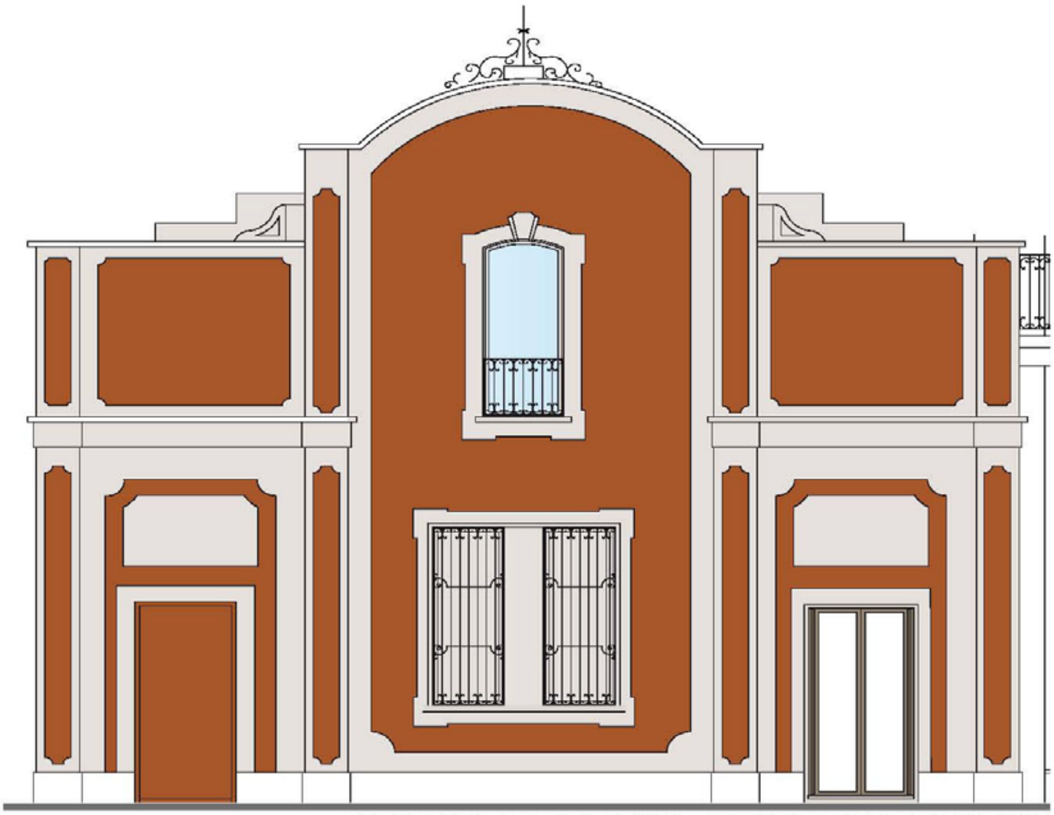
Report on Operations and Financial Statements at 31 December 2013



CIA
Compagnia Immobiliare Azionaria SpA
Via G. Borgazzi, 2 – 20122 Milan
Phone 0039 02 5821-9347 – Fax 0039 02 5831-7376
Share capital 922.952,60 Euro – Economic & Administrative Index n1700623
TAX and VAT n. 03765170968

Table of contents

Compagnia Immobiliare Azionaria S.p.A.

Composition of corporate bodies

Board of Directors

Chairman	Angelo Riccardi
Vice Chairman	Paolo Panerai
CEO	Luca Nicolò Panerai
CEO	Marco Fanfani
Councilors	Maurizio Carfagna
	Giovanni Battista Cattaneo della Volta
	Nicoletta Costa Novaro
	Diego Della Valle
	Andrea Morante
	Beatrice Panerai
	Vincenzo Truppa
	Umberto Vitiello

Board of Statutory Auditors

Chairman	GiamPaolo Dassi
Statutory Auditors	Pierluigi Galbussera
	Carlo Maria Mascheroni
Alternate auditors	Luciano Barbucci
	Massimo Vidal

External Auditing firm

PKF Italia Spa

The three-year terms of the Board of Directors and Board of Statutory Auditors, appointed by the Shareholders' Meeting of 27 April 2012, will expire concurrently with the Shareholders' meeting that will approve the 2014 financial statements..

The Board of Directors of 14 May 2013 has coopted Dott. Rag. Vincenzo Truppa to replace the perished Rag. Vittorio Terrenghi. At the same meeting it was also elected as Chairman of the Board, the member Angelo Riccardi.

The audit firm is appointed until the General Meeting called to approve the financial statements for the year 2021.

Report on operations of the Group

Compagnia Immobiliare Azionaria Spa
and subsidiaries
Headquarters in Milano - Via G. Borgazzi, 2

REPORT ON OPERATIONS
OF THE GROUP
AT 31st December 2013

Management performance

The total revenues of the Group as at December 31, 2013 amounted to € 8.2 million, against € 9.5 million in the corresponding period of the previous year, a decrease of 13.9% mainly due to lower sales of securities activities, that in 2012 generated capital gains for EUR 1.7 million.

Operating expenses amounted to EUR 4.8 million, compared to €5.6 million in the previous year.

The gross operating margin amounted to 3.4 million euro, compared to EUR 3.9 million in the corresponding period of the previous year, a decrease due to the lower revenues aforementioned.

The amortization rate and financial expenses amounted to EUR 3.7 million compared EUR 3 million on December 31, 2012. The increase is mainly due to the allocation of costs to the income statement related to the development of the property income of the subsidiary Diana Bis.

The consolidated income statement closed with a loss after tax of EUR 0.38 million, compared to a profit of EUR 1.16 million achieved in the previous year.

The consolidated net result from financial operations went from a net debt of € 46 million at 31 December 2012 to a net debt of 49.23 million euro at 31 December 2013.

The consolidated net equity amounted to 15.33 million, compared with € 15.73 at 31 December 2012.

Main events during the year

The principal activities of the Group during the year, and the context of the target market can be summarized as follows:

- the context of national and European real estate market is still suffering the seventh consecutive year of crisis in the building and construction industry, with a contraction in the sector of more than 35%. The five major European countries have seen a decline in sales of 14.3% on average compared to 2007: the most striking decline was recorded in Spain with 31.5%, followed by 21.5% in France, -12.2% -15.9% in Italy and England. In Germany alone, sales increased by 1,7%, as the decrease recorded in 2008-2010 was offset by the recovery occurred in recent years. The real estate market in Italy in 2013 recorded a further decline in the sale of real estate units, decreased by 9.2%, and which have been for the residential sector 403 000, as noted in the annual report of the Observatory Nomisma Revenue Agency . The appliances exchanged, usually garages, were over 329 thousand, a decrease of -10.2%. Among the main factors driving this housing crisis is the continuing difficulty of access to credit, which is essential for those who must buy. In a rather uncertain macroeconomic context it must be highlighted, according to the Observatory, some small signs of turnaround, especially with regard to the major Italian cities and in particular in the quality areas and for the most sought after properties. For the sales of in this segment in recent months, there was in fact a significant reduction of the gap between supply and demand, the decline in prices has settled to 16.5% for residential use and 11.5% for new ones; the time of sale were reduced to 8.4 months.

The estimates for 2014 show that, even if slow, the improvement, will be driven by the luxury-type residential (the estimated revenue growth will be 1.7%). Even the office sector demand for new spaces will again expand in 2014 with the expected improvement in the labor market. As for the real estate market in Milan, just a few city center areas that are particularly prestigious or located in the first Navigli circle have limited their devaluation in prices to -13% in the last two years (source Nomisma), while the rest of the areas of city has undergone a remarkable collapse that reaches even -30%. Despite the market situation, the sales of apartments in the new building built for residential use in the center of Milan in the area of the Cathedral (First, and only, House Project approved by the City) of the subsidiary Diana Bis Srl have gone well. The sales of the residential complex, started in 2011, generated as of31 December 2013 total revenues of 12.69 million euro, of which EUR 2.25 million in 2013, allowing for a significant return on investment made;

- in September were completed works of the Feudi del Pisciotto, for the construction of a Wine Relais with 10 rooms and suites with all the amenities, obtained in the habitable part of the eighteenth century Palmento, the largest on the island. The investment project, which will be completed with the construction of a fine dining restaurant, besides expanding the earning capacity and complete the offer of the company, aims to meet a need of receipt born by the interest created by the continuing growth between insiders and tourists fans (wine lovers) and favored by the beauty of the landscape in which the properties are located. At the beginning of the activity has already been registered a significant presence and number of reservations; Guest reviews have all been extremely positive;

- we are currently studying the possibilities for the development of certain real estate assets located in Sicily, in particular:
    - for the valorisation of the premises owned by Isola Longa Srl in the province of Trapani called "Reserve of the Lagoon" (the salt pans of Trapani);
    - for further enhancement of the ancient Baglio, of over 2,600 square meters owned by the subsidiary Feudi del Pisciotto Srl;
    - for the development of real estate on the island of Levanzo (Sicily) of the subsidiary Agricola Florio Srl.

Main economic data of the year

- the total revenues of the Group as at 31 December 2013 amounted to EUR 8.2 million, compared to EUR 9.5 million in the corresponding period of the previous year:
    - Revenues from the lease of the property and the provision of facility management services, related to them, have grown to about 0.55 million euro: the increase is mainly due to the income generated from turning the executive offices into office for use of the subsidiary Diana bis Srl, which took place starting from July 2012, so that for the year 2013 accounted for 12 months compared to the 6 months of last year;
    - Revenues from the sale of wine by the subsidiary Feudi del Pisciotto Srl, amounting to 0.78 million euro, compared to 0.85 million Euros in 2012. The reduction is attributable to the contraction in the domestic market which in 2013 showed a drop in consumption in the sector by 7% (figure: Wine Monitor Nomisma);
    - lower revenues of securities for a total of 1.72 million euro attributable to capital gains in 2012 of which 1.6 million euro from the sale of shares of Azienda Turistica Florio slr and other capital gains, totaling 0.1 million euro from sales of investments not considered strategic (an apartment owned by the CIA, in Milan, and a timeshare in Megeve - France);
    - lower revenues from the sale of residential units and garages made by the subsidiary Diana Bis Srl; the revenues in 2012 amounted to EUR 2.53 million compared to EUR 2.25 million made in 2013;
- purchase costs, amounting to EUR 2.47 million (2.68 million in 2012), are primarily attributable to the costs for the construction of housing units and garages sold by the subsidiary Diana Bis Srl;

- charges for services amounted to EUR 1.43 million and are related to the cost of property management, wine-making activities of the subsidiaries Feudi Pisciotto Srl and Azienda Agricola Tenuta del Pisciotto Srl and the cost of the services provided by the affiliated Class Editori SpA for the provision of technical, administrative, financial advisory services and information technology services;
- personnel costs amounted to EUR 0.4 million, which refer to the two casual employees of the CIA and those who have temporarily worked for subsidiaries of Feudi del Pisciotto Srl and Azienda Agricola Tenuta del Pisciotto srl. The small number of human resources employed by the parent company is due to the fact that all activities (management and coordination, administration, finance and control, operating management) are either directly performed by Board Members or outsourced through contracts or service relationships mainly referring to the related company ClassEditori Spa
- other operating expenses amounted to EUR 0.47 million and mainly consisted of stamp duties, the IMU (property tax) and the compensation paid to corporate bodies;
- the total depreciation and amortization amounted to EUR 1.55 million (EUR 1.27 million as at 31 December 2012); The increase is directly related to the development of executive real estate income by the subsidiary Diana Bis Srl;
- the gross operating result as of 31 December 2013 amounted to 1.82 million euro, a decrease of 37.6% compared to the same period of last year (€ 2.91 million) mainly as a result of revenues from capital gains made in 2012;
- Net financial expenses increased from EUR 1.74 million on 31 December 2012 to 2.20 million euro of 31 December 2013; even this increase is due to interest expense on loans contracted by the subsidiary Diana Bis Srl for the real estates in Corso Italia 64 – via Burigozzo 1, in Milan;
- taxes for the period amounted to € 4000 compared € 28 000 of the previous year, and include current tax debt of 281 thousand Euros and deferred tax credit of € 277 thousand;
- the consolidated net loss amounted to EUR 0.38 million compared to a profit of 1.16 million euro at 31 December 2012.

Consolidated Income Statement

The **re-classified Income Statement** of the Group is shown below:

€uro/000	**31/12/12**	**31/12/13**	**Changes. (%)**
Sales revenues	9.538	8.211	*(13,9)*
Operating costs	(5.630)	(4.770)	*(15,3)*
Gross profit	**3.908**	**3.441**	***(11,9)***
impact on revenues	*41,0*	*41,9*	
Extraordinary income and expenses	279	(74)	*(126,5)*
Amortization and depreciation	(1.273)	(1.550)	*21,8*
Operating result	**2.914**	**1.817**	***(37,6)***
impact on revenues	*30,6*	*22,1*	
Net financial income and charges	(1.737)	(2.198)	*26,5*
Pre-tax profits	**1.177**	**(381)**	***(132,4)***
Taxes	(28)	(4)	*(85,7)*
Minority profit/(loss)	9	5	*(44,4)*
Net group profit	**1.158**	**(380)**	***(132,8)***

Revenues can be broken down as follows:

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Revenues from rentals	2.828	3.361	*18,8*
Revenues from facility management	697	710	*1,9*
Revenues from wine sales	856	773	*(9,7)*
Other revenues from winegrowing activities	666	907	*36,2*
Revenues from asset management	1.724	--	*(100,0)*
Revenues from real estate sales	2.529	2.252	*(11,0)*
Other revenues	238	208	*(12,6)*
Total	**9.538**	**8.211**	***(13,9)***

The increase in revenue from rents is attributed to what has been said in the report.
It should be noted that the "Other revenues from wine-growing activities" include the deferral for the share of the period, the capital contribution received by the admission to the decree of the Region of Sicily (Sicily Por Mis.4.09 of 2000/2006), the contribution Agea-OCM for the year 2013, the change in inventories of finished goods and semi-finished products and cultivations, and the costs of labor and plantings that serve to advance the costs for the new-crop harvest of the ongoing year.

"Other incomes" include income and the proportion of revenues not related to the core business of the company, including EUR 93 000 for services to the subsidiary LC International LLC.

Details of **Operating costs** are as follows

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Purchases	2.680	2.469	*(7,9)*
Services	2.097	1.426	*(32,0)*
Costs for personnel	396	412	*4,0*
Valuation of equity investments by shareholders' equity	--	(8)	*(100,0)*
Other operating costs	457	471	*3,1*
Total operating costs	**5.630**	**4.770**	***(15,3)***

The reduction in operating costs of € 0.86 million is mainly attributable to the reduction in purchase costs relating to cost of goods sold for the residential units and garages to be sold in the first semester, by the subsidiary Diana Bis Srl, and costs for services explained below.
Staff costs and other operating costs (including IMU and emoluments corporate bodies) are broadly in line with the previous year.

These are the details of the **Services:**

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Leasing costs	41	52	*26,8*
Facility management costs	278	290	*4,3*
Costs of wine- making activities	410	208	*(49,3)*
Costs for sales, financial and administrative consulting	896	527	*(41,2)*
Other costs	472	349	*(26,1)*
Total Costs for services	**2.097**	**1.426**	***(32,0)***

The reduction in service costs was primarily attributable to lower performance requirements related to the Class Editori SpA for the provision of technical advisory services, administrative and financial advice in relation to the ongoing litigation for the execution of the put option contract for the payment of 15% of the company Donnafugata Resort Srl recorded in 2012, and lower costs for the marketing and promotion of the subsidiary Feudi del Pisciotto Srl

Consolidated balance sheet situation

In this section we provide a summary of the significant information relative to the principal values of the assets

Tangible fixed assets

The value at December 31, 2013 of intangible assets consists of:

€uro/000	**31/12/12**	**31/12/13**
Land and Buildings	42.478	40.091
Plants and machinery:	2.726	2.446
Industrial and trade equipment	18	9
Other assets	581	640
Assets under construction	863	863
Total	**46.666**	**44.049**

The following table presents a breakdown of the main items of fixed assets related to land and buildings.

The following tables show the breakdown of the main items of fixed assets related to buildings, land and constructions in progress, with evidence of the relative changes compared to the previous year.

Real estate investments

€uro/000	Historical cost	Previous amortization	Balance on 31/12/12	Acquisition (Disinvest-ment)	Amortization for the year	Balance on 31/12/13
G.Galeazzo 31 ground floor	1.203	(295)	908		(36)	872
Tot. Leased buildings	**1.203**	**(295)**	**908**	**--**	**(36)**	**872**
Burigozzo 5	417		417			417
G.Galeazzo 29	6.345	(1.424)	4.921		(190)	4.731
Borgazzi 2 p.t.	770	(324)	446		(23)	423
Borgazzi 2 lab.	150	(66)	84		(4)	80
Via Burigozzo, 1 (of Diana Bis)	15.506	(236)	15.270	(1.707)	(439)	13.124
G. Galeazzo 31 1°p.	692	(245)	447		(21)	426
Malindi KENYA	14	(7)	7		--	7
Portorotondo	22	(10)	12		--	12
Venice	47	(19)	28		(1)	27
New York, 7-9 East 20th	2.393	(72)	2.321	26	(72)	2.275
Wine Relais and tasting room Feudi del Pisciotto			--	256	(11)	245
Lands and buildings Agricola Florio	486		486			486
Lands and buildings Feudi del Pisciotto[1]	1.574		1.574			1.574
Lands and buildings Azienda Agricola Tenuta del Pisciotto[2]	686	(118)	568		(25)	543
Cantina Feudi del Pisciotto	5.350	(481)	4.869	9	(162)	4.716
Tot. Other properties	**34.452**	**(3.002)**	**31.450**	**(1.456)**	**(948)**	**29.086**
Burigozzo 5	446		446			446
G. Galezzo 29	2.571		2.571			2.571
Via Burigozzo, 1 (of Diana Bis)	6.965		6.965	13		6.978
Value lands Feudi del Pisciotto emerged at time of consolidation	25		25			25
Value lands Az. Agricola TdP emerged at time of consolidation	113		113			113
Tot. Land	**10.120**	**--**	**10.120**	**13**	**--**	**10.133**
Total Land and Buildings	**45.775**	**(3.297)**	**42.478**	**(1.403)**	**(984)**	**40.091**

[1] The historical cost of acquisition of 1.574 million Euros cannot be split between rural buildings and land
[2] The historical cost of acquisition of 0.686 million Euros cannot be split between rural buildings and land

Detail of assets under construction is as follows:

€uro/000	31/12/12	31/12/13
Antico Baglio Contrada Pisciotto Niscemi (CL)	779	779
Resort del Pisciotto	84	84
Total	**863**	**863**

Regarding the value of construction in progress please note that:

- subsidiary of the Resort del Pisciotto is conducting a study for project for the enhancement of the ancient Baglio of over 2,600 square meters, owned by Feudi del Pisciotto Srl, with the creation of a Resort addressed to wine therapy, and with the aim of combining wine and territory, plus the possibility to make a pitch & put golf course. The above value of EUR 84 000, was for the purposes of the preliminary design of the facility;
- with reference to real estate investment Diana Bis Srl, we provide in the following table the changes compared to the previous year for the purpose of reconciliation with balance sheet items:

€uro/000	Assets	Residential inventory	Total
Historical cost at 31st December 201 2	**22.521**	**22.495**	**45.016**
Previous transfers	--	(10.005)	**(10.005)**
Prior amortisation	(286)	--	**(286)**
Net balance as of 31st December 2012	**22.235**	**12.490**	**34.725**
Financial year increases	13	236	**249**
Alienations for the financial year (cost of sales)	--	(2.131)	**(2.131)**
Re-classifications	(1.707)	1.707	**--**
Amortization for the year	(439)	--	**(439)**
Write-downs for financial year	--	--	**--**
Net balance as of 31st December 2013	**20.102**	**12.302**	**32.404**

The final remainder of 12.30 million euro represents the most significant component which is part of the inventory of the consolidated financial statements.

Long-term equity holdings

Details of the changes during the period are given in the following tables:

Equity holdings in affiliates

€uro/000	Balance on 31/12/12	Acquisitions	Disposals	Write-ups (Write-downs)	Consolid. changes	Balance on 31/12/13
Isola Longa Turismo Rurale Srl	3					3
Donnafugata Resort Srl	2.490					2.490
Società Infrastrutture Sicilia Srl	10.313					10.313
LC International LLC	1.455					1.455
Isola LongaSrl	1.280			8		1.288
Total	**15.541**	**--**	**--**	**8**	**--**	**15.549**

There were no significant movements during the year regarding investments in associates.

Other long-term equity holdings

€uro/000	Balance on 31/12/12	Acquisitions	Alienations /write-downs	Fair Value change	Balance on 31/12/13
Marina di Punta Ala	155	--	--	--	155
Audoin De Dampierre	110	--	--	--	110
Total	**265**	**--**	**--**	**--**	**265**

Investments in subsidiaries and other companies are valued in accordance with the principle of the continuity of the evaluation criteria, the cost of purchase or subscription.

Investments recorded at cost of acquisition were not written down for impairment losses.

On one of the long-term equity holdings are there restrictions on the participating company's availability.

With regard to investments in associates we highlight the following aspects:

- Isola Longa Srl - projects for the construction of an agricultural-tourist-residential structure, through an environment-oriented protection project are being evauated, along with the enhancement of the properties held by the Company itself ,in its large saline Infersa area, in the province of Trapani called the "Reserve the Lagoon" (the Saline di Trapani);
- Donnafugata Resort Srl owns a large and prestigious five-star luxury hotel with two golf championship courses, to be inaugurated in July 2010. CIA, as a result of what said earlier, significantly reduced its share of the ownership in the company following the exercise of the put option carried our in March 2011, for the sale of a share of 15% of the capital of Donnafugata Resort Srl, to a major Spanish listed company, who has breached its obligation to purchase despite the arbitration was against;
- Società Infrastrutture America Srl owns 50% of the capital of Società Infrastrutture Sicilia Srl, which in turn holds the most important private participation in Airgest SpA, the airport management company of Trapani. The airport, which has been granted by ENAC a 30-year-long concession (in December 2012,) has witnessed a significant increase in the number of passengers (1.9 million in 2013, an increase of +19% compared to 2012), with a trend of traffic in contrast with that of the main Italian airports, mainly due to the routes operated by Ryanair from the airports of Bergamo, Rome - Fiumicino, Turin, Bologna, Genoa, Pisa, Trieste and Perugia and many other European airports (about 35 in all) as well as that by the launch of a regular line with Rome - Ciampino of Darwin Airlines;
- LC International LLC is the holding company that owns the entire share capital in restaurants-companies belonging to the family Maccioni, Le Cirque, Osteria Il Circo in New York, and six others, in Las Vegas, in Santo Domingo, two in India (New Delhi and Mumbai), Abu Dahabi (UAE) which will be inaugurated in October 2014, with the company of Holland America and the Hotel Pierre in New York under the brand name Sirius, managed through the formula of the management fees. The development plan of the company anticipates significant growth through the opening of new restaurants around the world, with the above formula of the management fees, starting from Dubai (United Arab Emirates), Bangalore (India) and Palm Beach in Florida.

Trade receivables

Total trade receivables increased from 3,0 million euro on 31 December 2012 to 6,4 million euro on 31 December 2013.

The details are as follows:

€/000	**31/12/12**	**31/12/13**
Regular customers	1.378	2.187
Invoices to be issued	1.588	4.175
Receivables from affiliates	--	--
Provision for bad debts	(10)	(10)
Total trade receivables	**2.956**	**6.352**

The ordinary customers consist mainly of trade receivables for the lease of the subsidiary Diana Bis and for the sale of wine of the subsidiary Feudi Pisciotto Srl. Invoices to be issued include receivables related to the sale of an apartment with a garage by the subsidiary Diana Bis, which was delivered in June 2013. Agreements include a payment plan, and therefore billing installments.

Net equity

The assets, net of minority interests as at 31 December 2013 amounted to 10.29 million euro compared to 10.68 million euro at 31 December 2012. The decrease is due to the loss of the period.
The minority interests amounted to 5.04 million euro, in line with the value at 31 December 2012.

Net consolidated financial position

The consolidated net financial position is shown in the table below

€uro/000	**31/12/2012**	**31/12/2013**	**Changes 2013/2012**	**%**
Securities	--	--	--	--
Cash and cash equivalents	4.485	325	(4.160)	*(92,8)*
Current financial receivables	1	--	(1)	*(100,0)*
Non current financial payables	(44.553)	(42.318)	(2.235)	*(5,0)*
Current financial payables	(5.949)	(7.240)	1.291	*21,7*
Net consolidated financial position	**(46.016)**	**(49.234)**	**(3.218)**	***(7,0)***

The net financial position went from a total net debt towards third parties of € 46 million in net debt of EUR 49.2 million; the change in the net financial position at 31 December 2012 amounted to EUR -3.22 million, primarily due to the payment to the former partner, which occurred in 2013, ofthe share of 50% of the Azienda Touristica Florio that had been purchased by the CIA and then resold to a third party on December 30, 2012 with a encashment that occurred in 2012 and a temporary increase in liquidity, part of which had to be downgraded for the payment of the shares acquired.

The “current financial payables” is represented by the exposure to credit institutions and includes advances made during the second half of 2013 for a total of EUR 450 thousand to the subsidiary Feudi del Pisciotto; debt that was subsequently consolidated through the signing of a ten-year loan of the same amount, which took place in January 2014.

The debt refers to the financing of the development of real estate and securities, which, although conservatively estimated, turns out to be much higher than the same indebtedness.

Disbursed dividends

No dividends have been paid during the course of 2013. Residue payable to shareholders for dividends declared in the year 2009 to 31 December 2013 amounted to € 2000. According to research by Sole 24 Ore, the CIA is the real estate company that has outperformed all other listed companies, with effect from 1 January.

