregated to the lowest cash generating unit, i.e. the lowest level for which independent cash flows can be separately identified. In the case of an indicator implying recovery of the value lost, the asset's recoverable value is re-determined and the book value is increased to that new value. However, the increase in book value can never exceed the net book value that the fixed asset would have had if no impairment had occurred.

→ 2.3. Business combinations and goodwill

Business combinations are accounted for using the purchase method. This requires the fair value recognition of the identifiable assets (including intangible assets previously not recognized) and identifiable liabilities (including contingent liabilities but excluding future restructuring) of the entity acquired. Transaction costs are recognized as soon as they are incurred.
Goodwill acquired in a business combination, which in the separate financial statements is incorporated into the value of the investment acquired, is calculated as the excess of the total consideration transferred, minority interests in net equity and the fair value of any previously held interest in the company over the acquisition-date fair value of the net assets acquired and the liabilities assumed. If the acquisition-date fair value of the net assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, minority interests in net equity and the fair value of any previously held interest in the acquiree, the excess is recognized immediately as income arising from the transaction.
Minority interests in net equity, as of the acquisition date, can be measured at fair value or as a pro-quota proportion of the value of the net assets recognized for the acquiree. This choice is made on a case-by-case basis.
Any contingent consideration provided for in the acquisition agreement is measured at its acquisition-date fair value, and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Subsequent changes in fair value that qualify as adjustments arising during the measurement period are included in goodwill retrospectively. Such changes are those caused by additional information, obtained during the measurement period (not to exceed one year from the business combination), regarding facts and circumstances that existed on the acquisition date.
In the case of business combinations achieved in stages, the interest previously held by the Group is remeasured at fair value as of the date control is acquired, and any resulting gain or loss is recognized in the income statement. Any amounts deriving from the previously held interest and reported in other comprehensive income or losses are reclassified to profit or loss as if the interest had been sold.
If the initial values of a business combination are incomplete at the end of the financial period in which it occurred, in the consolidated financial statements the Group uses provisional amounts for those elements that cannot be measured in full. The provisional amounts are adjusted during the measurement period to take account of new information on facts and circumstances existing on the acquisition date which, if known, would have affected the acquisition-date value of the assets and liabilities recognized.
Business combinations occurring before 1 January 2010 are reported according to the previous version of IFRS 3.
For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the acquirer's individual cash generating units or to the groups of cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities are assigned to those units or groups of units.
Each unit or group of units to which goodwill is so allocated:
- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes;
- is not larger than a segment based on either the primary or secondary reporting format determined in accordance with IFRS 8 - Segment Reporting;
- when goodwill is part of a cash generating unit or group of cash generating units and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill transferred under these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained.

If the disposal concerns a subsidiary, the difference between the sale price and net assets plus accumulated translation differences and goodwill is recognized in profit or loss.
After first-time recognition, goodwill is decreased by accumulated impairment losses, determined as described below.
The recoverable amount of goodwill is determined each year, or more frequently in the case of events or changes in circumstances that may indicate impairment. Impairment is identified through tests based on the ability of each cash generating unit to produce cash flows suitable for recovering the portion of goodwill that has been allocated to it, following the procedures specified in the section on property, plant and equipment. If the amount recoverable by the cash generating unit is lower than the carrying value attributed, then an impairment loss is recognized. Impairment losses on goodwill cannot be reversed in subsequent years. The Company tests goodwill for impairment at 31 December of each year.

→ 2.4. Investment property and assets under construction

Investment property is real estate held in order to earn rent while appreciating in value over time.
Investment property is initially recognized at cost, including transaction expenses (as well as borrowing costs, where applicable), and is subsequently measured at fair value with changes reported in the income statement.
Any work on the properties is added to their carrying value only if it is likely to produce future economic benefits and if the cost can be reliably determined. Other maintenance and repair costs are recognized in the income statement when incurred.
The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this expenditure.
The market value of properties includes the value of their plant and machinery, as well as goodwill acquired.
Investment property is derecognized on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses from the withdrawal or disposal of investment property are recognized to profit or loss in the period in which the withdrawal or disposal takes place.

Assets under construction, consisting of deposits and advance payments, are valued at cost. For land and accessory works on which investment property will be developed, once the building permits are obtained and/or the urban planning agreements signed, and once the procedure for obtaining administrative permits is completed and construction is underway, fair value can be reliably determined and the fair value method is therefore used. Until that time, the asset is recognized at cost, which is compared with recoverable amount at each reporting date in order to determine any loss in value. When construction or development of an investment property is completed, it is restated to "investment property".

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of investment property in accordance with IFRS 13 must reflect, among other things, rental income from current leases and other reasonable and supportable assumptions that market participants would use when pricing the asset under current market conditions.
As stated in paragraph 27 of IFRS 13, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property);
- a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property);
- a use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

Highest and best use is determined from the perspective of market participants. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset.
According to IFRS 13, an entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
Fair value is measured on the basis of observable transactions in an active market, and is adjusted, if necessary, to take account of the specific characteristics of the individual real estate investment. If that information is not available, to determine the fair value of an investment property, the company uses the discounted cash flow method (over a variable period of time depending on the duration of outstanding leases) relating to the future net rental income from the property. At the end of that period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate for similar investments.
The specific valuation policies used, as certified in the appraisal report, were as follows:

- For malls, City Center Project and offices: discounted cash flow projections based on net rental income for the next n years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net

rental income at an applicable market rate for similar investments.
- For hypermarkets and supermarkets: discounted cash flow projections based on net rental income for the next n years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate for similar investments.
- For other properties: income method (DCF).
- For construction in progress (extensions and new constructions), the transformation method was used, based on the discounting of future rental income for the property net of construction costs and other expenses.

The above methods were applied individually to each property, according to their specific features.

2.5. IAS 23 - Borrowing costs (revised)

Borrowing costs directly attributable to the purchase and construction of investment property relating to both new constructions and extensions, are added to the carrying value of the property in question. Interest is capitalized provided that the augmented carrying amount of the asset does not increase beyond fair value.

2.6. Plant, machinery and equipment

Plant, machinery and equipment that are owned by IGD and are not attributable to investment property are recognized at cost, less commercial discounts and rebates, considering directly attributable expenses as well as an initial estimate of the cost of dismantling and removing the asset and restoring the site where it was located. Costs incurred after purchase are capitalized only if they increase the future economic benefits expected of the asset. All other costs (including financial expenses directly attributable to the purchase, construction or production of the asset) are recognized to profit or loss when incurred. The capitalized charge is recognized to profit and loss throughout the useful life of the tangible asset by means of depreciation. Depreciation is calculated on a straight-line basis over the asset's estimated useful life, as follows:

CATEGORY	RATE
Wiring, sprinkler system, compressed air	10 %
HVAC system	15 %
Fittings	20 %
Plant management computer	20 %
Special communication systems – telephone	25 %
Special plant	25 %
Alarm/security system	30 %
Sundry equipment	15 %
Office furnishings	12 %
Cash registers and EDP machines	20 %
Personal computers and accessories	40 %

An asset is subject to impairment testing whenever events or changes in circumstances indicate that its carrying value cannot be fully recovered. If the carrying value exceeds the recoverable amount, the asset is written down to reflect the impairment. An asset's recoverable value is the higher of its net sale value or value in use.
In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. Impairment is charged to the income statement as depreciation. Impairment is reversed if the reasons cease to apply.
When an asset is sold or when its use is no longer expected to produce future economic benefits, it is derecognized and any loss or gain (calculated as the difference between the sale value and carrying value) is taken to profit or loss the year the asset is eliminated.

2.7. Leasing

Goods held under finance leases, in which IGD assumes all of the risks and benefits of ownership, are capitalized from the inception of the lease at the fair value of the leased good or, if lower, at the present value of the minimum lease payments, including the price of the redemption option.
The liability is recognized under financial payables. Leasing installments are divided into principal and interest so as to obtain a constant interest rate applicable to the remaining principal due. The financial charges are recognized to profit and loss.
Leased investment property is recognized at fair value, on the same basis as investment property owned by IGD.

2.8. Equity investments

Equity investments in subsidiaries and associates are recognized at cost less any impairment. The positive difference, at the time of the acquisition, between the purchase cost and IGD's share of net equity at present values is therefore included in the carrying value of the investment.
Should IGD's share of the acquiree's losses exceed the carrying value of the investment, the investment is written off, and the Company's share of further losses is recognized as a liability provision if IGD is liable for this.

2.9. Other non-current assets

Other non-current assets consist of deferred tax assets, financial assets relating to derivatives, and miscellaneous. Receivables and other financial assets other than derivatives, to be held until maturity, are recognized at cost which corresponds to the fair value of the initial consideration paid plus transaction costs. The initial value recognized is subsequently adjusted to take account of the reimbursement of principal, any impairment losses, and amortization of the difference between the redemption value and the initial carrying value. Amortization is charged at the internal effective interest rate, corresponding to the rate which, upon first-time recognition, makes the present value of projected cash flows equal to the initial carrying amount (amortized cost method).

→ 2.10. Trade and other receivables

Receivables are shown at fair value, which coincides with their face value less any impairment. For trade receivables, an impairment provision is made when there is an objective indication (e.g. the likelihood of insolvency or significant financial problems for the debtor) that the Company will not be able to recover all amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced by means of a separate provision. Impaired receivables are written off when they are found to be irrecoverable.

→ 2.11. Cash and cash equivalents

Cash and cash equivalents are recognized, depending on their nature, at face value or amortized cost.
Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, with an original maturity of no more than three months.

→ 2.12. Financial receivables and other current financial assets

These consist mainly of financial assets held to maturity. This category includes financial assets with fixed or determinate payments and a set maturity, that the company plans and is able to hold until that time. They are initially valued at cost, and subsequently at amortized cost.

→ 2.13. Non-current assets held for sale

Investment property is reclassified to "non-current asset held for sale" if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An asset is reclassified only if it is available for immediate sale in its current condition and if the sale is highly probable (i.e. a purchase commitment exists).
Assets previously classified as investment property and measured at fair value, in accordance with section 5d of IFRS 5, continue to be measured at fair value.
For properties due for sale under a purchase commitment without suspensive conditions, or with suspensive conditions that have been met, fair value is taken as the sale price net of costs to sell. Otherwise, properties continue to be recognized at their standard fair value.

→ 2.14. Financial liabilities

Financial liabilities consist of borrowings, trade payables and other payables.
They are initially recognized at fair value plus transaction costs; subsequently, they are carried at amortized cost which corresponds to their initial value, net of principal reimbursed, and adjusted upward or downward for the amortization of any differences between initial value and value at maturity (using the effective interest method).

→ 2.15. General provisions

General provisions cover liabilities of a definite nature that are certain or likely to arise, but whose amount or timing were unknown at the close of the year. Provisions are recognized when they cover a present obligation (legal or constructive) that stems from a past event, if settlement of the obligation will likely involve an outflow in an amount that can be reliably estimated.
The provision covers the best estimate of the amount the company would pay to settle the obligation or transfer it to third parties at the close of the financial period. If the effect is significant, provisions are determined by discounting projected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When cash flows are discounted, the increase in the provision due to the passing of time is recorded as a financial charge.

→ 2.16. Employee benefits

Employee termination indemnities, which are mandatory for Italian companies pursuant to Law 297/1982 (trattamento di fine rapporto or TFR), qualify as defined benefit plans and are based, among other factors, on employees' working lives and on the compensation they receive during a predetermined period of service. The liability for a defined benefit plan, net of any assets servicing the plan, is determined on the basis of actuarial assumptions and is recognized on an accruals basis consistently with the amount of service required to receive the benefits; the liability is valued by independent actuaries. Gains and losses arising from the actuarial calculation are taken to the statement of comprehensive income under "other comprehensive income." The Company does not offer compensation in the form of share-based payments, as employees do not render services in exchange for shares or options on shares. In addition, the Company does not offer employee incentive plans in the form of share participation instruments.

→ 2.17. Revenue

Revenue is recognized to the extent the Company is likely to enjoy the economic benefits and the amount can be reliably determined. It is shown at the fair value of the consideration received, excluding discounts, rebates and taxes. The following recognition criteria must always be satisfied before revenue is posted to the income statement.

- **Rental income**
  Rental income from the Company's freehold properties is recorded on an accruals basis, according to the leases in force.
- **Service income**
  Service income is recorded with reference to the state of completion of the transaction and only when the outcome of the service can be reliably estimated.

→ 2.18. Interest

Interest income and expense is recorded on an accruals basis with reference to the net value of the financial assets and liabilities concerned, using the effective interest rate.

2.19. Dividends

Dividends are recognized when the Company is entitled to their receipt.

2.20. Income taxes

a) Current taxes
Current tax liabilities for the present and previous years are measured as the amount expected to be paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date.
Other taxes not related to income, such as those on property and capital, are booked to operating expenses.

b) Deferred taxes
Deferred taxes are calculated on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the statement of financial position.
Deferred tax liabilities are recognized on all taxable temporary differences, except when they derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss;
The carrying value of a deferred tax asset is reviewed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are also reviewed at each balance sheet date and are recognized to the extent that it becomes probable that sufficient taxable profit will be available.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on current tax rates and those in effect or substantively in effect by the balance sheet date, and considering the manner in which the temporary differences are expected to reverse.
Income taxes relating to items that are credited or charged directly to equity are also charged or credited directly to equity and not to profit or loss.

2.21. Derecognition of financial assets and financial liabilities

a) Financial assets
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company still has the right to receive cash flows from the asset, but has a contractual obligation to pay these immediately and in full to a third party;
- the Company has transferred the right to receive cash flows from the asset and (a) has transferred substantially all risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company has transferred the right to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards or has not lost control of the asset, then the asset is recognized to the extent of the Company's continuing involvement. Continuing involvement, which takes the form of a guarantee on the transferred asset, is recognized at the lower of the initial carrying value of the asset and the maximum amount that IGD could be required to pay.

b) Financial liabilities
A financial liability is derecognized when the underlying obligation is expired, canceled or discharged.
Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences between carrying values recognized in profit or loss.

2.22. Derivative financial instruments

The Company holds derivative financial instruments for the purpose of hedging its exposure to the risk of interest rate changes affecting specific recognized liabilities.
In accordance with IAS 39, derivative financial instruments used for hedging qualify for hedge accounting only if:

a) at the inception of the hedge there is formal designation and documentation of the hedging relationship;
b) the hedge is expected to be highly effective;
c) the effectiveness of the hedge can be reliably measured;
d) the hedge is highly effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are measured at fair value. When the financial instruments qualify for hedge accounting, the following rules apply:
Fair value hedge - If a derivative financial instrument is designated as a hedge against changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in profit or loss. The part of the gain or loss from remeasuring the hedged item at fair value that is attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

Cash flow hedge - If a financial instrument is designated as a hedge against exposure to variations in the cash flows of a recognized asset or liability or a forecast transaction that is highly probable, the effective portion of the gain or loss from remeasuring the instrument at fair value is recognized in a separate equity reserve. The cumulative gain or loss is reversed from the equity reserve and transferred to profit or loss the same year that the effects of the hedged transaction are recognized in profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. If a hedging instrument is closed but the hedged transaction has not yet taken place, the cumulative gains and losses remain in the equity reserve and are restated to profit or loss when the transaction is realized or when a loss in value occurs. If the transaction is no longer expected to occur, the unrealized gains or losses still recognized in the equity reserve are immediately reclassified to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the derivative financial instrument are recognized directly to profit or loss.

→ 2.23. SIIQ status

A company defined as an SIIQ (*Società di Investimento Immobiliare Quotata,* similar to a real estate investment trust or REIT), pursuant to Law 296 of 27 December 2006 (as amended) and Ministry Decree 174 of 7 September 2007, can exclude income from rental activities for the purposes of IRES (corporate income tax) and IRAP (regional business tax).

On 16 April 2008, IGD SIIQ S.p.A., which meets the organizational, ownership and statutory requirements, opted for this special status.

At the close of 2015, as at the end of previous years since 2008, it satisfied the financial and earnings parameters set by law and thus met the objective requirements (see Note 9 of the separate financial statements).

In demanding that property rentals and the equivalent (known as "exempt operations") be the prevailing factor in a company's income statement and statement of financial position, SIIQ rules do not require that they be its sole activity.

IGD SIIQ S.p.A. does maintain marginal operations other than property rental and the equivalent ("taxable operations").

Income from taxable operations has been subject to the standard rules of computation, while the rules stated in paragraphs 119 et seq. of Law 296/06 and its implementation decree have been followed for income from exempt operations, taking account of the changes introduced by Law 133 of 12 September 2014.

To distinguish the operating results subject to different accounting and tax treatment, in accordance with paragraph 121 of Law 296/06, IGD SIIQ S.p.A. has kept separate accounts for exempt rental operations and taxable marginal operations.

In keeping with the accounting standards, income from exempt operations include revenue and costs typical of the property rental business, as well as those typical of operations considered to be equivalent.

Likewise, revenue and costs stemming from the company's remaining activities have been allocated to taxable operations.

Under the new rules introduced by Law 164 of 11 November 2014 *("Conversion into law, with amendments, of Decree 133 of 12 September 2014"),* **capital gains and losses** on rental properties (whether realized or implicit in fair value measurements) are now included in exempt operations.

In accordance with paragraph 121 of Law 296/06 and with the recommendations contained in Revenue Office Circular 8/E of 7 February 2008, general, administrative and financial costs that cannot be directly attributed to exempt or taxable operations or allocated on the basis of objective parameters have been split according to the ratio of exempt revenue/income/dividends to total revenue/income/dividends.

As for properties (owned or held on the basis of corporeal rights) forming part of rental package deals, the accurate and objective representation of the portion of fees pertaining to the real estate itself has been ensured by making the exempt/taxable allocation on the basis of expert appraisals that quantify the fair value of fees pertaining to rent.

Likewise, the costs common to package deals as a whole (such as shopping center promotion and advertising costs) have been allocated to exempt and taxable operations in the same proportions used for rent. In this specific case, such a policy was thought to be more representative than an allocation based on the company's total revenue. Since these costs relate directly to the package deals and not to IGD's operations as a whole, their correlation with contractual fees is immediate and objective.

3. Use of estimates

The preparation of the financial statements and notes in accordance with IFRS requires Management to make estimates and assumptions that affect the carrying values of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss. Because assumptions about future performance are highly uncertain, actual results may differ from those forecast, and may require sizable adjustments that cannot presently be foreseen or estimated.

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

Investment property and inventory

The real estate portfolio is appraised twice a year, at 30 June and 31 December, by independent external firms with acknowledged professional qualifications and in-depth knowledge of the characteristics of the properties appraised. To that end, IGD SIIQ S.p.A. has hired CBRE Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield,

specialized in the appraisal of investment property, to prepare a report from which the company can determine the fair value of the currently rented portions of shopping centers, malls, hypermarkets, supermarkets, wholesale and fitness zones, stores, offices, and land.
The periodic appraisals are conducted according to an internal procedure that governs the entire process of valuing investment property at fair value: criteria for the selection and appointment of independent appraisers, protocol for extending assignments, protocol for sharing information and documents between the company and the independent appraisers, and overall monitoring and responsibility. The appraisers' contracts define valuation criteria and methods, the means and timing of physical inspections and any other checks of the appraised properties, and the specific reasoning for the method(s) used to appraise the individual asset.
The main information required by the appraisers includes, for rented properties, the rental status of each unit in each shopping center; property taxes; insurance and operating costs for the shopping centers; and any likely incremental costs. For construction in progress, the information concerns the start and end dates of the work, the status of building permits and authorizations, remaining costs, the state of progress, the ribbon-cutting date and projected rentals.
The independent appraisers formulate their own assumptions, such as inflation rates, discount rates and capitalization rates, on the basis of their professional judgment. The following are taken into account when determining the capitalization and discounting rates used to value individual properties:

- the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
- the division of responsibilities for insurance and maintenance between the lessor and the lessee;
- the remaining economic life of the property.

The information given to the appraisers, their assumptions, and the models they use are approved by the Director of Property Development and Management, who is responsible for organizing and coordinating the appraisals and for monitoring and checking them before their results are published in the financial statements.
IGD periodically conducts sensitivity analyses on the values assigned to its assets in order to monitor the impact of changes in the discount rate or capitalization rate as a result of macroeconomic developments. See Note 15 for the quantitative analysis carried out at 31 December 2015, as required by IAS 1.
Monitoring of the indicators defined in the enterprise risk management system supports the Company's evaluation of how this risk is likely to evolve.

Recoverable amount of goodwill

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

Recoverability of deferred tax assets

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

Fair value of derivative instruments

The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates, also with support from external consultants. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Variable revenue

Variable revenue at 31 December is determined on the basis of annual earnings reports from the individual tenants, if available, and otherwise on the basis of monthly reports.

Provision for doubtful accounts

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

Contingent liabilities

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

4. Segment reporting

The income statement and statement of financial position are broken down below by business segment, in accordance with IFRS 8.

INCOME STATEMENT	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
	CORE BUSINESS PROPERTIES		SERVICES		SHARED		TOTAL	
Total revenues and operating income	**73,495,969**	**68,429,877**	**1,504,975**	**1,823,787**	**0**	**0**	**75,000,944**	**70,253,664**
Change in inventories of work in progress	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Direct costs (a) (excluding provisions for doubtful account)	12,823,626	13,375,380	49,012	240,085	0	0	12,872,639	13,615,465
G&A expenses (b)					9,274,411	9,065,373	9,274,411	9,065,373
Total operating costs (a)+(b)	**12,823,626**	**13,375,380**	**49,012**	**240,085**	**9,274,411**	**9,065,373**	**22,147,050**	**22,680,838**
(Depreciations, amortizations and provisions)	(1,457,467)	(1,354,923)	0	(24)	(274,077)	(269,861)	(1,731,544)	(1,624,808)
(Impairment losses) / Reversals on work in progress and inventories	(698,278)	275,744	0	0	0	0	(698,278)	275,744
Change in Fair Value - increases/(decreases)	12,874,895	(14,272,860)	0	0	0	0	12,874,895	(14,272,860)
Total depreciations, amortizations, provisions, impairment and fair value changes	**10,719,150**	**(15,352,039)**	**0**	**(24)**	**(274,077)**	**(269,861)**	**10,445,073**	**(15,621,924)**
EBIT	**71,391,493**	**39,702,458**	**1,455,962**	**1,583,678**	**(9,548,488)**	**(9,335,233)**	**63,298,967**	**31,950,902**
Results from equity investments and assets disposals					**8,822,357**	**123,717**	**8,822,357**	**123,717**
Financial income:					**751,054**	**1,881,863**	**751,054**	**1,881,863**
- third parties					19,442	120,891	19,442	120,891
- related parties					731,612	1,760,972	731,612	1,760,972
Financial charges:					**27,038,297**	**31,327,141**	**27,038,297**	**31,327,141**
- third parties					26,986,892	30,790,567	26,986,892	30,790,567
- related parties					51,405	536,574	51,405	536,574
Net financial income					**(26,287,243)**	**(29,445,278)**	**(26,287,243)**	**(29,445,278)**
PRE-TAX PROFIT	**71,391,493**	**39,702,458**	**1,455,962**	**1,583,678**	**(27,013,374)**	**(38,656,794)**	**45,834,081**	**2,629,341**
Current income taxes					822,881	(1,052,048)	822,881	(1,052,048)
NET PROFIT	**71,391,493**	**39,702,458**	**1,455,962**	**1,583,678**	**(27,836,255)**	**(37,604,746)**	**45,011,200**	**3,681,389**
Non-controlling interests in net profit					0	0	0	0
IGD SIIQ S.p.A. share of net profit	**71,391,493**	**39,702,458**	**1,455,962**	**1,583,678**	**(27,836,255)**	**(37,604,746)**	**45,011,200**	**3,681,389**

STATEMENT OF FINANCIAL POSITION	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
	CORE BUSINESS PROPERTIES		SHARED		TOTALE	
- Real estate investments	1,180,382,983	1,127,201,271	0	0	1,180,382,983	1,127,201,271
- Non-current assets held for sale	0	28,600,000	0	0	0	28,600,000
- Assets under construction	36,019,895	63,457,121	0	0	36,019,895	63,457,121
Intangible assets	1,300,000	1,300,000	39,779	50,655	1,339,779	1,350,655
Other tangible assets	559,235	780,398	8,617,990	8,861,496	9,177,225	9,641,894
- Sundry receivables and other non-current assets	0	0	23,648	23,402	23,648	23,402
- Equity investments	518,069,302	387,123,048	4,443,179	208,179	522,512,481	387,331,227
NWC	(7,699,050)	(1,972,472)	0	0	(7,699,050)	(1,972,472)
Funds	(5,426,075)	(2,699,399)	0	0	(5,426,075)	(2,699,399)
Sundry payables and other non-current liabilities	(9,989,254)	(9,602,268)	0	0	(9,989,254)	(9,602,268)
Net deferred tax assets	8,209,632	12,318,843	0	0	8,209,632	12,318,843
Total use of funds	**1,721,426,668**	**1,606,506,542**	**13,124,596**	**9,143,732**	**1,734,551,264**	**1,615,650,274**
Total Group net equity	1,016,218,585	947,003,126	0	0	1,016,218,585	947,003,126
Non-controlling interests in capital and reserve	0	0	0	0	0	0
Net (assets) and liabilities for derivative instruments	29,995,574	35,953,223	0	0	29,995,574	35,953,223
Net debt	675,212,509	623,550,193	13,124,596	9,143,732	688,337,105	632,693,925
Total sources	**1,721,426,668**	**1,606,506,542**	**13,124,596**	**9,143,732**	**1,734,551,264**	**1,615,650,274**

Notes to the financial statements

Note 1) Revenue

REVENUES		31/12/2015	31/12/2014	CHANGE
Freehold hypermarkets - Lease and business rents to related parties	**a.1**	**27,629,298**	**25,253,230**	**2,376,068**
Freehold supermarkets - Lease and business rents to related parties	**a.2**	**1,699,203**	**698,824**	**1,000,379**
TOTAL HYPERMARKETS/SUPERMARKETS	**a**	**29,328,501**	**25,952,054**	**3,376,447**
Freehold malls, offices and city center	**b.1**	**39,450,393**	**38,412,785**	**1,037,608**
Rents		**6,638,620**	**7,176,038**	**(537,418)**
To related parties		4,116,155	3,973,708	142,447
To third parties		2,522,465	3,202,330	(679,865)
Business Lease		**32,811,773**	**31,236,747**	**1,575,026**
To related parties		281,748	269,835	11,913
To third parties		32,530,025	30,966,912	1,563,113
Leasehold malls	**b.2**	**3,304,609**	**2,769,714**	**534,895**
Rents		**199,016**	**166,721**	**32,295**
To related parties		31,376	26,463	4,913
To third parties		167,640	140,258	27,382
Business Lease		**3,105,593**	**2,602,993**	**502,600**
To related parties		50,250	0	50,250
To third parties		3,055,343	2,602,993	452,350
Other contracts and temporary rents revenues	**b.3**	**1,381,539**	**1,187,273**	**194,266**
Other contracts and temporary rents		1,381,539	886,871	494,668
Related parties other contracts and temporary rents		0	300,402	(300,402)
TOTAL MALLS	**b**	**44,136,541**	**42,369,772**	**1,766,769**
GRAND TOTAL	**a+b**	**73,465,042**	**68,321,826**	**5,143,216**
of which related parties		33,808,030	30,522,462	3,285,568
of which third parties		39,657,012	37,799,364	1,857,648

Rent and business lease revenue increased since the previous year (+€5,143,216).
The most significant changes concerned the growth in rent from freehold hypermarkets and supermarkets (+€3,376,447), due primarily to the full-year contribution of the core portfolio acquired in October 2014, as well as the May 2015 inauguration of Clodì retail park in Chioggia.
Rent and business lease revenue from freehold malls, offices and city center properties decreased by €1,037,608, mainly as a result of: *(i)* higher revenue due to the expansion of Centro d'Abruzzo, the remodeling of Le Porte di Napoli, the opening of the first retail units at Piazza Mazzini in Livorno, and the opening in May 2015 of Clodì retail park; and *(ii)* the release to the income statement of excess provisions for doubtful accounts in light of the first provisional payment from the Darsena FM bankruptcy. These positive factors were partially offset by the disposal of City Center Rizzoli at the end of May 2015 and of the Fonti del Corallo mall on 26 February 2014.
The increase in rent and business lease revenue from leasehold malls (+€534,895) is due primarily to the sale of the Fonti del Corallo mall, now held under a lease agreement.

Note 2) Other income

OTHER INCOME	31/12/2015	31/12/2014	CHANGE
Various refunds	600	450	150
Pilotage and construction revenues	70,411	340,692	(270,281)
Other revenues	19,930	107,588	(87,658)
Total other income from third parties	**90,941**	**448,730**	**(357,789)**
Related parties various refunds	38,979	29,500	9,479
Related parties portfolio management and rent management revenues	40,994	26,115	14,879
Related parties pilotage and construction revenues	47,988	2,013	45,975
Related parties administrative services	1,317,000	1,425,480	(108,480)
Total other income from related parties	**1,444,961**	**1,483,108**	**(38,147)**
TOTAL	**1,535,902**	**1,931,838**	**(395,936)**

The decrease in other income during the year results essentially from the following: (i) Pilotage revenue, which decreased in comparison with the previous year, when they were high due to the expansion of Centro Abruzzo; (ii) Revenue for administrative services to related parties, due chiefly to the reduction in fees for the administrative service provided to the subsidiary Porta Medicea.

Note 3) Service costs

SERVICE COSTS	31/12/2015	31/12/2014	CHANGE
Third parties service costs	**10,020,482**	**9,591,912**	**428,570**
Rents paid	3,467,484	2,949,643	517,841
Promotional and advertising expenses	622,094	361,302	260,792
Facility management costs	1,996,139	2,014,317	(18,178)
Insurances	423,180	383,962	39,218
Professional fees	89,403	124,734	(35,331)
Directors and statutory auditors fees	743,873	793,684	(49,811)
External auditing fees	104,291	104,081	210
Investor relations, Consob, Monte Titoli fees	373,608	305,846	67,762
Pilotage and construction costs	50,246	234,015	(183,769)
Consulting	868,315	826,135	42,180
Maintenance and repairs	185,441	294,821	(109,380)
Other service costs	1,096,408	1,199,372	(102,964)
Related parties service costs	**1,656,175**	**3,001,349**	**(1,345,174)**
Rents paid	2,400	1,518,325	(1,515,925)
Promotional and advertising expenses	25,000	25,000	0
Service	297,309	313,882	(16,573)
Facility management costs	1,214,357	1,058,640	155,717
Insurances	32,130	33,465	(1,335)
Directors and statutory auditors fees	84,979	49,500	35,479
Other service costs	0	2,537	(2,537)
TOTAL	**11,676,657**	**12,593,261**	**(916,604)**

Service costs decreased by €916,604 with respect to the previous year. The principal changes concerned: (i) rent, which rose by €517,841 due mainly to the sale of Le Fonti del Corallo mall in Livorno at the end of the first quarter of 2014, now operated by the buyer under a long-term lease agreement; (ii) promotional expenses, which increased due in part to the new opening in Chioggia; (iii) pilotage costs, reflecting the work performed in 2014 for the Centro d'Abruzzo expansion; (iv) facility management costs with related parties, which rose mainly as a result of the charges for vacant premises at Piazza Mazzini, which was partially opened in the second half of 2014; and (v) rent paid to related parties, which decreased due to the purchase of the Città delle Stelle mall (previously operated under a usufruct agreement) in October 2014.

The following table provides details of directors' and statutory auditors' fees for their work at the company. The fees indicated refer to compensation for 2015.

DIRECTORS AND STATUTORY AUDITORS	TITLE	DATES IN OFFICE	END OF TERM	EMOLUMENTS
BOARD OF DIRECTORS				
Gilberto Coffari	Chairman	01/01/15-31/12/15	2017 FY Approval	91,500
Fernando Pellegrini	Director	01/01/15-31/12/15	2017 FY Approval	16,500
	Vice Chairman	17/04/15-31/12/15	2017 FY Approval	35,479
Claudio Albertini	Directors	01/01/15-31/12/15	2017 FY Approval	16,500
	Chief Executive Officers	01/01/15-31/12/15	2017 FY Approval	250,000
Leonardo Caporioni	Director	01/01/15-31/12/15	2017FY Approval	16,500
Aristide Canosani	Director	01/01/15-31/12/15	2017 FY Approval	16,500
Andrea Parenti	Director	01/01/15-31/12/15	2017 FY Approval	16,500
Elisabetta Gualandri	Director	01/01/15-31/12/15	2017 FY Approval	16,500
Livia Salvini	Director	01/01/15-31/12/15	2017 FY Approval	16,500
Elio Gasperoni	Director	15/04/15-31/12/15	2017 FY Approval	11,753
Milva Carletti	Director	15/04/15-31/12/15	2017 FY Approval	11,753
Rossella Saoncella	Director	15/04/15-31/12/15	2017 FY Approval	11,753
Matthew David Lentz	Director	15/04/15-31/12/15	2017 FY Approval	11,753
BOARD OF DIRECTORS (OLD)				
Sergio Costalli	Vice Chairman	01/01/15-15/04/15	2014 FY Approval	19,358
Roberto Zamboni	Director	01/01/15-15/04/15	2014 FY Approval	4,747
Massimo Franzoni	Director	01/01/15-15/04/15	2014 FY Approval	4,747
Riccardo Sabadini	Director	01/01/15-15/04/15	2014 FY Approval	4,747
Fabio Carpanelli	Director	01/01/15-15/04/15	2014 FY Approval	4,747
Giorgio Boldreghini	Director	01/01/15-15/04/15	2014 FY Approval	4,747
Tamara Magalotti	Director	01/01/15-15/04/15	2014 FY Approval	4,747
John William Vojticek	Director	15/04/15-16/11/15		0
BOARD OF STATUTORY AUDITORS				
Anna Maria Allievi	Chairman	15/04/15-31/12/15	2017 FY Approval	17,630
Roberto Chiusoli	Standing Auditor	01/01/15-31/12/15	2017 FY Approval	16,500
Pasquina Corsi	Standing Auditor	01/01/15-31/12/15	2017 FY Approval	16,500
Romano Conti (old)	Chairman	01/01/15-15/04/15	2014 FY Approval	7,120
CONTROL AND RISK COMMITTEE				
Elisabetta Gualandri	Director (Chairman)	01/01/15-31/12/15	when no longer Director	12,000
Livia Salvini	Director	01/01/15-31/12/15	when no longer Director	8,000
Rossella Saoncella	Director	17/04/15-31/12/15	when no longer Director	5,699
Massimo Franzoni (cessato)	Director	01/01/15-17/04/15	when no longer Director	2,301
COMPLIANCE COMMITTEE				
Fabio Carpanelli	External (Chairman)	17/04/15-31/12/15	2017 FY Approval	8,548
Riccardo Sabadini	External	17/04/15-31/12/15	2017 FY Approval	5,699
Alessandra De Martino	External	17/04/15-31/12/15	2017 FY Approval	5,699
Fabio Carpanelli (cessato)	Director (Chairman)	01/01/15-17/04/15	when no longer Director	3,452
Aristide Canosani (cessato)	Director	01/01/15-17/04/15	when no longer Director	2,301
Livia Salvini (cessato)	Director	01/01/15-17/04/15	when no longer Director	2,301
NOMINATIONS AND COMPENSATION COMMITTEE				
Andrea Parenti	Director (Chairman)	01/01/15-31/12/15	when no longer Director	6,000
Milva Carletti	Director	17/04/15-31/12/15	when no longer Director	3,000
Elisabetta Gualandri	Director	17/04/15-31/12/15	when no longer Director	3,000
Fabio Carpanelli (cessato)	Director	01/01/15-17/04/15	when no longer Director	2,250
Tamara Magalotti (cessato)	Director	01/01/15-17/04/15	when no longer Director	750
CHAIRMAN'S COMMITTEE				
Gilberto Coffari	Chairman	01/01/15-31/12/15	when no longer Director	0
Fernando Pellegrini	Vice Chairman	17/04/15-31/12/15	when no longer Director	0
Claudio Albertini	Chief Executive Officer	01/01/15-31/12/15	when no longer Director	0
Elio Gasperoni	Director	17/04/15-31/12/15	when no longer Director	0
Sergio Costalli (old)	Vice Chairman	01/01/15-17/04/15	when no longer Director	0
Roberto Zamboni (old)	Director	01/01/15-17/04/15	when no longer Director	0
RELATED PARTYCOMMITTE				
Rossella Saoncella	Director (Chairman)	17/04/15-31/12/15	when no longer Director	3,750
Andrea Parenti	Director	01/01/15-31/12/15	when no longer Director	5,250
Matthew David Lentz	Director	17/04/15-31/12/15	when no longer Director	3,000
Riccardo Sabadini (old)	Consigliere (Chairman)	01/01/15-17/04/15	when no longer Director	1,500
Giorgio Boldreghini (old)	Director	01/01/15-17/04/15	when no longer Director	1,500
LEAD INDEPENDENT DIRECTOR				
Riccardo Sabadini (old)	Director	01/01/15-17/04/15	when no longer Director	0

For further details, see the Remuneration Report prepared in accordance with the law.

Note 4) Cost of labor

The cost of labor is detailed below:

COST OF LABOR	31/12/2015	31/12/2014	CHANGE
Wages and salaries	3,343,408	3,267,663	75,745
Social security	964,969	964,357	612
Severance pay	271,644	200,612	71,032
Other costs	146,176	186,636	(40,460)
TOTAL	**4,726,197**	**4,619,268**	**106,929**

The increase in the cost of labor is due primarily to the higher provision for severance pay in accordance with IAS 19, as well as the full-year impact of various contractual adjustments.

Severance pay includes contributions to supplementary funds in the amount of €55,849.
The workforce is broken down by category below:

DIVISION OF WORKFORCE BY CATEOGRY	31/12/2015	31/12/2014
Executives	4	4
Middle managers	13	13
White collars	50	51
TOTAL	**67**	**68**

Note 5) Other operating costs

OTHER OPERATING COSTS	31/12/2015	31/12/2014	CHANGE
IMU-TASI	5,019,391	4,700,195	319,196
Other taxes	49,683	49,725	(42)
Contract registration	241,152	241,501	(349)
Ordinary out-of-period (income)/charges	(13,580)	22,569	(36,149)
Membership fees	122,068	127,507	(5,439)
Loss on receivables	50,350	19,659	30,691
Penalties	0	6,500	(6,500)
Fuel and tolls	110,176	121,743	(11,567)
Magazines subscriptions, office supplies, forms	73,661	90,987	(17,326)
Other operating costs	91,295	87,923	3,372
TOTAL	**5,744,196**	**5,468,309**	**275,887**

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

Note 6) Depreciation, amortization, provisions and fair value changes

AMORITZATION AND DEPRECIATIONS, PROVISIONS AND FAIR VALUE CHANGES	31/12/2015	31/12/2014	CHANGE
Intangible assets amortization	(30,571)	(26,355)	(4,216)
Tangible assets amortization	(513,232)	(582,062)	68,830
Doubtful accounts	(776,365)	(891,391)	115,026
Other provisions	(411,376)	(125,000)	(286,376)
Total amortization and depreciations	**(1,731,544)**	**(1,624,808)**	**(106,736)**
(Impairment losses)/Reversals on work in progress	**(698,278)**	**275,744**	**(974,022)**
Fair value changes	**12,874,895**	**(14,272,860)**	**27,147,755**
Total amortization, provisions and fair value changes	**10,445,073**	**(15,621,924)**	**26,066,997**

- Most of the decrease in depreciation and amortization was caused by the reclassification to Investment property, in the second half of 2014, of plant at the Città delle Stelle mall that had previously been operated under a usufruct agreement but was purchased in October of that year.
- The accrual to the provision for doubtful accounts, €776,365, was lower than the previous year. The amount is determined by evaluating the individual positions of clients in order to adjust them to estimated realizable value, and decreased to reflect the reduction in impaired receivables. See Note 19 for changes in this provision.
- Other provisions refer to the estimated outcome of two IMU (municipal property tax) disputes regarding Le Maioliche (Faenza) and La Torre (Palermo) shopping centers.
- Impairment losses/(reversals) on work in progress (-€698,278) include the impairment loss on the Porto Grande expansion, listed as assets under construction, to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 31 December 2015.
- Fair value changes of €12,874,895 are made up of: *(i)* a net revaluation of €12,449,114 (see Note 13) carried out to match the carrying value of investment property to its fair value at 31 December 2015; and *(ii)* a revaluation of €425,781 to match the carrying value of work in progress on the ESP expansion to its fair value, as discussed in Note 15.

Note 7) Income/(loss) from equity investments and property sales

RESULTS OF EQUITY INVESTMENS AND ASSET DISPOSALS	31/12/2015	31/12/2014	CHANGES
Dividend	9,461,416	0	9,461,416
Capital income from the sale of "Le Fonti del Corallo" mall	0	123,717	(123,717)
Capital loss from the sale of Rizzoli	(291,493)	0	(291,493)
Punta di ferro equity investment acquisition transaction costs	(191,452)	0	(191,452)
Equity investments writedowns	(156,114)	0	(156,114)
Total result of equity investments and asset disposals	**8,822,357**	**123,717**	**8,698,640**

The balance of €8,822,357 for the year is ascribable mainly to: (i) dividends from the subsidiary IGD Property SIINQ S.p.A. (EUR9,459,364) and from Win Magazin S.A. (€2,000); (ii) sale of the Rizzoli investment property; (iii) transaction costs for the purchase of Punta di Ferro SIINQ S.p.A. in December 2015; and (iv) impairment of equity investments.

Note 8) Financial income and charges

FINANCIAL INCOME	31/12/2015	31/12/2014	CHANGES
Bank interests income	4,869	42,221	(37,352)
Other interests income	14,573	78,670	(64,097)
Total third parties	**19,442**	**120,891**	**(101,449)**
Interests income from related parties	731,612	1,760,972	(1,029,360)
Total related parties	**731,612**	**1,760,972**	**(1,029,360)**
Total financial income	**751,054**	**1,881,863**	**(1,130,809)**

Most of the decrease in financial income concerns interest on bank accounts due to the reduction in interest rates. Interest income from related parties went down due to the reduction in spreads and in the amount lent to subsidiaries. See Notes 23 and 38 for details.

FINANCIAL CHARGES	31/12/2015	31/12/2014	CHANGES
Interest expense to subsidiaries	3,301	789	2,512
Interest expense on security deposits	48,104	78,733	(30,629)
Interest expenses to Coop Adriatica	0	457,052	(457,052)
Total related parties	**51,405**	**536,574**	**(485,169)**
Interest expense to banks	151,293	1,345,616	(1,194,323)
Other interests and charges	515,816	271,388	244,428
Mortgage loan interest	5,545,740	10,250,643	(4,704,903)
Financial charges on leasing	79,892	96,501	(16,609)
Bond interests and charges	11,935,927	11,157,072	778,855
IRS spread	8,758,224	8,509,219	249,005
Capitalized interests	0	(839,872)	839,872
Total third parties	**26,986,892**	**30,790,567**	**(3,803,675)**
Total financial charges	**27,038,297**	**31,327,141**	**(4,288,844)**

The decrease in financial charges to related parties (-€485,169) is explained by: (i) the full repayment of credit with the controlling company, Coop Adriatica (from 1 January: Coop Alleanza 3.0); and (ii) the reduction in the legally proscribed rate used to calculate interest on security deposits, from 1% in 2014 to 0.5%. The decrease in financial charges to third parties (-€3,803,675) stems from: (i) prepayment of the mortgage on the Conegliano hypermarket; (ii) the reduction in spreads on short-term credit and mortgage loans; and (iii) the closure in 2014 of some mortgage current accounts and other borrowings. In 2014, unamortized transaction costs of €782K were recognized in connection with these closures. The trend was partially offset by an increase in financial charges on the €150 million bond loan issued on 7 May 2014 and the €162 million bond loan issued on 21 April 2015, regulating the swap offer made to the holders of the bonds entitled “Euro 144,900,000 4.335 per cent. Notes due 7 May 2017” and “Euro 150,000,000 3.875 per cent. Notes due 7 January 2019." During the year, unlike in 2014, no interest was capitalized on construction in progress.

Note 9) Income taxes

INCOME TAXES	31/12/2015	31/12/2014	CHANGE
Current tax	(788,763)	(326,740)	(462,023)
In detail:			
Ires	*33,279*	*30,148*	*3,131*
Irap	*208,484*	*185,222*	*23,262*
Income from tax consolidation	*0*	*(542,110)*	*542,110*
Irap tax credit	*(1,030,526)*	*0*	*(1,030,526)*
Deferred tax liabilities	(13,311)	(11,115,259)	11,101,948
Deferred tax assets	1,525,832	10,461,235	(8,935,403)
Out-of-period income/charges	99,123	(71,284)	170,407
TOTAL	**822,881**	**(1,052,048)**	**1,874,929**

Current and deferred tax increased to €822,881. Most of the change is due to the recalculation of taxable income for 2014, resulting in the non-deductibility of the net loss for tax purposes on the sale of the Fonti del Corallo mall in Livorno in light of the tax authorities' Circular 32/E of 17 September 2015 and further details regarding compliance from fiscal year 2014 with Legislative Decree 133/2014. Because this lowered the tax loss, deferred tax assets were reversed in the amount of €957,525. Other changes were principally the result of: (i) the reversal, recognized as of 31 December 2014, of deferred tax assets (€11,862,268) and deferred tax liabilities (€11,130,236) provided for until 31 December 2013 (for a net negative impact of €732,032), due to the enactment (13 September 2014) of the Decree Law n. 133, published on the Gazzetta Ufficiale on 12 September (D.L. 133/2014), whose provisions include the classification as exempt operations of capital gains and losses on rental properties; and (ii) the conversion of excess ACE benefits not deducted from 2014 and 2015 income into a tax credit to be used against IRAP.

The following tables show the calculations used to confirm the economic and financial conditions for maintaining SIIQ status, as required by law (see Section 2.7 of the Directors' report):

INCOME STATEMENT EXEMPT OPERATIONS AND TAXABLE OPERATIONS (amounts in Euro)	31/12/15 TOTAL	31/12/15 EXEMPT OPERATIONS	31/12/15 TAXABLE OPERATIONS
Total revenues and operating income	**75,000,944**	**68,667,553**	**6,333,391**
Total operating costs	**22,147,050**	**17,982,173**	**4,164,877**
(Amortizations and provisions)	(1,731,544)	(1,643,282)	(88,262)
(Impairment losses on work in progress)/Reversals	(698,278)	(698,278)	0
Fair value changes - Increase/(Decreases)	12,874,895	12,874,895	0
EBIT	**63,298,967**	**61,218,715**	**2,080,252**
Investment management result	**8,822,357**	**8,976,419**	**(154,062)**
Investment management result	8,822,357	8,976,419	(154,062)
Financial income	751,054	11,734	739,320
Financial charges	(27,038,297)	(25,676,640)	(1,361,657)
Financial management results	**(26,287,243)**	**(25,664,906)**	**(622,337)**
PRE-TAX PROFIT	**45,834,081**	**44,530,228**	**1,303,853**
Income taxes for the period	822,881	0	822,881
NET PROFIT FOR THE PERIOD	**45,011,200**	**44,530,228**	**480,972**

CONFIRMATION OF ECONOMIC CONDITION	31/12/15
Rental and equivalent income (exempt income)	77,772,602
Capital gains realized	2,370,484
Total (A)	**80,143,086**
Positive components	84,859,082
Capital gains realized	2,370,484
Total (B)	**87,229,566**
Income ratio (A/B)	**91.88%**

CONFIRMATION OF FINANCIAL CONDITIONS		31/12/15
Rental properties		1,180,382,983
Properties under construction		36,019,895
Investments in SIINQ		331,616,411
Total rental properties, properties under construction and investments in SIINQ	A	**1,548,019,289**
TOTAL ASSETS	B	**1,827,405,301**
Elements excluded from the ratio	C	**(85,853,168)**
Cash and cash equivalents		(8,571,706)
Group companies loans		(51,447,409)
Trade receivables		(7,625,631)
IGD SIIQ Headquarters		(8,617,990)
Derivative assets		(12,057)
Deferred tax assets		(8,209,632)
Tax credit		(1,368,743)
Total adjusted assets D = B-C	D	**1,741,552,133**
FINANCIAL RATIO A / D		**88.89%**

Below is a reconciliation between theoretical income tax and actual income tax for the years ended 31 December 2015 and 31 December 2014.