Stock Exchange data

	2012	**2013**
Minimum price (euros)	0,2310	0,203
Maximum price (euros)	0,28	0,292
Volume traded (overall) (euros)	5.019.425	11.439.936
Minimum capitalisation (million euros)	21	19
Maximum capitalisation (million euros)	25	27
Average capitalisation (million euros)	23,3	23,4
Number of shares	92.295.260	92.295.260

Financial performance indicators

For a better understanding of the company’s financial situation and economic performance, we include a comparison of certain financial indicators for two reference periods, and the outline of the income statement reclassified in accordance with the weight of each business areas

	31/12/2012	**31/12/2013**	***Changes %***
Revenues from sales	7.006	7.188	*2,6*
Internal production	--	--	--
Operating income	**7.006**	**7.188**	***2,6***
External operating costs	4.777	3.895	*(18,5)*
Added vakue	**2.229**	**3.293**	***47,7***
Personnel Costs	396	412	*4,0*
Gross Operating profit - (EBITDA)	**1.833**	**2.881**	***57,2***

Amortizations and provisions	(1.273)	(1.550)	*21,8*
Operating result	**560**	**1.331**	***137,7***
Result for accessory area	306	560	*83,0*
Net result for financial area	--	--	--
Normalized EBIT	**866**	**1.891**	***118,4***
Result for extraordinary area	2.048	(74)	*(130,6)*
Total EBIT	**2.914**	**1.817**	***(37,6)***
Net financial income/(charges)	(1.737)	(2.198)	*26,5*
Gross Result	**1.177**	**(381)**	***(132,4)***
Taxes on Income	(28)	(4)	*(85,7)*
Third party result	9	5	*(44,4)*
Net Profit	**1.158**	**(380)**	***(132,8)***

*** in the reclassified financial indicators of the operating result***

Below we present the trend of turnover, including also extraordinary income for consistency with the figure reported in previous periods, and net profit for the last 5 years:

€uro/000	**2009**	**2010**	**2011**	**2012**	**2013**
Total turnover	4.089	4.632	15.702	9.850	8.297
Net profit	**(452)**	**(480)**	**2.099**	**1.158**	**(380)**

		31/12/2012	**31/12/2013**
Financing ratios of fixed assets			
Primary Capital Assets *(Own Equity - Fixed Assets)*	*€/000*	(48.132)	(46.301)
Primary Capital Ratio *(Own Equity / Fixed Assets)*	*%*	0,25	0,25
Secondary Capital Assets *(Own Equity + Consolidated Liabilities - Fixed Assets)*	*€/000*	(1.283)	(1.680)
Secondary Capital Ratio *(Own Equity + Consolidated Liabilities / Fixed Assets)*	*%*	0,98	0,97

These ratios show the method of functioning of medium and long-term loans, and the composition of the sources of financing

<u>Ratios of the structure of the loans</u>			
Ratio of overall indebtedness *(Consolidated + Current Liabilities/ Own Equity)*	*%*	4,69	4,62
Financial Indebtedness Ratio *(Loan liabilities + current liabilities / Own Equity)*	*%*	2,93	3,21

These ratios aim at representing the composition of the sources of financing

<u>Profitability ratios</u>			
Net ROE *(Net Result / Own Equity)*	*%*	7,36	(2,48)
Gross ROE *(Gross Result / Own Equity)*	*%*	7,48	(2,49)
ROI *(Operating Result / Fixed Assets)*	*%*	(1,84)	(1,41)
ROS *(Operating Result / Revenues from sales)*	*%*	(16,80)	(12,06)

The profitability ratios are those most frequently used in business economics practice to compare the company's results and the structural sources of financing of operations

<u>Solvency ratios</u>			
Availability Margin *(Current Assets - Current Liabilities)*	*€/000*	(1.032)	(1.576)
Availability Ratio *(Current Assets / Current Liabilities)*	*%*	0,96	0,94
Cash Margin *(Deferred Liquidity + Immediate Liquidity – Current Liabilities)*	*€/000*	(16.412)	(17.252)
Cash Ratio *(Deferred Liquidity + Immediate Liquidity / Current Liabilities)*	*%*	0,38	0,34

The solvency indicators aim to represent current assets with respect to the company's short-term commitments

Information concerning the environment and personnel

Given the specific business of the company, no significant elements are seen. No damage has been caused to the environment, nor are there any related sanctions or charges. There have been no accidents in the workplace which involved harm of any kind to employee personnel.

Staff – period average

	31/12/12	31/12/13	Absolute change
Executives	--	0,6	*100,0*
Employees	3,0	2,4	*(20,0)*
Total	**3,0**	**3,0**	--

Pursuant to art. 123-bis of the Consolidated Law on Finance please note that on the website of the company, www.cia.it, in the Documents section, is made available in accordance with law the Report on Corporate Governance and ownership structure for the year 2013.

Business Areas
A) Leases

The business area has achieved in the course of 2013 the following results:

€uro/000 ***(Data reclassified by management)***	31/12/12	31/12/13	Absolute change	change (%)
Revenues	2.828	3.361	533	*18,8*
Direct operating costs	(1.740)	(2.051)	312	*17,9*
Contribution margin	**1.088**	**1.310**	**221**	***20,3***
% of revenues	*38,5*	*39,0*		

The increase in revenues and costs is attributable to the aforementioned effects arising from the leasing of office buildings for office use of the subsidiary Diana Bis Srl, for the year 2013 which account for 12 months, having made income from the month of July 2012. In the operating costs, which include expenses, insurance, IMU and waste taxes, have also been reclassified as interest expense paid on loans for the purchase of the leased properties.

B **) Services and facility management**

The business area has achieved in the course of 2013 the following results:

€uro/000 ***(Data reclassified by management)***	31/12/12	31/12/13	Absolute change	Change (%)
Revenues	697	710	13	*1,9*
Direct operating costs	(364)	(386)	22	*5,9*
Contribution margin	**333**	**324**	**(9)**	***(2,6)***
% of revenues	*47,8*	*45,7*		

Compared to the same period last year, there were no significant changes.
Direct operating expenses include maintenance, cleaning, supervision and other ordinary management expenses for the property and the cost of the personnel.

C) **Wine production activities**

The core business area, in reference to the subsidiaries Feudi del Pisciotto and Azienda Agricola Feudi del Pisciotto, attained the following results during 2013:

€uro/000 (***Data reclassified by management***)	**31/12/12**	**31/12/13**	**Absolute change**	**Change (%)**
Revenues from wine sales	856	773	(83)	*(9,7)*
Change in inventories	399	483	84	*21,1*
Other revenues from winegrowing activities	267	424	157	*58,8*
Total Renues	**1.539**	**1.680**	**158**	***10,4***
Direct operating costs	(1.041)	(998)	(43)	*(4,1)*
Contribution margin	**481**	**682**	**201**	***41,8***
% of revenues	*31,6*	*40,6*		

Other revenues from wine-growing activities include the deferred income for the portion of the period, the capital contribution and the contribution Agea-OCM for operating expenses in 2013 amounting to 150 thousand euro, for the improvement of wine-making. The cost includes the direct costs for the production of wine, services and personnel costs. The increase in cost of goods sold (changes in inventories and cultivations, or the costs of labor and plantings that serve to advance the costs for the new-crop harvest in 2014) is attributed to the higher costs of vineyard and winery needed to support the high quality products.

D) Real estate activities

The business area has achieved in the course of 2013 the following results:

€uro/000 (***Data reclassified by management***)	**31/12/12**	**31/12/13**	**Absolute change**	**Change (%)**
Revenus	2.529	2.252	(277)	*(11,0)*
Direct operating costs	(2.517)	(2.160)	357	*(14,2)*
Contribution margin	**12**	**92**	**80**	***n.s.***
% of revenues	*0,5*	*4,1*		

The area is related to the revenues and costs of residential units purchased and sold by the subsidiary Diana Bis Srl, during the reference period.

Equity investments

The following details concern **the subsidiaries**

- **Azienda Agricola Tenuta del Pisciotto Sarl**: this Palermo-based company owns and manages 25 Ha of vineyards. It closed the year with a pre-tax result of; -60 thousand euro; -48 thousand euro after tax.

- **Feudi del Pisciotto Sarl**: based in Palermo, performs wine production activities through the winery and the management of 13 Ha of vineyards. It closed the year of 2013 with a pre-tax result of -232 thousand euro; -240 thousand euro after tax

- **Resort del Pisciotto Srl**: based in Palermo, it closed the year of 2013 with a pre-tax result of -31 thousand euro; -23 thousand euros after taxes.

- **Resort & Golf Società Consortile Srl**: The company, with a registered office in Palermo,closed the year of 2013 with a result of -1,500 euros. By resolution of the administrative body at end of June 2013, the company was put into voluntary liquidation.

- **Diana Bis Srl**: based in Milan, it closed the year with a pre-tax result of -495 mila euro; -408 thousand euro after tax..

- **Azienda Florio Srl –** farming company (formerly Isola Longa Turismo Rurale Srl): The company, based in Palermo owns 100 ha of land and buildings of Levanzo Island - Sicily; ended December 31, 2013, with a profit before tax of EUR -10 thousand.

- **Infrastrutture America Srl** – The company, based in Milan, holds the investment in the associate company Società Infrastrutture Sicilia Srl; it ended the year with a net profit of EUR -8 million.

Relations with related parties and affiliates

The impact of relations with related parties and affiliates on the financial statements are shown in the relative section of this consolidated report

PRIMARY RISKS AND UNCERTAINTIES

Risks related to the sector in which the company operates

Despite the macro-economic environment continues to be characterized by considerable volatility and uncertainty, there are no significant impacts to the CIA: With regard to the investments held by the company, the revenue prospects are considered positive, since it is not about a cash portfolio, but inherent to projects of long-term investment and of significant scope and depth. For real estate investments made in the center of Milan no one can see the risks of depreciation of value, and the same goes for investments in progress; please refer to the wide description made in the report and to what reported about the events subsequent to the end of the year.

Credit risk in relation to commercial relations with customers

The main items of credit are related to the lease of the property and the assignment of facility management services rendered to the companies of the group Class Editori and its affiliates and other companies. CIA is not a creditor towards the group Class Editori. There is also a credit of approximately € 1 million, claimed by Diana Bis for the sale of real estate units delivered in the month of June. This credit is secured by a deposit of EUR 0.7 million, already collected by the company as security for completion of the plan payments. In the event that the counter-party does not comply with the payment plan, that amount would be permanently forfeited by the company.
The company has not yet registered losses.

Interest rate risks

The policy of the Company does not provide for speculative investments in financial products. Given that the properties which CIA owns are leased with multi-year contracts, the payables (in compliance with an correct policy of financial equilibrium between resources and loans) were assumed with fixed rates in order to protect from rate increases

Exchange rate risks

The activities in the first half of 2013 were developed almost entirely in the euro area. The investments made in the United States do not generate negative cash flows for the CIA since the income from such investments (leases) are settled in Euros. But, the management will assess closely the developments of these investments to put in place adequate measures.

Liquidity risks

Liquidity risks arise primarily from the regularity of the payment flows of customers, and are therefore related more generally to the customers' ability to generate adequate cash flows, in a context of an extremely critical market.

Disputes and potential liabilities

In July 2008 and by means of a tax audit report (pvc), the Internal Revenue Office of Milan notified the company of the claimed non-relevance of certain costs of the year 2005 (0.15 million Euro of taxable income) as well as of the failure to fill out a section of the tax return (EC section); this formal error generated the request of 0.6 million Euro in taxable income, even in absence of fiscal damages to the state treasury, given that company had correctly booked and paid its taxes. On 6th April 2010, the company received the notice of assessment bearing the same violations already included in the Tax Audit Report. Through the Tax Law Firm founded by F. Gallo, an appeal was filed with the Provincial Tax Commission of Milan on 28th September 2010. The hearing was held on 14 December 2011 and the Provincial Tax Commission of Milan rejected the company’s appeals, who proceeded to lodge an other appeal, to request the annulment of the judgment before the competent Regional Tax Commission, after paying, in the month of March 2011, a collection notice amounting to 155 thousand Euros. The Regional Tax Commission, with the judgment of November 30, 2012, filed January 15, 2013, confirmed the outcome of the first-instance judgment, for reasons deemed by the lawyers as inconsistent. The company, through the Studio Gallo, has therefore taken steps to notify the appeal dated 15 July 2013, at the Supreme Court of Cassation. On August 9, 2013 Equitalia has now notified on the basis of the judgment of the Regional Tax Commission, notice of payment for the remaining amount due on the basis of the original notice of assessment for which it was, anyway, obtained the suspension. We are waiting for the hearing to be scheduled, by the Supreme Court.
According to the defense and renowned figures of the subject who are follow the appeal to the Supreme Court, it is becoming more and more consolidated in jurisprudence and, more recently, hopefully, also with the Agency, the fact that any omissions of formal order can not affect ones substantive rights, as is claimed by the Company. On the basis of these considerations, and comforted by the legal assessment, it was considered appropriate to state the inclusion of a provision for contingent liability on the position in question.

Financial liabilities related to individual real estate assets:

We enclose, as per Consob recommendations on the information to be included in the financial reports of real estate companies (Press release dated 27th February 2009), the list of liabilities related to all or some real estate assets:

€ (thousands)	Gross m2 area	Historical cost	Book value on 31/12/13	Outstanding debt as of 31/12/13	Form of debt	Initial capital debt	Date of execution	Date of Maturity
MILAN - Via Burigozzo 5	*3.152*	863	863		Mortgage loan	(12.560)	07/02/2003	29/02/2028
MILAN - Via Gian Galeazzo 31 (1° P.)	*230*	692	427	(11.830)				
MILAN - Via Borgazzi 2 (G.F: and Lab.)	*250*	920	501		Mortgage loan	(3.000)	11/02/2008	29/02/2028
MILANO - Via Gian Galeazzo 31 (P.T.)	*235*	1.203	872	(212)	Leasing	(1.200)	25/11/2004	25/11/2014
MILANO - Via Gian Galeazzo 29	*3.510*	8.916	7.302	(4.482)	Mortgage loan	(6.500)	20/04/2009	20/04/2021
MILANO - Via Burigozzo 1 / C.so Italia 64 - **of Diana Bis Srl**								
Buildings commercial use	*2.680*[3]	33.129	32.404	(22.337)	Mortgage loan	(22.000)[4]	19/09/2008	15/09/2038
Garage + Cellars	*2.461*							
Residential properties	*2.847*				Mortgage loan	(11.000)[5]	19/09/2008	15/09/2038
SICILY-Niscemi, Loc. Pisciotto - **of Feudi del Pisciotto Sarl** Winery	*4.230*	9.751[4]	7.043	(2.789)	Mortgage loan	(3.000)	14/10/2009	14/10/2029
Renovation Antico Palmento - Winery	*1.480*							
NEW YORK -7-9 East 20th	*430*	2.415	2.272	(1.650)	Mortgage loan	(1.792)	12/02/2010	30/06/2035
Total	***21.505***	**57.889**	**51.684**	**(43.300)**		**(61.052)**		

We emphasize that in the diagram above were excluded all of the assets, or part thereof, for which there is no direct correlation between real estate and financial liabilities. Among these are: the land and the vineyards of the subsidiaries Feudi del Pisciotto Sarl and Azienda Agricola Tenuta dle Pisciotto Sarl, the building adjacent to the wine cellar, an ancient Baglio of over 2,600 square meters, owned by the subsidiary Feudi del Pisciotto Sarl whose safety measures ended in October of 2010, the land and buildings of Agricola Florio srl (100 hectares on the island of Levanzo, Sicily), and timeshare properties.

[31] The m2 shown in the table include 358 m2 currently being completed

[4] The "bridge" loan was refinanced with a medium / long-term debt to the resulting residue.

[53] Loan with mortgage authorized up to 11 million eur os, disbursed in tranches based on the progress of the work

[4] The historical cost just includes the investment for the renovation and realisation of the winery and relative plants. The book value also includes the original purchase cost of 2.26 million euros. The current loan has no relationship with other important parts of the total purchase of the asset

The difference between the € 43.3 million of outstanding debt at December 31, 2013 presented in the table and EUR 49.23 million of net debt is attributable to the ordinary lines and mortgage loans not specifically related to real estate assets.

Balance sheet highlights after 31st December 2013

It is still open the dispute that arose as a result of the continued non-fulfillment of the counterparty, an important Spanish listed company, for the put option contract for the payment of 15% of the company Donnafugata Resort Srl, and of the arbitration and enforcement of the judgment that considered the fair valuation of the company by the arbitrator prof. Louis Guatri, equal to 33 million Euros.
In February, the other party has appealed the arbitration before the Court of Appeal of Milan, which, by order filed July 17, 2013, rejected the request for an injunction and stated that there are no grounds for the declaration of inadmissibility of the proposed appeal and has therefore adjourned the case for clarification of the opinion, at the hearing scheduled for 23 February 2016.
On November 18, 2013 CIA notified a request for arbitration and the appointment of an arbitrator to obtain an order for the payment of the price of the shares subject to the put option, and compensation for any damage suffered and future ones for the delay, believing that the actions promoted by the other party does not legitimize, in any way, the failure to pay the price
With the hearing on February 4, 2014, it was formally constituted and enthroned the arbitration and it has established the scheduling of the arbitration proceedings by defining the time of deposit of its arbitrament.
The board has then assigned to the Parties the terms of 6 March and 24 April 2014 for the filing of briefs, respectively direct and in response to the final wording of the questions and the exceptions of the Parties, the filing of documents and the articulation of evidence; it has successively adjourned the hearing of May 6 2014, for the personal appearance of the parties, the experiment of conciliation and, in case of failure, the decision on the admission of any evidence offered by the parties in the above memories. About the timing of the resolution of the proceeding it should be noted that the Article. 820 of the Code of Civil Procedure provides for a maximum of 240 days from the date of the settlement of the board, except for extensions that can be granted in some cases provided for in the last paragraph of that provision. It is assumed, therefore, that this second arbitration, can be completed by the end of this year or, at the latest, by mid next year.

In reference to the evidence stated above, and as confirmation of what demonstrated and documented, once the CIA has collected the agreed price for the shares sold, amounting to 4.95 million Euros, in addition to the charges payable, it will realize a significant gain compared carrying values.

Business outlook

Despite the macro-economic environment continues to be characterized by considerable volatility and uncertainty, the forecast for the outlook is moderately positive, given the stability of returns on investment in real estate, one of the activities related to them by the parent company and, above all from expectations for the development of real estate transactions and commercial subsidiaries Diana Bis Srl and Feudi del Pisciotto Srl:

- the forecast of housing market recovery to Milan, together with the progress of some of the ongoing negotiations for the residential units, related to the complex of buildings built by the subsidiary Diana Bis Srl, allow us to predict the achievement of the objectives set out in the investment plan identified for the area by the end of the year;
- it is expected an increase in revenues from the sale of the wines by the subsidiary Feudi del Pisciotto Srl in 2014, thanks to the recovery of the domestic market and a strong expected growth in demand for the export channel, particularly in the Eastern Countries (China) and in the USA.

p. The board of directors
The Chairman

Angelo Riccardi

EQUITY HOLDINGS OF THE DIRECTORS AND AUDITORS

Last name, name	Company in which a stake is held	N° of shares held on 31/12/12	notes	Purchases	note	Reductions or sales	N° of shares held on 31/12/13	notes
Directors								
Vittorio Terrenghi	Cia S.p.A.	-		-		-	-	
Panerai Paolo	Cia S.p.A.	10.518.521		-		-	10.518.521	
Marco Fanfani	Cia S.p.A.	-		-		-	-	
Nicoletta Costa Novaro	Cia S.p.A.	1.801.140		-		-	1.801.140	
Diego Della Valle	Cia S.p.A.	-		-		-	-	
Carfagna Maurizio	Cia S.p.A.	20.000		-		-	20.000	
Giovanni Cattaneo	Cia S.p.A.	-		-		-	-	
Umberto Vitiello	Cia S.p.A.	11.000		-		-	11.000	
Riccardi Angelo	Cia S.p.A.	4.000		-		-	4.000	
Andrea Morante	Cia S.p.A.	-		-		-	-	
Luca Panerai	Cia S.p.A.	887.500		-			887.500	
Beatrice Panerai	Cia S.p.A.	880.000		-			880.000	
Vincenzo Truppa	Cia S.p.A.	-		-			-	
Auditors								
Carlo Maria Mascheroni	Cia S.p.A.	-		-		-	-	
Pierluigi Galbussera	Cia S.p.A.	-		-		-	-	
Giampaolo Dassi	Cia S.p.A.	-		-		-	-	

STOCK OPTION PLANS

There are no stock option plans ongoing.

FINANCIAL STATEMENT HIGHLIGHTS OF SUBSIDIARIES

BALANCE SHEET (Euro x 000)	Fixed assets	Other non-current assets	Current assets	Net equity	Severance Indemnities	Other non-current liabilities	Current liabilities
Az. Agricola Tenuta del Pisciotto S.r.l.	2.214	6	949	114	--	2.511	544
Resort del Pisciotto S.r.l.	93	--	54	(4)	--	--	151
Resort & Golf Soc. Consor. a r.l	3	--	11	(10)	--	--	24
Feudi del Pisciotto S.r.l.	8.256	3	4.166	687	--	7.313	4.425
Diana Bis S.r.l.	20.736	140	15.980	13	--	21.915	14.928
Agricola Florio S.r.l.	493	--	45	1	--	--	537
Infrastrutture America S.r.l.	10.313	--	1.585	10.296	--	1.359	243

FINANCIAL STATEMENT HIGHLIGHTS OF AFFILIATED COMPANIES

BALANCE SHEET (Euro x 000)	Fixed assets	Other non-current assets	Current assets	Net equity	Severance Indemnitie s	Other non-current liabilities	Current liabilities
Donnafugata Resort S.r.l.	n.d	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Soc. Infrastrutture Sicilia S.r.l.	7.153	3	32	4.709	--	--	2.479
Isola Longa S.r.l.	1.806	--	54	1.053	--	--	807
LC International LLC (**)	1.025	--	6.913	3.913	--	--	4.025

FINANCIAL STATEMENT HIGHLIGHTS OF SUBSIDIARIES

INCOME STATEMENT (Euro X 000)	Revenues	Operating costs	Amortization, depreciation and write-downs	Proceeds/ Net financial (charges)	Pre-tax result	Net result for the year
Az. Agricola Tenuta del Pisciotto S.r.l.	282	(212)	(118)	(11)	(59)	(48)
Resort del Pisciotto S.r.l.	--	(30)	--	(1)	(31)	(23)
Resort & Golf Società Consor. a r.l	--	(2)	--	--	(2)	(2)
Feudi del Pisciotto S.r.l.	1.693	(1.143)	(557)	(224)	(231)	(239)
Diana Bis S.r.l.	3.280	(2.308)	(503)	(964)	(495)	(408)
Agricola Florio S.r.l.	--	(8)	(2)	--	(10)	(10)
Infrastrutture America S.r.l.	--	(8)	--	--	(8)	(8)

FINANCIAL STATEMENT HIGHLIGHTS OF AFFILIATED COMPANIES

INCOME STATEMENT (Euro X 000)	Revenues	Operating costs	Amortization, depreciation and write-downs	Proceeds/ Net financial (charges)	Pre-tax result	Net result for the year
Donnafugata Resort S.r.l.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Società Infrastrutture Sicilia S.r.l.	--	(15)	(1)	--	(16)	(16)
Isola Longa S.r.l.	50	(18)	--	(1)	31	31
LC International LLC (**)	2.256	(2.255)	--	(5)	(4)	(4)

(**) Values expressed in thousands of dollars

Consolidated Financial Statements at 31st December 2013

Table showing the consolidated balance sheet-financial situation at 31st December 2013

ASSETS (thousand of Euros)	Notes	31 December 2012	31 December 2013
Intangible fixed assets with an indefinite life		--	--
Other intangible fixed assets	1	9	6
Intangible fixed assets		9	6
Tangible fixed assets	2	46.666	44.049
Equity investments	3	15.541	15.549
Other equity investments	4	265	265
Deferred tax receivables	5	264	277
Other receivables	6	1.379	1.762
NON-CURRENT ASSETS		**64.124**	**61.908**
Inventory	7	15.380	15.676
Trade receivables	8	2.956	6.352
Financial receivables	9	1	--
Tax receivables	10	1.269	1.068
Other receivables	11	1.256	887
Cash and cash equivalents	12	4.485	325
CURRENT ASSETS		**25.347**	**24.308**
TOTAL ASSETS		**89.471**	**86.216**

Consolidated statement of financial position at 31st December 2013

LIABILITIES **(thousand of Euros)**	**notes**	**31 December 2012**	**31 December 2013**
Share capital		923	923
Share premium account		1.526	1.526
Legal reserve		185	185
Other reserves		6.892	8.036
Profit (loss) for the year		1.158	(380)
Group net equity		**10.684**	**10.290**
Minority capital and reserves		5.053	5.045
Minority profit (loss)		(9)	(5)
Minority net equity		**5.044**	**5.040**
NET EQUITY	**13**	**15.728**	**15.330**
Financial payables	**14**	44.553	42.318
Deferred tax liabilities	**15**	251	104
Severance fund and other employee funds	**16**	14	25
NON-CURRENT LIABILITIES		**44.818**	**42.447**
Financial payables	**17**	5.949	7.240
Trade payables	**18**	6.956	6.477
Tax payables	**19**	81	161
Other payables	**20**	15.939	14.561
CURRENT LIABILITIES		**28.925**	**28.439**
TOTAL LIABILITIES		**73.743**	**70.886**
LIABILITIES AND NET EQUITY		**89.471**	**86.216**

Separate consolidated Income Statement at 31st December 2013

(thousand of Euros)	notes	31 December 2012	31 December 2013
Revenues		7.006	7.188
Other operating revenues		2.532	1.023
Total Revenues	**21**	**9.538**	**8.211**
Costs for purchases	**22**	(2.680)	(2.469)
Costs for services	**22**	(2.097)	(1.426)
Costs for personnel	**22**	(396)	(412)
Other operating costs	**22**	(457)	(471)
Valuation of equity investments by net equity	**22**	--	8
Gross operating profit – Ebitda		**3.908**	**3.441**
Extraordinary income / (charges)	**23**	279	(74)
Amortization, depreciation and write-downs	**24**	(1.273)	(1.550)
Operating result – Ebit		**2.914**	**1.817**
Net financial income/(charges)	**25**	(1.737)	(2.198)
Pre-tax profit		**1.177**	**(381)**
Taxes	**26**	(28)	(4)
Net result		**1.149**	**(385)**
Profit (loss) attributable to third parties		9	5
Result attributable to the group		**1.158**	**(380)**
Profit per share, base		0,01	0,00
Profit per share, diluted		--	--

Overall consolidated Income Statement at 31st December 2013

(thousand of Euros)	notes	31 December 2012	31 December 2013
Net result		**1.149**	**(385)**
Other items of the overall income statement	**25**		
Actuarial income (expense) unrecognized through the income statement (IAS 19)		--	(5)
Taxes on other items of the overall income statement		--	--
Total items of the overall income statement of the period net of fiscal effects		**--**	**(5)**
TOTAL OVERALL INCOME STATEMENT OF THE PERIOD		**1.149**	**(390)**
Attributable to:			
MINORITY SHAREHOLDERS		**(9)**	**(5)**
PARENT COMPANY SHAREHOLDERS		**1.158**	**(385)**
TOTAL OVERALL INCOME STATEMENT		**1.149**	**(390)**

Statement of changes in the consolidated net equity 31/12/2011 – 31/12/2012

(thousand of Euros)	Share capital	Prem. reserve	Legal reserve	Stock Option reserve	Other reserves	Net income	Net result of the period	Group N.E.	Third party N.E.	Total N.E.
BALANCES ON 31/12/2011	**923**	**1.526**	**125**	**--**	**(317)**	**--**	**2.099**	**4.356**	**1**	**4.357**
***Movements in 2012*:**										
Allocation of profit			60		2.039		(2.099)	--		--
Dividends										
Movements of reserves					5.170			**5.170**	5.022	**10.222**
Result of the period:										
Proceeds/(Charges) booked under N.E.	--	--	--	--	--	--	--	--	--	--
Tot.Proceeds/(Charges) booked under N.E.	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Net result of the period							**1.158**	**1.158**	**(9)**	**1.149**
Overall result of the period	**--**	**--**	**--**	**--**			**1.158**	**1.158**	**(9)**	**1.149**
BALANCES ON 31/12/2012	**923**	**1.526**	**185**	**--**	**6.892**	**--**	**1.158**	**10.684**	**5.044**	**15.728**