INCOME TAX RECONCILIATION APPLICABLE TO THE PRE-TAX PROFIT	31/12/15	31/12/14
Pre-tax profit	**45,834,081**	**2,629,341**
Theoretical tax charge (rate 27.5%)	*12,604,372*	*723,069*
Profit resulting from the income statement	45,834,081	2,629,341
Increases:		
IMU (Property tax)	4,741,259	4,452,541
Negative fair value	0	14,272,860
Impairment losses on work in progress	698,278	0
Other increases	4,945,549	2,196,064
Decreases:		
Change in exempt income	(37,521,634)	(17,615,031)
Amortization	(1,269,149)	(1,132,820)
Positive fair value	(12,874,895)	0
Other changes	(3,319,115)	(6,446,590)
Taxable income	**1,234,373**	**(1,643,634)**
Use of ACE benefit	**1,234,373**	**0**
Taxable income net of losses	**0**	**(1,643,634)**
Lower current taxes charge directly to equity	***(33,279)***	***(30,148)***
Current taxes	***33,279***	***30,148***
Income from tax consolidation	***0***	***(542,110)***
Irap tax credit	***(1,030,526)***	***0***
Total current taxes for the year	***(997,247)***	***(511,962)***
Difference between value and costs of production	**57,031,846**	**52,968,121**
Theoretical IRAP (3.9%)	2,224,242	2,065,757
Difference between value and costs of production	**57,031,846**	**52,968,121**
Change:		
Increases	7,991,434	6,095,806
Decreases	(1,225,673)	(9,143,729)
Change in exempt income	(53,825,869)	(44,361,797)
Other deductions	(4,726,196)	(1,256,533)
Taxable income for IRAP purpose	**5,245,542**	**4,301,868**
Lower IRAP charged directly to equity	**(2,379)**	**(16,168)**
Current IRAP for the year	***208,484***	***185,222***

Note 10) Intangible assets with finite useful lives

INTANGIBLE ASSETS WITH FINITE USEFUL LIVES 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	AMORTIZATION	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Intangible assets with finite useful lives	52,742	20,200	0	(26,355)	4,068	50,655
Intangible assets with finite useful lives under development	4,068	0	0	0	(4,068)	0
Total intangible assets with finite useful lives	**56,810**	**20,200**	**0**	**(26,355)**	**0**	**50,655**

INTANGIBLE ASSETS WITH FINITE USEFUL LIVES 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	AMORTIZATION	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Intangible assets with finite useful lives	50,655	19,695	0	(30,571)	0	39,779
Total intangible assets with finite useful lives	**50,655**	**19,695**	**0**	**(30,571)**	**0**	**39,779**

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of company trademarks and for business software. Trademarks are amortized over ten years and software over three years. In 2015 there were no impairment losses or reversals on intangible assets. Increases refer to: *(i)* the implementation of revenue management software (€5,000); *(ii)* revision of the company logo (€5,421); *(iii)* development of software for the management of exhibition space (€7,924); and *(iv)* research and design of the logo for the new Clodì retail park (€1,350).

Note 11) Goodwill

GOODWIL 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Goodwill	**64,828**	**0**	**0**	**1,235,172**	**1,300,000**

GOODWILL 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Goodwill	**1,300,000**	**0**	**0**	**0**	**1,300,000**

Goodwill has been allocated to the individual cash generating units (CGUs). No changes took place during the year. Below is the breakdown of goodwill by CGU at 31 December 2015.

GOODWILL	31/12/14	31/12/15
Fonti del Corallo	1,300,000	1,300,000
Total	**1,300,000**	**1,300,000**

The figures were retested for impairment during preparation of the financial statements. Value in use was calculated by projecting cash flows estimated in the 2016 budget and, for 2017 and 2018, in the 2015-2018 business plan approved by the Board of Directors on 7 May 2015. The discount rate (WACC) was 4.82%; the risk premium contained in the cost of equity is 4.90%, while the borrowing rate used is the average rate paid to obtain funding. A perpetual growth rate (g) of 1% was assumed in the projection. The test did not suggest the need to adjust the amounts reported.

Note 12) Buildings

BUILDING 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	AMORTIZATIONS	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Historical cost	10,114,243	0	0	0	0	10,114,243
Accumulated depreciation	(1,009,241)	0	0	(243,506)	0	(1,252,747)
Net carrying value	**9,105,002**	**0**	**0**	**(243,506)**	**0**	**8,861,496**

BUILDING 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	AMORTIZATION	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Historical cost	10,114,243	0	0	0	0	10,114,243
Accumulated depreciation	(1,252,747)	0	0	(243,506)	0	(1,496,253)
Net carrying value	**8,861,496**	**0**	**0**	**(243,506)**	**0**	**8,617,990**

This item refers to the purchase of the building housing IGD SIIQ S.p.A.'s head office. As in 2014, the only movement during the year was depreciation.

Note 13) Investment property

As required by IAS 40, the following table reconciles the opening and closing value of investment property, with increases, decreases, and changes in fair value shown separately.

INVESTMENT PROPERTY 2014	BALANCE AT 01/01/2014	INCREASES	ASSETS PURCHASE POST CAPITAL INCREASE	DECREASES	REVALUATION	IMPAIRMENT	TRANSFER FROM ASSETS UNDER CON-STRUCTION	TRANSFER TO NON-CURRENT ASSETS HELD FOR SALE	BALANCE AT 31/12/2014
Investment Property	**1,070,095,000**	**20,725,400**	**94,744,081**	**(46,792,302)**	**13,237,368**	**(29,659,334)**	**33,451,058**	**(28,600,000)**	**1,127,201,271**

INVESTMENT PROPERTY 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	REVALUATION	IMPAIRMENT	TRANSFER FROM ASSETS UNDER CON-STRUCTION	BALANCE AT 31/12/2015
Investment Property	**1,127,201,271**	**10,793,267**	**(1,112,123)**	**27,327,637**	**(14,878,523)**	**31,051,454**	**1,180,382,983**

The principal changes during the year concern work carried out and completed for approximately €10,793,267, including: (i) completion of the Chioggia retail park, inaugurated on 14 May (€5,814,651); (ii) renovation of the parking facility and construction of the underpass at Porto Grande shopping center (€738,346); (iii) waterproofing and new plant at Guidonia shopping center (€460,098); (iv) work on the shopping center in Palermo for construction of a multiplex cinema (€2,065,792); and (v) other minor improvements (primarily at Abruzzo, Super Aquileia, Centro Darsena and Le Maioliche (€1,714,380). The balance also increased with the reclassification of €31,051,454 for work capitalized in prior years and now completed, mostly at Chioggia retail park (€30,500,000). Decreases came to €1,112,123 and refer mostly to the sale of land in Faenza for €950,000 to the parent, Coop Adriatica (now Coop Alleanza 3.0). Fair value accounting at 31 December 2015 led to revaluations in excess of writedowns, for a net increase of €12,449,114.
For the calculation of fair value, see the appraisals by CBRE Valuation S.p.A., REAG S.p.A., and Cushman & Wakefield in this Annual Report.

Non-current assets held for sale
On 27 May 2015, in accordance with a preliminary contract dated 15 January 2015 and with the suspensive conditions satisfied, IGD signed a definitive contract for the sale to UBS Real Estate GmbH of a complex on Via Rizzoli in the historical heart of Bologna for €29.4 million. Therefore, at 31 December 2015, the item Non-current assets held for sale shows a balance of zero.

For the calculation of fair value and an analysis of the real estate portfolio, see section 2.5 ("The real estate portfolio") in this Annual Report.

Fair value hierarchy
Disclosures on the fair value hierarchy for non-financial assets and liabilities are provided below in accordance with IFRS 13. The fair value hierarchy classifies into three levels the inputs to valuation techniques used to measure fair value. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). More specifically:

- Level 1 inputs are quoted prices

(unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

(a) quoted prices for similar assets or liabilities in active markets;
(b) quoted prices for identical or similar assets or liabilities in markets that are not active;
(c) inputs other than quoted prices that are observable for the asset or liability, for example:
(i) interest rates and yield curves observable at commonly quoted intervals;
(ii) implied volatilities; and
(iii) credit spreads;
(d) market-corroborated inputs.

- Level 3 inputs are unobservable inputs for the asset or liability.

IGD's real estate portfolio has been measured according to Level 3 fair value models as the inputs directly and indirectly unobservable in the market, used in the valuation models, are greater than the observable inputs.
IGD investment property measured at fair value is shown in the table below.

FAIR VALUE MEASUREMENTS AT 31/12/2015	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKET (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN THE MARKET (LEVEL 3)
Investment property Italy:			
Italian shopping malls			678,575,719
City Center			23,700,000
Hypermarkets and supermarkets			472,530,437
Residual portions of property			5,576,827
Total investment property Italy			**1,180,382,983**
Total development initiatives			**23,500,000**
Total IGD investment property measured at fair value			**1,203,882,983**

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

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

The above methods were applied individually to each property, according to their specific features.
Properties are assessed according to their highest and best use, meaning that of all uses that are physically possible, legally permissible and financially feasible, only those potentially resulting in highest value are considered.
The following are taken into account when determining the capitalization and discounting rates used to value individual properties:

- the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
- the division of responsibilities for insurance and maintenance between the lessor and the lessee;
- the remaining economic life of the property.

Note 14) Plant and machinery, equipment, and leasehold improvements

Changes in plant and equipment are due essentially to the depreciation process.
Movements in plant and machinery in 2015 and 2014 are shown below:

PLANT AND MACHINERY 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Historical cost	691,098	0	0	0	(585,239)	105,859
Accumulated depreciations	(221,552)	0	0	(69,042)	196,341	(94,253)
Net carrying value	**469,546**	**0**	**0**	**(69,042)**	**(388,898)**	**11,606**

PLANT AND MACHINERY 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	BALANCE AT 01/01/2015
Historical cost	105,859	0	0	0		105,859
Accumulated depreciations	(94,253)	0	0	(1,985)		(96,238)
Net carrying value	**11,606**	**0**	**0**	**(1,985)**	**0**	**9,621**

The following tables show movements in equipment in this and the previous year:

EQUIPMENTS AND OTHER ASSETS 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	BALANCE AT 31/12/2014
Historical cost	2,183,426	83,740	0	0	0	2,267,166
Accumulated depreciations	(1,228,861)	0	0	(269,513)	0	(1,498,374)
Net carrying value	**954,565**	**83,740**	**0**	**(269,513)**	**0**	**768,792**

EQUIPMENTS AND OTHER ASSETS 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Historical cost	2,267,166	44,164	0	0	0	2,311,330
Accumulated depreciations	(1,498,374)	0	0	(267,612)	0	(1,765,986)
Net carrying value	**768,792**	**44,164**	**0**	**(267,612)**	**0**	**545,344**

Movements in leasehold improvements in 2015 are shown below.

LEASEHOLD IMPROVEMENTS 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	DEPRECIATIONS	RECLASSIFICATIONS	BALANCE AT 31/12/2015
Net carrying value	**0**	**4,400**	**0**	**(130)**	**0**	**4,270**

Note 15) Assets under construction

ASSETS UNDER CONSTRUCTION 2014	BALANCE AT 01/01/2014	INCREASES	DECREASES	RECLASSIFICATIONS	IGD PROPERTY SIINQ TRANSFER	*(IMPAIRMENT) / REVERSALS*	BALANCE AT 31/12/2014
Assets under construction	**78,057,953**	**17,271,650**	**0**	**(34,297,332)**	**275,744**	**2,149,106**	**63,457,121**

ASSETS UNDER CONSTRUCTION 2015	BALANCE AT 01/01/2015	INCREASES	DECREASES	RECLASSIFICATIONS	(IMPAIRMENT) / REVERSALS	*FAIR VALUE CHANGE*	BALANCE AT 31/12/2015
Assets under construction	**63,457,121**	**3,901,077**	**(14,352)**	**(31,051,454)**	**(698,278)**	**425,781**	**36,019,895**

The main changes during the year were as follows: (i) continued work on the expansion of ESP (€2,874,218) and Porto Grande (€56,190) shopping centers, plus €830,042 in advances paid; (ii) earthquake protection work at Darsena (€121,140) and other minor improvements (€19,487); and (iii) reclassifications of €31,051,454, mostly for the completion of Chioggia retail park (€30,500,000).
The Porto Grande expansion, recognized using the adjusted cost method, was written down by €698,278 to bring the carrying amount into line with the lower of cost and appraised fair value.
The ESP expansion, carried at fair value due to its advanced stage of construction, was revalued by €425,781.
See section 2.5 on the real estate portfolio for further details.

Note 16) Net deferred tax assets

As in 2014, deferred tax assets and liabilities have been offset in accordance with paragraph 74 of IAS 12, given that: (i) the company is entitled to offset current tax assets and liabilities and (ii) the deferred tax assets and liabilities are associated with income taxes charged by the same tax jurisdiction.
Therefore, "net deferred tax assets" reflect deferred tax assets and liabilities.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES	31/12/2015	31/12/2014	CHANGE
Deferred tax assets	8,224,704	12,347,226	(4,122,522)
Deferred tax liabilities	(15,072)	(28,383)	13,311
Net deferred tax assets and liabilities	**8,209,632**	**12,318,843**	**(4,109,211)**

Deferred tax assets are shown in detail below:

DEFERRED TAX ASSETS	31/12/2015	31/12/2014	CHANGE
Effect on capital operations	91,595	117,726	(26,131)
Taxed provisions	40,012	49,430	(9,418)
IAS 19 effect	4,107	789	3,318
IRS operation effect	6,925,553	9,496,112	(2,570,559)
Loss from tax consolidation effect	1,163,437	1,785,351	(621,914)
ACE reportable effect	0	897,818	(897,818)
TOTAL DEFERRED TAX ASSETS	**8,224,704**	**12,347,226**	**(4,122,522)**

Deferred tax assets mainly originate from:

- taxed provisions, such as the provision for doubtful accounts and the bonus provision;
- transaction costs for capital increases;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS);
- tax losses carried forward.

Most of the change for the year stems from: (i) the reversal of deferred tax assets on mortgage hedging instruments (IRS) due to the decrease in their negative fair value; (ii) the adjustment of deferred tax assets provided for in previous years due to the reduction in the IRES rate from 27.5% to 24% starting in 2017, in accordance with the 2016 Stability Law (Law 208 of 28 December 2015); and (iii) the reversal of deferred tax assets recognized in 2014 for the ACE benefit and tax losses, due mostly to the recalculation of taxable income (see Note 9) and the conversion of the ACE benefit into a tax credit as provided for by Decree Law 91/2014.

DEFERRED TAX ASSETS	BALANCE AT 31/12/2014						BALANCE AT 31/12/2015	
	TEMPORARY DIFFERENCE	DEFERRED TAX ASSETS	INCREASES	DECREASES	INCREASES	DECREASES	TEMPORARY DIFFERENCE	DEFERRED TAX ASSETS
			TEMPORARY DIFFERENCE		DEFERRED TAX ASSETS			
IAS 19 tax effect	22,411	789	21,033	8,965	5,784	2,466	34,479	4,107
Doubtful accounts	841,526	35,956	45,376	176,120	12,478	19,845	710,782	28,589
2014 bonus provisions	48,999	13,474	0	47,598	0	13,088	1,401	386
2015 bonus provisions			40,690	1,402	11,086	49	39,288	11,037
Deferred tax assets - loss for tax consolidation	6,492,187	1,785,351		1,644,532		621,914	4,847,655	1,163,437
Irs operation effect*	**34,531,319**	**9,496,112**		**5,674,847**		**2,570,559**	**28,856,472**	**6,925,553**
Deferred tax assets - costs for capital increase 2012	234,590	2,109		117,295		1,055	117,295	1,054
Deferred tax assets - costs for capital increase 2013	246,816	2,274		82,271		854	164,545	1,420
Deferred tax assets - sales of treasury shares	19,225	585		4,806		184	14,419	402
Deferred tax assets - 2014 DRO costs	305,312	9,294		76,328		2,915	228,984	6,379
Deferred tax assets - costs for capital increase 2014	3,398,640	103,463		849,660		32,450	2,548,980	71,013
2015 capitalized costs on 2014 capital increase reserve	0	0	108,414	21,683	2,299	498	86,731	1,801
Deferred tax assets - costs for capital increase 2015	0	0	573,293	114,658	12,159	2,633	458,635	9,526
Costs for capital increase effect	**4,204,583**	**117,726**	**681,707**	**1,266,701**	**14,458**	**40,589**	**3,619,589**	**91,595**
Ace reportable deferred tax surplus	3,264,795	897,818		3,264,795		897,818	0	0
TOTAL	**49,405,820**	**12,347,226**	**788,806**	**12,084,960**	**43,806**	**4,166,328**	**38,109,665**	**8,224,704**

* effect charged or credited directly to equity

Below are the details of deferred tax liabilities:

DEFERRED TAX LIABILITIES	31/12/2015	31/12/2014	CHANGE
Tax effect on bond	15,072	28,383	(13,311)
TOTAL DEFERRED TAX LIABILITIES	**15,072**	**28,383**	**(13,311)**

DEFERRED TAX LIABILITIES	BALANCE AT 31/12/2014						BALANCE AT 31/12/2015	
	TEMPORARY DIFFERENCE	DEFERRED	INCREASES	DECREASES	INCREASES	DECREASES	TEMPORARY DIFFERENCE	DEFERRED
			TEMPORARY DIFFERENCE		DEFERRED			
Bond	103,208	28,383		92,762		13,311	10,446	15,072
TOTAL	**103,208**	**28,383**	**-**	**92,762**	**-**	**13,311**	**10,446**	**15,072**

Note 17) Sundry receivables and other non-current assets

OTHER NON-CURRENT ASSETS	31/12/2015	31/12/2014	CHANGES
Tax credit	4,489	4,489	0
Due from other	3	3	0
Security deposits	19,156	18,910	246
Total	**23,648**	**23,402**	**246**

The change in this item is due to the increase in security deposits.

Note 18.1) Equity investments

Equity investments are detailed in the table below:

EQUITY INVESTMENTS	31/12/2014	INCREASES	DECREASES	RECLASSIFICATION	IMPAIRMENT	31/12/2015
Equity investments in subsidiaries						
IGD Management srl	170,183,477					170,183,477
Millennium Gallery srl	14,463,025					14,463,025
Consorzio Proprietari Fonti del Corallo	6,800					6,800
Consorzio Proprietari C.C.Leonardo	52,000					52,000
Winmagazin S.A.	185,618					185,618
Consorzio I Bricchi	4,335					4,335
IGD Property SIINQ	202,167,074					202,167,074
Punta di ferro siinq spa	0	129,449,337				129,449,337
Arco campus srl	0			1,506,779		1,506,779
Equity investments in associates						
Rgd Ferrara 2013 srl	50,000					50,000
Virtus college srl (ora Arco Campus srl)	9,924	1,496,855		(1,506,779)		0
Unipol sai sgr	0	4,360,062				4,360,062
Equity investments in other companies	**208,974**	**25,000**	**0**	**0**	**(150,000)**	**83,974**
Total	**387,331,227**	**135,331,254**	**0**	**0**	**(150,000)**	**522,512,481**

The main changes during the year concerned *(i)* the purchase of 100% of Punta di Ferro; *(ii)* the capital increase of Arco Campus S.r.l. (the new name adopted during the year by Virtus College S.r.l.), which raised IGD's interest in the company from 48.75% to 99.98%; and *(iii)* the acquisition of a 20% interest in UnipolSai Investimenti SGR S.p.A.

For investments deemed to be significant, the equity value (enterprise value + NFP) was determined and compared with the carrying value. Enterprise value was calculated using the cash flow projections for each company, derived from estimates in the 2016 budget and, for 2017 and 2018, in the 2015-2018 business plan approved on 7 May 2015. The discount rate *(WACC)* was 4.82%; the risk premium contained in the cost of equity is 4.90%, while the borrowing rate used is the average rate paid to obtain funding. A perpetual growth rate *(g)* of 1% was assumed in the projection. The test did not suggest the need to adjust the amounts reported.

Note 18.2) Non-current financial assets

NON-CURRENT FINANCIAL ASSETS	31/12/2015	31/12/2014	CHANGE
Non-current financial assets	100,000	594,500	(494,500)

This item went down due to the capital increase of Arco Campus S.r.l., subscribed to by IGD SIIQ S.p.A. and partially paid in through the conversion of interest-free loans granted in previous years in the amount of €494,500. An interest-bearing loan of €100,000, granted in 2014 to Fondazione Virtus Pallacanestro, is still outstanding.

Note 19) Trade and other receivables

TRADE AND OTHER RECEIVABLES	31/12/2015	31/12/2014	CHANGE
Third parties trade and other receivables	17,721,792	19,974,420	(2,252,628)
Provisions for doubtful accounts	(10,622,920)	(11,573,584)	950,664
Total	**7,098,872**	**8,400,836**	**(1,301,964)**

Net trade receivables decreased with respect to 31 December 2014. They are shown net of the provision for doubtful accounts, which reflects recovery estimates on problem credits. IGD has received €640,362 plus VAT with the initial payment from the Darsena FM bankruptcy, and has therefore reversed to the income statement the excess provision against the Darsena account, in the amount of €353,515.

Movements in the provision for doubtful accounts are shown below:

MOVEMENTS IN PROVISION FOR DOUBTFUL ACCOUNTS	31/12/2014	USES	DEVALUATION / (USES) DEFAULT INTEREST	PROVISIONS	DARSENA PROVISION SURPLUS	31/12/2015
Total provision for doubtful accounts	11,573,584	(1,367,483)	(6,031)	776,365	(353,515)	10,622,920

Receivables are written down based on an analysis of each tenant's position.

Note 20) Related party trade and other receivables

RELATED PARTIES TRADE AND OTHER RECEIVABLES	31/12/2015	31/12/2014	CHANGES
Parent company	8,949	-3,444	12,393
Total parent company	**8,949**	**-3,444**	**12,393**
Igd Management srl	33,327	123,982	(90,655)
Porta Medicea srl	38,972	77,649	(38,677)
Igd Property SIINQ spa	1,919	1,919	(0)
Millennium gallery srl	0	48,000	(48,000)
Punta di Ferro SIINQ spa	219	0	219
Rgd Ferrara 2013 srl	355,413	397,119	(41,706)
Winmagazine sa	1,724	8,788	(7,064)
Consorzio la Torre Palermo	0	3,825	(3,825)
Consorzio Porta a Mare Mazzini	37,000	0	37,000
Unicoop Tirreno scarl	28,828	336,209	(307,381)
Librerie Coop spa	8,827	27,228	(18,401)
Coop sicilia	0	427	(427)
Robintur spa	147	147	0
Adriatica luce e gas	11,368	25,695	(14,327)
Viaggia con noi Srl	66	66	0
Other related parties	**517,810**	**1,051,055**	**(533,245)**
Total related parties	**526,759**	**1,047,611**	**(520,852)**

See Note 38 for comments.

Note 21) Other current assets

OTHER CURRENT ASSETS	31/12/2015	31/12/2014	CHANGES
Tax credit			
VAT credits	5,618	1,019,781	(1,014,163)
Ires credits	421,350	341,686	79,664
Irap credits	941,775	27,447	914,328
Due from others			
Accrued income and prepayments	287,983	297,153	(9,170)
Deferred costs	22,500	185,218	(162,718)
Other	234,646	83,463	151,183
Total other current assets	**1,913,872**	**1,954,748**	**(40,876)**

Other current assets increased by €40,876, due mainly to: (i) VAT settlement for the month of December, which (unlike in 2014) constituted a net payable; (ii) an increase in IRAP credits due to the conversion of excess ACE benefits; and (iii) a decrease in deferred costs, reflecting the reversal to the income statement of costs incurred during construction of the Clodì shopping center in Chioggia (inaugurated in May 2015).

Note 22) Related party other current assets

RELATED PARTY OTHER CURRENT ASSETS	31/12/2015	31/12/2014	CHANGES
Receivables from tax consolidation	**68,983**	**631,328**	**(562,345)**
In detail:			
Millennium gallery Srl	1,977	112,638	(110,661)
Porta Medicea Srl	0	469,243	(469,243)
Igd Property SIINQ Spa	67,006	49,447	17,559

This item consists of the amount due from Millennium Gallery S.r.l. and IGD Property SIINQ S.p.A. as a result of transferring the subsidiaries' 2015 taxable income and IRES credits to the tax consolidation. The net decrease reflects the lower taxable income earned by the participating subsidiaries.

Note 23) Financial receivables and other current financial assets

CURRENT FINANCIAL ASSETS	31/12/2015	31/12/2014	CHANGES
Associates	151,307	151,373	(66)
Other related parties	51,296,102	88,946,168	(37,650,066)
Total related parties	**51,447,409**	**89,097,541**	**(37,650,132)**

The amount due from associates refers to the €150,000 loan granted in 2013 to RGD Ferrara 2013 S.r.l., plus interest calculated at the 3-month Euribor plus 350 basis points.
The amount due from other related parties concerns loans granted to the subsidiaries Millennium Gallery S.r.l. and IGD Management S.r.l. by way of a pooled account, charging interest at going market rates. Of the loan of €64,750,000 granted to the subsidiary IGD Management S.r.l. in 2014, €36,500,000 has been paid back in a number of installments.

Note 24) Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31/12/2015	31/12/2014	CHANGES
Cash and cash equivalents at banks, financial institutions and post offices	8,512,703	2,085,662	6,427,041
Cash on hand	59,003	38,891	20,112
Total cash and cash equivalents	**8,571,706**	**2,124,553**	**6,447,153**

Cash and cash equivalents at 31 December 2015 consisted mainly of current account balances at banks. The increase on the previous year reflects temporary deposits to be used for payments due in early 2016.

Note 25) Net equity

NET EQUITY	31/12/2015	31/12/2014	CHANGE
Share capital	599,760,278	549,760,279	49,999,999
Share premium reserve	39,971,151	147,730,288	(107,759,137)
Total other reserves	**331,475,850**	**241,359,144**	**90,116,706**
Legal reserve	109,952,056	12,348,038	97,604,018
Euro conversion reserve	0	23,113	(23,113)
Merger surplus reserve	3,955,934	13,735,610	(9,779,676)
Treasury shares reserve	0	(10,178,232)	10,178,232
Cash Flow Hedge reserve	(21,930,915)	(25,035,203)	3,104,288
Bond issue reserve	29,806,440	29,806,440	0
Share capital increase costs reserve	(6,155,903)	(5,483,723)	(672,180)
Recalculation of defined benefit plan	(18,088)	(153,494)	135,406
Fair Value reserve	213,204,349	226,296,595	(13,092,246)
Reserve available for asset disposal	2,661,977	0	2,661,977
Total profits	**45,011,306**	**8,153,415**	**36,857,891**
New net profit (loss)	106	4,472,026	(4,471,920)
Net profit (loss) for the period	45,011,200	3,681,389	41,329,811
Net equity	**1,016,218,585**	**947,003,126**	**69,215,459**

Movements in net equity are detailed in section 5.4.
The following actions taken during the year were approved by the annual general meeting held to approve the 2014 financial statements: (i) use of the share premium reserve for €107,759,137, with €97,580,905 added to the legal reserve and €10,178,232 used to fully cover the negative reserve for the sale of treasury shares; (ii) use of the full €23,113 from the Euro conversion reserve to supplement the legal reserve; (iii) addition of €97,604,018 to the legal reserve, as above; (iv) reclassification of €10,430,269 from the fair value reserve to profit carried forward, as this reserve is no longer unavailable pursuant to Art. 6 of Legislative Decree 38/2005; and (v) distribution of €28,363,361 in dividends for 2014, drawn from the goodwill reserve for €9,779,676 and from profit carried forward for the remainder.
Net equity also changed due to: (i) an increase in share capital for €49,999,999; (ii) the adjustment of CFH reserves pertaining to outstanding derivatives (€3,104,288); (iii) costs relating to capital increases (€681,707); (iv) tax effects on capital increase transaction costs (€9,527); (v) movements in the reserve for the recalculation of defined benefit plans (€135,406); (vi) reclassification of €2,661,977 from the fair value reserve to the distributable reserve from the sale of properties, as that amount is no longer unavailable pursuant to Art. 6 of Legislative Decree 38 of 28 February 2005 due to the sale of investment property during the year; and (vii) the profit for the year (€45,011,200).
Pursuant to Civil Code Article 2427, paragraph 7 bis, the components of net equity are shown along with their origin, possibility for use and eligibility for distribution. The fair value reserve incorporates the revaluation reserve pursuant to Law 266/2005, for €150,411,622 net of the substitute tax of €20,510,676.

ITEM/DESCRIPTION €/000	AMOUNT	ELIGIBILITY FOR USE	AMOUNT AVAILABLE	SUMMARY OF THE UTILIZATIONS IN THE PAST THREE YEARS	
				for loss coverage	for other reasons
Share capital	**599,760,278**				
Capital reserves:					
Share premium reserve	39,971,151	A, B	39,971,151		
Euro conversion reserve	0	A, B	0		
Merger surplus reserve	3,955,934	A, B	3,955,934		
Bond issue reserve	29,806,440	A, B	1,701,534		
Total capital reserve	**73,733,525**		**45,628,619**		
Profit reserves:					
Legal reserve	109,952,056	B	109,952,056		
Fair Value reserve	213,204,349	B	213,204,349		
Reserve available for assets disposal	2,661,977	A, B, C	2,661,977		
Cash Flow Hedge reserve	(21,930,915)	---			
Share capital increase cost reserve	(6,155,903)	---			
Recalculation of defined benefit plans	(18,088)	---			
New net profit/loss	106	A, B, C	106		
Total profit reserves	**297,713,582**		**325,818,488**	**0**	
Total reserves	**371,447,107**		**371,447,107**		
Non-distributable portion			333,156,405		
Remaining distributable amount			**38,290,702**	**0**	

Key: A: for capital increase; B: for loss coverage; C: for distribution to shareholders

The share premium reserve and similar capital reserves can only be distributed once the balance of the legal reserve has reached 20% of the share capital (€119,952,056), as established by Art. 2430 of the Italian Civil Code.

Note 26) Non-current financial liabilities

This item includes the non-current portion of floating-rate loans from banks, bonds, amounts due to other sources of finance, and financial liabilities with related parties, as detailed below:

NON-CURRENT FINANCIAL LIABILITIES	DURATION	31/12/2015	31/12/2014	CHANGE
Mortgage loans with banks				
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	0	11,370,181	(11,370,181)
09 Interbanca IGD	25/09/2006 - 05/10/2021	70,004,692	82,506,493	(12,501,801)
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	7,546,545	8,478,259	(931,714)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	51,088,229	55,454,334	(4,366,105)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	8,245,209	8,811,016	(565,807)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	21,571,767	22,887,748	(1,315,981)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	20,497,907	22,248,709	(1,750,802)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	11,609,518	12,538,619	(929,101)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	25,295,451	27,161,495	(1,866,044)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	18,341,105	19,878,028	(1,536,923)
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	33,462,809	36,083,105	(2,620,296)
16 CentroBanca Cone (Iper)		0	12,369,257	(12,369,257)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	0	19,957,385	(19,957,385)
Total mortgage loans		**267,663,232**	**339,744,629**	**(72,081,397)**
Bond 122,9 ML	07/05/2013 - 07/05/2017	6,722,435	120,961,204	(114,238,769)
Bond 22 ML	07/05/2013 - 07/05/2017	1,210,084	21,859,658	(20,649,574)
Bond 150 ML	07/05/2014 - 07/01/2019	123,848,785	148,360,325	(24,511,540)
Bond 162 ML	21/04/2015 - 21/04/2022	150,568,495	0	150,568,495
Total payables for bonds		**282,349,799**	**291,181,187**	**(8,831,388)**
Due to other source of finance		**4,563,683**	**4,866,597**	**(302,914)**
Sardaleasing for Bologna HQ	30/04/2009 - 30/04/2027	4,563,683	4,866,597	(302,914)
Non-current financial liabilities		**554,576,714**	**635,792,413**	**(81,215,699)**
Due to Parent				
Coop loan Le Maioliche		0	200	(200)
Related parties non-current financial liabilities		**0**	**200**	**(200)**

Mortgage loans

Mortgage loans from banks are secured by properties. The change is due to the reclassification to current financial liabilities of the principal falling due in the next 12 months, and to the early repayment of the Centrobanca Conè Iper loan in June 2015. The average interest rate on adjustable-rate mortgage loans at 31 December 2015 was 1.21%.

Bonds

In response to the bond transaction approved by the Board of Directors on 8 April 2015, the terms of which are reported in the section on significant events during the year, on 14 April the company received (i) for the bonds maturing in 2017, offers for a total nominal amount of €136,900,000; and (ii) for the bonds maturing in 2019, offers for a total nominal amount of €25,100,000. On 21 April it therefore issued a new bond loan for €162 million. The cost of this transaction was €9,503K as cash consideration for the bonds exchanged, plus €5,952K in interest accrued on the existing bonds from the immediately preceding interest payment date (inclusive) until 21 April, for a total of €15,455K. Additional transaction costs came to €1,051K. Pursuant to IAS 39 (par. 40) and AG 62, IGD arranged to ensure that the contractual terms of the new bond did not differ substantially from those of the bonds being exchanged, so the transaction could be accounted for as debt restructuring rather than the settlement of a liability. Therefore, the difference of €1,981K between the carrying value of the loans at the exchange date and the redemption amount at maturity was included, along with the new transaction and buyback costs, in the calculation of amortized cost.

The table below details these bond transactions:

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/2015	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTI-ZATION FROM 22/04/2015 TO 31/12/2015	31/12/15	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 150 ML	150,000,000		(25,100,000)	124,900,000		124,900,000		
Transaction costs	(1,639,675)	114,448	255,449	(1,269,778)	218,564	(1,051,215)		
Totale Bond 150 ML	**148,360,325**	**114,448**	**(24,844,551)**	**123,630,222**	**218,564**	**123,848,785**	**3.875%**	**4.17%**

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/2015	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTI-ZATION FROM 22/04/2015 TO 31/12/2015	31/12/15	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 122,90ML	122,900,000		(116,114,631)	6,785,369		6,785,369		
Transaction costs	(1,938,796)	235,607	1,609,155	(94,034)	31,099	(62,934)		
Total Bond 122,90ML	**120,961,204**	**235,607**	**(114,505,476)**	**6,691,335**	**31,099**	**6,722,435**	**4.335%**	**5.07%**

DUE TO BONDS	31/12/2014	ANCILLARY COSTS AMORTIZATION AT 21/04/2015	EXCHANGE OFFER EFFECTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTI-ZATION FROM 22/04/2015 TO 31/12/2015	31/12/15	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 22 ML	22,000,000		(20,785,369)	1,214,631		1,214,631		
Transaction costs	(140,342)	17,148	116,393	(6,802)	2,255	(4,547)		
Total Bond 22 ML	**21,859,658**	**17,148**	**(20,668,976)**	**1,207,829**	**2,255**	**1,210,084**	**4.335%**	**4.63%**

DUE TO BONDS	31/12/2014	EXCHANGE OFFER EFFECTS	BUYBACK AND ANCILLARY COSTS	BALANCE AT 21/04/2015	ANCILLARY COST AMORTI-ZATION FROM 22/04/2015 TO 31/12/2015	31/12/15	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 162 ML	0	162,000,000		162,000,000		162,000,000		
Transaction costs	0	(1,980,997)	(10,554,046)	(12,535,042)	1,103,537	(11,431,505)		
Total Bond 162 ML	**0**	**160,019,003**	**(10,554,046)**	**149,464,958**	**1,103,537**	**150,568,495**	**2.65%**	**3.94%**

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 31 December 2015.

NAME PROPERTY	OWNER	TYPE OF PRODUCT COUNTERPARTY	START DATE END DATE	REPAYMENT COVENANT	INDICATOR I)	INDICATOR II)	INDICATOR III)	INDICATOR IV)
04 **BNL Rimini IGD** MALATESTA - Rimini	IGD SIIQ S.p.A.	Loan BNL Banca Nazionale del Lavoro	06/09/06 06/10/16	Straight-line amortization of principal: €1.9mn p.a; balloon payment: €10mn Financial condition of IGD SIIQ S.p.A.: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	0.71			
05 **BreBanca IGD** MONDOVICINO (mall)	IGD SIIQ S.p.A.	Mortgage Banca Regionale Europea	23/11/06 10/01/23	Amortization with increasing principal None				
06 **Unipol Lungosavio IGD** LUNGO SAVIO - Cesena (mall)	IGD SIIQ S.p.A.	Mortgage Unipol Merchant	31/12/08 31/12/23	Amortization with increasing principal and balloon payment of €3.6mn None				
07 **Carige Nikefin Asti** I BRICCHI - Isola D'Asti (mall)	IGD SIIQ S.p.A.	Mortgage Banca Carige	31/12/08 31/03/24	Amortization with increasing principal and balloon payment of €9.5mn None				
08 **Carisbo Guidonia IGD** TIBURTINO - Guidonia (mall + hypermarket)	IGD SIIQ S.p.A.	Mortgage Cassa di Risparmio di Bologna	27/03/09 27/03/24	Straight-line amortization of principal: €4.1mn p.a; balloon payment: €24mn Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6 through to maturity	0.99			
09 **Interbanca IGD** Iper LUGO - Ravenna, Iper MAESTRALE - Senigallia, Iper MIRALFIORE - Pesaro, CENTRO D'ABRUZZO - Pescara (hyper), , LE PORTE DI NAPOLI - Afragola (hyper), - PORTOGRANDE (hyper+mall), Iper LEONARDO	IGD SIIQ S.p.A.	Loan GE Capital	25/09/06 05/10/21	Amortization with increasing principal Consolidated financial statements: ratio of net debt (including derivative assets liabilities) to equity must not exceed 2, from 31/12/2006 to maturity	0.99			
10 **Mediocredito Faenza IGD** LE MAIOLICHE - Faenza (hypermarket)	IGD SIIQ S.p.A.	Loan Mediocredito banca SPA	05/10/09 30/06/29	Straight-line amortization of principal: €0.94 mn p.a IGD SIIQ S.p.A. financial statements: ratio of external net debt to equity + intercompany loans must not exceed 2.7	0.75			
14 **MPS Palermo** Palermo (mall)	IGD SIIQ S.p.A.	Mortgage Monte dei Paschi di Siena	21/12/10 30/11/25	Amortization with increasing principal and balloon payment of €6.6mn Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.7; ii) loan to value ratio for the individual property must not exceed 70%	0.99	48.19%		

continue

NAME / PROPERTY	OWNER	TYPE OF PRODUCT / COUNTERPARTY	START DATE / END DATE	REPAYMENT / COVENANT	INDICATOR I)	INDICATOR II)	INDICATOR III)	INDICATOR IV)
15 CentroBanca Coné Gall	IGD SIIQ S.p.A.	Loan	22/12/10	Straight-line amortization of principal: €2.64mn p.a; balloon payment: €10.56mn				
CONÈ (mall)		CentroBanca	31/12/25	Consolidated financial statements: ratio of net debt (including derivative assets and liabilities) to equity no higher than 2	0.99			
13 CR Veneto Mondovì	IGD SIIQ S.p.A.	Mortgage	08/10/09	Straight-line amortization of principal: €1.65mn p.a; balloon payment: €8.55mn				
MONDOVICINO (Retail Park)		Cassa di Risparmio del Veneto	01/11/24	Certified consolidated financial statements ratio of net debt (including derivative assets and liabilities) to equity must not exceed 1.6	0.99			
17 Carige Palermo IGD	IGD SIIQ S.p.A.	Mortgage	12/07/11	Amortization with increasing principal				
PALERMO (hypermarket)		Banca Carige	30/06/27	None				
18 CC Ipotecario - Tiraggi	IGD SIIQ S.p.A.	Credit facility secured by mortgage	20/12/11	Gradual reduction of available credit by €20mn p.a., from 2015 to maturity				
1st MORTGAGE CREMA, 1st MORTGAGE LE FONTI DEL CORALLO (hyper)		Cassa di Risparmio di Firenze	19/12/16	Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to equity must be less than or equal to 1.6 through to maturity; ii) ratio of EBITDA to financial charges must be greater than 1.5; iii) ratio of net debt to market value must be less than or equal to 0.65.	0.99	2.14	48.98%	
24 Notes 3.875% - Due 07/01/2019	IGD SIIQ SpA	Bond	07/05/14	Bullet				
Unsecured		Payng Agent - Bnp Paribas	07/01/19	i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	47.30%	2.34	26.51%	1.86
25 Notes 4.335% - Due 07/05/2017	IGD SIIQ SpA	Bond	07/05/13	Bullet				
Unsecured		Payng Agent - Bnp Paribas	07/05/17	None				
26 Notes 2.65% - Due 21/04/22	IGD SIIQ SpA	Bond	21/04/15	Bullet				
Unsecured		Payng Agent - Bnp Paribas	21/04/22	i) LTV ratio (excluding derivative liabilities) under 60%; ii) Interest cover ratio (recurring items on cash basis) > 1.55; iii) Ratio of secured debt to market value less than 45%; iv) Ratio of unmortgaged properties to unsecured debt > 0.90.	47.30%	2.34	26.51%	1.86

Note 27) Provision for employee severance indemnities

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

PROVISION FOR EMPLOYEE SEVERANCE INDEMNITIES	BALANCE AT 01/01/2014	USEFUL LOSSES / (PROFIT)	UTILIZATION	ALLOCATION	IAS 19 FINANCIAL CHARGES	BALANCE AT 31/12/2014
Provision for employee severance indemnities	886,285	182,683	(58,170)	148,380	29,059	1,188,237

PROVISION FOR EMPLOYEE SEVERANCE INDEMNITIES	BALANCE AT 01/01/2015	USEFUL LOSSES / (PROFIT)	UTILIZATION	ALLOCATION	IAS 19 FINANCIAL CHARGES	BALANCE AT 31/12/2015
Provision for employee severance indemnities	1,188,237	(135,405)	(19,357)	212,288	21,921	1,267,684

The following charts show the demographic and financial assumptions used:

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

FINANCIAL ASSUMPTIONS	2015
Cost of living increase	1.50% 2016
	1.80% 2017
	1.70% 2018
	1.60% 2019
	2.00% from 2020 onward
Discount rate	2.30%
Increase in total compensation	Executives 2.5%
	White collar/Middle managers 1.0%
	Blue collar 1.0%
Increase in severance indemnity provision	2.625% 2016
	2.850% 2017
	2.775% 2018
	2.700% 2019
	3.000% from 2020 onward

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

Additional information

- sensitivity analysis, showing the impact in absolute terms of each reasonably possible change in actuarial hypotheses at the close of the year;
- amount of contribution for the following year;
- average financial duration of the liability for defined benefit plans;
- estimated payouts.

SENSITIVITY ANALYSIS OF MAIN VARIABLES ON TFR AT 31/12/2015

CHANGE IN ASSUMPTION	AMOUNT OF TFR PROVISION / €
Inflation +0.25%	1,304,326.91
Inflation -0.25%	1,232,453.79
Discount rate +0.25%	1,223,535.68
Discount rate -0.25%	1,314,219.79
Turnover rate +1%	1,254,957.36
Turnover rate -1%	1,282,238.76

	€
Service cost 2016	167,187.66

	anni
Plan duration	19.80

	€
Estimated payouts, year 1	42,358.00
Estimated payouts, year 2	44,130.00
Estimated payouts, year 3	49,443.00
Estimated payouts, year 4	54,692.00
Estimated payouts, year 5	163,397.00

Note 28) General provisions

GENERAL PROVISIONS	31/12/2014	UTILIZATIONS	ALLOCATIONS	31/12/2015
Provision for taxation	638,379	(58,175)	511,376	1,091,580
Bonus provision	442,632	(429,971)	469,808	482,469
Other general provisions	430,151	0	2,154,191	2,584,342
TOTAL	**1,511,162**	**(488,146)**	**3,135,375**	**4,158,391**

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

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

Other general provisions
These cover the risks arising from litigation in course, as well as probable future expenses. The allocation refers to potential liabilities from litigation commenced during the period. See Note 43 for further information.

Note 29) Sundry payables and other non-current liabilities

SUNDRY PAYABLES AND OTHER NO-CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Other liabilities	5,713	5,713	0
Substitute tax liabilities	153,388	230,081	(76,693)
TOTAL	**159,101**	**235,794**	**(76,693)**

Payables for substitute tax consist of the non-current portion of the substitute tax on the capital gain from the sale of Centro Lame hypermarket, due in June 2017 and 2018.

Related party payables are shown below:

SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Parent	**8,340,465**	**7,900,465**	**440,000**
Security deposits from Coop Adriatica	8,340,465	7,900,465	440,000
Related parties	**1,489,688**	**1,466,009**	**23,679**
Security deposits Unicoop Tirreno	1,007,438	997,375	10,063
Security deposits Vignale Comunicazione	0	15,000	(15,000)
Security deposits Campania Distribuzione Moderna	452,250	453,634	(1,384)
Adriatica Luce e Gas	30,000	0	30,000
Total	**9,830,153**	**9,366,474**	**463,679**

Security deposits refer to the sums advanced on the leasing of hypermarkets and malls. They pay interest at the rates provided for by law.
Security deposits from Coop Adriatica (from 1 January: Coop Alleanza 3.0) increased due to the opening of the Clodì shopping center in Chioggia, leased to the controlling company against a deposit of €415,000.
Security deposits from Vignale Comunicazione are now shown under Unicoop Tirreno as a result of the merger by absorption in April 2015.

Note 30) Current financial liabilities

CURRENT FINANCIAL LIABILITIES	DURATION	31/12/2015	31/12/2014	CHANGE
Due to banks				
Mps c/c	a vista	7,985,552	5,716,361	2,269,191
Emilbanca c/c	a vista	1,489,395	1,397,716	91,679
Banca Pop. Emilia Romagna - Hot Money	16/12/2015 - 16/06/2016	16,700,000	8,500,000	8,200,000
Banca Regionale Europea - Hot Money	16/12/2015 - 16/02/2016	20,001,890	0	20,001,890
Carisbo - Hot Money	16/12/2015 - 16/02/2016	10,001,233	7,003,836	2,997,397
Cassa di risparmio del Veneto	15/12/2015 - 15/02/2016	15,001,973	0	15,001,973
Bnl - Bologna	16/12/2015 - 16/03/2016	18,500,000	5,000,000	13,500,000
Cassa risp. Firenze hot money	21/12/2015 - 22/02/2016	15,001,233	0	15,001,233
Banco Popolare hot money	16/12/2015 - 16/03/2016	3,500,000	0	3,500,000
Banco Popolare hot money	18/12/2015 - 16/03/2016	9,000,000	0	9,000,000
Cassa di risparmio di cesena c/c	a vista	4,996,228	0	4,996,228
Total		**122,177,504**	**27,617,913**	**94,559,591**
Mortgage loans with banks				
04 BNL Rimini IGD MALATESTA - Rimini	06/09/2006 - 06/10/2016	11,388,031	1,861,357	9,526,674
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	970,109	926,877	43,232
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	567,802	534,428	33,374
09 Interbanca IGD	25/09/2006 - 05/10/2021	12,731,069	12,304,847	426,222
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4,136,127	4,142,020	(5,893)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1,325,580	1,242,807	82,773
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1,728,868	1,762,566	(33,698)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933,333	933,333	(0)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	1,918,189	1,873,902	44,287
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1,536,922	1,503,660	33,262
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2,640,000	2,640,000	0
16 CentroBanca Cone (Iper)		0	800,000	(800,000)
18 Cassa risp Firenze ipotecario	20/12/2011 - 19/12/2016	19,979,018	20,000,000	(20,982)
Total mortgage loans with banks		**59,855,048**	**50,525,797**	**9,329,251**
Leasing IGD Headquarters	30/04/2009 - 30/04/2027	302,914	293,254	9,660
Contingent liability for mall		0	2,154,192	(2,154,192)
Punta di Ferro price adjusments	18/02/2016	1,592,044	0	1,592,044
Bond 122,9 ML	07/05/2013- 07/05/2017	191,275	3,473,962	(3,282,687)
Bond 22 ML	07/05/2013- 07/05/2017	34,240	621,865	(587,625)
Bond 150 ML	07/05/2014 - 07/01/2019	4,747,097	3,842,708	904,389
Bond 162 ML	21/04/2015 - 21/04/2022	2,979,295	0	2,979,295
Due to other sources of finance		**9,846,865**	**10,385,981**	**(539,116)**
TOTAL CURRENT FINANCIAL LIABILITIES WITH THIRD PARTIES		**191,879,417**	**88,529,691**	**103,349,726**
Due to subsidiaries				
IGD Management srl c/c improprio		0	702	(702)
IGD Property siinq spa c/c improprio		2,000,089	0	2,000,089
Total due to subsidiaries		**2,000,089**	**702**	**1,999,387**
Due to Parent				
Coop finanziamento le Maioliche		0	187,513	(187,513)
Total due to Parent		**0**	**187,513**	**(187,513)**
TOTAL CURRENT FINANCIAL LIABILITIES WITH RELATED PARTIES		**2,000,089**	**188,215**	**1,811,874**

Current financial liabilities with third parties include the current portion of lease payments on the new head office, the amount due for the price adjustment on the Punta di Ferro acquisition, and the current portion of outstanding mortgage loans, including interest accrued.

The principal changes in current financial liabilities relate to: (i) the opening of ultra-short-term loans during the year, mainly in connection with the Punta di Ferro acquisition; (ii) the repayment of principal falling due during the period on existing mortgage loans; (iii) the early repayment of the Centro Banca Conè Iper loan in June

2015; (iv) the elimination of current financial liabilities with related parties through payment of the interest due on the loan from Coop Adriatica, repaid in 2014; (v) an increase in the amount payable under the pooled account with the subsidiary IGD Property SIINQ.