Statement of changes in the consolidated net equity 31/12/2012 – 31/12/2013

(thousand of Euros)	Share capital	Prem. reserve	Legal reserve	Stock Option reserve	Other reserves	Net income	Net result of the period	Group N.E.	Third party N.E.	Total N.E.
BALANCES ON 31/12/2012	**923**	**1.526**	**185**	**--**	**6.892**	**--**	**1.158**	**10.684**	**5.044**	**15.728**
***Movement s in 2013*:**										
Allocation of profit					1.158		(1.158)	--		--
Movements of reserves					(4)			**(4)**	1	**(3)**
IAS 19 changes on severance pay					(5)			**(5)**		**(5)**
Result of the period:										
Proceeds/(Charges) booked under N.E.	--	--	--	--	(5)	--	--	**(5)**	--	**(5)**
Tot.Proceeds/(Charges) booked under N.E.	**--**	**--**	**--**	**--**	**(5)**	**--**	**--**	**(5)**	**--**	**(5)**
Net result of the period							**(380)**	**(380)**	**(5)**	**(385)**
Overall result of the period	**--**	**--**	**--**	**--**	**(5)**		**(380)**	**(385)**	**(5)**	**(390)**
BALANCES ON 31/12/2013	**923**	**1.526**	**185**	**--**	**8.036**	**--**	**(380)**	**10.290**	**5.040**	**15.330**

Statement of consolidated cash flows at 31st December 2013

(thousand of euros)	notes	2012	2013
FINANCIAL YEAR ASSETS			
Net profit/(loss) of the period		1.158	(380)
Adjustments			
- Depreciation and amortization		1.273	1.550
Self-funding		**2.431**	**1.170**
Change in inventories		929	(296)
Change in trade receivables		302	(3.396)
Change in tax receivables/payables		1.130	121
Change in other receivables		(338)	(13)
Change in trade payables		(299)	(479)
Change in other payables		6.327	(1.378)
Cash flows of the financial year assets (A)		**10.482**	**(4.271)**
INVESTMENT ASSETS			
Tangible fixed assets		(1.420)	1.071
Intangible fixed assets		(7)	(1)
Investments in equity holdings		(9.611)	(8)
Cash flows of the investments assets (B)		**(11.038)**	**1.062**
FINANCING ASSETS			
Change in payables to banks and lending bodies		(5.380)	(944)
Change in Reserves for Risks and Charges		--	--
Changes in severance indemnities		2	11
Profit distribution		--	--
Change in reserves and net equity items		5.170	(14)
Change in reserves and net equity items pertaining to third parties		5.043	(4)
Cash-flow from financing activities (C)		**4.835**	**(951)**
Change of liquid assets (A) + (B) + (C)		**4.279**	**(4.160)**
Liquid assets at start of financial year		**206**	**4.485**
Liquid assets at end of financial year		**4.485**	**325**

Consolidated balance sheet situation at 31st December 2013, in accordance with Consob Resolution no. 15519 of 27th July 2006

ASSETS (thousands of euros)	**notes**	**31 December 2012**	**of which related parties**	**31 December 2013**	**of which related parties**
Intangible fixed assets with an indefinite life		--		--	
Other intangible fixed assets	**1**	9		6	
Intangible fixed assets		9		6	
Tangible fixed assets	**2**	46.666	37	44.049	45
Equity investments	**3**	15.541		15.549	
Other equity investments	**4**	265		265	
Deferred tax receivables	**5**	264		277	
Other receivables	**6**	1.379		1.762	
NON-CURRENT ASSETS		**64.124**	**37**	**61.908**	**45**
Inventory	**7**	15.380		15.676	
Trade receivables	**8**	2.956	2.674	6.352	4.731
Financial receivables	**9**	1		--	
Tax receivables	**10**	1.269		1.068	
Other receivables	**11**	1.256	691	887	459
Cash and cash equivalents	**12**	4.485		325	
CURRENT ASSETS		**25.347**	**3.365**	**24.308**	**5.190**
TOTAL ASSETS		**89.471**	**3.402**	**86.216**	**5.235**

Consolidated balance sheet situation at 31st December 2013,
in accordance with Consob Resolution no. 15519 of 27th July 2006

LIABILITIES (thousands of euros)	**notes**	**31 December 2012**	**of which related parties**	**31 December 2013**	**of which related parties**
Share capital		923		923	
Share premium account		1.526		1.526	
Legal reserve		185		185	
Other reserves		6.892		8.036	
Profit (loss) for the year		1.158		(380)	
Group net equity		**10.684**		**10.290**	
Minority capital and reserves		5.053		5.045	
Minority profit (loss)		(9)		(5)	
Minority net equity		**5.044**		**5.040**	
NET EQUITY	**13**	**15.728**		**15.330**	
Financial payables	**14**	44.553		42.318	
Deferred tax paybales	**15**	251		104	
Severance fund and other employee funds	**16**	14		25	
NON-CURRENT LIABILITIES		**44.818**		**42.447**	
Financial payables	**17**	5.949	1.741	7.240	1.749
Trade payables	**18**	6.956	3.770	6.477	4.445
Tax payables	**19**	81		161	
Other payables	**20**	15.939	8.841	14.561	9.989
CURRENT LIABILITIES		**28.925**	**14.352**	**28.439**	**16.183**
TOTAL LIABILITIES		**73.743**	**14.352**	**70.886**	**16.183**
LIABILITIES AND NET EQUITY		**89.471**	**14.352**	**86.216**	**16.183**

Consolidated separate Income Statement at 31st December 2013,
in accordance with Consob Resolution n. 15519 of 27th July 2006

(thousands of euros)	notes	31 December 2012	of which related parties	31 December 2013	of which related parties
Revenues		7.006	4.226	7.188	4.755
Other operating revenues		2.532	18	1.023	23
Total revenues	**21**	**9.538**	**4.244**	**8.211**	**4.778**
Costs for purchases	**22**	(2.680)		(2.469)	(113)
Costs for services	**22**	(2.097)	(345)	(1.426)	(150)
Costs for personnel	**22**	(396)		(412)	
Other operating costs	**22**	(457)		(471)	
Valuation of equity investments by net equity	**22**	--		8	
Gross operating profit – Ebitda		**3.908**	**3.832**	**3.441**	**4.515**
Extraordinary income (charges)	**23**	279		(74)	
Amortization, depreciation and write-downs	**24**	(1.273)		(1.550)	
Operating results – Ebit		**2.914**	**3.832**	**1.817**	**4.515**
Net financial income/(charges)	**25**	(1.737)		(2.198)	(23)
Pre-tax profit		**1.177**	**3.832**	**(381)**	**4.492**
Taxes	**26**	(28)		(4)	
Profit (loss) attributable to third parties		(9)		(5)	
Result attributable to the group		**1.158**	**3.832**	**(380)**	**4.492**
Profit per share, base		0,01		0,00	
Profit per share, diluted		--		--	

p. The Board of Directors
The Chairman

Angelo Riccardi

Explanatory notes to the consolidated financial statements at 31st December 2013

Compagnia Immobiliare Azionaria Spa
and subsidiaries
Headquarters in Milano - Via G. Borgazzi, 2

EXPLANATORY NOTES

The statement of assets and liabilities of Compagnia Immobiliare Azionaria at 31st December 2013 includes the financial statements of Compagnia Immobiliare Azionaria S.p.A. and the financial statements of the direct and indirect subsidiaries, in which Compagnia Immobiliare Azionaria S.p.A. holds a capital stake of more than 50% or exercises operational control.

All the amounts shown below in these explanatory no te are expressed in thousands of euros. Where this convention is not followed, express notice is given

Content and form of the consolidated financial statements

The consolidated report of Compagnia Immobiliare Azionaria and the parent company CIA S.p.A. at 31st December 2012, both of which were audited, were drawn up on the basis of an ongoing concerns and in accordance with the international accounting standards established by the IFRS and adopted by the European Communities with regulation no. 1725/2003 and subsequent amendments, in compliance with regulation no. 1606/2002 of the European Parliament, approved, together with the relative interpretations, by regulation (EC) No. 1126/2008 which, starting from 2 December 2008, annuls and replaces regulation No.1725/2003 and subsequent amendments.

The above-cited reports take account of the recommendations contained in Consob Resolution no. 15519 of 27th July 2006 and Consob announcement DEM/6064293 of 28th July 2006.

The figures for the comparison period have also been reclassified according to IFRS.

In accordance with IAS 1 and taking into account the joint document Bank of Italy, Consob, ISVAP n.2 dated 6 February 2009, there have been provided in the relevant sections of the Report on Operations, the information regarding the macroeconomic environment, the program to develop and strengthen the balance sheet. Therefore, the Directors, taking into account the exposed framework and initiatives carried out, consider the reasonable expectation that the CIA Group may have adequate resources to continue its operations in the foreseeable future and, consequently, have adopted the assumption basis of the ongoing company activity for the preparation of the consolidated financial statements at 31 December 2013.

Accounting principles and methods

The evaluation criteria adopted in the preparation of the consolidated financial statements at December 31, 2013 are consistent with accounting principles adopted in the preparation of the Consolidated Financial Statements 31 December 2012, except for what described in the section "Accounting standards, amendments and interpretations effective from 1 January 2013." In particular, and with reference to the introduction of the amendment to IAS 19 "Employee Benefits", we proceeded to the actuarial valuation of these funds as of December 31 2013. The standard provides that the actuarial gains / losses accrued at the end of the period are recognized in the comprehensive income and not in the income statement.

In line with the requirements of the documents no. 2 dated 6 February 2009, n. 4 dated 3 March 2010 issued jointly by the Bank of Italy, Consob, ISVAP, it should be noted that the financial statements of the Group have been prepared in accordance with the CIA continuing activity assumption.
With reference to note Consob. DEM/11070007 dated August 5th 2011, it is also recalled that the Group does not hold any treasury bonds issued by central and local governments and government agencies, and is therefore not exposed to risks from market fluctuations.
There have been highlighted, both in the consolidated financial statements and in the separate financial statements, significant transactions with related parties and non-recurring items, as required by CONSOB resolution no. 15519 dated 27 July 2006.

Accounting standards, amendments and interpretations effective from 1 January 2013

The following accounting standards, amendments and interpretations, also as a result of the process of the IASB's annual improvements have been applied for the first time since January 1, 2013:

- ***Amendment to IAS 1 - Presentation of Financial Statements*** – This amendment was issued by the IASB in June 2011 and is applicable to financial statements for periods beginning on or after 1 July 2012 and requires the pooling of items in the statement of comprehensive income into two categories depending on whether they can or can not subsequently be reclassified in the income statement. The adoption of this amendment did not have a material effect on the information provided in these consolidated financial statements.
- ***Amendment to IAS 19 - Employee Benefits – T***his amendment was issued by the IASB in June 2011 and is effective from 1 January 2013. Such amendment in addition to eliminating the option to defer the recognition of gains and losses, by using the corridor method, requires the recognition of expenses related to job performance and net financial expenses in the income statement, registration of actuarial gains and losses arising from the re-measurement of liabilities and assets in the statement of comprehensive income. In addition, the return on assets controlled by the level of benefits will be calculated on the basis of the discount rate liabilities and no longer as the expected return on assets. The amendment also requires additional information to be provided in the notes to the financial statements.
- ***Amendments to IAS 12 - Income Taxes*** **–** The amendment was issued by the IASB in December 2010 and is applicable from 1 January 2013, it introduces the assumption to deferred tax assets that the underling asset will be entirely recovered through sale unless there is a clear evidence that recovery can occur with usage. The presumption will be applied to investment properties and assets recognized as plant and equipment or intangible assets recognized at fair value or revalued. As a result of these changes, the interpretation SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets - will be repealed.
- ***Amendments to IFRS 7 Financial Instruments: Disclosures -–*** The IASB in December 2011, has issued amendments to IFRS 7 - Financial Instruments: Disclosures. The amendment requires information on the effect or potential effect of offsetting of financial assets and liabilities on the balance sheet. The amendments shall be applied for annual periods beginning on or after January 1, 2013 and interim periods after that date. The information must be provided retrospectively. The adoption of this amendment did not have significant effects on the statements.
- ***IFRS 13 - Fair value assessment*** – The standard, issued by the IASB in May 2011 is effective from 1 January 2013. The standard defines fair value, it clarifies how it must be measured and introduces a common information to all items measured at fair value. The principle applies to all transactions or balances that another standard requires or permits the measurement at fair value, its adoption had no impact on the valuation of balance sheet items included in the these consolidated financial statements, but it required an integration of information with regard to the fair value at the reporting date, the valuation techniques and inputs used to develop those assessments.

Consolidation criteria

The consolidation is carried out using the global integration method for all the companies in which Compagnia Immobiliare Azionaria Spa has a stake and exercises control. Control is presumed when the Group holds more than half the effective or potential voting rights that can be exercised at the Shareholders'Assembly on the date of the financial statements.

Affiliated companies are those in which the Group exercises a significant influence, which is presumed when it holds more than 20% of the effective or potential voting rights that can be exercised at the Shareholders' Assembly on the date of the financial statements.

Subsidiary companies are consolidated as from the date on which the Group acquires control and are deconsolidated from the moment when this ceases.

Subsidiary companies are included in the scope of consolidation by using the global integration method

The criteria adopted for application of this method include also the following points:

a) The net book value of the equity holdings in subsidiary companies is offset against the net equity of the subsidiary companies and the concomitant assumption of all the assets and liabilities of the subsidiaries. Such elimination suggests that the value attributable to goodwill amounted to **138 thousand Euros**. This higher value was attributed to increase in the value of land accounted for by subsidiaries Azienda Agricola Tenuta del Pisciotto Sarl and Feudi del Pisciotto Sarl.

b) Credit and debit postings of all operations between consolidated companies, as well as profits and losses arising from commercial or financial operations between group companies, are eliminated.

c) The shares of net equity and of profit pertaining to third party shareholders of the consolidated companies are shown separately under special headings of the balance sheet, while the share of the net result of the financial year pertaining to the outside shareholders of these companies is stated separately in the consolidated income statement.

The equity holdings in subsidiary companies are recorded using the net equity method, meaning by measuring the share pertaining to the Group in the result and the net equity of the subsidiary. Profits and losses relating to infra-group operations are omitted for the interest share.
If the share pertaining to the Group in the losses of a subsidiary company exceeds the value of the equity holding, the Group does not recognize further losses unless it has taken on an obligation to do so.

All the financial statements of the Group companies are prepared on the same date and refer to periods of equal duration.

Statement of reconciliation between net equity and pre-tax profit shown in the balance sheet of CIA Spa and those shown in the consolidated balance sheet.

Reconciliation between net equity at 31 December 2013 and the profit of the period ending on that date, reflected in the consolidated financial statements and those of CIA Spa, is the following

€uro/000	**Net Equity**	**Financial Result**
CIA Spa financial statements	**8.147**	**364**
Elimination of consolidation and adjustments Positive (negative):		
a) adjustment of carrying values to the relative net equity values:	2.005	(744)
b) assets that emerged during consolidation	138	--
Consolidated financial statements	**10.290**	**(380)**

Evaluation criteria

The following are the principal accounting policies applied to the preparation of the situations included in the consolidation.

INTANGIBLE FIXED ASSETS

The intangible assets, in accordance with the provisions of IAS 38 are stated at acquisition cost, including incidental expenses, and are amortized on a straight-line basis over the residual useful life of the asset which is in relation to its useful life.

In particular the following depreciation periods have been used:

- Software 5 years

TANGIBLE FIXED ASSETS

Buildings, plant and machinery

These are registered at purchase cost including accessory charges and direct costs. The costs of maintenance that preserves the effectiveness of the asset are charged to the income statement in the period when they are incurred. Maintenance costs that meet the capitalization requirements set by IAS 16 are entered under tangible fixed assets. The cost of the non-current assets is systematically amortized in each financial year.

This is done in constant shares on the basis of the maximum fiscally permitted rates considered appropriate for apportioning the cost according to the estimated residual life. The rates applied are as follows:

Equipment	25%
Ordinary furniture and machinery	12%
Electronic equipment	20%
Vehicles	25%
Generic facilities	10%
Expenses for the adjustment of facilities	20%
Improvements on third party facilities	constant rates in proportion to the duration of the contract
Costs and expenses relative to leased goods	constant quotas in proportion to the duration of the contract or, if lower, to the useful life of the asset

Leased assets

The leases entered into by the Group involve transferring all risks and benefits arising from ownership-related issues, and are therefore classified as financial.
Assets held under finance leases are recognized in the consolidated balance sheet at their current value of the property resulting from the contract or, if lower, the present value of the contractual payments, the simultaneous recognition among liabilities of the corresponding financial payable to the leasing companies.
The assets are amortized in a manner consistent with other tangible assets.
The Interest payments are charged to the income statement over the term of the contract..

Real estate investments

The properties are recognized at cost of acquisition or production cost net of accumulated depreciation and accumulated impairment losses. This includes costs directly attributable to bringing the asset to the condition necessary for the operation based on business needs. The maintenance costs are recognized in the income statement. The costs incurred after acquisition are capitalized only if they can be measured in a reliable way and if it increases the future economic benefits of the assets to which they relate; All other costs are recognized in the income statement.
The depreciation method, with a straight-line basis, is carried out during the estimated useful life of the building, which ranges from 30 to 50 years.
Given the unlimited useful life of the land, this is not depreciated; because of this, lands and properties are booked separately even if jointly purchased..

As required under IAS 36, at least once a year there is a check to be carried out on any lasting losses of value of the asset, recording the amount by which book value exceeds recoverable value as a loss.

INVENTORY

Raw materials, ancillary materials and finished products are entered at the lower of the purchase or manufacturing cost and the scrap value inferable from the market situation, applying the weighted average method. In compliance with IAS 18, the cost is represented by the fair value of the price paid or of any other consideration received. The real estates classified under unsold stock are entered at the lower between the purchase and the production cost and the estimated realizable value. This lower value is booked through a suitable inventory write-down provision. .

RECEIVABLES AND OTHER ASSETS

Loans and receivables are non-derivative assets with fixed or determinable payments and are not quoted in an active market. Assets held for trading, designated at their fair value to the income statement or designated as available for sale, are not classified as such.
Receivables are measured at amortized cost using the effective interest method.
If there is objective evidence that there has been an impairment loss of value, a reduction of the carrying value of recognizing the loss directly in the income statement.

All financial assets are initially recognized at fair value including transaction costs directly attributable to the acquisition.

For non-interest bearing loans and for those outside market conditions, the fair value is estimated at the present value of all future cash receipts discounted using the prevailing market rate for a similar instrument.

The Group verifies at least at each balance sheet date whether there is objective evidence that financial assets have suffered an impairment loss.
Any loss, calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognized in the income statement.

If in future years the amount of the loss decreases, we proceed reverse to the income statement of the impairment loss previously recognized value. Anyway, the new book value does not exceed the amortized cost that would have been if the impairment loss had never been detected.

EQUITY INVESTMENTS

Unqualified equity holdings are entered at their purchase cost Equity investments that do not have a quoted price in an active market and whose fair value can not be reliably measured, are measured at cost adjusted for any impairment losses.

CASH AND CASH EQUIVALENTS

These include ready-cash securities, meaning those securities that can be cashed on demand or very quickly, that are definitely payable, and that are free from encashment fees.

DEBTS, LIABILITIES AND OTHER FINANCIAL LIABILITIES

Under IAS 39, debts, liabilities and other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to obligations, legal or constructive, to a third party for which it is probable that there will be an outflow of resources of the Group and for which a reliable estimate of the amount of the obligation can be made.

Changes in estimates are recognized in the income statement in the period in which the change occurred.

EMPLOYEE BENEFITS AND SEVERANCE PAY

The severance indemnity covers the amounts payable in relation to the commitments accrued at the balance sheet date, in favor of employees, in accordance with the laws and labor contracts.

According to IAS / IFRS, the Indemnity is a "defined benefit plan" subject to actuarial valuations linked to estimates (such as mortality and expected salary changes) designated to express the present value of the benefit, to be paid on termination of employment, that employees have accrued at the balance sheet date.

The severance benefits are determined by applying an actuarial method, based on demographic assumptions, the discount rate that reflects the time value of money over time, the rate of inflation and, regarding the severance pay, the current level of salary and wage future, as required by IAS 19.

CAPITAL GRANTS

Capital grants, in accordance with the provisions of IAS 20, are only booked if there is a reasonable certainty that:

- the company will comply with stipulated conditions;
- The grants will be received

The booking of capital grants in the financial stat ements is implemented by means of the matching method by booking the revenues within the income statement in a systematic manner, in accordance with the useful life of the good to which it refers.

ENTRY OF REVENUES, PROCEEDS, COSTS AND CHARGES

Revenues are recognized at the fair value of the consideration received, net of returns, discounts, allowances and rebates and taxes directly associated with the sale of products.
Revenues from services are recognized based on the percentage of completion of the service.

The Financial revenues are recognized on an accrual basis.
Expenses are recognized on the basis of revenue recognition.

TAXES

The current income taxes are recorded for each company, on the basis of estimated taxable income according to the tax rates and laws enacted or substantively enacted at the balance sheet date, taking into account the applicable exemptions and tax credits.

Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts recognized for tax purposes, based on the rates in effect at the time when the temporary differences reverse. When the results are recorded directly to net equity, current taxes, deferred tax assets and liabilities for deferred tax is also recognized to net equity.

The assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities based on much they relate to the income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

DIVIDENDS

Dividends are recorded in the accounting period in which the distribution is decided.

Changes of accounting principles, errors and changes of estimates

A change in the accounting estimates is defined by IAS 8 as an adjustment of the book value of an asset or liability, or of the amount representing the periodic consumption of an asset, derived from a valuation of the current situation and of the expected future benefits and obligations of the assets and liabilities. Changes in accounting estimates therefore arise from new information and developments and not from correction of errors. The correction of errors of previous financial years arises when there are omissions or erroneous representations in the financial statements of one or more previous periods arising from non-use or incorrect use of reliable information that:

a) were available when the financial statements of those financial years were approved;
b) should reasonably have been obtained and used in the preparation and publication of the relative financial statements.

The effect of change in accounting estimates in accordance with IAS 8, is recognized in the income statement prospectively from the year in which they are adopted.

Scope of consolidation

Consolidation on a line-by-line basis

The following subsidiaries of Compagnia Immobiliare Azionaria Spa, besides Compagnia Immobiliare Azionaria Spa itself, have been consolidated using the global line-by-line consolidation method:

	percentage of ownership
- Az. Agricola Tenuta del Pisciotto Sarl	100,00 %
- Resort del Pisciotto Srl	100,00 %
- Feudi del Pisciotto Srl	100,00 %
- Diana Bis Srl	100,00 %
- Infrastrutture America Srl	51,00 %
- Agricola Florio Srl Società Agricola (già Isola Longa Turismo Rurale)	100,00 %
- Resort & Golf Società Consortile A.r.l.*	50,01 %

* Consolidated using the line-by-line method as it is controlled by Resort del Pisciotto for 16,67%, by Az. Agricola Tenuta del Pisciotto for 16,67% and directly by Cia Spa for 16,67%. Company in Liquidation.

Net equity method

The following affiliates of Compagnia Immobiliare Azionaria Spa have been consolidated using the net equity method:

	Percentuale di Proprietà
- Donnafugata Resort Srl	1,66 %
- LC International LLC	20,40 %
- Società Infrastrutture Sicilia Srl*	25,50 %
- Isola Longa Srl	50,00 %

* owned by Infrastrutture America for 50%.

The participation quote in Donnafugata Resort Srl was originally of 17.41%; following the put option for 15% during the year, the remaining portion of the property had settled at 2.41%. Following a capital increase approved by the company, not underwritten by the CIA, the share is the one that appears in the table.

DETAILED STATEMENT AND EXPLANATORY NOTES

ASSETS

NON-CURRENT ASSETS

1) Other intangible fixed assets

The value of other intangible fixed assets, amounting to 6 thousand euros at 31 December 2013, changed during the year in the following way:

€uro/000	Start-up & expansion cost	Costs of R&D and advert.	Industrial patent rights	Authorizations, licenses, trademarks	Intang. in progress and part-payments	Other non-current assets	**Total**
Historical cost	**--**	**--**	**--**	**--**		**157**	**157**
Prior revaluations							
Prior devaluations							
Prior amortization	--	--	--	--		(148)	**(148)**
Initial Balance	**--**	**--**	**--**	**--**		**9**	**9**
Purchases for financial year							
Change in consolidation area							
Re-classifications (-)							
Re-classification (+)							
Alienations for financial year							
Write-ups for financial year							
Write-downs for financial year							
Exchange differences							
Amortization for financial year	--	--	--	--		(3)	**(3)**
Total	**--**	**--**	**--**	**--**		**6**	**6**
Movements pursuant to Art. 2426, nr. 3							
Tot. other intang. assets	**--**	**-**	**--**	**--**		**6**	**6**

Comparative details of the residual value of *other intangible fixed assets* to be amortized are given below:

€uro/000	31/12/12	31/12/13
Software	9	6
Assets under construction	--	--
Total	**9**	**6**

2) Tangible fixed assets

The value of tangible fixed assets at 31st December 2013 comprised:

€uro/000	31/12/12	31/12/13
Land and Buildings	42.478	40.091
Plants and machinery:	2.726	2.446
Industrial and trade equipment	18	9
Other assets	581	640
Assets under construction	863	863
Total	**46.666**	**44.049**

Tangible fixed assets record the following changes:

€uro/000	**Amounts**
Balance on 31/12/2012	**46.666**
Change in scope of consolidation	**--**
Reclassification	(1.707)
Financial year increases	636
Financial year decreases	--
Amortization for financial year	(1.546)
Balance on 31/12/2013	**44.049**

The details and relative movements compared with the previous period are shown in the following table:

€uro/000	Land*	Buildings	Leased buildings	Plant & machinery	Ind. & Commer. equipment	Fixed assets under construction	Other assets	**Total**
Historical cost	**10.148**	**33.802**	**1.878**	**4.494**	**68**	**863**	**1.102**	**52.355**
Prior revaluations								
Prior devaluations								
Prior amortization	(28)	(2.352)	(970)	(1.768)	(50)	--	(521)	(5.689)
Initial balance	**10.120**	**31.450**	**908**	**2.726**	**18**	**863**	**581**	**46.666**
Purchases for financial year	13	291		168	3		161	**636**
Change in consolidation area								
Reclassification (-)		(1.707)						**(1.707)**
Reclassification (+)								
Alienations for financial year								
Write-ups for financial year								
Write-downs for financial year								
Exchange differences								
Amortisation for financial year		(948)	(36)	(448)	(12)	--	(102)	**(1.546)**
Total	**10.133**	**29.086**	**872**	**2.446**	**9**	**863**	**640**	**44.049**
Movements pursuant to Art. 2426, nr. 3								
Total Tangible fixed assets	**10.133**	**29.086**	**872**	**2.446**	**9**	**863**	**640**	**44.049**

* Land refers to the increased value determined at the time of consolidation - with respect to the financial statement values – of areas owned by companies of the Group. This increased value was quantified to be equal to 138,000 euros.

The details of the *fixed assets under construction* is are as follows:

€uro/000	**31/12/12**	**31/12/13**
Antico Baglio Contrada Pisciotto Niscemi (CL)	779	779
Resort del Pisciotto	84	84
Total	**863**	**863**

3) Equity holdings

This item refers to the value of equity investments in affiliates and amounts to 1**5.549 thousand euros,** essentially unchanged compared to 31 December 2012.