Note 31) Net financial position

The table below presents the net financial position at 31 December 2015 and 31 December 2014. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

NET DEBT	31/12/2015	31/12/2014
Cash and cash equivalents	(8,571,706)	(2,124,553)
Related parties financial receivables and other current financial assets	(51,447,409)	(89,097,541)
LIQUIDITY	**(60,019,115)**	**(91,222,094)**
Related parties current financial liabilities	2,000,089	188,215
Current financial liabilities	123,769,548	29,772,105
Mortgage loans current portion	59,855,048	50,525,797
Leasing current portion	302,914	293,254
Bond current portion	7,951,907	7,938,535
CURRENT DEBT	**193,879,506**	**88,717,906**
CURRENT NET DEBT	**133,860,391**	**(2,504,188)**
Non-current financial assets	(100,000)	(594,500)
Leasing non-current portion	4,563,683	4,866,597
Non-current financial liabilities	267,663,232	339,744,629
Related parties non-current financial liabilities	0	200
Bond	282,349,799	291,181,187
NON-CURRENT NET DEBT	**554,476,714**	**635,198,113**
TOTAL NET DEBT	**688,337,105**	**632,693,925**

Note 32) Trade and other payables

TRADE AND OTHE PAYABLES	31/12/2015	31/12/2014	CHANGES
To suppliers	7,487,998	9,610,168	(2,122,170)

The decrease in trade payables reflects the end of construction and contract work, mostly on the Chioggia investment.

Note 33) Related party trade and other payables

RELATED PARTIES TRADE AND OTHER PAYABLES	31/12/2015	31/12/2014	CHANGES
To Parent	140,254	230,673	(90,419)
To other related parties:	*208,775*	*190,595*	*18,180*
Consorzio Lame	8,075	8,075	0
Consorzio La Torre - PA	4,500	71,394	(66,894)
Consorzio Katanè	0	6,307	(6,307)
Igd management srl	9,856	10,088	(232)
Consorzio I Bricchi	104,420	31,543	72,877
Consorzio Proprietari Leonardo	3,522	10,065	(6,543)
Consorzio Proprietari Fonti del Corallo	19,260	2,226	17,034
Consorzio Porta a Mare Mazzini	0	46,894	(46,894)
Consorzio Proprietari gran rondo'	4,003	4,003	(0)
Consorzio Parcocommerciale Cone'	622	0	622
Consorzio Parcocommerciale Clodì	54,517	0	54,517
Total related parties	**349,029**	**421,268**	**(72,239)**

See Note 38 for comments.

Note 34) Current tax liabilities

CURRENT TAX LIABILITIES	31/12/2015	31/12/2014	CHANGES
Irpef included regional and municipal surtax	341,820	411,225	(69,405)
Irap	0	72,405	(72,405)
VAT	*809,375*	*0*	*809,375*
Drainage consortium	10,900	10,900	0
Due to substitute tax on capital gains	80,470	77,148	3,322
Total current tax liabilities	**1,242,565**	**571,678**	**670,887**

The increase in current tax liabilities is essentially due to net VAT payable for the month of December, as a result of rent for the first quarter of 2016 that was invoiced in advance to the parent, Coop Adriatica (from 1 January: Coop Alleanza 3.0).
This item also includes the current portion of the substitute tax on the capital gain for Lame hypermarket, as well as IRPEF withheld from employees.

Note 35) Other current liabilities

OTHER CURRENT LIABILITIES	31/12/2015	31/12/2014	CHANGES
Social security	180,814	194,878	(14,064)
Insurance	8,000	8,000	0
Due to employees	336,245	368,677	(32,432)
Security deposits received	2,283,022	2,060,636	222,386
Unclaimed dividends	848	794	54
Advances due within one year	62,829	0	62,829
Other liabilities	283,227	558,568	(275,341)
Total other liabilities	**3,154,985**	**3,191,553**	**(36,568)**

These consist mainly of security deposits received from tenants.

Note 36) Related party other current liabilities

OTHER CURRENT LIABILITIES TO RELATED PARTIES	31/12/2015	31/12/2014	CHANGES
Due to tax consolidation	181,531	197,844	(16,313)
Other payables	4,891,428	14,484	4,876,944
Total other liabilities to related parties	**5,072,959**	**212,328**	**4,860,631**

The amount due for the tax consolidation concerns the option renewed in June 2014 by IGD SIIQ S.p.A. and subsidiaries. The payable of €181,531 at 31 December 2015 was made up as follows:

- €28,718 due to IGD Management S.r.l. for the transfer to the 2015 tax consolidation of taxable income and IRES credits;
- €50,367 due to Porta Medicea S.r.l. for the transfer to the 2015 tax consolidation of taxable income and IRES credits;
- €29,490 due to IGD Management S.r.l. for taxable income and IRES credits transferred to the tax consolidation for 2008, further to the filing of an amended return in the company's favor;
- €72,956 due to IGD Management S.r.l. for taxable income and IRES credits transferred to the tax consolidation scheme for the years 2008 to 2011, as a result of the refund requested for those years for the deduction of a portion of IRAP from taxable income for IRES purposes.

As mentioned above under current tax liabilities, in December the company invoiced the parent, Coop Adriatica (from 1 January: Coop Alleanza 3.0), for rent pertaining to the first quarter of 2016. This caused an increase in other liabilities with related parties.

Note 37) Dividends

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

Note 38) Related party disclosures

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

RELATED PARTY DISCLOSURE	RECEIVABLES AND OTHER CURRENT ASSETS	FINANCIAL RECEIVABLES	PAYABLES AND OTHER CURRENT LIABILITIES	PAYABLES AND OTHER NON-CURRENT LIABILITIES	FINANCIAL PAYABLES	SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS	FIXED ASSETS - INCREASES	FIXED ASSTES - DECREASES
Coop Adriatica scarl	8,949	0	5,017,198	8,340,465	1	3	(1,221,739)	(950,000)
Robintur spa	147	0	0	0	0	0		
Viaggia con noi srl	66	0	0	0	0	0		
Librerie.Coop spa	8,827	0	0	0	0	0		
Adriatica Luce e Gas	11,368	0	0	30,000	0	0		
Campania Distribuzione Moderna	0	0	0	452,250	0	0		
Unicoop Tirreno Scarl	28,828	0	14,484	1,007,438	0	0		
Consorzio prop. Fonti del Corallo	0	0	19,260	0	0	0	55,450	
Consorzio Cone'	0	0	622	0	0	0		
Consorzio Clodì	0	0	54,517	0	0	0		
Consorzio Crema	0	0	4,003	0	0	0		
Consorzio I Bricchi	0	0	104,419	0	0	0		
Consorzio Lame	0	0	8,075	0	0	0		
Consorzio Leonardo	0	0	3,522	0	0	0	7,168	
Consorzio La Torre	0	0	4,501	0	0	0		
Consorzio Porta a Mare	37,000	0	0	0	0	0		
Rgd ferrara 2013	355,413	151,307	0	0	0	0		
IGD Management srl	33,327	43,646,592	141,021	0	0	0		
Punta di Ferro Siinq S.p.A.	219	0	0	0	0	0		
Millennium Gallery srl	1,977	7,648,463	0	0	0	0		
IGD Property SIINQ SPA	68,925	1,047	0	0	2,000,088	0		
Porta Medicea srl	38,972	0	50,367	0	0	0	8,122	
Win Magazin S.A.	1,724	0	0	0	0	0		
Total	**595,742**	**51,447,409**	**5,421,988**	**9,830,153**	**2,000,089**	**3**	**(1,150,999)**	**(950,000)**
Amount reported	**9,608,486**	**51,447,409**	**16,064,971**	**9,989,254**	**2,000,089**	**23,648**		
Total increase / (decrease)n for the period							**14,748,250**	**29,420,630**
% of the total	**6.20%**	**100.00%**	**33.75%**	**98.41%**	**100.00%**	**0.01%**	**-7.80%**	**-3.23%**

RELATED PARTY DISCLOSURE	REVENUES AND OTHER INCOME	FINANCIAL INCOME	COSTS	FINANCIAL CHARGES
Coop Adriatica scarl	19,313,499	0	310,996	40,916
Robintur spa	50,782	0	0	0
R.P.T. Robintur Travel Partner srl	13,090	0	0	0
Librerie.Coop spa	397,051	0	0	0
Adriatica Luce e Gas	140,000	0	0	0
Campania Distribuzione Moderna	900,000	0	0	2,250
Unicoop Tirreno Scarl	3,813,655	0	68,479	4,938
Consorzio prop. Fonti del Corallo	0	0	4,173	0
Consorzio Cone'	0	0	148,052	0
Consorzio Clodì	0	0	83,466	0
Consorzio I Bricchi	0	0	487,221	0
Consorzio La Torre	0	0	306,915	0
Consorzio Porta a Mare	0	0	244,474	0
DistribuzioneCentro Sud s.r.l.	545,848	0	0	0
Coop Sicilia	4,989,250	0	0	0
Rgd ferrara 2013	461,578	5,319	0	0
UnipolSai Sgr	9,260			
IGD Management srl	121,000	656,207	2,400	0
Punta di Ferro Siinq S.p.A.	219	0	0	0
Millennium Gallery srl	3,325,259	66,779	0	0
IGD Property SIINQ SPA	1,014,000	3,307	0	3,301
Porta Medicea srl	134,500	0	0	0
Win Magazin S.A.	24,000	0	0	0
Total	**35,252,991**	**731,612**	**1,656,175**	**51,405**
Amount reported	**75,000,944**	**751,054**	**22,147,050**	**27,038,297**
% of the total	**47.00%**	**97.41%**	**7.48%**	**0.19%**

The Company has financial and economic relationships with its controlling company, Coop Adriatica (from 1 January 2016: Coop Alleanza 3.0); with other companies in the Coop Adriatica Group (Robintur S.p.A., Librerie Coop S.p.A., R.P.T. Robintur Travel Partner S.r.l. and Adriatica Luce e Gas S.r.l.); with Unicoop Tirreno, Coop Sicilia, and Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno); and with Distribuzione Centro Sud (owned 45% by Coop Adriatica and Unicoop Tirreno). Related party transactions are conducted at arm's length and are recognized at face value.

Transactions with Coop Adriatica (from 1 January: Coop Alleanza 3.0) and its subsidiaries

Transactions with the controlling company Coop Adriatica refer to:

- the rental of investment property to Coop Adriatica for use as hypermarkets and supermarkets; rental income in 2015, including for retail premises, amounted to €19.3 million;
- provision of electronic data processing services by Coop Adriatica;
- cost of on-site assistance during expansion and new construction;
- payables in the form of security deposits received on leases;
- partial reimbursement the work on Chioggia retail park, amounting to €1.23 million for the year;
- sale of land in Faenza for €0.95 million;
- current account loans with a balance of zero at 31 December 2015.

Transactions with Robintur S.p.A. and R.P.T. Robintur Travel Partner S.r.l. concern the leasing of store space at malls and the supply of services. For the year ended 31 December 2015, €51K in rent was received from Robintur S.p.A. and €13K from R.P.T. Robintur Travel Partner S.r.l.
Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers and the leasing of the third floor of the building that houses IGD's head office. For the year, IGD received €397K under this arrangement.
Transactions with Adriatica Luce e Gas S.r.l. refer to the rental of part of the second floor of the building where IGD has its head office. The Company received €140K under this arrangement in 2015.

Transactions with Coop Sicilia

Transactions with Coop Sicilia, owned 50% by Coop Adriatica, concern receivables and income from the leasing of properties used as hypermarkets. In the year ended 31 December 2015 such income amounted to €5 million.

Transactions with Unicoop Tirreno

Transactions with Unicoop Tirreno consist of:

- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets. For the year, the Group received €3.81 million under these arrangements.

Transactions with other Group companies

Transactions with the direct and indirect subsidiaries IGD Management S.r.l., Millennium Gallery S.r.l., IGD Property SIINQ S.p.A., Porta Medicea S.r.l. and Winmagazin S.A. concern the following: (i) administrative, technical and financial services provided by IGD; (ii) loans granted to IGD Management S.r.l. and Millennium Gallery S.r.l.; (iii) the tax consolidation agreement with IGD Management S.r.l., Millennium Gallery S.r.l., IGD Property SIINQ S.p.A. and Porta Medicea S.r.l.; (iv) preliminary agreement for the purchase from a related party (Porta Medicea) of the retail portion ("Officine," "Lips" and

"Arsenale") of the Porta a Mare project in Livorno, for an original amount of €48 million, of which advances have been paid in the amount of €8.1 million.

Transactions with Consorzio Bricchi, Consorzio Conè, Consorzio La Torre, Consorzio Proprietari Fonti del Corallo, Consorzio Porta a Mare, and Consorzio Clodì refer to service charges for vacant units. Transactions with Consorzio Proprietari Fonti del Corallo and Consorzio Proprietari Leonardo concern extraordinary maintenance work on the buildings.

Transactions with Campania Distribuzione Moderna (owned 50% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Afragola hypermarket for €900K.

Transactions with Distribuzione Centro Sud (owned 45% by Coop Adriatica and Unicoop Tirreno) refer to rental income on the Guidonia hypermarket for €546K.

Transactions with RGD Ferrara 2013 S.r.l., formed on 30 September 2013 to manage the Darsena City shopping center in Ferrara (a joint venture between IGD and Beni Stabili), consist of: (i) rental of the Darsena property by IGD (rent for 2015 amounted to €462K) and (ii) an interest-bearing loan in the amount of €150K, with interest charged at the 3-month Euribor plus a spread of 350 basis points.

Note 39) Management of financial risk

Management of financial risk

In the course of business, the Group is exposed to various financial risks: interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group has operational and financial policies aimed at reducing the impact of such risks on performance, in part through the use of interest rate derivatives. The Board of Directors reviews and agrees on policies to manage these risks.

Interest rate risk

The main risk factor is the volatility of interest rates and the effect this has on borrowing and on the investment of liquid funds.

The Group borrows mainly through short-term facilities and long-term mortgage loans charging adjustable interest, so it risks an increase in financial charges if interest rates go up. The Finance department monitors interest rate risk constantly, in coordination with top management.

To hedge interest rate risk, the Group has entered into interest rate swaps covering about 87% of its exposure to rate fluctuations on long-term loans, which allow it to collect the adjustable interest rate in exchange for payment of a fixed rate. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model. See Note 44 for quantitative information on derivatives.

Liquidity risk

This refers to problems with liquidity management, insufficient resources to finance the business, and difficulty keeping up with loans or obtaining new credit.

Liquidity is monitored through cash flow planning, and risk is mitigated by the Group's extensive credit lines.

The Finance department uses a financial forecasting tool to monitor expected cash flows over a one-quarter rolling horizon and makes sure there is enough liquidity to operate the business. Cash flow sensitivity, stress testing and VAR estimation are all used with respect to financial risk.

As for long-term loans, each facility finances a specific project, which minimizes the risk of needing to refinance. Some long-term loans involve covenants; this aspect is monitored constantly by the chief financial officer, who also coordinates with management to gauge the likelihood of violating the covenants as a result of the strategic, operational, compliance and financial risks mapped, using the enterprise risk management system.

Financial commitments are covered by funds confirmed by the banks, and unutilized credit facilities are available.

Liquidity risk is managed prudently to avoid incurring excessive costs in the case of unforeseen events, which could have a further negative impact on market reputation.

Credit risk

Credit risk takes the form of customer insolvency and difficulty collecting payments. To mitigate these risks, tenants go through a pre-contractual selection process, based on financial standing and earnings prospects. Reviews of potential customers are performed also with the help of external specialists and aim to identify any risk factors for the company.

All customers are asked for bank guarantees and/or security deposits to guarantee fulfillment of their commitments. Throughout the life of the contract, the company monitors compliance on an ongoing basis, and follows internal credit management procedures in the event any problems arise; when the business relationship is secure, measures to assist the tenant may be taken. The credit situation is also constantly monitored by way of the customer payment calendar, which is formalized every quarter but checked on a daily basis to stay abreast of the measures taken or required to collect receivables.

Foreign exchange risk

IGD uses the euro as its accounting currency for all purchases and sales.

Capital management

The primary objective of the Group's capital management is to make sure it maintains a solid credit rating and sufficient capital indicators to support the business and maximize shareholder value. This is pursued by:

1. keeping the net debt/equity ratio at 1.5x or below (the ratio was 0.95x at 31 December 2014 and 0.93x at 31 December 2015);
2. keeping the loan-to-value ratio under 60% (it was 47.30% at the close of the year, down from 48.28% at the end of 2014).

Note 40) Derivative instruments

The Company has engaged in derivative contracts for the use of interest rate swaps. The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

FAIR VALUE - HIERARCHY	31/12/2015	31/12/2014	CHANGE	LEVEL
Derivative assets	12,057	48,922	(36,865)	2
Derivative liabilities	(30,007,631)	(36,002,145)	5,994,514	2
IRS net effect	**(29,995,574)**	**(35,953,223)**	**5,957,649**	

The contracts are detailed below:

CONTRACTS DETAIL	IRS 04 - EX MPS 3.84%	IRS 07 - BANCA ALETTI 3.420%	IRS 09 - BNP PARIBAS 3.439%	IRS 10 - EX MPS 3.439%	IRS 08 - EX MPS 3.420%	IRS 06 - CARISBO 3.3495%	IRS 12 - CARISBO 3.177%
Nominal amount	11,384,615	13,892,900	13,892,900	13,892,900	13,892,900	8,478,260	13,892,900
Inception date	06/10/06	10/06/09	10/06/09	11/06/09	12/06/09	12/02/09	28/10/09
Maturity	06/10/16	05/10/21	05/10/21	05/10/21	05/10/21	10/01/23	05/10/21
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months
Customer rate	3.84%	3.42%	3.44%	3.44%	3.42%	3.35%	3.18%

CONTRACTS DETAIL	IRS 11 - EX MPS 3.175%	IRS 16 - ALETTI 3.285%	IRS 17 - ALETTI 2.30%	IRS 14 - CARISBO 3.272%	IRS 13 - CARISBO 3.412%	IRS 15 - EX MPS 3.25%	IRS 18 - MPS 2.30%
Nominal amount	13,892,900	6,892,976	14,087,250	9,190,635	8,828,975	6,892,976	14,087,250
Inception date	28/10/09	28/04/10	27/08/10	28/04/10	28/04/10	28/04/10	27/08/10
Maturity	05/10/21	31/03/24	27/03/24	28/03/24	29/12/23	28/03/24	27/03/24
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months
Customer rate	3.18%	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%

CONTRACTS DETAIL	IRS 19 - CARISBO 2.30%	IRS 20 - CARISBO 2.285%	IRS 21 - MPS 2.80%	IRS 22 - CARISBO 3.25%	IRS 24 - CARISBO 2.429%	IRS 23 - CARISBO 2.429%	IRS 25 - ALETTI 2.427%	IRS 26 - CRF 40 MLN 4.427%
Nominal amount	14,087,250	14,087,250	11,785,715	22,575,000	18,150,000	7,260,000	10,890,000	20,000,000
Inception date	27/08/10	27/08/10	12/07/11	12/07/11	12/09/11	12/09/11	12/09/11	22/12/11
Maturity	27/03/24	27/03/24	31/03/24	01/11/24	31/12/25	31/12/25	31/12/25	30/09/16
IRS frequency	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	2.30%	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	2.45%

Note 41) Subsequent events

At the date of approval, no events following the balance sheet date had occurred that would require the company to adjust the figures in the financial statements or report elements not previously disclosed.

Note 42) Commitments

At 31 December 2015 the Company had the following significant commitments:

- preliminary agreement for the purchase from a related party (Porta Medicea) of the retail portion ("Officine," "Lips" and "Arsenale") of the Porta a Mare project in Livorno, for an original amount of €48 million, of which advances have been paid in the amount of €8.1 million;
- contract for urban development and digging in relation to the ESP expansion (€3.5 million).
- Contract for structural work, civil construction and finishing work in relation to the expansion of ESP shopping center, for a total of €16.6 million.
- Preliminary contract for the purchase from Unicoop Tirreno of the mall to be built inside the shopping center, currently under construction in Grosseto. The purchase price is €45 million, plus taxes and transaction costs. The sale depends on satisfaction of a suspensive condition. Payment is due upon transfer of title, after the opening scheduled for the second half of 2016.

Note 43) Disputes

Darsena

Due to the dissolution of the joint venture with Beni Stabili S.p.A. SIIQ on 15 December 2010, resulting in the sale of 50% of RGD S.r.l. (now Beni Stabili S.p.A. SIIQ) by Immobiliare Larice (now IGD Management S.r.l.) and the joint purchase of the Darsena City shopping center, IGD SIIQ S.p.A., as part of the litigation strategy agreed with Beni Stabili S.p.A. SIIQ, has taken the following action:

In November 2011 IGD filed a complaint per Art. 447 bis of the Code of Civil Procedure with the Court of Ferrara, demanding that Magazzini Darsena S.p.A. settle unpaid rent accrued since 1 January 2011. After a series of postponements, both procedural and as a result of Decree Law 74/2012, the case was suspended at the hearing of 27 November 2013 due to Magazzini Darsena's declaration of bankruptcy.

In July 2013 IGD also filed a complaint per Art. 447 bis of the Code of Civil Procedure against Darsena FM S.r.l., in subrogation, for the rent due from Magazzini Darsena S.p.A. Because Darsena FM was declared bankrupt, the case was suspended at the hearing of 22 January 2014.

BANKRUPTCY OF MAGAZZINI DARSENA S.P.A. AND DARSENA FM S.R.L.

With decisions dated 26 and 29 July 2013, the Court of Ferrara declared both companies bankrupt.

Further to those rulings, IGD SIIQ S.p.A. and Beni Stabili S.p.A. SIIQ managed to reach a partial settlement with the official receiver, signed on 29 October 2013.

Under the partial settlement, the companies were awarded the building by the receivership of Magazzini Darsena and through a 50-50 joint venture between IGD SIIQ S.p.A. and Beni Stabili S.p.A. they acquired the business (with its commercial permits) from the receivership of Darsena FM for the price of €255K plus taxes, terminated the preliminary contract to purchase the adjacent property ("Building B") and the associated agreements, and obtained Magazzini Darsena's definitive acceptance of the price reduction of €2,500K for the purchase of "Building A" (the amount Beni Stabili S.p.A. SIIQ had already collected through enforcement of the guarantee).

Under the settlement, the companies did not waive their right to the receivables accrued up to the date of bankruptcy and resulting from court decisions against the bankrupt firms, nearly all of which were therefore registered as claims.

In 2012 IGD SIIQ S.p.A. was summoned to court by Magazzini Darsena, Darsena FM and Partxco regarding the management agreement of Darsena City shopping center. IGD SIIQ S.p.A. appeared in court and filed a statement and related pleadings. Because IGD SIIQ S.p.A.'s legal advisors believe that the plaintiff's claims are not supported by sufficient evidence or legal grounds, the Company has recognized no liability in this regard. On 17 July 2013, the Court of Ferrara filed its decision rejecting the plaintiff's demands and ordering Magazzini Darsena, Darsena FM and Partxco to reimburse IGD SIIQ S.p.A.'s legal expenses in the amount of €20,000.00.

Further to that decision, on 8 October 2013 IGD SIIQ S.p.A. was summoned to the Court of Bologna for an appeal filed by Partxco against the ruling to indemnify IGD. At the initial hearing on 4 March 2014, a court date of 18 December 2018 was set for the announcement of conclusions. Because Partxco was then declared bankrupt on 24 June 2014, this proceeding will also be suspended at the next scheduled hearing, subject to resumption by the receiver. IGD SIIQ S.p.A.'s lawyers are confident that the appeal will be rejected and the initial decision confirmed, given the logical arguments on which that decision was based and the documentation submitted as proof of IGD's proper and complete fulfillment of all obligations.

Vibo Valentia

In May 2013, GAM S.p.A. took IGD SIIQ S.p.A. to court in Milan concerning the framework agreement signed by those parties in May 2007, whereby IGD was to purchase a 50% share of a new company owning a shopping center in Vibo Valentia to be built by the prospective seller GAM, subject to a positive due diligence report.
Back in June 2012, as the deadline had elapsed and the due diligence outcome was negative, IGD SIIQ S.p.A. had notified GAM that the framework agreement was no longer valid for a number of reasons, and that in any case it wished to withdraw from the agreement; GAM denied that the due diligence outcome was negative and refused to allow the withdrawal.
The present lawsuit therefore alleged that the framework agreement was terminated for breach of obligation by IGD and asked for compensation of the damages allegedly suffered by GAM. IGD contested that claim and asked the court to rule that the framework agreement had lapsed for a number of reasons (including the negative due diligence and resulting withdrawal), filing a counterclaim against the plaintiff. Given the groundlessness of GAM's claims, as confirmed by IGD's legal advisors, no liability had been recognized in this regard. The Court of Milan settled the dispute at the lower-court level with decision 628 of December 2014, published on 19 January 2015, which logically and coherently rejects all of GAM's claims against IGD by agreeing with the basis of the negative due diligence report and therefore with IGD's legitimate withdrawal from the (no longer valid) framework agreement, ordering the plaintiff not only to reimburse IGD's legal expenses but also to pay it damages for frivolous action in accordance with Art. 96 of the Code of Civil Procedure.
On 10 April 2015, GAM notified IGD that it had appealed the lower-court decision and asked for enforcement of that ruling to be suspended. On 30 June 2015, IGD filed an appearance and response, including a cross-appeal contesting all of its adversary's pleas. At the hearing of 15 September 2015 the commission rejected GAM's request for suspension of enforcement of the lower-court decision and scheduled arguments for 1 December 2015. The decision is pending, with concluding statements due by 29 January 2016 and rebuttals by 19 February.
GAM's appeal demands the reversal of decision 628/2015 based on the same arguments it put to the Court of Milan, which that court rejected as baseless in a sound and logical explanation. At present, as the arguments previously rejected have simply been restated at the appeal level, IGD—along with its legal advisors—expects the lower-court decision to be upheld. To ensure a watertight defense, however, IGD has filed a cross-appeal as there are other reasons to find that the framework agreement is no longer valid that were not given enough weight or emphasis in the lower-court decision, leading to our legitimate withdrawal from the agreement following the negative due diligence report. Meanwhile, the amount GAM has been ordered to pay IGD is in the process of being collected.

Iniziative Immobiliari Siciliane S.r.l.

During the first half of 2015, Iniziative Immobiliari Siciliane S.r.l. (IIS) filed a lawsuit in Ravenna against IGD SIIQ S.p.A. concerning the purchase of a mall, within the broader purchase of the Katanè shopping center in Gravina di Catania, under a contract signed on 29 October 2009. At issue is whether IIS should receive a supplement on the agreed price, under Art. 2 of that contract, to be quantified after the fifth anniversary of the shopping center's grand opening on the basis of certain variables.
The dispute is over what to include in the calculation of rent for the purpose of determining the price supplement (if any), and what to include in the initial calculation of rent to determine whether it increased. Specifically, IIS has asked the Court of Ravenna to find that for the purposes of calculating a price supplement, certain items should be included which in IGD's opinion should not.
On 25 June 2015, IGD filed an appearance and response contesting all of its opponent's claims, stating that it owes no price supplement to IIS, as the amount of rent for the purposes of this calculation had not increased with respect to the threshold agreed.
On the basis of the arguments filed, IGD asked the Court of Ravenna to reject all demands made by IIS. As a subordinate measure, IGD objected that a different interpretation of the clause on how to quantify a price supplement should be considered null and void, as the object of the contract would be undetermined and undeterminable. The hearing, set for 15 July 2015 in the summons, was postponed by the court to 20 July. On that date, the deadlines were set in accordance with Art. 183(6) of the Code of Civil Procedure and the case was adjourned until 15 December 2015, at which time IIS dropped its petition for preliminary expert testimony pursuant to CCP Art. 696 bis at the express request of the court. After the standard exchange of pleadings, the court set the discovery hearing for 6 April 2016.
The interpretation of the price supplement clause that IGD has argued in its defense is also supported by its legal advisors and suggests that the case will be concluded largely in IGD's favor.

Note 44) Tax litigation

Following the tax audit concluded on 11 September 2008, IGD received an audit report without significant findings, but with a recommendation to revalue closing inventories for about €645K; this generated an IRES (corporate tax) charge of €213.1K and an IRAP (regional business tax) charge of €27.4K plus penalties of €240.5K, all of which has been paid. IGD then received an assessment claiming that it had mistakenly interpreted the type of contract (sale of a future asset rather than a commissioned job) and therefore misclassified inventories, subjecting them to the wrong set of tax rules. The Company's appeal to the Provincial Tax Commission of Ravenna was rejected with a ruling of January 2011. In September 2011 IGD appealed the lower commission's decision and requested a public hearing with the Regional Tax Commission, asking it to declare the assessment null and void. In May 2014 the Regional Commission rejected the appeal and on 28 August IGD was ordered to settle the remaining third of the taxes and penalties charged, which it paid on 24 October 2014. In December 2014 IGD appealed to the Court of Cassation; after that final ruling, it plans to request that the tax be refunded because any error caused a simple carry-over effect from one year to the next. On 23 December 2015 the regional tax authorities of Emilia Romagna served Immobiliare Grande Distribuzione SIIQ S.p.A. with two assessments arguing that €240,625.00 in costs incurred in 2010 had been unduly deducted and that the corresponding €48,125.00 in VAT had been unduly credited against VAT payable. The assessments resulted from a notification that the provincial tax authorities of Ravenna had received from the Sicilian regional office, which began by stating that the Sicilian authorities had served Coop Sicilia S.p.A. (head office in San Giovanni La Punta in the province of Catania) with an assessment based on the disallowance of costs incurred for services that were deemed to lack sufficient documentation. On that basis, the Sicilian regional office recommended that the Ravenna provincial authorities disallow the portion of those costs that Coop Sicilia had charged to IGD under a contract between the two companies. After reviewing the papers and looking into the matter carefully, IGD's advisors concluded that the assessments are unfounded and filed settlement requests for both.

Note 45) IFRS 7 - Financial Instruments: Disclosures

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with IAS 39.

For this purpose, financial assets are split into four categories:

- Financial assets measured at fair value through profit and loss: at 31 December 2015 the Company had no financial instruments in this category.
- Held to maturity investments: the Company has no financial instruments belonging to this category.
- Loans and receivables: in this category the Company has trade, financial and other receivables, and cash and deposits. They mature within 12 months and are therefore carried at face value (net of any impairment).
- Available for sale financial assets: the Company has no financial instruments belonging to this category.

There are only two categories of financial liability:

- Financial liabilities measured at fair value through profit and loss;
- Financial liabilities measured at amortized cost.

Classification in the statement of financial position

The Company's financial instruments are included in the statement of financial position as follows. The item "Other non-current assets" covers sundry receivables and other non-current assets, including derivative instruments. The item "Current assets" includes trade receivables, other current receivables, and cash and cash equivalents. "Cash and cash equivalents" include bank and post office deposits and cash and valuables on hand. The other assets consist of investments outstanding at the balance sheet date. The item "Non-current liabilities" includes mortgage loans from banks, derivatives, the bond loan, sundry payables and security deposits. The item "Current liabilities" covers short-term payables to banks, the current portion of medium/long-term loans, trade payables and other current payables. The items in the statement of financial position are classified below according to the categories required by IAS 39 at 31 December 2015 and 31 December 2014:

	CARRYING VALUE										
CLASSIFICATION 31/12/2015	Financial assets/ liabilities designated at fair value	Held for trading financial assets/ liabilities measured at fair value	Receiva-bles and loans	Held to maturity financial assets	Financial assets available for sale	Financial liabilities meas-ured at amortized costs	Hedging derivatives	Total	of which current	of which non-current	FAIR VALUE
ASSETS											
Other non-current assets											
Sundry receivables and other non-current assets			19,159					19,159		19,159	19,159
Equity investments			522,512,481					522,512,481		522,512,481	522,512,481
Non-current financial assets			100,000					100,000		100,000	100,000
Hedging instruments assets							12,057	12,057		12,057	12,057
Current assets											
Trade and other receivables			7,098,872					7,098,872	7,098,872		7,098,872
Related parties trade and other receivables			526,759					526,759	526,759		526,759
Other current assets			545,129					545,129	545,129		545,129
Related parties financial receivables and other current financial assets			51,447,409					51,447,409	51,447,409		51,447,409
Cash and cash equivalents			8,571,706					8,571,706	8,571,706		8,571,706
TOTAL FINANCIAL ASSETS	**0**	**0**	**590,821,515**	**0**	**0**	**0**	**12,057**	**590,833,572**	**68,189,875**	**522,643,697**	**590,833,572**
LIABILITIES											
Financial liabilities											
Hedging instruments liabilities							30,007,631	30,007,631		30,007,631	30,007,631
Due to banks						122,177,504		122,177,504	122,177,504		122,177,504
Leasing						4,866,597		4,866,597	302,914	4,563,683	4,639,861
Bond						290,301,706		290,301,706	7,951,907	282,349,799	306,408,891
Due to other sources of finance						1,592,044		1,592,044	1,592,044	0	1,592,044
Mortgage loans						327,518,280		327,518,280	59,855,048	267,663,232	317,238,701
Related parties financial liabilities						2,000,089		2,000,089	2,000,089	0	2,000,089
Non-current liabilities											
Sundry payables and other non-current liabilities						5,713		5,713		5,713	5,713
Related parties sundry payables and other non-current liabilities						9,830,153		9,830,153		9,830,153	9,830,153
Current liabilities											
Trade and other payables						7,487,998		7,487,998	7,487,998		7,487,998
Related parties trade and other payables						349,029		349,029	349,029		349,029
Other current liabilities						2,637,927		2,637,927	2,637,927		2,637,927
Related parties other current liabilities						5,072,959		5,072,959	5,072,959		5,072,959
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**773,839,999**	**30,007,631**	**803,847,630**	**209,427,419**	**594,420,211**	**809,448,500**

CLASSIFICATION 31/12/2014	CARRYING VALUE										
	Financial assets/ liabilities designated at fair value	Held for trading financial assets/ liabilities measured at fair value	Receivables and loans	Held to maturity financial assets	Financial assets available for sale	Financial liabilities at amortized cost	Hedging derivatives	Total	of which current	of which non-current	FAIR VALUE
ASSETS											
Other non-current assets											
Sundry receivables and other non-current assets			18,913					18,913		18,913	18,913
Equity investments			387,331,227					387,331,227		387,331,227	387,331,227
Non-current financial assets			594,500					594,500		594,500	594,500
Derivative instruments assets							48,922	48,922		48,922	48,922
Current assets											
Trade and other receivables			8,400,836					8,400,836	8,400,836		8,400,836
Related parties trade and other receivables			1,047,611					1,047,611	1,047,611		1,047,611
Other current assets			565,834					565,834	565,834		565,834
Related parties financial receivables and other curren financial assets			89,097,541					89,097,541	89,097,541		89,097,541
Cash and cash equivalents			2,124,553					2,124,553	2,124,553		2,124,553
TOTAL FINANCIAL ASSETS	**0**	**0**	**489,181,015**	**0**	**0**	**0**	**48,922**	**489,229,937**	**101,236,375**	**387,993,562**	**489,229,937**
LIABILITIES											
Financial liabilities											
Derivative instruments liabilities							36,002,145	36,002,145		36,002,145	36,002,145
Due to banks						27,617,913		27,617,913	27,617,913		27,617,913
Leasing						5,159,851		5,159,851	293,254	4,866,597	4,899,816
Bond						299,119,722		299,119,722	7,938,535	291,181,187	318,469,149
Due to other sources of finance						2,154,192		2,154,192	2,154,192	0	2,154,192
Mortgage loans						390,270,426		390,270,426	50,525,797	339,744,629	380,582,111
Related parties financial liabilities						187,713		187,713	187,513	200	187,713
Non-current liabilities											
Sundry payables and other non-current liabilities						5,713		5,713		5,713	5,713
Related parties sundry payables and other non-current liabilities						9,366,474		9,366,474		9,366,474	9,366,474
Current liabilities											
Trade and other payables						9,610,168		9,610,168	9,610,168		9,610,168
Related parties trade and other payables						421,268		421,268	421,268		421,268
Other current liabilities						2,627,999		2,627,999	2,627,999		2,627,999
Related parties other current liabilities						212,328		212,328	212,328		212,328
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**746,753,767**	**36,002,145**	**782,755,912**	**101,588,967**	**681,166,945**	**792,156,989**

For each financial instrument, both carrying value and fair value are indicated. The two values coincide for most instruments, as their maturity is short term. They differ for long-term instruments, such as mortgage loans, leasing installments and the convertible bond.

To calculate the fair value of liabilities measured at amortized cost, the Company has discounted future cash flows to present value using a risk-free (zero coupon) curve estimated at 31 December, as reported by Bloomberg. The calculation takes account of the credit spread that banks would currently grant to IGD.

The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market. The fair value of financial liabilities was calculated using the credit spread that banks would grant to IGD SIIQ S.p.A. as of the measurement date. At 31 December 2015 a credit spread of 2.35% was applied (2.25% the previous year).

Collateral

Below is a list of financial assets pledged as collateral for contingent liabilities.

GIVEN COLLATERAL	CARRYING VALUE	
	31/12/2015	31/12/2014
Security deposits		
- Sundry receivables and other assets	19,159	18,913

The following table shows the impairment of trade receivables:

IMPAIRMENT	IMPAIRMENT OF TRADE RECEIVABLES	
	31/12/2015	31/12/2014
Opening balance	**11,573,584**	**11,298,268**
Allocations		
- from individual writedowns	770,334	899,403
Utilizations	**-1,367,483**	**-624,087**
Impairment reversals		
Other movements	**-353,515**	**0**
Total	**10,622,920**	**11,573,584**

Gains and losses from financial instruments

The table below reports the gains and losses from financial instruments held. These derive from securities trading, the impairment of trade receivables, and hedge derivatives. For hedge derivatives, the table shows the amount of the differentials paid and collected. The effects of fair value changes charged to the CFH reserve under equity (net of the tax effects) came to +€3,104,288 in 2015 and to -€9,241,871 in 2014.

INCOME STATEMENT 31/12/2015 NET GAIN (LOSS)	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	HELD FOR TRADING FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	RECEIVABLES AND LOANS	HELD TO MATURITY FINANCIAL ASSETS	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COST	HEDGING DERIVATIVES
Financial assets / liabilities							-8,758,224
Trade and other receivables			-770,334				
Total	**0**	**0**	**-770,334**	**0**	**0**	**0**	**-8,758,224**

INCOME STATEMENT 31/12/2014 NET GAIN (LOSS)	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	HELD FOR TRADING FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	RECEIVABLES AND LOANS	HELD TO MATURITY FINANCIAL ASSETS	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COST	HEDGING DERIVATIVES
Financial assets / liabilities							-8,509,219
Trade and other receivables			-899,403				
Total	**0**	**0**	**-899,403**	**0**	**0**	**0**	**-8,509,219**

The next table shows income and charges from financial assets and liabilities not measured at fair value:

INTEREST INCOME	31/12/2015	31/12/2014
Interest income on financial assets not measured at fair value		
- Deposits	19,442	120,891
- Receivables from affiliates	731,612	1,760,972

INTEREST EXPENSES	31/12/2015	31/12/2014
Interest expenses on financial liabilities not measured at fair value		
- Security deposits	48,104	78,733
- Sundry payables and other liabilities	515,816	271,388
- Due to Parent	-	457,052
- Due to subsidiaries	3,301	789
- Financial liabilities		
- Mortgage loans	5,545,740	10,250,643
- Leasing	79,892	96,501
- Bond	11,935,927	11,157,072
- Capitalized interests	0	-839,872
- Short-term borrowings	151,293	1,345,616

Credit risk

The maximum credit risk on the Company's other financial assets, including cash and cash equivalents, financial assets available for sale and certain derivative instruments, is the carrying value of these assets in the event of the counterparty's insolvency. This analysis includes off-balance sheet positions, such as future commitments. The maximum exposure is presented gross of any mitigation through the use of various kinds of hedge.

The table below presents the maximum exposure to credit risk for balance sheet components, divided into categories, including derivatives with a positive fair value. Derivative financial instruments are listed as "hedge derivatives," although in the statement of financial position they are included under "financial assets."

Where financial instruments are measured at fair value, the amounts shown represent current credit risk, but not the maximum exposure to credit risk that could arise in the future due to changes in fair value.

MAXIMUM EXPOSURE TO CREDIT RISK	31/12/15	31/12/14
Receivables and loans		
Sundry receivables and other assets	19,159	18,913
Financial assets		
Trade and other receivables	7,098,872	8,400,836
Related parties trade and other receivables	526,759	1,047,611
Other assets	545,129	565,834
Cash and cash equivalents	8,512,703	2,085,662
Financial receivables and other financial assets	51,547,409	89,692,041
Due to third parties (Shares)		
Hedging instruments	**12,057**	**48,922**
Guarantees		
Total	**68,262,088**	**101,859,819**

Liquidity risk

Maturities are broken down below on the basis of undiscounted cash flows; the amounts shown take account of the first date on which payment can be requested.

The assumptions underlying the maturity analysis are as follows:
- for the future cash flows of long-term floating-rate payables, the forward rate curve at 31 December has been used;
- for the future cash flows of the fixed-rate bonds, the contractual flows have been used;
- for derivatives, the analysis includes those representing assets at 31 December, for which both outflows and inflows are shown, as their purpose is to hedge financial liabilities. At the balance sheet date, all derivatives had a negative fair value;
- amounts include cash flows from both the interest and the principal component.

The method used to analyze and determine significant variables did not change since the previous year.

MATURITY ANALYSIS AT 31/12/2015 LIABILITIES	ON SIGHT	< 3 MONTHS	3 - 6 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
NON-DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage loans	4,191,769	3,134,641	19,575,743	36,440,961	32,355,346	103,153,982	163,519,548	362,371,990
Leasing	31,168	62,047	92,997	186,492	379,813	1,233,013	3,670,212	5,655,742
Bonds	4,839,875	0	4,639,800	0	17,479,675	147,458,750	170,586,000	345,004,100
Short-term credit lines	122,177,503							122,177,503
Related party payables	2,000,089	0	0	0	0	0	0	2,000,089
Total	**133,240,404**	**3,196,688**	**24,308,540**	**36,627,453**	**50,214,834**	**251,845,745**	**337,775,760**	**837,209,424**
DERIVATIVE FINANCIAL INSTRUMENTS								
Interest rate swaps	978,527	998,957	2,259,628	3,972,667	6,636,651	12,309,939	4,087,031	31,243,398
Total	978,527	998,957	2,259,628	3,972,667	6,636,651	12,309,939	4,087,031	31,243,398
EXPOSURE AT 31/12/2015	**134,218,931**	**4,195,645**	**26,568,168**	**40,600,120**	**56,851,485**	**264,155,684**	**341,862,791**	**868,452,822**

MATURITY ANALYSIS AT 31/12/2014 LIABILITIES	ON SIGHT	< 3 MONTHS	3 - 6 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
NON-DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage loans	4,114,899	3,346,742	20,409,315	27,914,463	77,018,414	102,760,171	199,136,016	434,700,020
Leasing	31,459	63,002	94,634	189,747	383,781	1,210,761	4,067,512	6,040,896
Bonds	5,812,500	0	6,281,415	0	12,093,915	318,618,915	0	342,806,745
Short-term credit lines	27,617,913	0	0	0	0	0	0	27,617,913
Related party payables	702	0	0	0	0	0	0	702
Total	**37,577,473**	**3,409,744**	**26,785,364**	**28,104,210**	**89,496,110**	**422,589,847**	**203,203,528**	**811,166,276**
DERIVATIVE FINANCIAL INSTRUMENTS								
Interest rate swaps	1,062,547	1,073,885	2,453,178	4,305,644	7,624,876	14,855,505	7,517,388	38,893,023
Total	1,062,547	1,073,885	2,453,178	4,305,644	7,624,876	14,855,505	7,517,388	38,893,023
EXPOSURE AT 31/12/2014	**38,640,020**	**4,483,629**	**29,238,542**	**32,409,854**	**97,120,986**	**437,445,352**	**210,720,916**	**850,059,299**

Interest rate risk

The basic objective of managing interest rate risk is to immunize net financial income from changes in market rates, by keeping volatility in check through the consistent management of the risk/yield profile of the Company's financial liabilities.
Floating-rate instruments expose the Company to interest rate risks on cash flows, while fixed-rate instruments expose it to interest rate risk on fair value.

The following table presents the sensitivity analysis of interest rate risk, showing the impact on equity and profit/loss, as required by IFRS 7.
The sensitivity analysis was conducted in consideration of the financial statement items that generate interest at floating rates or that are exposed to fair value changes, assuming parallel increases or decreases in the interest rate curves of each currency.

INTEREST RATE RISK - EXPOSURE AND SENSITIVITY ANALYSIS	BENCHMARK	INCOME STATEMENT				NET EQUITY			
		SHOCK UP		SHOCK DOWN		SHOCK UP		SHOCK DOWN	
		31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Interest-bearing assets	Euribor	52,992	30,838	-5,299	-3,084				
Ultra-short-term borrowings	Euribor	-1,221,775	-291,141	122,178	29,114				
Floating rate financial liabilities	Euribor	-3,349,199	-4,179,080	334,920	417,908				
Derivatives	Euribor								
- cash flow		2,820,356	3,285,494	-282,036	-328,549				
- fair value						12,017,024	15,089,899	-1,252,808	-1,578,395
Total		**-1,697,626**	**-1,153,889**	**169,763**	**115,389**	**12,017,024**	**15,089,899**	**-1,252,808**	**-1,578,395**

The assumptions underlying the sensitivity analysis are as follows:

- medium- and long-term mortgage loans were analyzed according to exposure at the reporting date;
- ultra-short-term borrowings and deposits were analyzed according to exposure at the end of the year;
- the initial shift in the interest rate curve was assumed to be +100/-10 basis points (unchanged since the previous year);
- in determining changes associated with floating-rate financial instruments, it was assumed that no interest rates have already been set;
- the values affecting equity have been calculated as the difference between the fair values calculated with the shock-modified curve and the fair values of derivatives at the balance sheet date.
- The analysis assumes that all other risk variables remain constant.
- For the sake of comparison, the same measurement was conducted both on 2015 and 2014.

The method used to analyze and determine significant variables did not change since the previous year.

5.7 Management and coordination

IGD SIIQ S.p.A. is a subsidiary of Coop Adriatica S.c.a.r.l. (from 1 January: Coop Alleanza 3.0) of Villanova di Castenaso (province of Bologna) and is under the management and coordination of that company.

Pursuant to Article 2497 bis (4) of the Italian Civil Code, key figures from the latest approved financial statements of Coop Adriatica S.c.a.r.l. are presented below:

FINANCIAL STATEMENTS: COOP ADRIATICA	2014	2013
BALANCE SHEET (ex art. 2424 C.C.)		
ASSETS		
A) - SUBSCRIBED CAPITAL UNPAID		
B) - FIXED ASSETS	1,568,272,741	1,533,840,928
C9 - CURRENT ASSETS	2,464,008,682	2,223,673,315
E) - ACCRUED INCOME AND PREPAYMENTS	24,712,772	19,651,850
TOTAL ASSETS	**4,056,994,195**	**3,777,166,093**
LIABILITIES		
A) - NET EQUITY	977,228,869	942,885,241
B) - GENERAL PROVISIONS	17,660,268	23,745,272
C) - PROVISIONS FOR EMPLOYEES SEVERNACE INDEMNITIES	67,693,570	69,498,177
D) - PAYABLES	2,992,774,171	2,737,127,602
E) - ACCRUED INCOME AND PREPAYMENTS	1,637,317	3,909,801
TOTAL EQUITY AND LIABILITIES	**4,056,994,195**	**3,777,166,093**
MEMORANDUM ACCOUNT	**411,997,831**	**135,669,891**
INCOME STATEMENT (ex art. 2425 C.C.)		
A) - PRODUCTION VALUE	2,110,734,836	2,106,220,170
B) - PRODUCTION COSTS	-2,117,080,216	-2,105,328,476
C) - FINANCIAL INCOME AND CHARGES	75,050,400	65,079,974
D) - ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	-17,006,802	-26,520,701
E) - EXTRAORDINARY INCOME AND CHARGES	-3,152,423	9,310,431
Income taxes	-19,874,196	-15,935,686
PROFIT (LOSS) FOR THE YEAR	**28,671,599**	**32,825,711**

5.8 Information pursuant to Art. 149-*duodecies* of Consob's regulations for issuers

The following chart, prepared in accordance with Art. 149 *duodecies* of Consob's regulations for issuers, shows the fees pertaining to 2014 for external auditing and for services other than auditing rendered by the accounting firm or by entities in its network.

Amounts in thousands of Euro	SERVICES PROVIDER	RECIPIENT	2015 FEES
Auditing	Pricewaterhousecoopers spa	IGD SIIQ S.p.A.	104,291
Other services	Pricewaterhousecoopers spa	IGD SIIQ S.p.A.	193,000
TOTAL			**297,291**

5.9 Certification of the separate financial statements

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

PURSUANT TO ART. 81 TER OF THE CONSOB REGULATION ADOPTED
WITH RESOLUTION 11971 OF 14 MAY 1999, AS AMENDED

1. We, the undersigned, Claudio Albertini as chief executive officer and Grazia Margherita Piolanti as financial reporting officer of IGD SIIQ S.p.A., hereby declare, including in accordance with Art. 154-bis (3) and (4) of Legislative Decree 58/98:
   - the adequacy of in relation to the characteristics of the business; and
   - the company's due compliance with

     the administrative and accounting procedures for the preparation of the separate fInancial statements during the year 2015.