The detail of the changes which occurred during the financial year is shown in the table that follows while the main changes compared to the previous financial year are described in detail in the report:

€uro/000	Balance on 31/12/12	Acquisitions	Disposals	Write-ups (Write-downs)	Consolid. changes	Balance on 31/12/13
Isola Longa Turismo Rurale Srl	3					3
Donnafugata Resort Srl	2.490					2.490
Società Infrastrutture Sicilia Srl	10.313					10.313
LC International LLC	1.455					1.455
Isola Longa Srl	1.280			8		1.288
Total	**15.541**	**--**	**--**	**8**	**--**	**15.549**

It was verified within the scope of IAS 36, if there were grounds for any loss in value of the shares held in associated companies .
In particular, the problem has arisen mainly due to the equity capital of Infrastrutture Sicilia Srl, which participates in the capital of Airgest Spa, the management company of Trapani.

In accordance with international accounting standards for the evaluation of the fair value of the investment, we used the method of the Market Approach (market method): the hierarchy used is that (according to IFRS 13) of the second level, where the feedback are made on the basis of inputs that are not directly derived from market transactions for assets of the same characteristics, but with observable inputs from different sources from which they draw the parameters used; in this case, reference was made to an estimate, resulting from the valuation assigned to an independent professional auditor, who determined the adequacy of the values based on market multiples objectively detectable.

4) Other equity investments

€uro/000	Balance on 31/12/12	Acquisitions	Alienations/ Write-downs	Fair Value change	Balance on 31/12/13
Marina di Punta Ala	155	--	--	--	155
Audoin De Dampierre	110	--	--	--	110
Total	**265**	**--**	**--**	**--**	**265**

5) Receivables for differed taxes

The amount of deferred tax assets at December 31, 2013 amounted to 277 thousand euro, substantially in line with the value at 31 December 2012 amounting to EUR 264 thousand. It should be noted that this item, included in 2012 budget among tax credits, was reclassified to non-current receivables in the present consolidated financial statements. A detailed analysis of the composition of this is provided in the detail table appearing in paragraph 25) (taxes) on these notes to the financial statements.

6) Other non current receivables

The other non-current receivables, amounting to 1.762 million euro, compared to 1.379 million euro of the previous year. They consist mainly of receivables from the subsidiary Infrastrutture America towards the affiliated Società Infrastrutture Sicilia.

CURRENT ASSETS

7) Inventory

Inventories amount to 15.676 million EUR, and are mainly made up of the residential property available for sale, valued for € 12.302 million. The decrease compared to the value of € 15.38 million of 31 December 2012 is attributed to sales of apartments and garages during the year.

Among the inventories are also the semi-finished products goods (unbottled wine) and the crop forecasts of the company Feudi del Pisciotto and Azienda Agricola Tenuta del Pisciotto for a total value of 3.374 thousand euro. The value as of 31 December 2012 was equal to 2.890 thousand euro.

8) Trade receivables

€/000	**31/12/12**	**31/12/13**
Regular customers	1.378	2.187
Invoices to be issued	1.588	4.175
Provision for bad debts	(10)	(10)
Total trade receivables	**2.956**	**6.352**

Regular customers refer to trade receivables for the sale of wine by the subsidiary, Feudi del Pisciotto Srl.

Invoices to be issued include receivables related to the sale of an apartment with a garage by the subsidiary Diana Bis, which was delivered in June 2013. Agreements provide for a payment plan, and therefore of billing installments.

9) Current financial receivables

There are no current financial receivables in the balance sheet. The value at 31 December 2012 was equal to 1000 Euros.

10) Tax receivables

€uro/000	**31/12/12**	**31/12/13**
Bank withholding tax	1	--
IRES/IRAP authority	42	35
IRES receivables from tax consolidation	157	90
Advance VAT payments	1.002	860
Other receivables from tax authority	67	83
Total tax receivables	**1.269**	**1.068**

No particularly significant changes in the amount and composition of tax receivables occurred with respect to 31st December 2012.

11) Other receivables

€uro/000	31/12/12	31/12/13
Credit notes to be received /advanced to suppliers	101	79
Receivables and pre-paid charges	264	273
Receivables due from employees	2	2
Receivables from affiliate companies	701	469
Other receivables	188	64
Total other receivables	**1.256**	**887**

12) Cash and cash equivalents

€uro/000	31/12/12	31/12/13
Bank deposits	4.483	322
Postal accounts	--	--
Cash and cash equivalents on hand	2	3
Total Liquid Funds	**4.485**	**325**

The decrease compared to the previous year is mainly due to the payment, occurred in 2013, to the former shareholder, of the share of 50% of the Azienda Turistica Florio that was purchased and then resold on December 30, 2012 with immediate encashment, and therefore with a momentary increase in the liquidity of the financial year 2012.

The total net financial position and its primary components is shown below, in accordance with the format recommended by Consob.

Total net financial position:

€uro/000		**31/12/12**	**31/12/13**
A.	Cash on hand	2	3
-	*Bank deposits*	*4.483*	*322*
-	*Postal deposits*	--	--
A.	Other liquid funds	4.483	322
B.	**Liquid funds and other financial assets (A+B)**	**4.485**	**325**
C.	Securities held for trading	--	--
-	*Financial receivables from affiliated companies*	*1*	--
-	*Derivative instruments and other financial assets*	--	--
A.	Receivables and other financial assets	1	--
B.	**Current financial assets (D+E)**	**1**	**--**
C.	Current financial payables	2.014	3.535
-	*Leasing*	*108*	*212*
-	*Other financial payables*	*1.742*	*1.749*
-	*Mortgage*	*2.084*	*1.744*
A.	Current quota of non-current debt	3.934	3.705
-	*Financial payables due to affiliated companies*	--	--
-	*Derivative instruments and other financial assets*	--	--
A.	Other current financial payables	--	--
L.	**Payables due to banks and other current financial liabilities (G+H+I)**	**5.948**	**7.240**
M.	**Net current financial position (C+F-L)**	**(1.463)**	**(6.915)**
-	*Leasing*	*212*	--
-	*Fixed-term financing*	--	--
-	*Mortgage*	*44.341*	*42.318*
L.	Part of non-current debt	44.553	42.318
M.	*Other non-current financial payables*	--	--
N.	**Non-current financial debt (N+O)**	**44.553**	**42.318**
O.	**Net financial position (M-P)**	**(46.016)**	**(49.234)**

LIABILITIES

NET EQUITY

1) Net equity movements

€uro/000	**Balance on 31/12/12**	Result transfer	Dividends distributed	Change in IAS 19 on employee severance indemnities	Other movements	**Result of the period**	**Balance on 31/12/13**
Net equity							
Of the group:							
Share capital	**923**						**923**
Share premium reserve	**1.526**						**1.526**
Revaluation reserve							
Legal reserve	**185**						**185**
statutory reserves							
Consolidation reserves	**3.284**	(393)			(4)		**2.887**
Other	**3.608**	1.551		(10)			**5.149**
Profit (loss) of the period	**1.158**	(1.158)				(380)	**(380)**
Group net equity	**10.684**	**--**	**--**	**(10)**	**(4)**	**(380)**	**10.290**
Of third parties							
Minority capital and reserves	**5.053**	(9)			1		**5.045**
Minority profit (loss)	**(9)**	9				(5)	**(5)**
Minority net equity	**5.044**	**--**	**--**	**--**	**1**	**(5)**	**5.040**
Tot. Net equity	**15.728**	**--**	**--**	**(10)**	**(3)**	**(385)**	**15.330**

There were no significant movements in the period in net equity.

It should also be noted that due to the change of IAS / IFRS 19, relating to the severance pay, which excludes the possibility of accounting for actuarial gains and losses using the corridor method, allowed until the end of 2012, on January 2, 2013 was accounted for a negative OCI reserve (included in item reserve transition IAS), for 4,218 Euros, for the reversal of the deferred recorded at December 31, 2012, amounting to € 4000. The recognition of actuarial component on severance pay to 31 December 2013 has also resulted in a further reduction of the reserve OCI for 5000 euro.

Disbursed dividends

No dividends were paid during 2013. The remaining debt to the shareholders for dividends resolved in the 2009 financial year is 2,000 euros.

NON-CURRENT LIABILITIES

2) Non current financial payables

€uro/000	**31/12/12**	**31/12/13**
Loans received (M/L-term amounts)	44.341	42.318
Payables to Leasing companies	212	--
Total financial payables	**44.553**	**42.318**

The decrease in borrowings from the previous year is due to the payment of installments due during the period of funding.

3) Deferred tax payables

The amount of deferred tax liabilities at December 31, 2013 amounted to € 104 thousand, compared to a value as at 31 December 2012 of EUR 251 000.
It should be noted that this item, included in 2012 budget as tax liabilities, was reclassified to non-current payables in this consolidated interim financial statements.
A detailed analysis of the composition of this is provided in the detail table appearing in paragraph 25) (taxes) in these notes to the financial statements.

4) Provision for severance indemnities

€uro/000	**Balance on 31/12/12**	Scope of consolidation changes.	Transfers /Utilization	Financial charges	Actuarial charges	**Allocations**	**Balance on 31/12/13**
Category:							
Staff	**14**	--	--	--	6	5	**25**
Tot. Provision for Severance Indemnities	**14**	**--**	**--**	**--**	**6**	**5**	**25**

<u>The following paragraphs provide details of the actuarial assumptions used for the valuation of the severance pay in accordance with IAS 19, as of 31 December 2013:</u>

<u>Financial Recruitments:</u>

Rate of Actualization		*Eur Composite Trend AA on 31.12.2013*
	Deadlines (years)	*Rates*
	1	*0,400%*
	2	*0,665%*
	3	*0,949%*
	4	*1,275%*
	5	*1,576%*
	7	*2,110%*
	8	*2,343%*
	9	*2,547%*
	10	*2,567%*
	15	*3,019%*

Inflation rate	*2,00%*
Expected rate of salary increase (including inflation)	*3,55%*
Percentage of severance pay required in advance	*70,00%*

<u>Demographic hirings:</u>

Maximum Age Placement at Rest	*According to the latest laws*
Tables of Mortality	*RGS 48*
Average Annual Percentage Exit of Personnel *	*12,16%*
Annual probability of a request in advance	*4,00%*

* calculated for any cause of elimination in the first ten years following the year of assessment

Sensitivity analysis	Sensitivity	New DBO
Rate of Discounting	*+1,00%*	22.938
	-1,00%	27.685

Additional Information	
Duration (in years)	14,93

Scheduled payments	
scheduled payments on 31.12.2014	1.810
scheduled payments on 31.12.2015	5.645
scheduled payments on 31.12.2016	2.473
scheduled payments on 31.12.2017	2.918
scheduled payments on 31.12.2018	3.036
scheduled payments from 1.01.2019 to 31.12.2023	15.885

<u>CURRENT LIABILITIES</u>

5) Current financial payables

€uro/000	**31/12/12**	**31/12/13**
Current payables due to banks	2.014	3.535
Payables to Class groups	1.742	1.749
Payables due to financial institutions (short-term quota)	2.193	1.956
Total financial payables	**5.949**	**7.240**

6) Trade payables

€uro/000	**31/12/12**	**31/12/13**
Payables to suppliers and collaborators	5.869	5.956
Invoices to be received and credit notes to be issued	1.087	521
Total trade payables	**6.956**	**6.477**

The value of trade payables is substantially in line with that of the previous period.

7) Tax payables

€uro/000	**31/12/12**	**31/12/13**
Payables to tax authority for withholding tax	17	52
Taxes of the period	64	109
Total Tax Payables	**81**	**161**

The increase in payables for withholding is due to the delay of the timing of payment of the same by the companies of the group, caused by the current financial stress, leading to the presence of overdue payables as at 31 December 2013.

8) Other payables

€uro/000	31/12/12	31/12/13
Payables to Social Security institutions	51	43
Payables to employees	41	43
Payables to shareholders for dividends	2	2
Received deposits	2.282	2.282
PayableS for acquisition of shareholdings	3.439	150
Other payables	6.659	8.826
Accrued expenses and deferred income	3.465	3.215
Total other payables	**15.939**	**14.561**

Deferred income includes an amount of € 2.557 million, related to the capital contribution by Feudi del Pisciotto and Azienda Agricola Tenuta del Pisciotto: the deferral method was utilized for the booking. This method requires the recognition of revenue related to the contribution depending on the actual useful lives of the assets to which the grants relate. We recall that the contributions in question were recognized to finance the construction of the cellar by the subsidiary Feudi del Pisciotto Sarl and the winemaking plants for Azienda Agricola Tenuta del Pisciotto Sarl.
Other payables include customer advances.

INCOME STATEMENT

Concerning the economic performance of CIA Spa and its subsidiaries, in addition to the matters discussed in the report on operations, the main items are set out below, divided into classes.

9) Revenues

The **revenues** can be broken down as follows:

€uro/000	31/12/12	31/12/13	Changes (%)
Revenues from rentals	2.828	3.361	*18,8*
Revenues from facility management	697	710	*1,9*
Revenues from wine sales	856	773	*(9,7)*
Other revenues from winegrowing activities	666	907	*36,2*
Revenues from asset management	1.724	--	*(100,0)*
Revenues from real estate sales	2.529	2.252	*(11,0)*
Other revenues	238	208	*(12,6)*
Totale	**9.538**	**8.211**	***(13,9)***

It should be noted that the “Other revenues from wine-growing activities” include the deferral for the share of the period, the capital contribution received by the admission to the decree of the Region of Sicily (Sicily Por Mis.4.09 of 2000/2006), the contribution Agea-OCM for the year 2013, the change in inventories of finished goods and semi-finished products and cultivations, and the costs of labor and plantings that serve to advance the costs for the new-crop harvest of the ongoing year.

“Other incomes” include income and the proportion of revenues not related to the core business of the company, including EUR 93 000 for services to the subsidiary LC International LLC.

10) Production costs

Details of **Operating costs** are as follows:

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Purchases	2.680	2.469	*(7,9)*
Services	2.097	1.426	*(32,0)*
Costs for personnel	396	412	*4,0*
Valuation of equity investments by net equity	--	(8)	*(100,0)*
Other operating costs	457	471	*3,1*
Total operating costs	**5.630**	**4.770**	***(15,3)***

The reduction in operating costs of € 0.86 million is mainly attributable to the reduction in purchase costs relating to cost of goods sold for the units and garages on sale during the period, by the subsidiary Diana Bis Srl, and costs for services explained below. Staff costs and other operating costs (including IMU and emoluments corporate bodies) are broadly in line with the previous year.

The **services** are summarized as follows:

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Leasing costs	41	52	*26,8*
Facility management costs	278	290	*4,3*
Costs of wine- making activity	410	208	*(49,3)*
Costs for sales, financial and administrative consulting	896	527	*(41,2)*
Other costs	472	349	*(26,1)*
Total Services	**2.097**	**1.426**	***(32,0)***

The reduction in service costs was primarily attributable to a reduction in services provided by related Class Editori SpA for the provision of technical advisory services, administrative and financial advice in relation to the ongoing litigation for the execution of the put option for the payment of 15% of the company Donnafugata Resort Srl recorded in 2012 and lower costs for the marketing and promotion of the subsidiary Feudi del Pisciotto Srl.

11) Extraordinary income and charges

The breakdown is as follows:

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
contingent assets	312	86	*(72,4)*
Total extraordinary income	**312**	**86**	***(72,4)***
Contingent liabilities	(33)	(160)	*(n.s.)*
Total extraordinary charges	**(33)**	**(160)**	***(n.s.)***
Profit from extraordinary items	**279**	**(74)**	***(126,5)***

Contingent assets recorded in the previous year included the forfeiture of a deposit, for 250 thousand euro, which benefited the subsidiary Diana Bis as a result of failure to comply with contractual agreements with a purchaser of an apartment in the building in Via Burigozzo 1.

12) Amortization, depreciation and write-downs

The breakdown is as follows:

€uro/000	**31/12/12**	**31/12/13**	**Changes (%)**
Amortization of intangible fixed assets	4	4	--
Depreciation of tangible fixed assets	1.269	1.546	*21,8*
Total depreciations	**1.273**	**1.550**	***21,8***

The increase in depreciation compared to the previous year is due, to a greater extent, to the development of the property income for offices located in Milan, in Via Burigozzo 1, resulting in the beginning of the amortization process.

13) Net financial income/(charges)

The details of financial income and expenditure for the period are shown below:

€uro/000	**31/12/12**	**31/12/13**
Receivable bank interest	--	--
Taxed interest on securities held	--	--
Other financial income	4	2
Total financial income	**4**	**2**
Bank and loan charges	(72)	(62)
Payable bank interest	(75)	(132)
Interest payable on loans	(1.568)	(1.961)
Other financial charges	(26)	(45)
Total financial charges	**(1.741)**	**(2.200)**
Net financial income/(charges)	**(1.737)**	**(2.198)**

The increase in financial expenses is due to the interest payable on loans taken by subsidiary Diana Bis Srl for buildings in Corso Italia 64 - Via Burigozzo 1 in Milan, whose income generation for the intended use as offices occurred from the month of July 2012, so that for the year 2013 accounted for 12 months compared with 6 months of last year.

14) Taxes

Details are as follows:

€uro/000	**31/12/12**	**31/12/13**
Taxes of the financial year	123	281
Net deferred taxes	(95)	(277)
Total profit and loss account Taxes	**28**	**4**

Number 14 of art. 2427 requires a prospect to be drawn up indicating:

a) the description of the temporary differences which led to finding advance and deferred taxes, specifying the rate applied and any changes with respect to the previous year, the amounts credited or debited to the Income Statement or to Net Equity, the items excluded from the calculations and their respective justification;

b) the amount of advance tax payments booked to the balance sheet relating to losses during the current or previous years and the reason for such booking, the amounts that have not yet been booked and the reasons for such omissions;

The following table meets this requirement:

	Balance on 31/12/2012			**Balance on 31/12/2013**		
	Amount of Temporary differences	Fiscal effect	Effect on result	Amount of Temporary differences	Fiscal effect	Effect on result
Corporate tax rate (IRES)	27,50%			27,50%		
Corporate tax rate (IRES+IRAP)	31,40%			31,40%		
Advanced/(deferred) taxes:						
Tax benefit on corporate income tax loss	- 2.191	602	60	- 2.604	716	114
IRES for tax consolidation	1.286	- 354		1.699	- 467	
taxes on compensation for administrators	- 133	36	-	- 133	36	-
Cancellation of lands	- 53	- 17	-	- 53	- 17	-
Write-off for properties	- 1.416	- 445	-	- 1.416	- 445	-
Excess financial charges	- 327	90	1	- 391	108	18
Excess GOP	- 327	90	34	- 859	236	146
cancellation of other fixed assets	7	2	-	7	2	-
Discounting of employee severance indeminit.	- 3	1	-	- 3	1	-
Net deferred/(prepaid) taxation		**7**	**94**		**171**	**277**
Net effect:						
On period result		94			277	
On initial net Equity		- 31			13	
Credits transferred for tax consolidation		- 57			- 114	
Changes in scope of consolidation		2				
Differences against previous years		5			- 4	
On Closing net Equity		**13**			**173**	

15) The fiscal effect relative to the other items of the overall consolidated interim income statement

The amendment to IAS 19 relating, also to the method of accounting for employee severance indemnity, with the abolition of the possibility of using the corridor method for registration of charges and losses, resulted in the direct recognition in a negative equity reserve, of actuarial accrued expenses during the year, for a total of 5000 Euros, entirely attributable to majority shareholders.

This item, implemented at the level of comprehensive income, does not generate tax effects.

16) Memorandum accounts

Guarantees provided –referring to mortgages provided in connection with the medium to long-term financing stipulated with Unicredit Banca for 24,000,000.00 euros, with Banca CARIGE for 16,000,000.00 euros and with MPS for the purchase of the offices in New York for USD 2,456,000.00.The company stipulated a suretyship with Carige for 1,460,000 euros for the purchase of the share in LC International LLC. Mortgage lien on the winery located in Niscemi (Caltanisetta) guaranteeing the loan of 6,000,000 euros. Mortgage on the property located in Milan in Corso Italia 64-Burigozzo 1 for funding the works in progress up to EUR 11,900,000.00.
Letter of patronage in favour of Centrobanca for a loan of 22,000,000.00 euros to the subsidiary, Diana Bis S.r.l.

Hedging agreements - Diana Bis has entered into an interest rate swap on a notional amount of approximately € 3 million (portion of the loan), to have the coverage at a fixed rate on the mortgage on the property in Via Burigozzo, corner Corso Italia, for its entire duration.

Assets held by third parties – includes the value of securities held by Monte Titoli for a total of 125,870 euros

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As required by IAS 32, the following table compares the values booked to the consolidated financial statements at 31st December 2013 and the relative fair value of financial assets and liabilities:

€ (thousand)	**Book value**	***Fair value***
Financial assets		
Cash and cash equivalents	325	325
Trade receivables	6.352	6.352
Equity investments and securities	15.814	15.814
Other receivables	3.994	3.994
Financial liabilities		
Financial payables	46.023	46.023
Trade payables	6.477	6.477
Other payables	14.826	14.826
Payables to banks	3.535	3.535

SECTOR INFORMATION

The following sector information is provided in compliance with IAS 14.
The main sector data of the companies is given below:

A) Leases

€uro/000 *(Data reclassified by management)*	31/12/12	31/12/13	Absolute change	Change. (%)
Revenues	2.828	3.361	533	*18,8*
Direct operating costs	(1.740)	(2.051)	312	*17,9*
Contribution margin	**1.088**	**1.310**	**221**	***20,3***
% of revenues	*38,5*	*39,0*		

B) Services and facility management

€uro/000 *(Data reclassified by management)*	31/12/12	31/12/13	Absolute change	Change. (%)
Revenues	697	710	13	*1,9*
Direct operating costs	(364)	(386)	22	*5,9*
Contribution margin	**333**	**324**	**(9)**	***(2,6)***
% of revenues	*47,8*	*45,7*		

C) Wine production activities

€uro/000 *(Data reclassified by management)*	31/12/12	31/12/13	Absolute change	Change. (%)
Revenues from wine sales	856	773	(83)	*(9,7)*
Change in inventories	399	483	84	*21,1*
Other revenues from winegrowing activities	267	424	157	*58,8*
Total Revenues	**1.539**	**1.680**	**158**	***10,4***
Direct operating costs	(1.041)	(998)	(43)	*(4,1)*
Contribution margin	**481**	**682**	**201**	***41,8***
% of revenues	*31,6*	*40,6*		

D) Real estate activities

€uro/000 ***(Data reclassified by management)***	**31/12/12**	**31/12/13**	**Absolute change**	**Change. (%)**
Revenues	2.529	2.252	(277)	*(11,0)*
Direct operating costs	(2.517)	(2.160)	357	*(14,2)*
Contribution margin	**12**	**92**	**80**	***n.s.***
% of revenues	*0,5*	*4,1*		

Disputes and potential liabilities

In July 2008 and by means of a tax audit report (pvc), the Internal Revenue Office of Milan notified the company of the claimed non-relevance of certain costs of the year 2005 (0.15 million Euro of taxable income) as well as of the failure to fill out a section of the tax return (EC section); this formal error generated the request of 0.6 million Euro in taxable income, even in absence of fiscal damages to the state treasury,given that company had correctly booked and paid its taxes. On 6th April 2010, the company received the notice of ssessment bearing the same violations already included in the Tax Audit Report. Through the Tax Law Firm founded by F. Gallo, an appeal was filed with the Provincial Tax Commission of Milan on 28th September 2010. The hearing was held on 14th December 2011 and the Provincial Tax Commission of Milan rejected the company's appeals who proceeded to lodge an other appeal, to request the annulment of the judgment before the competent Regional Tax Commission, after paying, in the month of March 2011, a collection notice amounting to 155 thousand Euros. The Regional Tax Commission, with the judgment of November 30, 2012, filed January 15, 2013, confirmed the outcome of the first-instance judgment, for reasons deemed by the lawyers as inconsistent. The company, through the Studio Gallo, has therefore taken steps to notify the appeal dated 15 July 2013, at the Supreme Court of Cassation. On August 9, 2013 Equitalia has now notified on the basis of the judgment of the Regional Tax Commission, notice of payment for the remaining amount due on the basis of the original notice of assessment for which it was, anyway, obtained the suspension. We are waiting for the hearing to be scheduled, by the Supreme Court.
According to the defense and renowned figures of the subject who are follow the appeal to the Supreme Court, it is becoming more and more consolidated in jurisprudence and, more recently, hopefully, also with the Agency, the fact that any omissions of formal order can not affect ones substantive rights, as is claimed by the Company. On the basis of these considerations, and comforted by the legal assessment, it was considered appropriate to state the inclusion of a provision for contingent liability on the position in question.

Privacy information

In compliance with Attachment B, point 26, of Legislative Decree no. 196/2003 containing the Personal Data Protection Code, the directors acknowledge that the company has taken actions to ensure compliance with the measures relative to personal data protection in light of the provisions introduced by Legislative Decree no. 196/2003 and in accordance with the deadlines and modalities specified therein. In particular, the Security Planning Document, filed at Company Head Offices and freely consultable, was published on 28th March 2006 and updated in accordance with the law.

Non-recurring significant events and operations

Pursuant to Consob communication issued on 28th July 2006 no. DEM/6064293, it is specified that no non-recurring significant operations were performed by the company during 2013.

Transactions deriving from atypical and/or unusual operations

Pursuant to Consob Communication of 28th July 2006 no. DEM/6064293, it is specified that no atypical and/or unusual operations were performed by the company, as defined by the same Communication.

Balance sheet highlights after 31st December 2013

It is still open the dispute that arose as a result of the continued non-fulfillment of the counterparty, an important Spanish listed company, for the put option contract for the payment of 15% of the company Donnafugata Resort Srl, and of the arbitration and enforcement of the judgment that considered the fair valuation of the company by the arbitrator prof. Louis Guatri, equal to 33 million Euros.
In February, the other party has appealed the arbitration before the Court of Appeal of Milan, which, by order filed July 17, 2013, rejected the request for an injunction and stated that there are no grounds for the declaration of inadmissibility of the proposed appeal and has therefore adjourned the case for clarification of the opinion, at the hearing scheduled for 23 February 2016.
On November 18, 2013 CIA notified a request for arbitration and the appointment of an arbitrator to obtain an order for the payment of the price of the shares subject to the put option, and compensation for any damage suffered and future ones for the delay, believing that the actions promoted by the other party does not legitimize, in any way, the failure to pay the price
With the hearing on February 4, 2014, it was formally constituted and enthroned the arbitration and it has established the scheduling of the arbitration proceedings by defining the time of deposit of its arbitrament.
The board has then assigned to the Parties the terms of 6 March and 24 April 2014 for the filing of briefs, respectively direct and in response to the final wording of the questions and the exceptions of the Parties, the filing of documents and the articulation of evidence; it has successively adjourned the hearing of May 6 2014, for the personal appearance of the parties, the experiment of conciliation and, in case of failure, the decision on the admission of any evidence offered by the parties in the above memories. About the timing of the resolution of the proceeding it should be noted that the Article. 820 of the Code of Civil Procedure provides for a maximum of 240 days from the date of the settlement of the board, except for extensions that can be granted in some cases provided for in the last paragraph of that provision. It is assumed, therefore, that this second arbitration, can be completed by the end of this year or, at the latest, by mid next year.

In reference to the evidence stated above, and as confirmation of what demonstrated and documented, once the CIA has collected the agreed price for the shares sold, amounting to 4.95 million Euros, in addition to the charges payable, it will realize a significant gain compared carrying values.