2. We also confirm that:

   2.1. the separate financial statements:
   a) have been prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
   b) correspond to the ledgers and accounting entries;
   c) provide fair and truthful disclosure of the financial status and performance of the issuer;

   2.2 the directors' report contains a reliable analysis of the performance, results, and current situation of the issuer, along with a description of the main risks and uncertainties to which it is exposed.

Bologna, 3 March 2016

Claudio Albertini
Chief Executive Officer

Grazia Margherita Piolanti
Financial Reporting Officer

5.10 Attachments

CERTIFICATION PURSUANT TO ART. 37
CONSOB RESOLUTION 16191/2007

IN ACCORDANCE WITH ART. 2.6.2 OF THE REGULATIONS FOR MARKETS
ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

*Resolved by the shareholders of Borsa Italiana on 10 September 2009
and approved by Consob with Resolution 17467 of 7 October 2009*

Pursuant to Article 2.6.2 of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A., it is hereby declared that Immobiliare Grande Distribuzione SIIQ S.p.A., under the management and control of Coop Alleanza 3.0 S.c.a.r.l., meets the listing conditions stated in Art. 37 of Consob Resolution 16191/2007 (as amended).

3 March 2016

Gilberto Coffari
Chairman of the Board of Directors

List of equity investments

NAME	REGISTERED OFFICE	SHARE CAPITAL	NET PROFIT (IN EUR) (*)	NET EQUITY (IN EUR) (*)	% HELD	CONTROL	NUMBER OF SHARES /QUOTAS	CARRYING VALUE (IN EUR)
IGD MANAGEMENT S.R.L.	Ravenna Via Villa Glori, 4	€ 75,071,221	-3,679,268	163,031,660	100%	IGD SIIQ S.p.A.	75,071,221	€ 170,183,477
MILLENNIUM GALLERY S.R.L	Ravenna Via Villa Glori, 4	€ 100,000	-87,999	249,025	100%	IGD SIIQ S.p.A.	100,000	€ 14,463,025
PORTA MEDICEA S.R.L.	Bologna Via Trattati Comunitari Europei 1957-2007, 13	€ 60,000,000	-1,978,103	53,975,032	80%	IGD Management srl	48,000,000	€ 48,100,078
WINMAGAZIN S.A.	Bucarest Romania	113,715,3 Lei	1,064,000	58,552,897	0.10%	IGD SIIQ S.p.A.	114	€ 185,618
					99.90%	IGD Management srl	113,602	€ 169,314,548
WINMARKT MANAGEMENT S.R.L.	Bucarest Romania	1,001,000 Lei	2,240	465,875	100.00%	Win Magazin S.A.	1,001,000	783,481,1 Lei
IGD PROPERTY SIINQ S.P.A.	Ravenna Via Villa Glori, 4	€ 50,000,000	14,005,210	216,660,089	100%	IGD SIIQ S.p.A.	50,000,000	€ 202,167,074
PUNTA DI FERRO SIINQ S.P.A.	Ravenna Via Villa Glori, 4	€ 87,202,912	9,489,700	130,242,354	100%	IGD SIIQ S.p.A.	87,202,912	€ 129,449,337
UNIPOLSAI INVESTIMENTI SGR S.P.A. (**)	Torino Via Carlo Marenco, 25	€ 87,202,912	11,663,673	1,900,631	20%	IGD SIIQ S.p.A.	3,913,558	€ 4,360,062
CONSORZIO I BRICCHI	Isola d'Asti loc. Molini, Via Prato Boschiero	€ 6,000	0	6,000	72.25%	IGD SIIQ S.p.A.	4,335	€ 4,335
RGD FERRARA 2013 S.R.L.	Roma, via Piemonte, 38	€ 100,000	7,773	102,040	50.00%	IGD SIIQ S.p.A.	50,000	€ 50,000
CONSORZIO PROPRIETARI C.C.LEONARDO	Imola (Bologna) Via Amendola 129	€ 100,000	0	100,000	52%	IGD SIIQ S.p.A.	52,000	€ 52,000
CONSORZIO PROPRIETARI FONTI DEL CORALLO	Livorno Via Gino Graziani 6	€ 10,000	-395	11,033	68%	IGD SIIQ S.p.A.	6,800	€ 6,800
ARCO CAMPUS S.R.L.	Bologna via dell'Arcoveggio n.49/2	€ 1,500,000	-16,857	1,483,143	99.98%	IGD SIIQ S.p.A.	1,500,000	€ 1,506,779

*Data derived from the Companies' annual financial statements / (**) Data derived from the financial statement as of 31/12/2014

5.11 External Auditors' Report

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Report on the financial statements

We have audited the accompanying financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter also the "Company"), which comprise the statement of financial position as of 31 December 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n° 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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** 70122 Via Abate Gimma 72 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 Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **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 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/98, which are the responsibility of the directors of the Company, with the financial statements of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2015.

Bologna, 21 March 2016

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

5.12 Report of the Board of Statutory Auditors

IMMOBILIARE GRANDE DISTRIBUZIONE

SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered Office Via Agro Pontino 13, 48100 Ravenna, Italy

Headquarters Via Trattati Comunitari Europei 1957-2007 n. 13 BOLOGNA

REA 88573 Company Register no. 00397420399

Share capital approved € 604,736,305.52

Share capital subscribed and paid-in €. 599,760,278.16

Company under the management and control of Coop Alleanza 3.0 Soc. Coop.

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Statutory auditors' report to the Shareholders' Meeting of IGD Immobiliare Grande Distribuzione Società di investimento immobiliare quotata (SIIQ) S.p.A. pursuant to Art. 153 of Legislative Decree 58/1998 and Art. 2429 of the Italian Civil Code

* * * * *

Dear Shareholders,

The Board of Statutory Auditors, pursuant to Art. 153 of Legislative Decree 58 of 24 February 1998 and Art. 2429 of the Italian Civil Code, requires the Board of Statutory Auditors to report to the shareholders during the general meeting on the board's supervisory activities during the year and on any findings of omission or inappropriate conduct. The Board of Statutory Auditors is also called upon to comment on any proposals relating to the financial statements, the relative approval and the items included on the Agenda for the Annual General Meeting. During the year the Board of Statutory Auditors carried out its duties in accordance with the Italian Civil Code, Legislative Decrees n. 58/1998 and n. 39/2010, statutes, as well as applicable special laws and the provisions issued by the stock exchange regulator (Commissione Nazionale per le Società e la Borsa or Consob) while also taking into account the recommendations of the Italian Accounting Profession. Through the date on which this report was prepared, we have proceeded with the control and supervisory activities assigned to us by law in compliance with the instructions issued by Consob on the subject of corporate control. During the year the Board of Statutory Auditors received the information necessary to fulfil its duties through meetings with corporate bodies; at meetings of the Board of Directors which the statutory auditors always attended; through the exchange of information with the external auditor PriceWaterhouseCoopers S.p.A., the Internal Audit division and the Financial Reporting Officer; and by attending the meetings of the Control and Risk Committee and the Nominations and Compensation Committee.

Firstly, the Board of Statutory Auditors notes that the separate and consolidated financial statements for the year closed 31 December 2015, were prepared in accordance with the international accounting standards IAS – IFRS (International Accounting Standards and International Financial Reporting Standard) issued by the International Accounting Standards Board – IASB (International Accounting Standards Board), ratified by the European Commission and currently in effect. When necessary, reference was made to the guidelines issued by the IASB (International Accounting Standards Board) or the IFRIC (International Financial Reporting Interpretations Committee), or the documents prepared by the Italian Accounting Profession (*OIC* or *Organismo Italiano di Contabilità*) .

Without prejudice to the above, the information called for in Consob Bulletin n.1025664 of 6 April 2001, as subsequently amended, is provided below.

As was the case in last year's report (2014), we have essentially followed the format and numbering specified in the above mentioned Consob bulletin.

I. DESCRIPTION OF TRANSACTIONS WITH A MAJOR IMPACT ON THE COMPANY’S BALANCE SHEET, INCOME STATEMENT AND FINANCIAL POSITION

The most relevant corporate events in 2015 are summarized below:

On 26 February 2015 the Board of Directors approved the draft separate and consolidated financial statements, proposing that shareholders approve a dividend of € 0. 0375 per outstanding share. IGD’s Board of Directors also approved the Report on Corporate Governance and Ownership Structure, included in the annual report, and the Directors’ Compensation Report.

During the Annual General Meeting held on 15 April 2015, IGD’ s shareholders approved the FY 2014 financial statements, as presented during the Board of Directors’ meeting held on 26 February 2015 and resolved to pay a dividend equal to € 0.0375 per share, payable as from 20 May 2015 (record date 19 May 2015) with shares going ex-dividend (detachment of coupon n. 15) on 18 May 2015. A total dividend paid of €0.0375 per share is to be paid (for a total of €28,363,360.84).

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

On 2 December, the Board of Directors approved the offering of a maximum of 75,635,000 newly issued ordinary shares to be offered in a private placement exclusively to Italian and foreign qualified investors, the proceeds from which are to be used for the acquisition of Punta di Ferro s.r.l..

The transaction was resolved upon by the Board of Directors on the basis of the authorization granted during the Extraordinary Shareholders' Meeting held on 19 April 2012 pursuant to Article 2443 of the Italian Civil Code.

Bookbuilding commenced immediately and was completed on 3 December with the private placement of 56,689,342 newly issued ordinary shares at a price of €0.882 for a total of €49,999,999.64, causing share capital to rise from €549,760,278.52 to €599,760,278.16 broken down into 813,045,631 ordinary shares without a stated par value. The transaction was settled by delivery of shares and payment of the amounts due on 7 December 2015.

On 9 December the information document relative to the Punta di Ferro acquisition prepared in accordance with Article 5 of Consob Regulation n. 17221/2010, applicable as a result of both articles 14.7 and 11.1 of IGD's Regulations for Related Party Transactions, was published and on 16 December the purchase of 100% of Punta di Ferro s.r.l. was finalized.

As for investments, during the year the IGD Group continued with development of new properties, as well as expansion and restyling of existing shopping centers. The projects include:

Grosseto: On 14 April a preliminary agreement was finalized for the purchase of the mall that will be inside the shopping center, currently under construction in Grossetto, from Unicoop Tirreno. The consideration for the shopping mall in Grossetto amounted to approximately €45 million, in addition to taxes and ancillary charges. The preliminary agreement is subject to conditions precedent. Payment will be made at the closing, expected to take place after the opening.

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

With regard to disposals:

On 27 May 2015, pursuant to the preliminary agreement signed on 15 January 2015 and as the conditions precedent had been satisfied, IGD executed the definitive agreement for the sale of a real estate complex on Via Rizzoli, in the historic heart of Bologna, to a company of the UBS Real Estate Group GmbH for €29.4 million.

With regard to equity investments:

On 28 January 2015 the purchase was finalized of 20% of the share capital of UnipolSai Investimenti SGR S.p.A., a wholly-owned subsidiary of UnipolSai, pursuant to the preliminary agreement signed on 7 August 2014 with a view to forming closed-end real estate investment funds specialized in the commercial/retail segment within the SGR and after having received authorization from the Bank of Italy on 16 December 2014, in accordance with Art. 15 of Legislative Decree 58/98, for €4.2 million, in addition to ancillary costs.
On 2 December IGD signed a preliminary agreement with UnipolSai Assicurazioni S.p.A. concerning the acquisition of the entire capital of Punta di Ferro S.r.l.for a consideration equal to approximately €127.9 million. Moreover, given that IGD's Procedure for Related Party Transactions, as amended in August 2015 on a voluntary basis, also applies to material transactions entered into with companies belonging to the Unipol group, the acquisition of Punta di Ferro was approved by the Board of Directors after having first obtained an unanimous favorable opinion from the Company's Committee for Related Party Transactions, comprised entirely of independent directors. The Committee for Related Party Transactions' decision was supported by the fairness opinion issued by Ernst & Young Financial-Business Advisors on the financial fairness of the acquisition. On 16 December, pursuant to the preliminary agreement signed and disclosed on 2 December 2015, the purchase from UnipolSai of 100% of Punta di Ferro S.r.l.'s share capital was finalized for €127.86 million which, after the price adjustment to reflect the definitive financial positon, was set at €129.45 million.

With regard to loans

On 8 April 2015 the Board of Directors approved:

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

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

Notes due 7 January 2019" (ISIN: XS1059383064) issued by IGD, in exchange for new senior notes.

The new senior notes are governed by English law, have a duration of seven years from the issue date, an issue price equal to 100% of the nominal amount, a fixed rate coupon of 2.65%, to be paid annually in arrears on 21 April of each year.

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

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

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

* * * * *

In 2015 the Board of Statutory Auditors received information about the transactions with a major impact on the company's balance sheet, income statement and financial position, carried out either directly or through direct/indirect affiliates by attending Board of Director meetings and meeting with top management, as well as with Internal Audit and with the financial audit company (PWC).

The Board of Statutory Auditors, to the extent of its knowledge, has verified that these transactions were not manifestly imprudent or hazardous, or presented a potential conflict of interest, or in violation of shareholder resolutions, or liable to compromise the company's financial soundness.

The Directors' Report on Operations submitted to you, provides ample and complete information about these transactions. Please refer to the Directors' report for information about the transactions, reasons why they were undertaken by the Board of Directors which were approved in accordance with the law and the company bylaws. The Board of Statutory Auditors acknowledges the content of this report and has no particular observations to make in this regard.

The Board of Statutory Auditors also acknowledges that at 31 December 2015 the Company IGD SIIQ SpA still complied with the subjective, statutory, and objective requirements called for under the special SIIQ or società di investimento immobiliare quotate (REIT or real estate investment trust) regime introduced in Art. 1 of Law n. 296 of 27 December 2006 – the 2008 budget law – as well as Art. 3 of Ministerial Decree n.174 of 7 September 2007.

During the year that just ended (2015), on 15 April 2015 the Company's shareholders approved payment of a dividend of € 0.0375 per each of the 756,356,289 outstanding shares, totalling € 28,366,360.84, an amount which is not less than 70% of the income generated by exempt operations that must be distributed each year upon approval of the annual report (Art. 20 of legislative decree n. 133 dated 12 September 2014, n. 133, effective 13 September and converted, with amendments, into Law n. 164 on 11 November 2014 introduced a few substantive changes to the special regime which were subsequently interpreted by the Tax Office in Bulletin n. 32/E issued on 17 September 2015. The changes include the one relating to the distribution of income generated by exempt operations and the broadening of the scope of operations exempt from taxation).

II., III. UNUSUAL AND/OR ATYPICAL TRANSACTIONS, INCLUDING TRANSACTIONS WITH OTHER GROUP COMPANIES AND RELATED PARTIES AND EVALUATION OF THE INFORMATION PROVIDED BY THE DIRECTORS REGARDING ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Based on the Directors' report and the information provided by the Board of Directors, or received from the Chief Executive Officers, or the Company's management, as well as by the statutory auditors of the subsidiaries – and, at any rate, gathered during the Statutory Auditors' supervisory activities - the Board of Statutory Auditors found that no unusual or atypical transactions were carried out with group companies, third parties or related parties.

As for transactions with related parties and/or affiliates, please be advised that pursuant to art. 2391 *bis* of the Italian Civil Code and art. 4 of the Consob's Regulations, and in accordance with the provisions introduced by Consob in Resolution n.17221 of 12 March 2010, as subsequently amended by Resolution 17389 of 23 June 2010, the company adopted specific internal regulations, specific procedures and management systems to monitor and supervise these transactions.

The procedures for transactions with related parties were approved by the Board of Directors on 11 November 2010 and revised by the Board of Directors on 7 November 2013, taking into account the triennial revision required under the law.

On 6 August 2015, IGD's Board of Directors, after having received a favorable opinion from the Committee for Related Party Transactions, voted to voluntarily expand the scope of the procedures for related party transactions to include material transactions entered into with companies of the Unipol Group.

The Company's Board of Statutory Auditors also confirmed that the Procedures still complied with the standards found in Consob's Regulations for Related Party Transactions.

The information relating to the transactions with related parties and/or affiliates, found adequate, was provided to the Board of Statutory Auditors by the Directors in the Report on Operations; information was also received as a result of the mandatory quarterly exchanges of information referred to above.

Ordinary intercompany and related party transactions were conducted under normal market conditions, and are described in the Directors' Report in terms of both type and financial and economic impact.

When considered necessary the Board of Directors passed specific resolutions in relation to intercompany and/or related party transactions which, if deemed opportune, were subject to approval by the Committee for Related Party Transactions. During 2015 the Committee for Related Party Transactions met 7 (seven) times. As part of its controls, the Board of Statutory Auditors valued the above-mentioned transactions based on the amounts and business practices held to be in the company's best interest.

We view the methodology used as reliable and believe it provides timely and complete information.

While reference should be made to the explanatory notes attached to the financial statements and the Corporate Governance Report, the Board of Statutory Auditors found the transactions with related parties concluded during 2015 were in the best interest of the company and has not particular comments to make in this regard.

With regard to transactions entered into by relevant parties and persons closely connected to the latter pursuant to art. 114, paragraph 7, of Legislative Decree 58 of 24 February 1998 and articles 152 *sexies*, *septies* and *octies* of Consob's Regulations for Issuers (provisions relating to Internal Dealing), the Board of Statutory Auditors verified that the Company has adopted specific regulations for Internal Dealing.

IV. THE EXTERNAL AUDITORS' REPORT

Please note that the financial audit assignment was granted to PriceWaterhouseCoopers S.p.A. for the period 2013 – 2021, during the Annual General Meeting held on 18 April 2013 based on the Board of Statutory Auditors' motivated proposal and technical-economic analyses in accordance with the law.

I The consolidated and separate financial statements were audited by PricewaterhouseCoopers S.p.A. and the report, prepared pursuant to articles 14 and 16 of Legislative Decree n. 39 of 27 January 2010 n. 39, was issued on 21 March 2016 after having been filed with the company. The report provides a positive opinion of the separate and consolidated financial statements, confirming that these documents were prepared in compliance with the law and generally accepted accounting standards, that they correctly and truthfully represent the company's financial position, performance and cash flows for the period. The accounting system was found to be reliable.
The report contains no observations and/or complaints about the quality and accuracy of the information which was found to be in line with the Report on Operations.

V. INAPPROPRIATE CONDUCT AND ACTIONS TAKEN UNDER ARTICLE 2408 OF THE ITALIAN CIVIL CODE

In 2015 and up to this writing, the Board of Statutory Auditors received no reports from shareholders of inappropriate conduct pursuant to Art. 2408 of the Italian Civil Code, hence no actions were taken in this regard.

VI. COMPLAINTS RECEIVED AND ACTIONS TAKEN

In 2015 and up to this writing, the Board of Statutory Auditors did not receive any reports or complaints from shareholders and/or third parites; nor is it aware that the company received any reports or complaints from shareholders and/or third parties, hence no actions were taken in this regard.

VII. ADDITIONAL ASSIGNMENTS GRANTED TO THE EXTERNAL AUDITORS AND THEIR COSTS

PriceWaterhouseCoopers Spa was granted the financial audit assignment relative to the separate and consolidated financial statements effective as of the approval of the 2015 annual report along with the opinion about the accuracy of the Report on Operations pursuant to paragraph 1 letters c, d, f, l, m and paragraph 2 letter b of art. 123 *bis* of Legislative Decree 58/1998 included in the Report on Corporate Governance and Ownership Structure. The Board of Statutory Auditors obtained from PriceWaterhouseCoopers spa the report on independent status prepared pursuant to art. 17 of Legislative Decree 39/2012 and found no situation compromising independence or sources of incompatibility pursuant to art. 10 and 17 of Legislative Decree 39/2010 and the relative implementation measures. The fees matured for these activities over the relative period in 20154 amounted to €104 thousand

PriceWaterHouseCoopers S.p.A. also received: (i) €140 thousand for activities to the bond loan issue; (ii) €53 thousand for the fairness opinion issued relative to the capital increase transaction pursuant to Art. 2441, paragraph 4.2 of the Italian Civil Code.

The Board of Statutory Auditors acknowledges that the directors, in compliance with Art. 149 *duodecies* of the Regulations for Issuers, disclosed the entire amount paid in 2015 to PriceWaterHouseCoopers S.p.A. and/or other entities belonging to the same Group for both audit and other services which amounted to €402 thousand.

The financial audit of the Romanian subsidiaries (Win Magazin S.A. e Winmarkt Management S.A.) was performed by PriceWaterhouseCoopers Audit Srl which received fees of €34 thousand for completing the assignment.

PriceWaterHouseCoopers S.p.A. also carried out the financial audit activities of the following subsidiaries: (i) IGD Management srl; (ii) Millennium Gallery Srl; (iii) Porta Medicea Srl; (iv) IGD Property SIINQ S.p.A.; (v) Punta di Ferro SIINQ S.p.A.

A total of €71 thousand was paid for these services, in addition to €2 thousand for the certification of the VAT declaration filed by Porta Medicea S.r.l..

VIII. ASSIGNMENTS GRANTED TO COMPANIES AFFILIATED WITH THE EXTERNAL AUDITORS AND THEIR COSTS

The Board of Statutory Auditors is not aware of any assignments made in 2015 to companies connected to the financial audit company PriceWaterhouseCoopers Spa on a continuous basis.

IX. OPINIONS ISSUED AS PROVIDED FOR BY LAW IN 2014 BY THE BOARD OF STATUTORY AUDITORS

In 2015 the Board of Statutory Auditors issued opinions when required by law, the bylaws or Consob regulations; the opinions issued and main observations made, include:

- the opinion expressed relative to the approval of the Compensation Report, the remuneration paid Directors holding special offices, as well as the Company's Top Management;
- the opinion issued relating to the variable compensation paid in 2014 to the Chief Executive Officer, the Chief Operating Officer and Executives with strategic

responsibilities;

- the preliminay opinions issued relating to the full subscription and payment of the capital increase.

X FREQUENCY AND NUMBER OF MEETINGS HELD BY THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

Typically the Board of Directors meets in accordance with the financial calendar disclosed to the market in accordance with stock exchange regulations. The Board also meets as needed and when deemed opportune to examine specific topics which could impact the company's operations. In 2015 8 (eight) meetings were held.

The Board of Directors may invite Company executives to attend the Board meetings in order to provide in depth information about the items on the Agenda. The Board of Directors may also invite external consultants to attend when deemed appropriate and/or necessary in order to provide specialized information and/or opinions.

The current composition of the Board of Directors complies with the law relating to equal gender opportunity (L. 120/2011).

When the Board was renewed On 26 February 2015, the Board of Directors resolved, following the favorable opinion of the Nominations and Compensation Committee and in accordance with Applicative Criterion 1.C.3 of the Corporate Governance Code, to change the regulation relating to “Limits to the maximum number of appointments allowed in other companies” in order to adjust the weight of the assignments held to reflect the positions held in Board committees.

The Board of Directors also hired Egon Zehnder International S.p.A. to perform a board review in order to assess the size, composition and functioning of the Board of Directors and its committees.

The positive results of the review were presented during the Board of Directors meeting held on 3 March 2016.

The Board of Statutory Auditors also met more frequently than required by law. The statutory auditors met 7 (seven) times in 2015. These meetings include those held under Art. 2404 of the Italian Civil Code and those held to finalize preparation of the report pursuant to Art. 2429 of the Italian Civil Code. The Board of Statutory Auditors also attended the meetings of the Board of Directors, the annual general meeting, and at least one member also attended the meetings of the: (i) Control and Risk Committee; (ii) Nominations and Compensation Committee; (iii) Committee for Related Party Transactions. The Statutory Auditors also attended and arranged meetings with the Company's top management, the external auditors and Internal Audit.

The Board of Statutory Auditors also coordinates and guides the Internal Control Committee and internal audit pursuant to art.19 of Legislative Decree 39/2010.

XI. OBSERVATIONS REGARDING COMPLIANCE WITH THE PRINCIPLES OF CORRECT ADMINISTRATION

It is the opinion of this Board of Statutory Auditors that the company is run competently and in accordance with the law and the company's bylaws. The structure of powers and delegated authority is deemed appropriate to the company's size and operations and is adequately described in the directors' report. Regarding the directors' activities and actions, we have nothing to report. We wish to emphasize that we did verify, within the limits of our responsibilities, compliance with the principles of correct administration through direct inspections, information received from department heads, and meetings with the Financial Reporting Officer, Internal Audit, the Control and Risk Committee, the Committee for Related Party Transactions, as well as through information exchanged with the external auditors. More in detail, the Board of Statutory Auditors attended the Board of Directors' meetings in order to verify that the resolutions approved by the directors were in compliance with the law and the company's bylaws and were supported by appropriate opinions and studies generated internally or, when necessary, by professionals and/or external experts, particularly with regard to the economic and financial feasibility of the transactions and their compatibility with the company's best interests.

We remind that the Chief Operating Officer and the Financial Reporting Officer were entitled to or invited to attend the Board meeting in order to describe and analysis the items on the agenda. Other managers also attended the meetings based on the specific topics included in the agenda.

XII. COMMENTS ON THE ORGANIZATIONAL STRUCTURE

The Board of Statutory Auditors also verified and monitored, to the extent of its responsibility, the adequacy and proper functioning of the company's organizational structure. The Company's organizational structure appears to be adequate and to meet the company's needs. We have no comments nor anything to report regarding the company's organizational structure.

We did not find any particular deficiencies, critical areas or situations worth mentioning in this report with respect to the functioning of the corporate bodies, divisions, systems and business processes, having acknowledged the constant improvements sought in connection with the company's growth and business needs, and its ongoing efforts to strengthen and refine procedures.

The organization and services, both internal and outsourced, were found to be adequate and in compliance with the law and to guarantee correct, effective and efficient operations.

The Statutory Auditors found no problem areas and/or significant development to report on relative the Company's organizational structure. No deficiencies were found, namely situations to report relating to the effective functioning of corporate bodies, divisions, systems and procedures.

XIII. COMMENTS ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM

The Board of Statutory Auditors evaluated and verified the adequacy of the internal control system including through periodic meetings with (i) the financial reporting officer, (ii) Internal Audit, (iii) the Risk and Control Committee, (iv) the Supervisory Board; v) the head external auditor (vi) Director in charge of the internal control and risk management system, as well as through documentation provided by the company and discussions with top management, and has nothing to report in this regard.

The internal audit activities were outsourced to a company specialized in this area which periodically reported to the Board of Statutory Auditors, the Internal Control Committee, now the Control and Risk Committee, and the Supervisory Board on its actions and progress, mentioning specific operational needs wherever necessary and recommending the most appropriate means of implementing the Work Plan.

The Head of Internal Audit also coordinates the ERM process, ensuring that reports are provided to the Director in charge of the internal control and risk management system, the Risk and Control Committee and, if necessary, the Board of Directors.

The Control and Risk Committee and the Decree 231/2001 Supervisory Board made their reports available during the year.

Based on the controls performed and the information obtained during periodic meetings with the Control and Risk Committee, Internal Audit, the external auditors, the financial reporting officer, the director in charge of risk and control, and on comments received from the Supervisory Board created as part of the Organizational Model pursuant to Legislative Decree 231/01, we found that the internal control system adequately meets the company's needs and is reliable, timely, and able to manage information correctly, enabling an accurate and timely analysis of business trends and performance.

Data and documentation related to the proposed agendas of the Board of Directors meetings and the various committee meetings was provided ahead of time in the most efficient and discrete way possible.

Based on the evaluations made during its supervisory activities, as well as after having examined the work done by the Control and Risk Committee, at the end of 2015 the Board of Statutory Auditors had nothing of concern to report and found the overall internal control system to be adequate. In the Board of Statutory Auditors opinion the internal control system does not present significant deficiencies, while controls and revisions of the methods used and organizational structures should continue, and it was found to be reliable, effective and efficient.

XIV. COMMENTS ON THE ADMINISTRATIVE - ACCOUNTING SYSTEM AND ITS ABILITY TO PROVIDE A FAIR REPRESENTATION OF THE PERFORMANCE.

The Board of Statutory Auditors evaluated and verified the adequacy of the administrative-accounting system and its ability to represent performance correctly, through information provided by company divisions, direct inspection of the most significant company documentation, examination of the reports provided by the external auditor PriceWaterhouseCoopers Spa, as well as internal audit.

The administrative-accounting system was found to be adequate and to have met the Company's needs in 2015, in terms of both resources dedicated and the level of professionalism.

The external auditors above tested the accounting and administrative procedures and found these to be reliable. They also noted that the accounting records of operations were correct and that the information and accounting standards used to prepare the parent company and consolidated financial statements were complete, and had no complaints or observations in this regard. PriceWaterhouseCoopers Spa also validated the completeness of the financial information provided, as well as the accounting standards used to prepare the consolidated and separate financial statements, and had no particular comments to make in this regard. The firm also validated the completeness and accuracy of the Directors' Report on Operations.

Though the statutory auditors are not specifically responsible for financial audit duties under Art. 2409 *bis* of the Italian Civil Code, which are assigned to the external auditors, we found on the basis of information received and inspections made pursuant to Civil Code Articles 2403 *et seq.* that as a whole, the administrative-accounting system is adequate and reliable and that results of operations are accurately and promptly recorded.

The Chief Executive Officer and Financial Reporting Officer certified the accounting information contained in the separate and consolidated financial statements at 31 December 2014, without reservation and the information found in the Directors' report relating to performance and the operating results, as well as the description of the risks and uncertainties to which the Company is exposed and provided the certification called for in Art. 81-ter of Consob Regulation 11971 of 14 May 1999, as amended.

XV. COMMENTS ON THE ADEQUACY OF INFORMATION PROVIDED TO SUBSIDIARIES UNDER ART. 114 OF LEGISLATIVE DECREE 58/1998 – A MANAGEMENT AND COORDINATION

The Board of Statutory Auditors verified the adequacy of the information provided by the company to its subsidiaries pursuant Art. 114 of Legislative Decree 58/98 and found that the disclosure requirements provided for by law had been satisfied.

With regard to close functional and operational ties and the presence of key IGD SIIQ SPA personnel at the subsidiaries, the Company guarantees a correct and adequate flow of information supported by suitable documentation and accounting records.

The Company is, therefore, able to fulfil all reporting requirements related to significant events and consolidation provided for under the law.

The Company is fully able to exercise management and coordination of its subsidiaries as specified under the law.

The Board of Statutory Auditors also acknowledges that IGD SIIQ S.p.A. is subject to the management and coordination of shareholder Coop Alleanza 3.0 Soc. Coop..

XVI. COMMENTS ON MEETINGS HELD WITH THE EXTERNAL AUDITORS

The Board of Statutory Auditors, through direct inspections and information obtained from the external auditor PriceWaterhouseCoopers Spa, verified compliance with all current laws and regulations regarding the preparation and drawing up of the separate and consolidated financial statements as well as the accompanying Directors' Report.

The statutory auditors met with the external auditors responsible for both the accounting controls under Art. 2409 *bis* of the Italian Civil Code and the audit of the consolidated and separate financial statements, exchanging information as required under Art. 150 of Legislative Decree 58 dated 24 February 1998.

With the auditors attention was paid, in particular, to the application of the accounting standards, to the most effective way to recognize the significant economic and financial items in the financial statements. Nothing that needed to be reported pursuant to art. 155, paragraph 2, of Legislative Decree n. 58 of 24 February1998 emerged during these periodic meetings.
During these meetings the external auditors reported no irregularities, problem areas or omissions in the company's accounts. On these occasions we informed the external auditors of the Board of Statutory Auditors' activities and of the relevant and significant corporate events of which we are aware.

XVII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE CORPORATE GOVERNANCE COMMITTEE.

The Company, since its IPO (11 February 2005), has complied with the standards and recommendations included in the Corporate Governance Code published by the Borsa Italiana's Committee for the Corporate Governance of Listed Companies through the adoption of its own Corporate Governance rules, in order to regulate, in accordance with laws and regulations, the composition, responsibilities and role of the corporate bodies in charge of the company's management.
During the meeting held on 18 December 2014, the Board of Directors updated its Corporate Governance Regulations in order to comply with the amendments introduced in the new Corporate Governance Code.
The statutory auditors also took note of the changes introduced in the July 2015 edition of the Corporate Governance Code that was examined during the Board of Directors' meeting held on 3 March 2016; the Company will comply with the changes by the end of 2016.
The Board of Directors has appointed the following committees from among its members:

- the Chairman's Committee: comprised of four directors: the chairman, the vice chairman and the chief executive officer, in addition to one non-executive director. In 2015 it held 6 (six) meetings.
- the Nominations and Compensation Committee: this committee was formed in 2012; in order to comply with the Corporate Governance Code, the Board of Directors resolved to combine the Compensation and the Nominations Committees into a single "Nominations and Compensation Committee". The Committee consists of three non-executive independent directors. The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer are entitled to attend committee meetings and the Chairman of the Board of Statutory Auditors may be invited to attend. The

Committee met 8 (eight) times in 2015.

- the Control and Risk Committee, which is comprised of three non-executive and independent directors. In 2015 the committee held meetings with continuity and in keeping with the Company's needs. It met 7 (seven) times during the year.). The Chairman of the Board of Statutory Auditors, or another statutory auditor appointed by him, attends the meetings of the Control and Risk Committee as does the Chairman of the Board of Directors as Director in Charge of the Internal Control and Risk Management System. The Vice Chairman of the Board of Directors and the Chief Executive Officer may also be invited to attend Committee meetings.
- the Committee for Related Party Transactions was formed in order to comply with art. 2391 *bis* of the Italian Civil Code and art. 4 of Consob's Regulations for Related Party Transactions and is comprised of three independent directors. It held 7 (seven) meetings in 2015.

In February 2007, in order to further enhance the role of the independent directors, the Board of Directors introduced the title of "Lead Independent Director" as, at the time, the Chairman of the Board of Directors was also the Chairman of the Board of Directors of the Issuer's majority shareholder. Following the latest renewal of the Board of the Directors as none of the circumstances that, pursuant to the Corporate Governance Code, call for the appointment of a Lead Independent Director still exist, the Company did not appoint a Lead Independent Director.

The Company deemed it useful and opportune to to describe the methods of operation in order to facilitate coordination of the control activities as described below .
In order to facilitate coordination of the control and risk management activities, the Company deemed it useful and opportune to institute an Internal Control and Audit Committee with the Chairman of the Board of Statutory Auditors acting as coordinator.
The Chairman of the Risk and Control Committee and the Chairman of the Board of Statutory Auditors (including in his role of Committee for Internal Control of Financial Audit), at least one a year, met as convened by the Chairman of the Board of Statutory Auditors, to compare the results of their respective control activities and to assess planning and any coordination of their operations. Toward this end, the Chairman of the Board of Statutory Auditors not only coordinated the worl of the

statutory auditors but also as a reference point for other corporate bodies involved in control systems.

The company also instituted a Supervisory Board comprised of three independent directors. In 2015 it met 5 (five) times which the chairman of the Board of Statutory Auditors and a standing auditor attended. The latter works with Internal Audit on monitoring and limiting risk exposure

The Board of Directors also hired, as it has done since 2007, Egon Zehnder International S.p.A., headquartered in Milan, to perform a “board review”. The purpose of this review is the yearly assessment of the size, composition and functioning of the Board of Directors and its committees. The results were contained in a report that was presented to and discussed by the Board on 3 March 2016. Board review is an effective means of self-assessing the composition and functioning of the Board of Directors and its committees.

At the end of the above discussion, and after having verified operations during the year, the Board of Statutory Auditors expressed a positive opinion of the Company’s corporate governance

XVIII. CLOSING REMARKS.

Dear Shareholders,

We conclude this report by confirming that all of the corporate bodies, the heads of the administrative and operating departments, Internal Audit, and the external auditor PriceWaterHouseCoopers S.p.A. cooperated with us fully during our supervisory activities.

We have found no omissions, inappropriate conduct, imprudent transactions, or irregularities worthy of mention, thus there are no circumstances discovered during our work that require reporting to the supervisory authorities or disclosure in this report.

We have no comments to make in this regard.

The Directors’ Report also contains information about the compensation policy and the remuneration paid to the Board of Directors, Board of Statutory Auditors, the Chief Operating Officer and the Managers with Strategic Responsibilities, as well as information about the shares held by the latter in the company. Again, we have no comments to make in this regard.

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XIX. PROPOSALS SUBMITTED DURING THE SHAREHOLDERS' MEETING:

Dear Shareholders,

Having seen and acknowledged the financial statements for the year ended 31 December 2015, the Board of Statutory Auditors has no objections to the Board of Directors' proposal for allocation of the net profit and the reserves, including in light of the rule (Law 296/07) as amended by Law 164/2014 by which companies with SIIQ status must pay a dividend of at least 70% of the profit from "tax-exempt" income.

More in detail, we refer to the following items of the agenda discussed at the annual general meeting.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Separate financial statements at 31.12.2015; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; presentation of the consolidated financial statements at 31.12.2015; allocation of the profit for the year and the distribution of dividends to shareholders; related and consequent resolutions
2. Report on compensation in accordance with Art. 123-*ter*, paragraph 6, of Legislative Decree n. 58/98; related and consequent resolutions
3. Authorization to buy and sell treasury shares; related and consequent resolutions
4. Appointment of a member of the Board of Directors in accordance with Art. 2386 of the Italian Civil Code; related and consequent resolutions

* * * * *

Comments of the Board of Statutory Auditors regarding the items included in the Agenda:

First item – Separate financial statements at 31.12.2015; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; presentation of the consolidated financial statements at 31.12.2015; payment of dividends to the shareholders; related and consequent resolutions .

- we have a favorable opinion of the motion to approve the financial statements at 31 December 2015.
- We also have a favorable opinion of the proposal to approve a dividend of €0.04 for each of the 813,045,631 outstanding share on the ex-div date, for a total of €

32,521,825.24, as well as the proposals relating to the utilization and reclassification of the Company's other reserves.

Second item - Report on compensation in accordance with Art. 123-*ter*, paragraph 6, of Legislative Decree n. 58/98; related and consequent resolutions;

- ♦ We found the information provided by the Board of Directors in the report drawn up in accordance with art. 123 *ter*, paragraph 6, of Legislative Decree 58/98, in which the company's remuneration policy relating to the Chief Operating Office, Managers with strategic responsibilities, as well as the procedures adopted to implement this policy are described, to be adequate and complete.

Third item – Authorization to buy and sell treasury shares; related and consequent resolutions.

- ♦ We found the information provided by the Board of Directors in its report in this regard to be adequate and complete. At the close of the year ending on 31 December 2015, as well as the date on which this proposal is being presented, the Company has no treasury shares. The Board of Statutory Auditors believes that the conditions referred to in the law (Art. 2357 of the Italian Civil Code and Art. 132 of Legislative Decree 58/98) and the corporate by-laws relative to the purchase and disposal of treasury shares when deemed appropriate and opportune have been satisfied.

Fourth item – Appointment of a member of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code; related and consequent resolutions.

- ♦ We found the information provided by the Board of Directors in its report in this regard to be adequate and complete and we approve the appointment.

* * * * *

Dear Shareholders,

In concluding this report, we would like to express our sincerest thanks to all those who have assisted us in the course of our work and for the vote of confidence you expressed by appointing us.

Bologna, 22 March 2016

The Board of Statutory Auditors

signed

(Anna Maria Allievi)

(Pasquina Corsi)

(Roberto Chiusoli)

Glossary

06

Glossary

AGENCY MANAGEMENT
Activities aimed at finding the most profitable tenant mix and negotiating leases for stores at malls.

DEVELOPMENT PIPELINE
Program of investments in development.

DIRECT COSTS
Costs directly attributable to the shopping centers.

DIVIDEND YIELD
The dividend yield, or price/dividend ratio, on a company stock is the company's annual dividend payments made or announced divided by closing price of its ordinary shares at the end of the year.

EBIT (operating profit)
EBIT, or Earnings before Interest and Taxes, differs from EBITDA in that it includes information on amortization, depreciation, and changes in the fair value of properties held. In the case of IGD, which follows International Accounting Standards (IAS), amortization and depreciation are not overly significant as the value of the freehold properties is updated every six months, based on an independent appraisal; properties are recognized at market value in the balance sheet, while the difference in fair value is shown in the income statement between EBITDA and EBIT.

EBITDA
EBITDA, or Earnings Before Interest, Taxes, Depreciation & Amortization, is the most significant measure of a company's operating performance as it indicates earnings regardless of the company's means of financing, taxes or investment cycle. EBITDA is a proxy for the operating cash flow that the company is capable of generating.

EPRA
European Public Real Estate Association.

EPS / EARNINGS PER SHARE
Net profit divided by the average number of shares outstanding in the year.

ESTIMATED RENTAL VALUE / ERV
The estimated value at market rates for rentable space, according to an independent appraisal based on similar properties in comparable areas.

FACILITY MANAGEMENT
Supply of specialized services to shopping centers such as security, cleaning and routine maintenance.

FFO / FUNDS FROM OPERATIONS
FFO is calculated by adding non-cash items (writedowns, fair value adjustments, depreciation & amortization and other items), as well as gains/(losses) from assets management and property sales, net of current taxes. This is the indicator most commonly used to evaluate a REIT's performance.

FINANCIAL OCCUPANCY
Calculated as the GLA rented at market rates and expressed as a percentage of the market value of the total GLA rented at market rates.

GENERAL EXPENSES
Corporate costs not attributable to the individual shopping center.

GROSS EXIT CAP RATE
The terminal value of the gross revenue (rents, temporary and variable) calculated as a percentage of the exit value.

GROSS INITIAL YIELD
The gross initial yield of an investment is the annualized rental income used in the first year of the DCF model expressed as a percentage of the property's fair value.

GROSS LEASABLE AREA (GLA)
The total floor area designed for tenant occupancy which includes outside walls.

GROSS MARGIN
The result obtained by subtracting direct costs from revenues.

HEDGING
The total amount of mortgage loans hedged with interest rate swaps and bonds divided by the total amount of mortgage loans and bonds.

HYPERMARKET
Property with a sales floor in excess of 2,500 m2, used for the retail sale of food and non-food products.

INITIAL YIELD
The annualized rental income from a property as a percentage of its valuation at the time of purchase.

INTEREST RATE SWAPS / IRS
Financial instrument whereby two parties agree to exchange a certain interest rate stream on a pre-established date. Used to convert floating rate debt into fixed rate debt.

IPD
Investment Property Databank. An index which produces an independent benchmark for real estate investment returns.

LIKE-FOR-LIKE PORTFOLIO
Real estate assets held in the portfolio for the entire year and the entire prior year.

LTV / LOAN TO VALUE
Real estate assets held in the portfolio for the entire year and the entire prior year.

MALL / SHOPPING MALL
Property comprised of many stores plus the common spaces around which they are situated. Usually called a "galleria" in Italian.

MIDSIZE STORE
A property with a sales floor of 250 to 2,500 m2 used for the retail sale of non-food consumer goods.

NET ASSET VALUE (NAV) E TRIPLE NET ASSET VALUE (NNNAV)
The equity pertaining to the Group, calculated based on EPRA indications which call for a few adjustments.
Certain items are excluded from the NAV calculation for lack of relevance in a business model with a long term view like the Group's. NNNAV provides more relevant information about the fair value of assets and liabilities. The NAV is adjusted to take into account the fair value of (i) hedges, (ii) debt and (iii) deferred taxes.

OCCUPANCY RATE
Gross let surface area as a percentage of properties' total surface area.

OVER-RENTED
Space rented for an amount exceeding its ERV.

PRE-LET
Lease signed by a tenant before development of the property has been completed.

REAL ESTATE ASSETS
The Group's freehold properties.

REAL ESTATE PORTFOLIO
The portfolio of freehold and leasehold properties rented out by the IGD Group.

REIT
Real Estate Investment Trust. Comparable to a SIIQ in Italy.

RETAIL PARK
Group of three or more complexes with a combined area of more than 4,500 m2 and shared parking.

REVERSIONARY POTENTIAL YIELD
The net annual rent that a property would generate if it were fully let at going market rates, as a percentage of the property's value.

ROACE / RETURN ON AVERAGE CAPITAL EMPLOYED
Operating income divided by average capital employed in the year.

ROE
Net profit divided by net equity after dividends.

SHOPPING CENTER
Real estate complex comprised of a hypermarket and a shopping mall, featuring common areas and services located in a covered area with heating and air conditioning.

SIIQ
Società di Investimento Immobiliare Quotata. Real estate investment model comparable to a REIT. SIIQ rules allow income tax exemptions for publicly held listed companies whose prevalent activity is the rental of properties and the equivalent, provided they meet a series of earnings and balance sheet requirements.

STORE
Property for the retail sale of non-food consumer goods.

SUPERMARKET
A property with a sales floor of 250 to 2,500 m2 used for the retail sale of food and non-food products.

TENANT MIX
Set of store operators and brands found within a mall.

UNDER-RENTED
Space rented for an amount less than its ERV.

WACC / WEIGHTED AVERAGE COST OF CAPITAL
The weighted average cost of debt and all other sources of capital, used to calculate the expected return on investments.

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LE MAIOLICHE

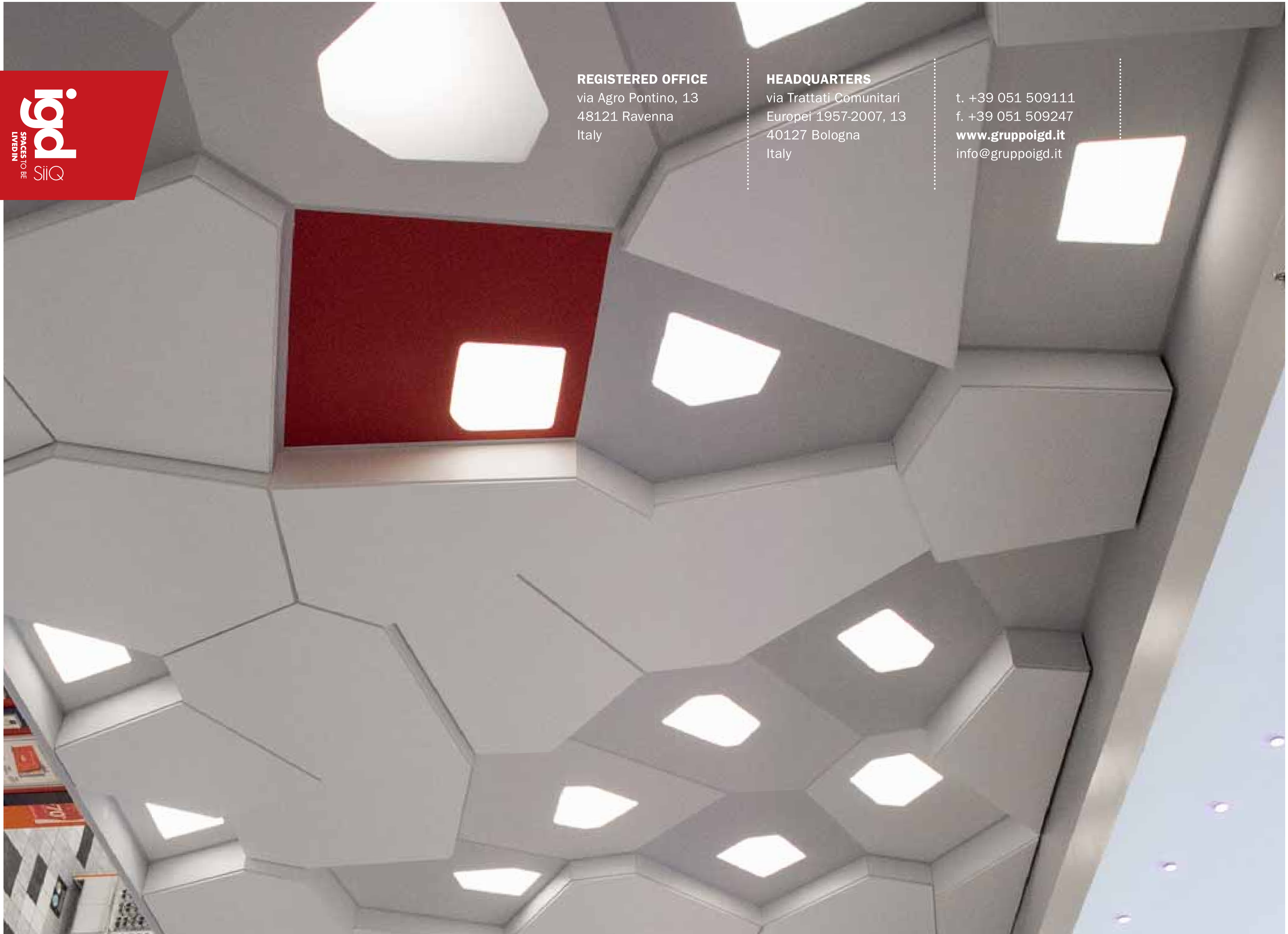
Faenza (Ravenna)

Opening 2009

Mall GLA sq.m 21,717

Food anchor GLA sq.m 9,277

2,315,420 visitors in 2015



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igd SiiQ
SPACES TO BE LIVED IN