Business outlook

Despite the macro-economic environment continues to be characterized by considerable volatility and uncertainty, the forecast for the outlook is moderately positive, given the stability of returns on investment in real estate, one of the activities related to them by the parent company and, above all from expectations for the development of real estate transactions and commercial subsidiaries Diana Bis Srl and Feudi del Pisciotto Srl:

- the forecast of housing market recovery to Milan, together with the progress of some of the ongoing negotiations for the residential units, related to the complex of buildings built by the subsidiary Diana Bis Srl, allow us to predict the achievement of the objectives set out in the investment plan identified for the area by the end of the year;

- it is expected an increase in revenues from the sale of the wines by the subsidiary Feudi del Pisciotto Srl in 2014, thanks to the recovery of the domestic market and a strong expected growth in demand for the export channel, particularly in the Eastern Countries (China) and in the USA.

p. The board of directors
The Chairman

Angelo Riccardi

Transactions with related parties

Following the Consob communication issued on 24th September 2010 concerning the provisions governing related party transactions pursuant to Consob resolution no. 17221 of 12th March 2010, as amended, the Board of Directors of CIA Spa approved the procedure for related party transactions which came into force on 1st January 2011

The table below shows the balance sheet, financial and economic as at December 31, 2013 with related parties and relevant. Please note that these reports, commercial and financial, are governed by the same conditions applied to suppliers and customers.

€uro/000	**Item**	**31/12/12**	**31/12/13**
Balance Sheet Relationships			
Supplies from Class Group for properties (capitalization)	**(2)**	37	45
Trade receivables from Class Group for rentals and facility management	**(8)**	1.489	3.632
Trade receivables from Italia Oggi for rentals and facility management	**(8)**	175	475
Trade receivables from Domini di Castellare	**(8)**	833	412
Trade receivables from . Rocca di Frassinello	**(8)**	--	4
Trade receivables from Principe Amedeo	**(8)**	86	110
Trade receivables from Gurra di Mare Soc. Agricola	**(8)**	91	98
Financial payables to Gruppo Class	**(17)**	(1.741)	(1.749)
Trade payables from Class Group for goods/service	**(18)**	(3.770)	(4.445)
Payables to Class Editori for a commitment deposit	**(20)**	(2.000)	(2.000)
Sundry payables to Gruppo Class	**(20)**	(6.499)	(7.700)
Sundry payables to Italia Oggi	**(20)**	(87)	--
Deferred income from Class	**(20)**	(255)	(289)

€uro/000	**Item**	**31/12/12**	**31/12/13**
Income statement relationships			
Revenues from lease to Gruppo Class	**(21)**	2.515	3.068
Revenues from lease to Italia Oggi Editori	**(21)**	249	253
Revenues from lease to Class CNBC	**(21)**	17	--
Revenues for services and facility management to Gruppo Class	**(21)**	576	586
Revenues for services and facility management to Italia Oggi Editori	**(21)**	103	105
Revenues for services and facility management to Principe Amedeo	**(21)**	19	19
Revenues for services and facility management to Gruppo Class	**(21)**	--	29
Revenues for wine production activity to Domini Castellare	**(21)**	747	669
Revenues for wine production activity to Rocca di Frassinello	**(21)**	--	26
Revenues for wine production activity to Gurra di Mare	**(21)**	18	23
Costs to acquire semi-finished to Rocca di Frassinello	**(22)**	--	(96)
Costs for the purchase of accessory goods to the prod. Domini Castell.	**(22)**	--	(17)
Administrative service and consulting costs from Class	**(22)**	(345)	(150)
financial charges by Gruppo Class	**(25)**	--	(23)

Business of a commercial nature with related parties are governed at market conditions.
The increase in lease revenue is generated from the signing of a lease with Class Editori in respect to the property located in Milan, in Via Burigozzo 1, for the lease of its office space. Agreement in force since 1 July 2013. The ISTAT inflation adjustments provided for by the contracts must also be taken into account.

The debt of 2.0 million euros to Class Editori is related to the security deposit on the rents in connection with the property located in Milan at the intersection of Corso Italia and Via Burigozzo, a part of which will be used as offices for Class Editori

As regards the distribution of the wines produced, Feudi del Pisciotto Srl stipulated an exclusive agreement, with the specialised company, Domini Castellare di Castellina Srl, which has a large network of agents and importers. The agreement was drawn up based on the traditional market parameters for the sector.

The balances of the principal economic and financial relationships that CIA has with its affiliates are set out below:

€uro/000	Iten	31/12/12	31/12/13
Balance Sheet Relationships			
Financial receivables from Azienda Turistica Florio	**(11)**	232	--
Financial receivables from Isola Longa S.r.l.	**(11)**	120	120
Financial receivables from Società Infrastrutture Sicilia	**(11)**	339	339

Other intergroup relations

Tax consolidation for IRES purposes

Following the renewal of the tax consolidation option by the parent company, CIA Spa and its main subsidiaries determine IRES within the sphere of the current IRES tax consolidation agreement. Relations between the tax consolidation participants are governed by special agreements.

In compliance with Art. 149-duodicies of the Issuers' Regulations, the following Schedule reports the compensation disbursed to the independent auditor in the year 2013, divided by type of service:

€uro	**Year 2013**
Auditing of the annual financial statements at 31st December 2013	2.760
Auditing of the consolidated financial statements as of 31st December 2013	1.000
Limited audit of the consolidated half-year report as of 30th June 2013	1.500
Auditing for the year 2013	875
Total auditing for the parent company	**6.135**
Other services certifying the parent company	-
Total costs of the parent company	**6.135**
Auditing of the annual financial statements as of 31st December 2013: subsidiaries	11.700
Auditing of the financial year 2013: subsidiaries	900
Total costs of subsidiaries	**12.600**
Totale Auditor costs	**18.735**

Table of significant equity stakes pursuant to Art. 120 of Legislative Decree no. 58/1998

In accordance with art. 126 of the regulation approved by Consob Resolution no. 11971/1999, we provide information on the significant equity stakes pursuant to Art. 120 of Legislative Decree no. 58/1998

Name	*City or State*	*Share capital*	*Consolidated % of group*	*Method of equity holding*	*Shareholder*	*% of stake in capital*
Azienda Agricola Tenuta del Pisciotto Sarl	Palermo	111.788	100,00	direct	CIA SpA	100,00
Resort del Pisciotto Srl	Palermo	10.000	100,00	direct	CIA SpA	100,00
Feudi del Pisciotto Srl	Palermo	35.000	100,00	direct	CIA SpA	100,00
Diana Bis Srl	Milan	10.000	100,00	direct	CIA SpA	100,00
Resort & Golf Società Consortile arl	Palermo	14.000	50,01	indirect indirect direct	Resort del Pisciotto Az. Agr. Tenuta del Pisciotto CIA S.p.A	16,67 16,67 16,67
Agricola Florio Srl Società Agricola (già Isola Longa Turismo Rurale Srl)	Palermo	10.000	100,00	direct	CIA SpA	100,00
Isola Longa Srl	Palermo	10.000	50,00	direct	CIA SpA	50,00
Donna Fugata Resort Srl	Ragusa	14.000.000	1,66	direct	CIA SpA	1,66
Infrastrutture America Srl	Milan	19.608	51,00	direct	CIA SpA	51,00
Società Infrastrutture Sicilia Srl	Palermo	100.000	25,50	indirect	Infrastrutture America Srl	50,00
LC International LLC	New York	$ 7.500.000	20,40	direct	CIA SpA	20,40

Certification of the consolidated financial statements pursuant to Article 81-bis of the Consob Regulation No. 11971/1999 and subsequent amendments and additions

Certification of the consolidated financial statement pursuant to Art. 81-ter of Consob Regulation No. 11971/1999 and subsequent amendments and additions

1. The undersigned Angelo Riccardi as Chairman of the Board and Emilio Adinolfi as the Director responsible for the Compagnia Immobiliare Azionaria S.p.A. certify, also taking into account that which is provided by Art. 154-bis, sections 3 and 4 of Legislative Decree No. 58 of 24th February 1998, that the administrative and accounting procedures applied to the preparation of the consolidated financial statement at 31st December 2013

   1.1 are consistent with the administrative/accounting system and the company's structure

   1. 2 are adequate and have been effectively applied ;

1. No items worth noting emerged from this assessment

2. It is also hereby certified that the consolidated financial statements for the period closing on 31st December 2013

   a) are consistent with accounting ledger entries and records;

   b) Has been prepared in compliance with the International Financial Reporting Standards (IFRS)and the relative interpretations published by the International Accounting Standards Board(IASB) and adopted by the Commission of the European Communities with Regulation No.1725/2003 and subsequent modification, in compliance with Regulation No. 1606/2002 of the European Parliament, as well as the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005 and, to our knowledge, is suitable to provide an accurate and truthful picture of the equity, income and financial situation of Compagnia Immobiliare S.p.A;

   c) the Report on Operations includes a reliable analysis of the performance and operating result, and also of the situation of the issuer and the sum of companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed

Milan, 21 March 2014

Chairman of the Board

Angelo Riccardi

Entrusted Executive

Emilio Adinolfi

Report of the Board of Statutory Auditors on the consolidated financial statement

COMPAGNIA IMMOBILIARE AZIONARIA S.p.A.

Via G. Borgazzi 2 – MILANO

Corporation Stock € 922.952,60

Statutory Auditors' Report of the CIA Group at the Shareholders' meeting relating to the consolidated financial statements for the year ended 31 December 2013

Shareholders,

the consolidated financial statements 31 December 2013 of the CIA Group, which was delivered in conjunction with the financial statements of the Parent Company Compagnia Immobiliare Azionaria S.p.A. comprise of the Balance Sheet, income statement, cash flow statement, statement of changes in shareholders' equity, information by business segment, as well as the notes and the report of the Board of Directors on operations.

It has been prepared in accordance with the International Financial Reporting Standards as adopted by 'the European Union.

It presents shareholders' equity of the Group of 10,290 thousand euros (10,684 thousand euros in 2012) and a net loss attributable to the Group of 380 thousand euros (it was a profit of Euro 1,158 thousand in 2012)

The information obtained from PKF ITALY SpA, mandated to audit the consolidated financial statements, allows to observe that the values expressed therein correspond to the accounting records of the parent company and the information formally submitted by its subsidiaries.

The Auditors have issued, in accordance with Articles. 14 and 16 of Legislative Decree no. 39/2010, an unqualified report on the financial statements, certifying that the same is drawn up clearly and provides a true and fair view of the financial position, results of operations, changes in shareholders' equity and cash flows of the Group CIA. The report does not raise disclosures.

The report contains and explains the elements, the data and information required by art. 2428 of the Italian Civil Code and art. 40 of Legislative Decree no. 127/1991.

Specific information regarding the Group considered as a whole, as expressed in its financial-economic aspects through the values contained in the consolidated financial statements, are adequately reflected in the Directors' Report, which illustrates a true, balanced and comprehensive position of the undertakings included in the consolidation of the progress and results of operations as a whole and in the various fields in which it has operated, through its subsidiaries, particularly with regard to costs, revenues and investments, as well as a description of the principal risks and uncertainties to which the CIA Group companies are exposed.

Milan, April 4th 2014

Board of Auditors

Giampaolo Dassi

Pierluigi Galbussera

Carlo Maria Mascheroni

External Auditor's report on the consolidated financial statements

PKF
Revisione e organizzazione contabile

COMPAGNIA IMMOBILIARE AZIONARIA GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2013

Auditors' Report Translation
pursuant to artt. 14 and 16 of Legislative Decree No. 39 dated 27th January 2010

PKF Italia S.p.A.

PKF

Revisione e
organizzazione contabile

Auditors' Report Translation
pursuant to artt.14 and 16 of Legislative Decree No. 39 dated 27th January 2010

To the Shareholders of
Compagnia Immobiliare Azionaria S.p.A.

1. We have audited the consolidated financial statements of Compagnia Immobiliare Azionaria S.p.A. with the subsidiaries ("Compagnia Immobiliare Azionaria Group") for the year ended December 31, 2013 consisting of the balance sheet, the statements of income, changes in shareholders equity and cash flows and the accompanying explanatory notes. The responsibility of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and in accordance with the regulation issued to implement art. 9 of Legislative Decree 38/2005, is of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (Companies and Stock Exchange Commission). In accordance with such standards, we planned and performed our audit to obtain all the information necessary in order to determine whether the consolidated financial statements are materially misstated and if such consolidated financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, as well as assessing the appropriateness and accuracy of the accounting principles used and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our professional opinion.

   For the audit opinion on the consolidated financial statements of the previous year, the data of which are provided for comparative purposes as prescribed by law, reference should be made to the report issued from an other auditor on 5th April 2013.

3. In our opinion, the consolidated financial statements of Compagnia Immobiliare Azionaria Group as of and for the year ended 31 December, 2013 are in accordance with the International Financial Reporting Standards adopted by the European Union, and with the regulations issued in implementation of art. 9 of Legislative Decree 38/2005; therefore they present fairly the Company's financial position, results of operations, changes in equity and cash flows of Compagnia Immobiliare Azionaria Group for year then ended.

4. Compagnia Immobiliare Azionaria S.p.A.'s management is responsible for preparing the directors' report and the report on corporate governance and ownership structure, in accordance with the provisions of law. Our responsibility is to express an opinion on the consistency of the directors' report and the information in accordance with art. 123-bis, paragraph 1, sub-section c), d) f), l), m) and paragraph 2, sub-section b) of Legislative Decree no. 58/98 reported into the report on corporate governance and ownership structure, with the consolidated financial statements, as required by law. We performed the procedures indicated in audit principle No. 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (Companies and Stock Exchange Commission) for this purpose. In our opinion the directors' report and the information in accordance with art. 123-bis, paragraph 1, sub-section c), d) f), l), m) and paragraph 2, sub-section b) of Legislative Decree no. 58/98 reported into the report on corporate governance and ownership structure is consistent with the consolidated financial statements of Compagnia Immobiliare Azionaria Group as at 31 December, 2013.

Milan April 4, 2014

PKF Italia S.p.A.

Signed on the original by

Fioranna Negri

(Partner)

Report on operations of the parent company

Compagnia Immobiliare Azionaria S.p.A.
CIA S.p.A.
Registered office in Milano, Via G. Borgazzi, 2

Report on operations of the parent company on 31 December 2013

Operational trends and results as of 31st December 2013

Revenues at 31/12/2013 amounted to € 3.25 million, compared to €4.89 for the year 2012. Of these, the operating revenues amounted to 3.13 million (compared with 3.10 in the previous year), while other operating income amounted to 0.11 million euro, compared to 1.8 for the year 2012.

Total operating expenses amounted to EUR 1.49 million, while they were equal to 1.87 million in 31 December 2012.

The gross operating margin was of EUR 1.75 million (EUR 3.03 million as at 31 December 2012).

Depreciation, amortization and write-downs amounted to 0.4 million euro, in line with the previous year.

Net financial expenses amounted to EUR 0.95 million, 1.06 at December 31, 2012.

The operating result showed a profit before tax of € 0.46 million and 0.36 million after taxes.

Main economic data for the year

With regard to the current management activities it should be noted in particular that:

- total revenues to 31 December 2013 amounted to € 3.25 million, compared to € 4.89 million in the corresponding period of the previous year. The decrease in revenues of EUR 1.64 million is determined by the combined effect of the following factors:
  - Revenues from the lease of the property and the provision of facility management services, related to them, have remained largely stable with the exception of the increase given to the adjustments provided by Istat contract;
  - lower revenues from securities totaling 1.72 million euro attributable to capital gains in 2012 of which 1.6 million euro from the sale of shares of Azienda Turistica Florio Srl and other capital gains, for a total of 0.1 million euro, arising from the sale of investments deemed non-core (an apartment owned by the CIA, in Milan, and a timeshare in Megeve - France);
- Operating expenses amounted to EUR 1.49 million, compared to € 1.87 million in 2012. Cost reduction is primarily attributable to lower performance achieved by the related Class Editori SpA for the provision of technical advisory services, administrative, financial and information technology services and consulting related to ongoing litigation for the execution of the put option contract for the payment of 15% of the company Donnafugata Resort Srl;
- depreciation and write-downs amounted to 0.38 million euro, in line with the previous year;
- Gross operating profit at 31 December 2013 amounted to EUR 1.41 million, a decrease compared to 2012, due to extraordinary transactions mentioned above, but in line with the previous year, net of such transactions;
- Net financial expenses were EUR 0.95 million (EUR 1.06 million in the previous year).

- The company's net profit amounted to 0.36 million euro, compared to 1.55 million euro at 31 December 2012.

Net financial position

The net financial situation is shown in the following table:

€ (thousands)	**31/12/2012**	**31/12/2013**	**Changes 2013/20112**	***Changes %***
Net medium/long-term financial indebtedness	(19.149)	(17.614)	1.535	*8,0*
Net short-term financial indebtedness/net short-term cash in hand	8.821	3.831	(4.990)	*(56,6)*
Of which:				
Financial payables	*(3.638)*	*(4.703)*	(1.065)	*(29,3)*
Cash in hand and financial receivables	*12.459*	*8.534*	(3.925)	*(31,5)*
Net financial position: Net Indebtedness/net availability	**(10.328)**	**(13.783)**	**(3.455)**	***(33,5)***

The net financial position went from a net debt to third parties of EUR 10.3 million to a net debt of € 13.8 million at December 31, 2013, a decrease of approximately 3.5 million Euros. The change, in addition to the progressive repayment of those loans on real estate owned by the CIA, is mainly attributable to the completion of the sale by the CIA of its ownership stake in the share capital of the Company Azienda Turistica Florio Sarl. The liquidity operation was partially recovered, even on behalf of other minority shareholders transferees, and those paid at the beginning of 2013 (2.8 million euro).

Net equity

The total net equity at 31 December 2013 is equal to **8.147** thousand euro.

Stock Exchange data

	2012	**2013**
Minimum price (euros)	0,2310	0,203
Maximum price (euros)	0,28	0,292
Volume traded (overall) (euros)	5.019.425	11.439.936
Minimum capitalization (million euros)	21	19
Maximum capitalization (million euros)	25	27
Average capitalization (million euros)	23,3	23,4
Number of shares	92.295.260	92.295.260

In implementation of the recent Directive 2003/51/EC ("Modernization of Accounts Directive") adopted by Legislative Decree 32/2007 and the consequent amendments to Article 2428 of the Italian Civil Code, please find below the principal information:

- the financial result indicators;
- the analysis of risks and uncertainties to which the company is exposed;
- Information concerning the environment and personnel
- analysis of the sectors in which the company operated (Business segments)

Financial performance indicators/ratios.

For a better understanding of the company's financial situation and economic performance, we include a comparison of certain financial indicators/ratios for two reference periods, and the outline of the income statement reclassified in accordance with the weight of each business areas.

	31/12/2012	31/12/2013	*Change %*
Revenues from sales	3.102	3.134	*1,0*
Internal production	--	--	--
Value of operating production	**3.102**	**3.134**	***1,0***
External operating costs	(1.476)	(1.046)	*(29,1)*
Added value	**1.626**	**2.088**	***28,4***
Personnel Costs	(89)	(95)	*6,7*
Gross Operating profit - (EBITDA)	**1.537**	**1.993**	***29,7***
Amortizations and provisions	(381)	(372)	*(2,4)*
Operating result	**1.156**	**1.621**	***40,2***
Result for accessory area	(239)	(236)	*(1,3)*
Net result for financial area	--	--	--
Normalized EBIT	**917**	**1.385**	***51,0***
Result for extraordinary area	1.728	28	*(98,4)*
total EBIT	**2.645**	**1.413**	***(46,6)***
Net financial income/(charges)	(1.060)	(947)	*(10,7)*
Gross Result	**1.585**	**466**	***(70,6)***
Taxes on Income	(34)	(102)	*200,0*
Net result	**1.551**	**364**	***(76,5)***

**** in the reclassified financial indicators of the operating results***

Below we present the trend for turnover and net profits over the past five financial years

€uro/000	**2009**	**2010**	**2011**	**2012**	**2013**
Total Turnover	2.921	2.849	6.349	4.890	3.248
Net Profit (Loss)	**(157)**	**(130)**	**2.577**	**1.551**	**364**

Below we present the principal liquidity and profitability indexes, for a more in-depth understanding of the financial and asset data

		31/12/12	**31/12/13**
Financing ratios of fixed assets			
Primary Capital Assets (Own Equity - Fixed Assets)	*€/000*	(13.660)	(13.439)
Primary Capital Ratio (Own Equity / Fixed Assets)	*%*	0,36	0,38
Secondary Capital Assets (Own Equity + Consolidated Liabilities - Fixed Assets)	*€/000*	8.036	6.586
Secondary Capital Ratio *(Own Equity + Consolidated Liabilities / Fixed Assets*)	*%*	1,37	1,31

These ratios show the method of functioning of medium and long-term loans, and the composition of the sources of financing

Ratios of the structure of the loans			
Ratio of overall indebtedness (Consolidated + Current Liabilities/ Own Equity)	*%*	5,13	4,57
Financial Indebtedness Ratio (Loan liabilities + current liabilities / Own Equity)	*%*	2,61	2,98

These ratios aim at representing the composition of the sources of financing.

Profitability ratios			
Net ROE *(Net Result / Own Equity)*	*%*	19,90	4,47
Gross ROE *(Gross Result / Own Equity)*	*%*	20,34	5,72
ROI *(Operating Result / Fixed Assets)*	*%*	0,45	3,12
ROS *(Operating Result / Revenues from sales)*	*%*	3,09	21,51

The profitability ratios are those most frequently used in business economics practice to compare the company’s results and the structural sources of fin ancing of operations

Solvency ratios			
Availability Margin *(Current Assets - Current Liabilities)*	*€/000*	8.036	6.586
Availability Ratio *(Current Assets / Current Liabilities)*	*%*	1,44	1,38
Cash Margin *(Deferred Liquidity + Immediate Liquidity – Current liabilities)*	*€/000*	8.036	6.586
Cash Ratio *(Deferred Liquidity + Immediate Liquidity / Current liabilities)*	*%*	1,44	1,38
The solvency ratios aim to represent current assets with respect to the company's short-term commitments			

PRIMARY RISKS AND UNCERTAINTIES

Risks related to the sector in which the company operates

Despite the macro-economic environment continues to be characterized by considerable volatility and uncertainty, there are no significant impacts to the CIA: With regard to the investments held by the company, the revenue prospects are considered positive, since it is not about a cash portfolio, but inherent to projects of long-term investment and of significant scope and depth. For real estate investments made in the center of Milan no one can see the risks of depreciation of value, and the same goes for investments in progress; please refer to the wide description made in the report and to what reported about the events subsequent to the end of the year.

Credit risk in relation to commercial relations with customers

The main items of credit are related to the lease of the property and the assignment of facility management services rendered to the companies of the group Class Editori and its affiliates and other companies. CIA is not a creditor towards the group Class Editori. The company has not yet registered losses.

Interest rate risks

The policy of the Company does not provide for speculative investments in financial products. Given that the properties which CIA owns are leased with multi-year contracts, the payables (in compliance with an correct policy of financial equilibrium between resources and loans) were assumed with fixed rates in order to protect from rate increases

Exchange rate risks

The activities in the first half of 2013 were developed almost entirely in the euro area. The investments made in the United States do not generate negative cash flows for the CIA since the income from such investments (leases) are settled in Euros. But, the management will assess closely the developments of these investments to put in place adequate measures.

Liquidity risks

Liquidity risks arise primarily from the regularity of the payment flows of customers, and are therefore related more generally to the customers' ability to generate adequate cash flows, in a context of an extremely critical market.

Disputes and potential liabilities

In July 2008 and by means of a tax audit report (pvc), the Internal Revenue Office of Milan notified the company of the claimed non-relevance of certain costs of the year 2005 (0.15 million Euro of taxable income) as well as of the failure to fill out a section of the tax return (EC section); this formal error generated the request of 0.6 million Euro in taxable income, even in absence of fiscal damages to the state treasury, given that company had correctly booked and paid its taxes. On 6th April 2010, the company received the notice of assessment bearing the same violations already included in the Tax Audit Report. Through the Tax Law Firm founded by F. Gallo, an appeal was filed with the Provincial Tax Commission of Milan on 28th September 2010. The hearing was held on 14 December 2011 and the Provincial Tax Commission of Milan rejected the company's appeals, who proceeded to lodge an other appeal, to request the annulment of the judgment before the competent Regional Tax Commission, after paying, in the month of March 2011, a collection notice amounting to 155 thousand Euros. The Regional Tax Commission, with the judgment of November 30, 2012, filed January 15, 2013, confirmed the outcome of the first-instance judgment, for reasons deemed by the lawyers as inconsistent. The company, through the Studio Gallo, has therefore taken steps to notify the appeal dated 15 July 2013, at the Supreme Court of Cassation. On August 9, 2013 Equitalia has now notified on the basis of the judgment of the Regional Tax Commission, notice of payment for the remaining amount due on the basis of the original notice of assessment for which it was, anyway, obtained the suspension. We are waiting for the hearing to be scheduled, by the Supreme Court.
According to the defense and renowned figures of the subject who are follow the appeal to the Supreme Court, it is becoming more and more consolidated in jurisprudence and, more recently, hopefully, also with the Agency, the fact that any omissions of formal order can not affect ones substantive rights, as is claimed by the Company. On the basis of these considerations, and comforted by the legal assessment, it was considered appropriate to state the inclusion of a provision for contingent liability on the position in question.

Information concerning the environment and personnel

Given the specific business of the company, no significant elements are seen.
No damage has been caused to the environment, nor are there any related sanctions or charges.

Research & development activities

No significant investments were made in research & development or advertising during the period.

Trends and relationships with subsidiaries

As regards relations with subsidiaries/affiliated companies, it should be noted that these exclusivel refer to non-interest bearing financial relationships, except for the financial relationship existing with the subsidiary Diana Bis Srl, which is interest bearing and regulated at market conditions.

With regard to the other **subsidiaries**, no significant elements are noted.

All equity investments were posted at their purchase cost and the quantitative aspects of these valuations were detailed in the Explanatory Notes for the Financial Statements as of 31st December 2013.

Relationships with related parties and affiliates

At 31st December 2011 relations are in place with correlated parties in connection with commercial operations concerning the lease of real estate, with Class Editori S.p.A. (1.887 thousand euros for rents and 586 thousand euro for facility management), with the company Italia Oggi Editori Erinne S.r.l. (253 thousand euro for rent and 105 thousand euro for facility management). In addition, the Company has been charged by Class Editori S.p.A. for strategic, accounting and administrative assistance services (150 thousand euro).
The debt of 2.0 million euros to Class Editori is related to the security deposit on the rents in connection with the property located in Milan at the intersection of Corso Italia and Via Burigozzo, a part of which will be used as offices for Class Editori.

Business of a commercial nature with related parties are governed at market conditions.

The main asset and liabilities relationships that CIA and its subsidiaries have with related parties are set out below

€uro/000	**31/12/12**	**31/12/13**
Balance Sheet Relationships		
Receivables from Class Editori	1.346	2.462
Receivables from Italia Oggi Editori Erinne	175	476
Receivables from Class CNBC	20	20
Receivables from Class Pubblicità	6	--
Receivables from Global Finance	13	48
Payables to Class Editori	(10.641)	(11.846)
Payables to Italia Oggi Editori Erinne	(87)	--
Payables to Class Pubblicità	(2)	(38)
Payables to Class Editori Service	(14)	(14)
Payables to Class Editori per caparra confirmatoria	(2.000)	(2.000)

€uro/000	**31/12/12**	**31/12/12**
Income statement relationships		
Revenues from lease to Class Editori	1.852	1.887
Revenues from lease to Italia Oggi Editori	249	253
Revenues from lease to Class CNBC	17	-
Revenues from lease to Global Finance	153	155
Revenues for services and facility management to Class Editori	576	586
Revenues for services and facility management to Italia Oggi Editori	103	105
Costs for administrative and consulting services fromClass Editori	(345)	(150)

The principal economic and financial relationships that CIA has with affiliated companies are set out below

€uro/000	31/12/2012	31/12/2013
Balance Sheet Relationships		
Receivables from Turistica Florio	232	--
Receivables from Isola Longa	120	120
Receivables from Società Infrastrutture Sicilia	339	339

In accordance with the provisions of Art. 10 of Law 72/1983, no asset entered in the balance sheet as of 31st December 2013 has been subject to economic or monetary revaluation. Compagnia Immobiliare Azionaria S.p.A.carries out its business at the registered office of Via V. Borgazzi 2 in Milan.
As regards potential risks linked to legal disputeswith customers, suppliers and other third-parties, we hereby state that at present there are no significa nt risks

Own Shares

The company does not own nor has owned own shares or shares of subsidiaries during the course of the year, neither directly nor through third parties

Subsequent events

It is still open the dispute that arose as a result of the continued non-fulfillment of the counterparty, an important Spanish listed company, for the put option contract for the payment of 15% of the company Donnafugata Resort Srl, and of the arbitration and enforcement of the judgment that considered the fair valuation of the company by the arbitrator prof. Louis Guatri, equal to 33 million Euros.
In February, the other party has appealed the arbitration before the Court of Appeal of Milan, which, by order filed July 17, 2013, rejected the request for an injunction and stated that there are no grounds for the declaration of inadmissibility of the proposed appeal and has therefore adjourned the case for clarification of the opinion, at the hearing scheduled for 23 February 2016.
On November 18, 2013 CIA notified a request for arbitration and the appointment of an arbitrator to obtain an order for the payment of the price of the shares subject to the put option, and compensation for any damage suffered and future ones for the delay, believing that the actions promoted by the other party does not legitimize, in any way, the failure to pay the price
With the hearing on February 4, 2014, it was formally constituted and enthroned the arbitration and it has established the scheduling of the arbitration proceedings by defining the time of deposit of its arbitrament.
The board has then assigned to the Parties the terms of 6 March and 24 April 2014 for the filing of briefs, respectively direct and in response to the final wording of the questions and the exceptions of the Parties, the filing of documents and the articulation of evidence; it has successively adjourned the hearing of May 6 2014, for the personal appearance of the parties, the experiment of conciliation and, in case of failure, the decision on the admission of any evidence offered by the parties in the above memories. About the timing of the resolution of the proceeding it should be noted that the Article. 820 of the Code of Civil Procedure provides for a maximum of 240 days from the date of the settlement of the board, except for extensions that can be granted in some cases provided for in the last paragraph of that provision. It is assumed, therefore, that this second arbitration, can be completed by the end of this year or, at the latest, by mid next year.

In reference to the evidence stated above, and as confirmation of what demonstrated and documented, once the CIA has collected the agreed price for the shares sold, amounting to 4.95 million Euros, in addition to the charges payable, it will realize a significant gain compared carrying values.

Business outlook

For the outlook, please refer to what has been shown in various parts of the report above. Expectations are moderately positive, despite the macro-economic environment continues to be characterized by considerable volatility and uncertainty, given the stability of returns relating to investments in real estate and the positive evolution of the extraordinary transactions in progress that will enable new transactions aimed at further strengthening the company's assets.

Board of Directors' proposals

Dear Shareholders,

We ask that you approve the financial statements at 31st December 2013 and resolve to allocate the profit for the period, equal to 363.551, to the extraordinary reserve

For the Board of Directors

Angelo Riccardi

Separate Financial Statements of the Parent Company

Headqu[illegible]azzi, 2
Corp. Capital. € 922.952,60 f.p
VAT Number 03765170968
Registration within the Economic &
Administrative Index of the Chamber of Commerce of Milan under No1700623
Financial statements ended at 31/12/2013

TABLE OFTHE EQUITY AND FINANCIAL SITUATION – ASSETS

ASSETS	Notes	31/12/2012	31/12/2013
NON-CURRENT ASSETS			
Intangible fixed assets with an indefinite life		--	--
Other intangible fixed assets	1	3.937	2.359
Total intangible fixed assets		**3.937**	**2.359**
Tangible fixed assets	2	82.617	76.456
Real estate investments	2	12.605.679	12.282.488
Equity investments	3	8.753.182	9.218.182
Other equity investments		--	--
Financial receivables		--	--
Other receivables	4	6.840	6.840
TOTAL NON-CURRENT ASSETS		**21.452.255**	**21.586.325**
CURRENT ASSETS			
Inventory		--	--
Trade receivables	5	2.992.884	5.277.285
Securities		--	--
Financial receivables	6	7.993.173	8.512.210
Tax receivables	7	251.056	170.136
Other receivables	8	10.607.405	9. 791.822
Cash and cash equivalents	9	4.466.182	22.520
TOTAL CURRENT ASSETS		**26.310.700**	**23.773.973**
TOTAL ASSETS		**47.762.955**	**45.360.298**

TABLE OF THE EQUITY AND FINANCIAL SITUATION – LIABILITIES

LIABILITIES	NoteS	31/12/2012	31/12/2013
NET EQUITY			
Share Capital		922.953	922.953
Reserves		5.319.080	6.860.348
Net profit (loss) for the year		1.550.560	363.551
TOTAL NET EQUITY	**10**	**7.792.593**	**8.146.852**
NON-CURRENT LIABILITIES			
Financial payables	**11**	19.148.579	17.614.442
Deferred taxes payables	**12**	250.398	103.860
Provision for risks and charges		--	--
Severance fund and other employee funds	**13**	14.610	25.109
TOTAL NON-CURRENT LIABILITIES		**19.413.587**	**17.743.411**
CURRENT LIABILITIES			
Financial payables	**14**	3.638.075	4.703.312
Trade payables	**15**	4.053.818	3.997.600
Tax payables	**16**	61.047	111.687
Other payables	**17**	12.803.835	10.657.436
TOTAL CURRENT LIABILITIES		**20.556.775**	**19.470.035**
TOTAL LIABILITIES		**39.970.362**	**37.213.446**
TOTAL LIABILITIES AND NET EQUITY		**47.762.955**	**45.360.298**

SEPARATE INCOME STATEMENT

INCOME STATEMENT	Notes	31/12/2012	31/12/2013
REVENUES			
Revenues		3.102.086	3.134.908
Other operating revenues		1.787.576	112.659
TOTAL REVENUES	**18**	**4.889.662**	**3.247.567**
Costs for purchases	**19**	(28)	(6)
Costs for services	**20**	(1.476.023)	(1.046.369)
Costs for personnel	**21**	(89.138)	(94.963)
Other operating costs	**22**	(302.318)	(349.282)
Gross operating profit - Ebitda		**3.022.155**	**1.756.947**
Extraordinary income (charges)	**23**	4.135	27.847
Amortization, depreciation and write-downs	**24**	(381.493)	(372.292)
Operating result - Ebit		**2.644.797**	**1.412.502**
Net financial income (charges)	**25**	(1.059.752)	(946.720)
Pre-tax profit (loss)		**1.585.045**	**465.782**
Taxes	**26**	(34.485)	(102.231)
NET RESULT		**1.550.560**	**363.551**

Balances in the financial statements match those in the accounts

Overall Income Statement at 31st December 2013

(Euro)	**notes**	**31 December 2012**	**31 December 2013**
Net Result		**1.550.560**	**363.551**
Other items of the overall income statement			
Actuarial Income / (expense) unrecognized at income statement. (IAS 19)	**25**	--	(5.060)
Taxes on other items of the overall income statement		--	--
Total items of the overall income statement of the period net of fiscal effects		--	**(5.060)**
TOTAL OVERALL INCOME STATEMENT OF THE PERIOD		**1.550.560**	**358.601**

Statement of changes in the net equity 31/12/2011 – 31/12/2012

	Share capital	Prem. reserve	Legal reserve	Other reserves	Transition reserve IAS	Net result of the period	Total N.E.
Balance on 31/12/2011	**922.953**	**1.526.025**	**124.653**	**1.158.021**	**(66.725)**	**2.577.106**	**6.242.033**
***Moviments in 2012*:**							
Allocation of profit			59.938	2.517.168		(2.577.106)	--
Dividends							
Movements of reserves							
Result of the period:							
Proceeds/(Charges) booked under N.E.	--	--	--	--	--	--	--
Tot. Proceeds/(Charges) booked under N.E.	--	--	--	--	--	--	--
Net result of the period						**1.550.560**	**1.550.560**
Overall result of the period	**--**	**--**	**--**	**--**	**--**	**1.550.560**	**1.550.560**
BALANCE ON 31/12/2012	**922.953**	**1.526.025**	**184.591**	**3.675.189**	**(66.725)**	**1.550.560**	**7.792.593**

Statement of changes in the net equity 31/12/2012 – 31/12/2013

	Share capital	Prem. reserve	Legal reserve	Other reserves	Transition reserve IAS	Profit/ (loss)	Net result of the period	Total N.E.
BALANCE ON 31/12/2012	**922.953**	**1.526.025**	**184.591**	**3.675.189**	**(66.725)**	**--**	**1.550.560**	**7.792.593**
***Movements in 2013*:**								
Allocation of profit				1.550.560			(1.550.560)	--
IAS 19 changes to severance pay				(4.217)		(14)		**(4.231)**
Adjustments IAS 2013t o severance pay								
Result of the period								
Proceeds/(Charges) booked under N.E.	--	--	--	(5.060)	--		--	**(5.060)**
Tot. Proceeds/(Charges) booked under N.E.	--	--	--	**(5.060)**	--		--	**(5.060)**
Net result of the period							**363.551**	**363.551**
Overall result of the period	--	--	--	**(5.060)**	--		**363.551**	**358.491**
Balances on 31/12/2013	**922.953**	**1.526.025**	**184.591**	**5.216.472**	**(66.725)**	**(14)**	**363.551**	**8.146.852**

TABEL OF CASH FLOW AS OF 31st December 2013

(thousands of euros)	Notes	2012	2013
Financial year assets			
Profit of the year		1.550.560	363.551
Amortization and depreciation		381.492	372.292
Self-funding		**1.932.052**	**735.843**
Changes in warehouse stock		--	--
Changes in trade receivables		(527.652)	(2.284.401)
Change in tax receivables/payables		(38.463)	(14.978)
Change in other receivables		(2.550.135)	296.546
Change in trade payables		826.527	(56.218)
Change in other payables		6.323.560	(2.146.399)
Cash flows of the financial year assets (A)		**5.965.889**	**(3.469.607)**
Investment assets			
Tangible fixed assets		223.409	(41.362)
Intangible fixed assets		--	--
Long-term investments		491.663	(465.000)
Cash flows of the investments assets (B)		**715.072**	**(506.362)**
Financing activities			
Changes in amounts due to banks and other lenders		(2.227.509)	(468.900)
Change in Reserves for Risks and Charges		--	--
Changes in severance indemnities		2.469	10.499
Changes in reserves		--	(9.292)
Cash-flow from financing activities (C)		**(2.225.040)**	**(467.693)**
Change of liquid assets (A) + (B) + (C)		**4.455.921**	**(4.443.662)**
Liquid assets at start of financial year		**10.261**	**4.466.182**
Liquid assets at end of financial year		**4.466.182**	**22.520**

The Chairman of the Board of Directors

Angelo Riccardi

Notes to the financial statements of the parent company

CIA

Compagnia Immobiliare Azionaria S.p.A.

Registered Office in Milano, via G. Borgazzi, 2
Share capital € 922.952,60
Milan Economic & Administrative Index n° 1700623
VAT Number 03765170968

Notes to the financial statements for the year ended on 31/12/13

Accounting policies

The Company has drawn up the financial statements as of 31st December 2011 in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and implemented by the European Union. IFRS is understood to mean all the reviewed International Accounting Standards ("IAS"), and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously named the Standing Interpretations Committee ("SIC"). European Regulation (CE) N° 1606/2002 of 19th July 2002 introduced the obligation to apply the above Standards ("IFRS") starting with the 2005 financial year, when consolidated financial statements are prepared for companies whose stocks and/or debt securities are listed on one of the markets regulated by the European Community. Italian Legislative Decree n° 38 of 28th February 2005 ratified Italian regulations to implement the provisions of the above European Regulation and likewise the Italian legislator, through said Legislative Decree, intended to extend the optional implementation of the cited IFRS when financial statements and/or consolidated financial statements are prepared for companies not listed on the stock market.

Declaration of compliance with International Accounting Standards

The 2013 Financial Statements were prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Committee (IFRC) ratified by the European Commission according to the procedure set forth in Art. 6 of Regulation n°1606/2002 of 19th July 2002 of the European Parliament and the Council, in effect at the reference date of the Financial Statements. The IAS/IFRS standards were applied also referring to the "systemic framework for the preparation and presentation of financial statements", with particular reference to the essential principle concerning the prevalence of substance over form, as well as the concept of the importance and significance of information. In terms of interpretation, the documents on the application of the IFRS in Italy, prepared by the Italian Accounting Body (OIC) were also considered.

Form and content of the financial statements

The Company's Financial Statements were prepared in compliance with IFRS and include the Balance Sheet, Income Statement, Statement of Changes to Net Equity and these Explanatory Notes, and are accompanied by the Report on Management.

Accounting principles adopted

The accounting standards implemented to prepare the Financial Statements at 31st December 2013 are the same as those implemented to prepare the Financial Statements at 31st December 2012.

Accounting standards, amendments and interpretations in force on 1st January 2013

The following accounting standards, amendments and interpretations, also as a result of the process of the IASB's annual improvements have been applied for the first time since January 1, 2013:

- ***Amendment to IAS 1 - Presentation of Financial Statements*** – This amendment was issued by the IASB in June 2011 and is applicable to financial statements for periods beginning on or after 1 July 2012 and requires the pooling of items in the statement of comprehensive income into two categories depending on whether they can or can not subsequently be reclassified in the income statement. The adoption of this amendment did not have a material effect on the information provided in these consolidated financial statements.
- ***Amendment to IAS 19 - Employee Benefits – T***his amendment was issued by the IASB in June 2011 and is effective from 1 January 2013. Such amendment in addition to eliminating the option to defer the recognition of gains and losses, by using the corridor method, requires the recognition of expenses related to job performance and net financial expenses in the income statement, registration of actuarial gains and losses arising from the re-measurement of liabilities and assets in the statement of comprehensive income. In addition, the return on assets controlled by the level of benefits will be calculated on the basis of the discount rate liabilities and no longer as the expected return on assets. The amendment also requires additional information to be provided in the notes to the financial statements.
- ***Amendments to IAS 12 - Income Taxes*** **–** The amendment was issued by the IASB in December 2010 and is applicable from 1 January 2013, it introduces the assumption to deferred tax assets that the underling asset will be entirely recovered through sale unless there is a clear evidence that recovery can occur with usage. The presumption will be applied to investment properties and assets recognized as plant and equipment or intangible assets recognized at fair value or revalued. As a result of these changes, the interpretation SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets - will be repealed.
- ***Amendments to IFRS 7 Financial Instruments: Disclosures -–*** The IASB in December 2011, has issued amendments to IFRS 7 - Financial Instruments: Disclosures. The amendment requires information on the effect or potential effect of offsetting of financial assets and liabilities on the balance sheet. The amendments shall be applied for annual periods beginning on or after January 1, 2013 and interim periods after that date. The information must be provided retrospectively. The adoption of this amendment did not have significant effects on the statements.
- ***IFRS 13 - Fair value assessment*** – The standard, issued by the IASB in May 2011 is effective from 1 January 2013. The standard defines fair value, it clarifies how it must be measured and introduces a common information to all items measured at fair value. The principle applies to all transactions or balances that another standard requires or permits the measurement at fair value, its adoption had no impact on the valuation of balance sheet items included in the these consolidated financial statements, but it required an integration of information with regard to the fair value at the reporting date, the valuation techniques and inputs used to develop those assessments.

Valuation criteria

The following evaluation criteria were adopted when drawing up the financial statements

Fixed assets

Intangible fixed assets
Intangible fixed assets acquired separately are capitalized at cost and amortized according to their estimated residual useful life. Their useful life is reviewed yearly and any changes, where possible, are reported in the form of analytical tables
Apart from development costs, self-created intangible fixed assets are not capitalized and are booked in the Income Statement for the year in which they were incurred. Intangible fixed assets are reviewed annually to identify any losses in value: these reviews can be performed on individual intangible fixed assets or on units generating financial flows

Fixed assets

Real Estate Investments and Tangible Fixed Assets

Tangible fixed assets and real estate investments are shown at their purchase cost. The purchase cost is represented by the fair value of the price paid to acquire the asset plus all direct costs incurred to make the asset fit for use. Costs for expansion, modernisation or improvement of structures owned or used by third-parties are capitalized only insofar as they meet the criteria for separate classification as assets or parts of assets.

Depreciation rates, booked to the income statement, are calculated according to the utilization, allocation and lifetime of the assets while bearing in mind the residual possibility of utilising them, a criterion we deem to be faithfully represented in the following table:

-equipment: 4 years

-furniture and standard machinery: 8 years

The depreciation criteria, useful lifetime and residual value of each asset are reviewed and redefined at the end of each administrative period in order to take any significant changes into account

Receivables

Trade receivables are shown at the fair value of future cash flows, less any write-downs

Payables

Payables are shown at their nominal value. The company does not make the discounting of debt because it was considered too expensive compared to the significance of the impact on the budget.

Accruals and deferrals

Accruals and deferrals are determined on an accrual basis. For accruals and deferrals extending over one year, the conditions at which they were originally booked are verified and changed where necessary.

Equity investments

Those in subsidiary, affiliated and other companies which are planned to be retained for a long period are entered at their purchase or subscription cost Regarding the significant differences between the book value and net equity share, notwithstanding the fact that none of these equity holdings has suffered a lasting loss of value compared with its purchase cost, please see the tables below

Provision for Severance Indemnities

The provision for severance indemnities covers sums due to employees accrued at the closing date of the financial year, pursuant to current legislation and labour contracts. Severance indemnities are determined in accordance with IAS 19, by applying an actuarial method (unitary credit projection model) based on demographic forecasts, the discount rate reflecting the long-term monetary value of the provision, the inflation rate, and current and future salary levels. Profits and losses deriving from the above actuarial calculation are booked to the profit and loss account as costs or revenues if the net accumulated value of the "actuarial" profits and losses that were not booked at the end of the previous year is in excess of 10% of either the value of the obligations deriving from plans with fixed benefits or the fair value of the assets incorporated in the plans on that date, whic hever of the two is the higher. These profits or losses are booked on the basis of the average residual working life of employees who are plan members

Recognition of revenues

Revenues from sales of products and/or services are booked upon transfer of ownership and/or completion of the service.
Revenues deriving from financial operations and from services are booked on an accrual basis

Leasing

Leasing contracts related to assets in which the Group essentially undertakes all the risks and enjoys all the benefits deriving from ownership are classified as financial leasing contracts, as specified in IAS 17. Where there are leasing operations, the financially lease
d asset is booked at either its current value or the current value of the contractually agreed minimum instalments, whichever of the two is the lower.

The total amount of the instalments is spread between financial charges andmcapital repayments so as to achieve a constant interest rate on the residual debt. The residual leasing instalments, net of financial costs, are classified as non-current liabilities. Loan charges are booked to the income statement throughout the duration of the contract. Financially leased assets are amortized in the same way as owned assets

Taxes

Taxes for the year are determined on the basis of the expected amounts to pay pursuant to current fiscal legislation and regulations. Prepaid and deferred tax is calculated according to the temporary differences between the assets and liabilities recorded in the Financial Statement and the corresponding values recognised for fiscal purposes, by carrying forward tax losses or unused tax credits, provided that the recovery (prepayment) decreases (increases) future tax payables with respect to those that would have been payable if such recovery (prepayment) had not had fiscal effects. The fiscal effects of operations are booked to the profit and loss account or directly to net equity using the same procedures as the operations or events that gave rise to the tax.

Foreign currency translation criteria

Receivables and payables originally expressed in foreign currencies are booked on the basis of the exchange rates in force on the day the operations took place. They are aligned with current exchange rate at the close of the financial statement; the differences are accounted for by setting up a provision for exchange rate fluctuations if a negative difference emerges

Guarantees, commitments and risks

Guarantees and commitments are booked to the Memorandum Accounts at their contractual value. Risks that are likely to result in a liability are booked to the notes and allocated to the provision for risks at
their probable value. Risks that are unlikely to result in a liability are described in the notes without making allocations to the provision for risks according to the appropriate accounting standards. Remote risks are not taken into account.

Employment data

The average company staff is made up of two employees.
The Business sector labor contract is used.

BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

1) Other intangible fixed assets

Balance on 31/12/2012	€	3.937
Balance on 31/12/2013	€	2.359
	€	**(1.578)**

Item	Value on 31/12/2012	Increases	Decreases	Amortization	Value on 31/12/2013
Other Fixed assets (Software)	3.937	0	0	1.578	2.359
Total	**3.937**	**0**	**0**	**1.578**	**2.359**

Other intangible fixed assets

This heading includes expenses incurred for softwar e purchases. Pursuant to art. 2427, n° 2 of the Italian Civil Code, the following table sets out the movements of intangible fixed assets.

	start-up and expansion costs	Research, development and advertising costs	Industrial patent rights	Authorizations, licenses, trademarks	Goodwill	Assets under construction and advance payments	Other fixed assets	Total
HISTORICAL COST		-	-				**11.812**	**11.812**
previous write-ups								-
previous write-downs								-
previous depreciation		-	-				(7.875)	(7.875)
INITIAL BALANCE	-	-	-	-	-		**3.937**	**3.937**
acquisitions during the year							-	-
reclassifications (-)								-
reclassifications (+)								-
disposals during the year								-
write-ups during the year								-
write-downs during the year								-
depreciation during the year		-	-				(1.578)	(1.578)
BALANCE	-	-	-	-	-	-	**2.359**	**2.359**
movements pursuant to art. 2426, n° 3								
FINAL BALANCE	-	-	-	-	-	-	**2.359**	**2.359**

2) *Tangible fixed assets and Real estate investment*

Balance on 31/12/2012	€	12.688.296
Balance on 31/12/2013	€	12.358.944
	€	**(329.352)**

Item	Value on 31/12/2012	Value on 31/12/2013	Change
Plant and machinery	59.853	42.209	17.644
Other assets	22.764	34.247	-11.483
Total tangible assets	82.617	76.456	6.161
Real estate investments	12.605.679	12.282.488	323.191
Total tangible assets	**12.688.296**	**12.358.944**	**329.352**

	Land	Buildings	Leased buildings	Plant and machinery	Assets under construction	Other assets	Total
HISTORICAL COS T	**3.016.850**	**10.197.151**	**1.878.332**	**176.445**	**--**	**388.696**	**15.657.474**
Previous write-ups .							**-**
Financial charges							**-**
Previous write-downs							**-**
Previous deprecation		(1.516.279)	(970.375)	(116.592)	--	(365.932)	**(2.969.178)**
BALANCE 31/12/2012	**3.016.850**	**8.680.872**	**907.957**	**59.853**	**--**	**22.764**	**12.688.296**
Acquisitions during the year		25.848				15.514	**41.362**
Reclassifications (-)							
Reclassifications (+)							
Reversal of provision for disposal							
Disposals during the year							
Write-ups during the year							
Write-downs during the years							
Depreciations during the year		(312.961)	(36.078)	(17.644)		(4.031)	**(370.714)**
BALANCE	**3.016.850**	**8.393.759**	**871.879**	**42.209**	**--**	**34.247**	**12.358.944**
Depreciation Tax Advances							**-**
Movements pursuant to Art 2426, n° 3							**-**
BALANCE 31/12/2013	**3.016.850**	**8.393.759**	**871.879**	**42.209**	**--**	**34.247**	**12.358.944**

Real estate investments

	HISTORICAL COST	Previous amortisation	BALANCE 31/12/2012	Acquisitions (Disposals)	Amortisation for the year	BALANCE 31/12/2013
G.Galeazzo 31 p.t.	1.202.591	(294.634)	907.957		(36.078)	871.879
Tot. Leased buildings	**1.202.591**	**(294.634)**	**907.957**		**(36.078)**	**871.879**
Burigozzo 5	417.208		417.208			417.208
G. Galeazzo 29	6.344.194	(1.422.383)	4.921.811		(190.326)	4.731.485
Borgazzi 2 p.t.	770.506	(325.324)	445.182		(23.115)	422.067
Borgazzi 2 lab.	149.773	(66.390)	83.383		(4.493)	78.890
Borgazzi 2 3°p.	87.490	(87.490)	--	--	--	--
G. Galeazzo 31 1°p.	691.593	(243.883)	447.710		(20.747)	426.963
Malindi KENIA	14.202	(6.178)	8.024		(426)	7.598
Porto Rotondo	22.134	(9.628)	12.506		(664)	11.842
Francia Alta Savoia	20.658	(20.658)	--	--	--	--
Venezia	46.528	(19.541)	26.987		(1.396)	25.591
New York, 7-9 East 20th	2.388.721	(70.660)	2.318.061	25.848	(71.794)	2.272.115
Tot. Other building	**10.953.007**	**(2.272.135)**	**8.680.872**	**25.848**	**(312.961)**	**8.393.759**
Burigozzo 5	445.987		445.987			445.987
G. Galeazzo 29	2.570.863		2.570.863			2.570.863
Tot. La nd	**3.016.850**		**3.016.850**	**--**	**..**	**3.016.850**
TOTAL Buildings and land	**15.158.194**	**(2.552.515)**	**12.605.679**	**25.848**	**(349.039)**	**12.282.488**

3) Equity investments

Balance on 31/12/2012	€	8.753.182
Balance on 31/12/2013	€	9.218.182
	€	**465.000**

Equity holdings in subsidiary enterprises

Item	Value on 31/12/2012	Increases	Decreases	Write-downs	Value on 31/12/2013
Az. Agr. Ten. Pisciotto	1.069.098	50.000	0	0	1.119.098
Feudi del Pisciotto	1.663.037	0	0	0	1.663.037
Diana Bis	310.000	400.000	0	0	710.000
Infrastrutture America	65.761	0	0	0	65.761
Agricola Florio (già Isola Longa Turismo Rurale)	31.075	0	0	0	31.075
Resort del Pisciotto	93.042	15.000	0	0	108.042
Total	**3.232.013**	**465.000**	**0**	**0**	**3.697.013**

During the period, the company has made waivers to loans for a total of € 465,000 in order to ricapitalizziare its subsidiaries.

Investments in associates

Item	Value on 31/12/2012	Increases	Decreases	Write-downs	Value on 31/12/2013
Donnafugata resort	2.514.832	0	0	0	2.514.832
LC international	1.456.049	0	0	0	1.456.049
Resort &Golf	5.446	0	0	0	5.446
Isola Lona Srl	1.280.225	0	0	0	1.280.225
Total	**5.256.552**	**0**	**0**	**0**	**5.256.552**

Investments in other companies

Item	Value on 31/12/2012	Increases	Decreases	Write-downs	Value on 31/12/2013
V/so Marina di Punta Ala	154.937	0	0	0	154.937
V/so Audoin de Dampierre	109.680	0	0	0	109.680
Total	**264.617**	**0**	**0**	**0**	**264.617**

For greater clarity, the following table shows the movements of financial assets.

	Equity holdings in	Equity holdings in Affiliates	Equity holdings in other	TOTAL
HISTORICAL COST	**3.232.013**	**5.256.552**	**264.617**	**8.753.182**
previous write-ups				-
previous write-downs				-
OPENING BALANCE	**3.232.013**	**5.256.552**	**264.617**	**8.753.182**
Increases during the year	465.000			465.000
Decreases during the year				-
disposals during the year				-
write-ups during the year				-
write-downs during the year		-		-
BALANCE	**3.697.013**	**5.256.552**	**264.617**	**9.218.182**
movements pursuant to art. 242				-
CLOSING BALANCE	**3.697.013**	**5.256.552**	**264.617**	**9.218.182**

The following information is provided relating to the equity holdings held directly or indirectly for subsidiary, affiliated and other enterprises

NAME	City or State	Company Capital	% ownership share	Profit (Loss)	Book Value	Net equity
Azienda Agric. Tenuta Pisciotto	Palermo	118.788	100	-47.751	1.119.097	114.037
Resort del Pisciotto	Palermo	10.000	100	-23.198	108.042	-2.117
Feudi del Pisciotto	Palermo	35.000	100	-239.351	1.663.038	687.024
Diana Bis	Milano	10.000	100	-407.549	710.000	13.558
Donnafugata Resort	Ragusa	14.000.000	2	n.d	2.514.832	n.d
Agricola Florio (già Isola Longa Turismo Rurale)	Palermo	10.000	100	-9.908	31.075	-9.183
Audoin De Dampierre SA	Francia	123.072	3	n.d	109.680	n.d
Marina di Punta Ala	Punta Ala	2.080.000	0	n.d	154.937	n.d
LC International LLC	Stati Uniti	3.913.474	20	-4.377	1.456.049	797.456
Resort & Golf	Palermo	14.000	50	-1.546	5.446	-2.755
Infrastrutture America Srl	Milano	19.608	51	-8.316	65.761	5.254.145
Isola longa S.r.l.	Palermo	10.000	50	31.122	1.280.225	590.589

The equity holdings entered in the non-current assets represent a lasting, strategic investment on the company's part. Equity holdings in subsidiaries and other companies are valuated in compliance with the principle of continuity in valuation principles and at their acquisition or underwriting cost. The equity holdings entered at purchase cost were not written down due to lasting losses in value; None of the long-term equity holdings is subject to restrictions of availability to the company holding the stake.
With regard to the principal differences between the balance sheet value of the equity holdings and the net equity value of the subsidiaries, we note that:

- Azienda Agricola Tenuta del Pisciotto S.r.l. – the company owns land in Sicily between Caltagirone and Piazza Armerina, 25 hectares of which are vineyards. With the plants now running at full capacity, grape sales from the 2011 harvest amounted to 242 thousand euro.
- Resort del Pisciotto –the company is in the start up phase and its activities. A study on a project for the construction of a 5 star resort by in restoring the old building complex in Baglio owned by the the Feudi of Pisciotto in ongoing.
- Feudi del Pisciotto S.r.l. – The company owns land, including 14 hectares of vineyards and the property complex of the ancient Feudo that has been transformed a wine cellar, located between Caltagirone and Piazza Armerina in Sicily.
- Agricola Florio S.r.l. (formerly Isola Longa Turismo Rurale Srl): The company, based in Palermo owns 100 ha of land and buildings of Levanzo Island - Sicily;
- Diana Bis S.r.l. – the company owns the real estate complex in the center of Milan, in the area between Corso Italia 64 – via Burigozzo 1 – via Borgazzi 1.
- Isola Longa Srl – projects are under study for the construction of an agricultural-tourist-residential structure, through a project oriented towards the protection of the environment and the development of real estate held by the company itself, in large Salina Infersa, in the Trapani area called "Riserva dello Stagnone "(the Saline of Trapani);
- Donnafugata Resort Srl owns a large and prestigious hotel complex in five-star luxury hotel with two golf courses to be inaugurated in July 2010. CIA, as a result of what said earlier, significantly reduced its share of the ownership in the company following the exercise of the put option exercised in March 2011, for the sale of a share of 15% of the share capital of Donnafugata Resort Srl, to an important Spanish company listed, which has still not adhered to its obligation of purchase despite the arbitration gainst him;

- Società Infrastrutture America Srl owns 50% of the capital of Società Infrastrutture Sicilia Srl, which in turn holds the most important private participation in Airgest SpA, the airport management company of Trapani. The airport, which has been granted by ENAC a 30-year-long concession (in December 2012,) has witnessed a significant increase in the number of passengers (1.9 million in 2013, an increase of +19% compared to 2012), with a trend of traffic in contrast with that of the main Italian airports, mainly due to the routes operated by Ryanair from the airports of Bergamo, Rome - Fiumicino, Turin, Bologna, Genoa, Pisa, Trieste and Perugia and many other European airports (about 35 in all) as well as that by the launch of a regular line with Rome - Ciampino of Darwin Airlines;
- LC International LLC is the holding company that owns the entire share capital in restaurants-companies belonging to the family Maccioni, Le Cirque, Osteria Il Circo in New York, and six others, in Las Vegas, in Santo Domingo, two in India (New Delhi and Mumbai), Abu Dahabi (UAE) which will be inaugurated in October 2014, with the company of Holland America and the Hotel Pierre in New York under the brand name Sirius, managed through the formula of the management fees. The development plan of the company anticipates significant growth through the opening of new restaurants around the world, with the above formula of the management fees, starting from Dubai (United Arab Emirates), Bangalore (India) and Palm Beach in Florida.

4) Other receivables

Balance on 31/12/2012	€	6.840
Balance on 31/12/2013	€	6.840
	€	--

Other receivables shows the balance of security deposits

CURRENT ASSETS

5) Trade receivables

Balance on 31/12/2012	€	2.992.884
Balance on 31/12/2013	€	5.277.285
	€	**2.284.401**

Since the company’s business is almost entirely conducted on the domestic market, information on distribution of receivables by geographical area as required by Art. 2427, paragraph 6, is not provided. Relations with foreign countries are therefore not significant.

Trade receivables

Trade receivables are detailed below.

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Regular customers	164.297	295.519	131.222
Invoices to be issued/Credit notes to be received	1.528.548	2.855.646	1.327.098
Receivables from Infrastrutture America	786.446	1.357.242	570.796
Receivables from Diana bis	523.721	779.006	255.285
Bad debt provision art. 106 Tuir	-10.128	-10.128	0
	2.992.884	**5.277.285**	**2.284.401**

The adjustment of the nominal value of the receivables to their estimated realizable value was obtained through a specific provision for doubtful debts which has undergone, during the year, the following changes:

Description	*Total*
Provision balance as of 31/12/2012	10.128
Utilization during the year	--
Allocation art. 106	--
Balance on 31/12/2013	10.128

6) Financial receivables

These amount to € 8.51221 million, representing the balance due from the subsidiary Diana Bis Srl for EUR 8.91071 million for advances and to Infrastructure America for € 1,500. This financial current account report is regulated at normal market conditions

7) Tax receivables

Balance on 31/12/2012	€	251.056
Balance on 31/12/2013	€	170.136
	€	**(80.920)**

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Withholding tax Bank and post office accounts	1.064	498	-566
VAT receivables	19.046	2.907	-16.139
Advance IRAP payments	32.476	21.681	-10.795
Advance IRES payments	6.917	6.917	0
IRES payments from National Tax Consolidation Agreement	167.041	100.432	-66.609
Proforma VAT trans.	19.702	13.850	-5.852
Other receivables Inland revenue	4.787	23.828	19.041
Irpef on severance pay	23	23	0
TOTAL	**251.056**	**170.136**	**-80.920**

8) Other receivables

Balance on 31/12/2012	€	10.607.405
Balance on 31/12/2013	€	9.791.822
	€	**(815.583)**

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Advances to suppliers	3.400	3.400	0
Suppliers for Credit notes to receive	406	238	-168
Payables to social security institutions	0	795	795
Receivables from third parties	2.039	2.039	0
Receivables from employees	2.069	2.069	0
Receivables from Naro Lorenzo	3.000	3.000	0
Receivables from Az. Agricola Ten. Del Pisciotto	2.551.745	2.511.245	-40.500
Receivables from Feudi del Pisciotto	4.787.152	4.393.152	-394.000
Receivables from Resort del Pisciotto	119.958	125.958	6.000
Receivables from Gestpor	6.500	6.500	0
Receivables from Az Turistica Flori.	232.293	168	-232.125
Receivables from Agricola Florio (già Isola Longa Turiscmo rurale)	474.231	513.738	39.507
Receivables from Isola Longa	120.252	120.252	0
Receivables from Soc. Infrastrutture Sicilia	339.074	339.074	0
Receivables from Diana Bis	1.500.000	1.500.000	0
Tax receivables from Diana bis	126.201	35.731	-90.470
Other receivables	131.196	31.195	-100.001
Advance on building	4.282	4.282	0
Different accrued income	65.635	70.206	4.571
Insurance deferral	2.685	0	-2.685
Deferral of IAS actuarial fees for employee termination indemnity reserve	6.136	0	-6.136
Different prepayments	129.151	128.780	-371
TOTALE	**10.607.405**	**9.791.822**	**-815.583**

9) Cash and cash equivalents

Balance on 31/12/2012	€	4.466.182
Balance on 31/12/2013	€	22.520
	€	**(4.443.662)**

Bank deposits

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Monte Dei Paschi di Siena	6.554	18.240	11.686
Bipop Carire	4.717	3.744	-973
B.ca Popolare di Vicenza	4.453.710	0	-4.453.710
Cash on hand	1.201	536	-665
TOTAL	**4.466.182**	**22.520**	**-4.443.662**

The decrease compared to the previous year is mainly due to the payment, which occurred in 2013, to the former shareholder, of the share of 50% of the Tourist Florio that was purchased and then resold December 30, 2012 with simultaneous encashment, and therefore with a momentary increase in the liquidity of the financial year 2012.

The balance represents the cash and the existence of cash and assets at the balance sheet date. The account balances were reconciled on December 31, 2013 with those shown on bank statements.

LIABILITIES

10) Net Equity

Balance on 31/12/2012	€	7.792.593
Balance on 31/12/2013	€	8.146.852
	€	**354.259**

Item	Value on 31/12/20112	Increases	Decreases	Value on 31/12/2013
Share capital	922.953	0	0	922.953
Riserva Legale	184.591		0	184.591
Extraordinary reserve	3.675.189	1.550.560	0	5.225.749
Share premium reserve	1.526.025	0	0	1.526.025
IAS asset movements	(66.725)	0	(9.278)	(76.003)
Profit (loss) carried forward	0		(14)	(14)
TOTAL	**6.242.033**	**1.550.560**	**(9.292)**	**7.783.301**
Net profit (loss) for the year	1.550.560	363.551	(1.550.560)	363.551
NET EQUITY	**7.792.593**	**1.914.111**	**(1.559.852)**	**8.146.852**

Movements in net equity for the period relate to the allocation of the 2012 extraordinary reserve for 1,550,560 euro and the accounting profit for the year.

It should also be noted that due to the change of IAS / IFRS 19, relating to the severance pay, which excludes the possibility of accounting for actuarial gains and losses using the corridor method, allowed until the end of 2012, on January 2, 2013, it was recorded as a negative OIC reserve included in item reserve transition IAS), for 4,218 Euros, for the reversal of the deferred recorded at December 31, 2012 equal to € 4,232, as well as retained losses of € 14 to cancel the positive effects of actualization the income statement for the year 2012. The recognition of actuarial component on severance pay to 31 December 2013 has also resulted in a further reduction of the OCI reserve for € 5,060.

The share capital is as follows:

	INITIAL AMOUNT		ISSUES IN FINANCIAL YEAR		FINAL AMOUNT	
CATEGORY OF SHARES	NUMBER	NOMINAL VALUE	NUMBER	NOMINAL VALUE	NUMBER	NOMINAL VALUE
Ordinary shares	92.295.260	0,01			92.295.260	0,01
Preferred stock					-	
Other categories					-	
TOTAL	**92.295.260**	**0,01**	**-**	**-**	**92.295.260**	**0,01**

At 31 December 2013, the total number of shares in circulation are 92,295,260.

It should be noted that the net assets, plus the share capital of EUR 922,952.60 consists of the following items:

Share premium reserve	1.526.025
Extraordinary reserve	5.225.749
Transition reserve to the IAS/IFRS	-76.003
Net income for the year	363.551
Utile/(Perdita) a nuovo	-14
Legal Reserve	184.591

Reserves or other funds that in the event of distribution do not contribute to the formation of the shareholders' taxable income, regardless of the period of formation.

Description	Value on 31/12/2011	Increases	Decreases	Value on 31/12/2012
Share premium reserve	1.526.025	--	--	1.526.025

There are no reserves or other funds that in the event of distribution contribute to the formation of the taxable income of the company, regardless of the period of formation, resulting from a bonus issue of company capital using the reserve.

As explicitly required by art. 2427, 7 bis, the useof balance sheet items during the previous three f inancial years is shown below:

	Share capital	Share premium reserve	Legal reserve	Other reserves	Reserves from IAS corrections	Losses	Result for the year	Total
Values on 31/12/2011	**922.953**	**1.526.025**	**124.653**	**1.158.021**	**(66.725)**	**-**	**2.577.106**	**6.242.033**
Allocation of profit			59.938	2.517.168			(2.577.106)	-
Allocation of dividends (0.01 euros per share)								-
Other allocations								-
Other changes:								-
…								-
Profit (Loss) for the year							**1.550.560**	**1.550.560**
Values on 31/12/2012	**922.953**	**1.526.025**	**184.591**	**3.675.189**	**(66.725)**	**-**	**1.550.560**	**7.792.593**
Allocation of profit				1.550.560			(1.550.560)	-
Adjustments IAS severance pay 01/01/13					(4.218)	(14)		(4.232)
Altre variazioni:								-
Net result of the period							*363.551*	*363.551*
Income and expense recognized directly in Equity					*(5.060)*			*(5.060)*
total resul of the period					(5.060)		363.551	**358.491**
Values on 31/12/2013	**922.953**	**1.526.025**	**184.591**	**5.225.749**	**(76.003)**	**(14)**	**363.551**	**8.146.852**

The following table shows the possibility of utilization of the items that make up the net equity, pur suant to Article 2427 of the Civil Code:

Nature/Description	**Amount**	**Possibility of** utilisation	**Amount available**
Capital	922.953		
Capital reserves:			
Share premium reserve	1.526.025	A, B, C	1.526.025
Profit reserves:			
Legal reserve	184.591	B	-
Other profit reserves	5.225.749	A, B, C	5.225.749
Losses	(14)		
IFRS* Transition Reserve	(76.003)	-	(76.003)
Total			**6.675.771**

Key: A: For increase of Capital; B: to cover losses; C: for distribution to shareholders

NON-CURRENT LIABILITIES

11) Financial payables

Balance on 31/12/2012	€	19.148.579
Balance on 31/12/2013	€	17.614.442
	€	**(1.534.137)**

Financial payables include:

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Loan and mortgage payments	18.936.608	17.614.442	-1.322.166
Leased real estate payables	211.971	0	-211.971
TOTAL	**19.148.579**	**17.614.442**	**-1.534.137**

Financial liabilities include two real estate mortgage contracts entered into with UniCredit Bank, at a fixed rate, one for a term of 25 years, for the initial amount of EUR 12.56 million and the other for a period of 20 years, for the 'amount of EUR 3,000,000, a loan agreement with Banca Carige for the initial amount of EUR 6,500,000 and one of EUR 1,500,000 and of a loan agreement entered into with the Monte dei Paschi di Siena for the initial amount of € 1.792 million. All loans are secured by mortgages on real estate property.
The share of debt with a maturity of over five years amounts to € 11,874,379.

12) Deferred tax liabilities

The amount of deferred tax assets is equal, on 31 December 2013, to EUR 103,860 against EUR 250 398 of 31 December 2012. Detailed analysis of the composition, with the relative changes compared to the previous year is provided in the detail table appearing in paragraph 26) - taxes) on these notes to the financial statements.
It should be noted that this item is included in the 2012 budget as tax liabilities, was reclassified to non-current in this situation.

13) Employee severance indemnities

Balance on 31/12/2012	€	14.610
Balance on 31/12/2013	€	25.109
	€	**10.499**

Changes are shown below:

Item	Provision at 31/12/2012	Uses	Allocation	Financial Charges	(Profit)/Loss Discounting	Provision at 31/12/2013
Employees	14.610	0	5.341	98	5.060	25.109
	14.610	**0**	**5.341**	**98**	**5.060**	**25.109**

The severance benefits are determined by applying an actuarial method, based on demographic assumptions, in order to discount rate that reflects the time value of money over time, the rate of inflation and the level of wages and future compensation, as provided by IAS 19.

It should be noted that the value of the liability for post-employment benefits, quantified according to labor legislation and Italian Accounting Standards, amounts on 31 December 2013 to € 20,541.

The following paragraphs provide details of the actuarial assumptions used for the valuation of the severance pay in accordance with IAS 19, on 31 December 2013:

FINANCIAL ASSUMPTIONS:

Actuary rate		*Eur Composite A curve at 31/12/2013*
	Deadlines (years)	*Tassi*
	1	*0,400%*
	2	*0,665%*
	3	*0,949%*
	4	*1,275%*
	5	*1,576%*
	7	*2,110%*
	8	*2,343%*
	9	*2,547%*
	10	*2,567%*
	15	*3,019%*

Inflation rate	*2,00%*
Expected rate of salary increase (including inflation)	*3,55%*
Percentage of severance pay required in advance	*70,00%*

Demographic hirings:

Maximum Age Placement at Rest	*According to the latest laws*
Tables of Mortality	*RGS 48*
Average Annual Percentage Exit of Personnel *	*12,16%*
Annual probability of a request in advance	*4,00%*

* calculated for any cause of elimination in the first ten years following the year of assessment

Sensitivity analysis	Sensitivity	New DBO
Rate of Discounting	*+1,00%*	22.938
	-1,00%	27.685

Additional Information	
Duration (in years)	14,93

Scheduled payments	
scheduled payments on 31.12.2014	1.810
scheduled payments on 31.12.2015	5.645
scheduled payments on 31.12.2016	2.473
scheduled payments on 31.12.2017	2.918
scheduled payments on 31.12.2018	3.036
scheduled payments from 1.01.2019 to 31.12.2023	15.885

CURRENT LIABILITIES

14) Financial payables

Balance on 31/12/2012	€	3.638.075
Balance on 31/12/2013	€	4.703.312
	€	**1.065.240**

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Loan and mortgage payments	1.257.011	1.322.167	65.156
Payables to Banks	1.608.366	2.496.805	888.439
Other current loans	107.904	211.971	104.067
Payables to Class Editori	659.004	659.004	0
Payables to Classpi	790	8.368	7.578
Payables to Diana Bis	5.000	5.000	0
TOTAL	**3.638.075**	**4.703.315**	**1.065.240**

15) Trade payables

Balance on 31/12/2012	€	4.053.818
Balance on 31/12/2013	€	3.997.600
	€	**(56.218)**

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Suppliers and collaborators	225.448	214.364	-11.084
Invoices and notes to be received	311.416	251.279	-60.137
Class Editori	3.483.863	3.487.442	3.579
Classpi	18.603	30.027	11.424
Class Editori Service	14.488	14.488	0
TOTAL	**4.053.818**	**3.997.600**	**-56.218**

16) Tax payables

Balance on 31/12/2012	€	61.047
Balance on 31/12/2013	€	111.687
	€	**50.640**

This heading shows the tax liabilities.

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
IRPEF on employee withholdings	4.245	13.210	8.965
IRPEF on freelance and independent contractor withholding	2.600	19.419	16.819
Treasury Ires/Irap	54.202	79.058	24.856
TOTAL	**61.047**	**111.687**	**50.640**

The increase in payables for withholding is due to the delay of the timing of payment of the same, caused by the current financial stress, leading to the presence of overdue payables as at 31 December 2013.

17) Other payables

Balance on 31/12/2012	€	12.803.835
Balance on 31/12/2013	€	10.657.436
	€	**6.323.560**

This entry includes the following amounts:

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Social Security contributions	3.069	7.558	4.489
Caution money	282.000	282.000	0
Payables to shareholders for dividends	1.940	1.940	0
Equity investments	3.439.905	150.000	-3.289.905
Tax payables to Az. Agr. Tenuta del Pisciotto	70.862	83.711	12.849
Tax payables to Resort del Pisciotto	3.825	11.921	8.096
Tax payables to Feudi del Pisciotto	63.386	64.893	1.507
Employees Credit Salary	10.363	10.363	0
Notes to receive	10.907	7.830	-3.077
Payables to Class for deposit	1.999.998	1.999.998	0
Other payables to Class Editori	6.498.989	7.700.046	1.201.057
Other payables to Italia Oggi	87.365	0	-87.365
Other payables	120	120	0
Accrual 13th 14th editorial	2.635	3.360	725
Accrued holiday pay	16.045	838	-15.207
Sundry accrued liabilities	310.522	300.642	-9.880
Deferred payables to Global	0	32.216	32.216
Deferral of IAS actuarial fees for employee termination indemnity reserve	1.904	0	-1.904
TOTAL	**12.803.835**	**10.657.436**	**-2.146.399**

Concerning the balances towards Class Editori, reference is made to the section relative to relations with related parties in the management report.

Memorandum accounts

Guarantees provided –referring to mortgages provided in connection with the medium to long-term financing stipulated with Unicredit Banca for 24,000,000.00 euros, with Banca CARIGE for 16,000,000.00 euros and with MPS for the purchase of the offices in New York for USD 2,456,000.00.The company stipulated a suretyship with Carige for 1,460,000 euros for the purchase of the share in LC International LLC.

Assets held by third parties – includes the value of securities held by Monte Titoli for a total of 125,870 euros

INCOME STATEMENT

OPERATING REVENUES

18) Revenues and other income

Balance on 31/12/2012	€	4.889.662
Balance on 31/12/2013	€	3.247.567
	€	(1.642.095)

Revenues from sales and services

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Revenues from Class rents and facility	2.427.651	2.472.920	45.269
Revenues from Class CNBC rents and facility	16.754	0	-16.754
Revenues from Italia Oggi rents and facility	351.463	357.790	6.327
Revenues from Global Finance rents and facility	152.925	154.686	1.761
Other business revenues	153.293	149.512	-3.781
TOTAL	**3.102.086**	**3.134.908**	**32.822**

The revenues achieved were generated from the management of securities and real estate assets. The company has granted leases and drawn up facility management contracts with Class Editori S.p.A and other lessee companies; the rents are consistent with those charged on the market for properties with the same characteristics and are adjusted every year on the basis of the change in the ISTAT index

Other income

Item	Value on 31/12/20112	Value on 31/12/2013	Changes
Other revenues and income	63.376	84.059	20.683
Services to Global	0	28.600	28.600
Capital gains	1.724.200	0	-1.724.200
TOTAL	**1.787.576**	**112.659**	**-1.674.917**

The decrease in other income was due to lower capital gains in the period, compared to those achieved in the previous year.

OPERATING COSTS

Balance on 31/12/2012	€	1.868.159
Balance on 31/12/2013	€	1.490.620
	€	(377.539)

19) Costs for purchases

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Stationery and printers	0	0	0
Purchase of assets less than 516.46 euros	0	0	0
Purchase of goods	28	6	-22
TOTAL	**28**	**6**	**-22**

20) Costs for services

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Occasional collaborators	35.546	39.568	4.022
Entertainment expenses	2.264	4.062	1.798
Insurance	24.913	27.226	2.313
Maintenance	12.265	22.117	9.852
General expenses	454.484	484.535	30.051
Tax consulting and legal expenses	539.311	278.817	-260.494
Services provided to Class Editori	345.250	150.000	-195.250
Other services	20.799	2.919	-17.880
Use of third-party assets	41.191	37.125	-4.066
TOTAL	**1.476.023**	**1.046.369**	**-429.654**

21) Staff cost

This heading includes costs for personnel as determined by current legislation and labour agreements

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Salaries and wages	67.125	60.212	-6.913
Social security charges	17.943	29.410	11.467
Ias adjustment of staff severance indemnities	4.070	5.341	1.271
TOTAL	**89.138**	**94.963**	**5.825**

22) Other operating costs

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Remuneration to company officers	97.000	97.531	531
Taxes and fees	141.584	152.000	10.416
Actuarial costs for employee termination indemnity reserve	257	0	-257
Other expenses	47.009	81.542	34.533
Listing of securities	16.468	18.209	1.741
TOTAL	**302.318**	**349.282**	**46.964**

23) Income / (Loss) extraordinary

This item, displayed for the first time in these financial statements, with the reclassification also of balances of the previous year, reports the results of operations by highlighting its extraordinary use. The details are as follows:

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Prior year income tax	4.787	222	-4.565
Prior year income from ordinary operations	0	45.764	45.764
Total Extraordinary Income	**4.787**	**45.986**	**41.199**
contingent liabilities	-649	0	649
Contingent liabilities from ordinary operations	-3	-7.029	-7.026
Contingent tax liabilities	0	-11.110	-11.110
Total Extraordinary Expenses	**-652**	**-18.139**	**-17.487**
Total net extraordinary income and expenses	**4.135**	**27.847**	**23.712**

24) Amortisation, depreciation and write-downs

Balance on 31/12/2012	€	381.493
Balance on 31/12/2013	€	372.292
	€	**(9.201)**

This heading shows the cost of the depreciation rate for intangible and tangible assets for the year; a detailed breakdown by asset is shown in the preceding tables. The details are given in the following table:

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Depreciation of tangible fixed assets	379.131	370.714	-8.417
Amortisation of intangible fixed assets	2.362	1.578	-784
Allocation to the doubtful debts provision	0	0	0
TOTAL	**381.493**	**372.292**	**-9.201**

25) Net financial income and charges

Balance on 31/12/2012	€	(1.059.752)
Balance on 31/12/2013	€	(946.720)
	€	**(113.032)**

Other financial income

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Interest on deposits with banks and post offices	36	63	27
Interest receivable from Diana Bis	191.077	255.140	64.063
Fx gains	4.387	1.410	-2.977
TOTAL	**195.500**	**256.613**	**61.113**

Interest and other financial charges

Item	Value on 31/12/2012	Value on 31/12/2013	Changes
Bank interest expense	74.063	98.073	24.010
Banking fees and commissions	25.998	26.541	543
Interest payable on loans	7.938	5.261	-2.677
Fx losses	1.029	2.926	1.897
Interest payable on mortgage loans	1.126.608	1.061.897	-64.711
IAS financial charges on Employee Severance Indemnities	207	98	-109
Classpi interest expense	0	97	97
Other financial charges	19.409	8.440	-10.969
Total financial charges	**1.255.252**	**1.203.333**	**-51.919**
Net financial income/(charges)	**-1.059.752**	**-946.720**	**113.032**

26) Taxation on income for the year

Balance on 31/12/2012	€	34.485
Balance on 31/12/2013	€	102.231
	€	**67.746**

The balance includes IRAP of the year for EUR 77 873, the cost to the corporate income tax for the period of EUR 170 896. They are also been allocated deferred tax credits of EUR 146 537.

Number 14 of Article 2427 requires a statement indicating:
a) a description of the temporary differences that resulted in the recognition of deferred tax assets and liabilities, specifying the rate applied and the changes compared to the previous year, the amounts credited or debited to the income statement or in equity, the items excluded from the calculation and the reasons therefor;
b) the amount of deferred tax assets recorded in the financial statements relating to losses during the current or prior years and the reasons, the amount still to be recorded and the reasons for non-registration;

The following table meets this requirement:

	Values on 31/12/2012			**Values on 31/12/2013**		
	Amount of Temporary differences	Fiscal effect	Effect on result	Amount of Temporary differences	Fiscal effect	Effect on result
Corporate tax rate	27,50%			27,50%		
Corporate tax rate	31,40%			31,40%		
Effect of change in rate compared to the previous year:						
Increase (decrease) in deferred tax liabilities		-	-		-	-
Deferred tax assets / liabilities:						
Taxes on directors' remuneration	(132.500)	36.438	--	(132.500)	36.438	--
Reversal of land	(52.717)	(16.553)	--	(52.717)	(16.553)	--
Reversal Properties	(1.416.048)	(444.639)	--	(1.416.048)	(444.639)	--
Reversal of other fixed assets	6.735	2.115	--	6.735	2.115	--
Surplus reportable ROL	325.436	89.495	33.600	858.287	236.029	146.534
discounting severance pay	2.436	670	86	2.448	673	3
Net Deferred tax assets / (liabilities)			**33.686**			**146.537**
Net effect						
On the profit of the year		33.686			146.537	
On the initial net equity		**(284.083)**			**(284.083)**	
rounding		(1)				
On the closing net equity		**(250.398)**			**(103.860)**	

27) Fair value of financial assets and liabilities

As required by IAS 32, the following table compares the values booked to the statements at 31st December 2013 and the relative fair value of financial asset s and liabilities

€ (thousands)	**Book Value**	***Fair value***
Financial assets		
Cash and cash equivalents	*22.520*	*22.520*
Trade receivables	*5.277.285*	*5.277.285*
Other holdings and securities	--	--
Other receivables	*18.874.164*	*18.874.164*
Financial liabilities		
Loans		
- fixed interest	*22.105.783*	*22.105.783*
- variable interest	*211.971*	*211.971*
Trade payables	*3.997.600*	*3.997.600*
Other payables	*10.872.983*	*10.872.983*
Payables to banks and others	*2.096.805*	*2.096.805*

28) Operating segments

Corporate activities are dedicated to realizing, participating, promoting and valuating operations and investments in the real estate sector as well as the implementation of agricultural activities and the management of owned or leased agricultural lands for any reason as well as the management of these activities.

The main sector data of the companies is given below:

A. Leases

€uro/000 *(Data reclassified by management)*	**31/12/12**	**31/12/13**	**Absolute Change**	**Change (%)**
Revenues	2.308	2.333	25	*1,1*
Direct operating costs	1.308	1.241	(67)	*(5,1)*
Contribution margin	**1.000**	**1.092**	**92**	***9,2***
% of revenues	*43,3*	*46,8*		

B. Facility management

€uro/000 *(Data reclassified by management)*	**31/12/12**	**31/12/13**	**Absolute Change**	**Change (%)**
Revenues	697	710	13	*1,9*
Direct operating costs	279	291	12	*4,3*
Contribution margin	**418**	**419**	**1**	***0,2***
% of revenues	*60,0*	*59,1*		

Direct operating expenses include maintenance, cleaning, supervision and other ordinary management expenses for the property.

1) Disputes and potential liabilities

In July 2008 and by means of a tax audit report (pvc), the Internal Revenue Office of Milan notified the company of the claimed non-relevance of certain costs of the year 2005 (0.15 million Euro of taxable income) as well as of the failure to fill out a section of the tax return (EC section); this formal error generated the request of 0.6 million Euro in taxable income, even in absence of fiscal damages to the state treasury, given that company had correctly booked and paid its taxes. On 6th April 2010, the company received the notice of assessment bearing the same violations already included in the Tax Audit Report. Through the Tax Law Firm founded by F. Gallo, an appeal was filed with the Provincial Tax Commission of Milan on 28th September 2010. The hearing was held on 14 December 2011 and the Provincial Tax Commission of Milan rejected the company's appeals, who proceeded to lodge an other appeal, to request the annulment of the judgment before the competent Regional Tax Commission, after paying, in the month of March 2011, a collection notice amounting to 155 thousand Euros. The Regional Tax Commission, with the judgment of November 30, 2012, filed January 15, 2013, confirmed the outcome of the first-instance judgment, for reasons deemed by the lawyers as inconsistent. The company, through the Studio Gallo, has therefore taken steps to notify the appeal dated 15 July 2013, at the Supreme Court of Cassation. On August 9, 2013 Equitalia has now notified on the basis of the judgment of the Regional Tax Commission, notice of payment for the remaining amount due on the basis of the original notice of assessment for which it was, anyway, obtained the suspension. We are waiting for the hearing to be scheduled, by the Supreme Court.
According to the defense and renowned figures of the subject who are follow the appeal to the Supreme Court, it is becoming more and more consolidated in jurisprudence and, more recently, hopefully, also with the Agency, the fact that any omissions of formal order can not affect ones substantive rights, as is claimed by the Company. On the basis of these considerations, and comforted by the legal assessment, it was considered appropriate to state the inclusion of a provision for contingent liability on the position in question.

2) Business with related parties

At 31st December 2011 relations are in place with correlated parties in connection with commercial operations concerning the lease of real estate, with Class Editori S.p.A. (1.887 thousand euros for rents and 586 thousand euro for facility management), with the company Italia Oggi Editori Erinne S.r.l. (253 thousand euro for rent and 105 thousand euro for facility management). In addition, the Company has been charged by Class Editori S.p.A. for strategic, accounting and administrative assistance services (150 thousand euro).
The debt of 2.0 million euros to Class Editori is related to the security deposit on the rents in connection with the property located in Milan at the intersection of Corso Italia and Via Burigozzo, a part of which will be used as offices for Class Editori.

Business of a commercial nature with related parties are governed at market conditions.

The main asset and liabilities relationships that CIA and its subsidiaries have with related parties are set out below

€uro/000	**31/12/12**	**31/12/13**
Balance Sheet Relationships		
Receivables from Class Editori	1.346	2.462
Receivables from Italia Oggi Editori Erinne	175	476
Receivables from Class CNBC	20	20
Receivables from Class Pubblicità	6	--
Receivables from Global Finance	13	48
Receivables from . Rocca di Frassinello	--	4
Receivables from Principe Amedeo	86	110
Payables to Class Editori	(10.641)	(11.846)
Payables to Italia Oggi Editori Erinne	(87)	--
Payables to Class Pubblicità	(2)	(38)
Payables to Class Editori Service	(14)	(14)
Payables to Class Editori for deposit	(2.000)	(2.000)

€uro/000	**31/12/12**	**31/12/12**
Income statement relationships		
Revenues from lease to Class Editori	1.852	1.887
Revenues from lease to Italia Oggi Editori	249	253
Revenues from lease to . Class CNBC	17	-
Revenues from lease to Global Finance	153	155
Revenues for services and facility management to Class Editori	576	586
Revenues for services and facility management to Italia Oggi Editori	103	105
Revenues for services and facility management to Principe Amedeo	19	19
Costs for administrative and consulting services from Class Editori	(345)	(150)

The principal economic and financial relationships that CIA has with affiliated companies are set out below

€uro/000	**31/12/12**	**31/12/13**
Balance Sheet Relationships		
Receivables from Turistica Florio	232	--
Receivables from Isola Longa	120	120
Receivables from Società Infrastrutture Sicilia	339	339

3) Other inter-group relations

Tax consolidation for IRES purposes

Following the renewal of the tax consolidation option by the parent company, CIA Spa and its main subsidiaries determine IRES within the sphere of the current IRES tax consolidation agreement. Relations between the tax consolidation participants are governed by special agreements

4) Finance lease operations

CIA has a financial leasing contract for which, in accordance with n° 22 of Art. 2427, the following information is provided:

Description: Building located in Via Gian Galeazzo 31, Milan
Contract n. IF/00793987.
Term of agreement: 120 months from delivery and testing
Cost of asset: 1,200,000 euros.
Maxi fee equal to 120,000 euros.
Current value of unexpired instalments: Euro 211.971.
Effective financial charge: Euro 5.261.
Virtual depreciation for the period: Euro 36.078.
Value of the asset at the end of the year, booked as a fixed asset: euro 871.879.

5) Off-balance sheet agreements

In accordance with art. 2427, 22-ter, the company, has no agreements that are not posted to the Balance Sheet that can determine significant risks or benefits.

6) Privacy information

In compliance with point 26 of Attachment B of [Italian] Legislative Decree No. 196/2003 containing the Privacy Act, the directors acknowledge that the Company has taken measures to ensure compliance with the Privacy Act in light of the provisions introduced by said Legislative Decree in accordance with the deadlines and modalities specified therein. In particular, the Security Planning Document pursuant to point 19 of said Attachment B (on file at the company's registered office and freely consultable) was prepared on 28th March 2006 and updated in accordance with the law.

7) Subsequent events

It is still open the dispute that arose as a result of the continued non-fulfillment of the counterparty, an important Spanish listed company, for the put option contract for the payment of 15% of the company Donnafugata Resort Srl, and of the arbitration and enforcement of the judgment that considered the fair valuation of the company by the arbitrator prof. Louis Guatri, equal to 33 million Euros.
In February, the other party has appealed the arbitration before the Court of Appeal of Milan, which, by order filed July 17, 2013, rejected the request for an injunction and stated that there are no grounds for the declaration of inadmissibility of the proposed appeal and has therefore adjourned the case for clarification of the opinion, at the hearing scheduled for 23 February 2016.
On November 18, 2013 CIA notified a request for arbitration and the appointment of an arbitrator to obtain an order for the payment of the price of the shares subject to the put option, and compensation for any damage suffered and future ones for the delay, believing that the actions promoted by the other party does not legitimize, in any way, the failure to pay the price
With the hearing on February 4, 2014, it was formally constituted and enthroned the arbitration and it has established the scheduling of the arbitration proceedings by defining the time of deposit of its arbitrament.

The board has then assigned to the Parties the terms of 6 March and 24 April 2014 for the filing of briefs, respectively direct and in response to the final wording of the questions and the exceptions of the Parties, the filing of documents and the articulation of evidence; it has successively adjourned the hearing of May 6 2014, for the personal appearance of the parties, the experiment of conciliation and, in case of failure, the decision on the admission of any evidence offered by the parties in the above memories. About the timing of the resolution of the proceeding it should be noted that the Article. 820 of the Code of Civil Procedure provides for a maximum of 240 days from the date of the settlement of the board, except for extensions that can be granted in some cases provided for in the last paragraph of that provision. It is assumed, therefore, that this second arbitration, can be completed by the end of this year or, at the latest, by mid next year.

In reference to the evidence stated above, and as confirmation of what demonstrated and documented, once the CIA has collected the agreed price for the shares sold, amounting to 4.95 million Euros, in addition to the charges payable, it will realize a significant gain compared carrying values.

Other information

Pursuant to legal requirements, the overall remuner ation to directors and Statutory Auditors is shown below

Office	*Fee*
Directors	74.155
Board of Statutory Auditors	22.880

In compliance with Art. 149-duodicies of the Issuers' Regulations, the following Schedule reports the compensation disbursed to the independent auditor in the year 2013, divided by type of service:

€uro	**Year 2013**
Auditing of the annual financial statements at 31stDecember 2013	2.760
Auditing of the consolidated financial statements at 31st December 2013	1.000
Limited audit of the consolidated half-year report as of 30th June 2013	1.500
Auditing for the year 2013	875
Total auditing	**6.135**
Other certification services	-
Total costs of Independent Auditors	**6.135**

These financial statements, comprising the Balance Sheet, the Income statement, the Cashflow Statement and the Explanatory Notes, provide a true and accurate account of the financial situation as well as the economic performance of the company for the year in addition to being consistent with accounting entries

the Chairman of the Board of Directors

Angelo Riccardi

Certification of the financial statements of the year in accordance with Article 81-ter of CONSOB 11971/1999

Certification of the consolidated financial statement pursuant to Art. 81-ter of Consob Regulation No. 11971/1999 and subsequent amendments and additions

1. The undersigned Angelo Riccardi as Managing Director and Emilio Adinolfi as the Director responsible for the Compagnia Immobiliare Azionaria S.p.A. certify, also taking into account that which is provided by Art. 154-bis, sections 3 and 4 of Legislative Decree No. 58 of 24th February 1998, that the administrative and accounting procedures applied to the preparation of the consolidated financial statement at 31st December 2013

   1.1 are consistent with the administrative/accounting system and the company's structure

   1. 2 are adequate and have been effectively applied ;

1. No items worth noting emerged from this assessment

2. It is also hereby certified that the consolidated financial statements for the period closing on 31st December 2013

   a) are consistent with accounting ledger entries and records;

   b) Has been prepared in compliance with the International Financial Reporting Standards (IFRS)and the relative interpretations published by the International Accounting Standards Board(IASB) and adopted by the Commission of the European Communities with Regulation No.1725/2003 and subsequent modification, in compliance with Regulation No. 1606/2002 of the European Parliament, as well as the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005 and, to our knowledge, is suitable to provide an accurate and truthful picture of the equity, income and financial situation of Compagnia Immobiliare S.p.A;

   c) the Report on Operations includes a reliable analysis of the performance and operating result, and also of the situation of the issuer and the sum of companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed

Milan, 21 March 2014

Managing Director

Angelo Riccardi

Entrusted Executive

Emilio Adinolfi

Report of the Board of Statutory Auditors on the parent company's separate financial statement

COMPAGNIA IMMOBILIARE AZIONARIA S.p.A.

Via G. Borgazzi 2 – MILANO

Corporation Stock €922.952,60

Statutory Auditors' Report at the Shareholders' meeting pursuant to art. 153 of Legislative Decree no. 58/1998 and art. 2429 of the Civil Code relating to the financial statements for the year ended 31 December 2013

Shareholders,
pursuant to art. 153 of Legislative Decree no. 58/1998, and in compliance with statutory regulations in force, the Board of Statutory Auditors, appointed by the shareholders on 27 April 2012, reports to the Assembly on the supervisory work completed.

During the year ended 31 December 2013 we have fulfilled the duties of art. 149 of Legislative Decree no. 58/l998 and, with reference to the recommendations contained in the CONSOB communications issued to this day, regarding the regulation of issuers, we confirm that we have:

made sure that the law and the Articles of Association were in compliance, as well as the principles of correct administration;
attended the meeting of shareholders and all meetings of the Board of Directors and of the Audit Committee held during the year; received from the Directors, pursuant to art. 150 of Legislative Decree no. 58/l998, timely and adequate information on the activities carried out;
acquired the knowledge elements necessary to carry out the control activity, for matters within its competence, the degree of adequacy of the organizational structure of the company and its actual operation, through direct surveys, gathering information from the heads of the departments concerned, data and information exchange with the external auditors;
verified the compliance of the provisions of law regarding the training and setup of the financial statements and the management report, through direct audits and specific information obtained from the external auditors. Since we are not entrusted with the statutory audit of the financial statements, carried out by the independent auditors PKF ITALY SpA, we monitored the general layout of the same on its compliance with the law with regard to the formation and structure and, in this regard, we have no observations to report. We recall, however, as noted in paragraph 16) - Tax payables of the Notes - on the subject of non-payment of withholding tax. "
During our supervision, carried out in the manner described above, there were no significant events that would require reporting to regulatory bodies.
That said, the specific disclosures to be included in this report are listed below, according to the format required by Consob Communication no. DEM/1025564 of April 6, 200l.

l. Most important economic, financial and equity-related transactions

The financial statements and the management report provides a comprehensive illustration on the most important economic, financial and capital transactions undertaken by the Company and its subsidiaries; of these operations, the Board of Statutory Auditors has obtained adequate information that allowed to demonstrate their compliance with the law, the bylaws and the principles of good administration. None of these transactions give reason to make specific observations or remarks.

2. Possible existence of atypical and / or unusual transactions, including those intercompany or related party

The Board of Statutory Auditors did not find, during the year, any atypical and / or unusual transactions with third parties or related parties, including subsidiaries.
The Board of Directors at its meeting of 30 November 2010 has adopted specific guidelines for related party transactions in accordance with Consob Regulation approved by Resolution no. 17221 of March 12, 2010 and subsequent amendments, by taking also into account the information contained in Consob Communication no. DEM/10078683 of 24 September 2010.

In pursuance of the aforementioned Regulation, the Company has approved the procedure for transactions with related parties which entered into force January 10, 2011, which replaces the previous one that was adopted by the Board of Directors on 15 May 2007.

3. Adequacy of the information disclosed in the annual report of the directors, based on atypical and / or unusual transactions, intercompany or with related party

The Company has an appropriate procedure aimed at ensuring that transactions in which a director has a personal interest in, or on behalf of third parties, and those entered into with related parties are carried out in a transparent manner and in compliance with the criteria of substantial and procedural correctness.

Information relating to the principal operations of an ordinary nature, which were held during the year with Group companies and other related parties and a description of their characteristics and their economic impacts are adequately presented in the notes to the consolidated financial statements of the CIA Group and in the notes to the Financial Statements of Compagnia Immobiliare Azionaria S.p.A. to which we refer.

The Board of Statutory Auditors verified that these transactions were concluded under appropriate conditions and in the interest of the Company.

4. Comments and suggestions to remarks and disclosures contained in the report of the external auditor

The statutory auditor has issued, in accordance with Articles. 14 and 16 of Legislative Decree no. 39/2010, its report that does not contain any qualifications or disclosures.

5. Complaints pursuant to former art. 2408 of the Civil Code

During the year 2013 has not be received by the Auditors any complaint under art. 2408 of the Civil Code.

6. Possible presentation of reports or complaints

During the year 2013 have not been received by the Board of Auditors reports or complaints.

7. Appointment of further assignments to the external auditors and legal costs

The audit firm PKF ITALY S.p.A. Has been conferred by the Company and its subsidiaries, the following duties:

Financial Auditing and legal control	Annual payment	Duration
CIA SPA	6.300,00	2013-2021
Feudi del pisciotta S.r.l	3.800,00	2013-2021
Azienda Agricola Tenuta del Pisciotta S.r.l.	1.400,00	2013-2021
Diana Bis S.r.l.	6.500,00	2013-2021

The fees do not include VAT and out of pocket expenses reimbursed.

The Board of Auditors has received confirmation in accordance with Article 17, paragraph 9th, letter a) of Legislative Decree 39/2010 of the independence of the auditing company appointed the statutory audits of the accounts, by notice issued on 4 April 2014.

The Board of Statutory Auditors also monitored the independence of the external auditors, verifying both compliance with the provisions of law, and the nature and extent of services other than statutory audit provided to the issuer and its subsidiaries by the audit firm and the entities belonging to its network.

The Board of Statutory Auditors notes that there were no reported cases of incompatibility of PKF SpA ITALY in relation to the audit of the legal accounts.

8. Conferral of any additional tasks to parties related to the independent auditors
No additional tasks have been granted to parties related to the auditing firm PKF SpA ITALY

9. Report issued by the audit firm pursuant to Article 1. 19, paragraph 3, of Legislative Decree. N. 39/2010
The Board of Auditors has supervised, in accordance with art. 19 of Legislative Decree 39/2010 on the financial reporting process in relation to which the audit firm has issued a report in which are not reported under the third paragraph of 'art1. 19 of Legislative Decree 39/2010, a significant deficiency in the internal control system.
l0. Opinions issued in accordance with law
During the financial year were not released by the Statutory Auditors opinions required by law.

Il. Frequency and number of meetings of the Corporate Bodies
We attended the meetings of the Board of Directors and wee obtained from the directors, on a quarterly basis, information on activities carried out and on the most important economic, financial and capital transactions undertaken by the Company and its subsidiaries. During the year, 2013, the Board of Directors held four meetings and the Board of Statutory Auditors met? times.

12. Compliance with the principles of proper administration
The Board of Statutory Auditors verified and monitored to the extent of its authority, in compliance with the principles of correct administration through hearings, audits, inquiries to the heads of the departments and direction, as well as through meetings with the Manager responsible for preparing the accounting.
The Board of Auditors has also held meetings with the independent auditors for the exchange of data and information relevant to the 'fulfillment of their reciprocal duties.
The Board of Auditors, as a result of the supervisory activity, has no observations to make in order to comply with the principles of proper administration.

13. Adequacy of the organizational structure
The Board of Statutory Auditors believes that the Company's organizational structure is adequate in relation to the size of the company and the type of activity performed.

14. Adequacy of the System of Internal Control
The Board of Statutory Auditors verified and monitored, also pursuant to art. 19 of Legislative Decree no. 39/2010, the appropriateness and the efficiency of the system of internal control and risk management through periodic meetings and by obtaining information from business managers and through the examination of business documents, as well as the analysis of the results of the work done by Internal Audit, the Committee for Internal Control and the Supervisory.
Compagnia Immobiliare Azionaria has a manual of procedures governing the individual cycles.
The managers of the individual areas report to the CEO and to the Committee for Internal Control and Risk composed of three directors, including two independent non-executive directors.
The Board of Directors, on March 21st 2014 approved the revision and its adaptation of the "Organization management and control" adopted in accordance with the Legislative Decree no. 2311200 on the basis of the existing legislation.
Within the terms provided by Legislative Decree no. 196/2003, the Company, on 28 March 2006, issued the Programmatic Document on Security of personal data; which appears to have been regularlyupdated in accordance with the law.

15. Adequacy of the accounting system and its reliability
The Board of Auditors has assessed the adequacy of the accounting system, and its reliability in correctly representing the management, by obtaining information from the heads of the respective departments, examing the company documents and analyzing the results of the work carried out by the auditing firm PKF SpA ITALY

16. Adequacy of the instructions given to subsidiaries (pursuant to art. 114 Paragraph 2 of Legislative Decree no. 58/1998)
The parent company has issued appropriate instructions to subsidiaries pursuant to art. 114, paragraph 2 of Legislative Decree no. 58/1998.

17. Relevant aspects identified during the meetings with the auditors

The Board of Statutory Auditors held meetings with representatives of the External Auditors PKF SpA ITALY and no significant data and information that should be highlighted in this report have emerged.

18. Compliance with the Code of Conduct of the Committee for the Corporate Governance of Listed Companies

In the Directors' report on operations and the report on corporate governance and ownership structure is described the Corporate Governance, and are also indicated the provisions of the Code of Corporate Governance for listed companies published by Borsa Italiana SpA, which Compagnia Immobiliare Azionaria S.p.A seemes to have joined.
In this regard it is noted that during 2013:
- The Remuneration Committee met once.
- The Committee for Internal Control and Risk met four times.

It should be noted that the Company, in terms of internal dealing, has prepared appropriate procedures to access confidential information under Article. 115-bis of Legislative Decree no. 5,811,998, as well as with regard to the disclosure requirements pursuant to former art. 114, Section 7 of the same Legislative Decree on Finance.
The Board of Statutory Auditors, in particular, has verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members.

19. Final assessments on supervisory work completed

During our supervision, as described above, there were no significant events that would require reporting to the supervisory or worthy of comment herein, nor reportings, by part of the Supervisory Board, in violation of the organization and management as per former Legislative Decree 23112001.

20. Proposals of the Board of Auditors at the meeting (former art. 153, paragraph 2 of Legislative Decree no. 5811998)

The Board of Auditors at the conclusion of its report, to the extent of its competence, expresses in favor of approval of the financial statements for the year ended December 31, 2013, which closed with a net profit of € 363 551 and agrees with the proposal made by the Directors in regards of the allocation of the profit.

Milan, April 4th 2014

Board of Auditors

Giampaolo Dassi
Pierluigi Galbussera
Carlo Maria Mascheroni

External Auditor's report on the separate financial statements

PKF
Revisione e organizzazione contabile

COMPAGNIA IMMOBILIARE AZIONARIA S.p.A.

FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2013

Auditors' Report Translation
pursuant to artt. 14 and 16 of Legislative Decree No. 39 dated 27th January 2010

Revisione e
organizzazione contabile

Auditors' Report Translation
pursuant to artt.14 and 16 of Legislative Decree No. 39 dated 27th January 2010

To the Shareholders of
Compagnia Immobiliare Azionaria S.p.A.

1. We have audited the financial statements of Compagnia Immobiliare Azionaria S.p.A. (hereinafter the "Company") for the year ended December 31, 2013 consisting of the balance sheet, the statements of income, changes in shareholders equity and cash flows and the accompanying explanatory notes. The responsibility of these financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and in accordance with the regulation issued to implement art. 9 of Legislative Decree 38/2005, is of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (Companies and Stock Exchange Commission). In accordance with such standards, we planned and performed our audit to obtain all the information necessary in order to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and accuracy of the accounting principles used and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our professional opinion.

   For the audit opinion on the financial statements of the previous year, the data of which are provided for comparative purposes as prescribed by law, reference should be made to the report issued from an other auditor on 5th April 2013.

3. In our opinion, the financial statements of Compagnia Immobiliare Azionaria S.p.A. as of and for the year ended 31 December, 2013 are in accordance with the International Financial Reporting Standards adopted by the European Union, and with the regulations issued in implementation of art. 9 of Legislative Decree 38/2005; therefore they present fairly the Company's financial position, results of operations, changes in equity and cash flows of Compagnia Immobiliare Azionaria S.p.A. for year then ended.

Ufficio di Milano: Viale Tunisia, 50 | 20124 Milano | Italy
Tel +39 02 49495.711 | Fax +39 02 49495.721 | Email pkf.mi@pkf.it | www.pkf.it

Società di revisione e organizzazione contabile – Iscritta all'Albo Consob e Registro Revisori Contabili – Associata Assirevi
Sede Legale: Viale Tunisia, 50 - 20124 Milano - Tel: 02 49495.711 Fax: 02 49495.721- Capitale Sociale EURO 500.000,00 – REA Milano 1045319
Cod. Fiscale e P.I. 04553780158 – Registro imprese n. 222202/6046/2 Milano
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4. Compagnia Immobiliare Azionaria S.p.A.'s management is responsible for preparing the directors' report and the report on corporate governance and ownership structure, in accordance with the provisions of law. Our responsibility is to express an opinion on the consistency of the directors' report and the information in accordance with art. 123-bis, paragraph 1, sub-section c), d) f), l), m) and paragraph 2, sub-section b) of Legislative Decree no. 58/98 reported into the report on corporate governance and ownership structure, with the financial statements, as required by law. We performed the procedures indicated in audit principle No. 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob (Companies and Stock Exchange Commission) for this purpose. In our opinion the directors' report and the information in accordance with art. 123-bis, paragraph 1, sub-section c), d) f), l), m) and paragraph 2, sub-section b) of Legislative Decree no. 58/98 reported into the report on corporate governance and ownership structure is consistent with the financial statements of Compagnia Immobiliare Azionaria S.p.A. as at 31 December, 2013.

Milan April 4, 2014

PKF Italia S.p.A.

Signed on the original by
Fioranna Negri
(Partner)