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Compagnia Immobiliare Azionaria



Report on Operations and Financial Statements as of 31.12.09

CIA

Compagnia Immobiliare Azionaria SpA

Via G. Borgazzi, 2 – 20122 Milan Tel. 0039 02 5821-9347 – Fax 0039 02 5831-7376

Share capital 922,952.60 Euro – Economic & Administrative Index no. 1700623

Tax and VAT no. 03765170968

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Assembly Convocation Notice

CIA group

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Compagnia Immobiliare Azionaria S.p.A.

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COMPAGNIA IMMOBILIARE AZIONARIA CIA S.P.A.

Via G. Borgazzi 2

Share Capital € 922.952,60 fully paid up

Tax identification number and Registration Number within the Registry of
Companies of Milan

03765170968

CONVOCATION ORDINARY ASSEMBLY

The ordinary and extraordinary Shareholders' Meeting is convened at Via Marco Burigozzo 5, Milan, at the conference room, on first call on 29 April 2010 at 11.30 a.m. and, if necessary, on second call on 30 April 2009, at the same place and time, in order to act upon the following

Agenda

1. Presentation of the annual and consolidated financial statements at 31.12.2009 and the Reports of the Board of Directors, Board of Statutory Auditors, and Independent Auditors. Related and consequent resolutions;

Participation in the Shareholders' Meeting

In accordance with the law and the Articles of Association, shareholders may attend the assembly who possess the specific certification issued by the respective dealers, adhering to the centralized management system of Monte Titoli S.p.A. and communicated to the issuer no later than two days before the first meeting of the Assembly.

In accordance with law, the documentation relative to the agenda, as well as the report on corporate governance, will be filed at the company's registered office, at the Borsa Italiana S.p.A., and on the internet site of the company (www.compagniaimmobiliareazionaria.it) within the legal deadline. Copies of such documentation may be obtained by Shareholders.

Milan, 25.03.2010

The Chairman of the Board of Directors

Vittorio Terrenghi

COMPAGNIA IMMOBILIARE AZIONARIA CIA S.P.A.

Via G. Borgazzi 2

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INTEGRATION CONVOCATION NOTICE OF ORDINARY ASSEMBLY

With reference to the convocation notice of the Ordinary Assembly of Compagnia Immobiliare Azionaria S.p.A., published on 27 March 2010, we wish to specify that in accordance with Art. 5 of the Articles of Association the share capital is equal to Euro 922,952.60, divided into 92,295,260 shares at the face value of 0.10 Euro each. Each share gives the right to one vote in the Assembly. Every shareholder with the right to participate in the Assembly may be represented in accordance by the law with a written proxy; the proxy voting form can be found at authorized dealers.

Considering the composition of the shareholders and the information received, we have reason to believe that the Assembly will be held in second convocation, on 30 April 2010 at 11:30 a.m.

Milan, 8 April 2010

The Chairman of the Board of Directors
Vittorio Terrenghi

Company Bodies composition

Board of Directors

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

Board of Statutory Auditors

Chairman Statutory auditors	Roberto Tettamanti Pierluigi Galbussera Carlo Maria Mascheroni
Alternate auditors	Luciano Barbucci Maurizio Bottoni

Independent Auditor

BDO S.p.A.

The three-year mandates of the Board of Directors and the Board of Statutory Auditors, appointed by the Shareholders' Assembly on 30.04.09, will expire at the time of the Shareholders' Assembly that approves the financial statements for the 2011 financial year.

The independent auditor (auditing company) is entrusted by the Assembly up until the date of the assembly which will approve the 2012 financial statements.

Report on operations of the Group

Compagnia Immobiliare Azionaria S.p.A.
and subsidiaries
Headquarters in Milan, Via G. Borgazzi, 2

REPORT OF THE BOARD OF DIRECTORS
as of 31.12.09

Introduction

The reports of CIA Group and the parent company, Compagnia Immobiliare Azionaria S.p.A. at 31 December 2009, both of which were submitted for auditing, were prepared on the basis of an ongoing concern, in accordance with international financial reporting standards established by the **IFRS** and adopted by the European Commission with Regulation No. 1725/2003 and subsequent amendments, in compliance with Regulation No. 1606/2002 of the European Parliament, ratified, together with the relative interpretations, with Regulation (EC) No. 1126/2008 which, effective 2 December 2008, annuals 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 27 July 2006 and Consob announcement DEM/6064293 of 28 July 2006.

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

Management performance

The income statement of CIA and its subsidiaries as of 31 December 2009 closed with a pre-tax loss of 0.46 million Euros (1.38 million profit in 2008), and -0.45 million Euros after minority interests and taxes (+1.38 million Euros in 2008).

Total revenues as of 31 December 2009 was equal to 4.09 million Euro which, when compared to the 5.29 million Euros of the corresponding period in 2008, was equal to a 22.7% decrease.

The gross operating margin, meaning the difference between operating income and costs before depreciation, was positive at 1.49 million Euros, against 3.122 million Euros for 2008.

Primary economic – financial events of the period

Revenues from sales attained by the company are primarily derived from the management of securities and real estate assets. The company has leased and stipulated facility management contracts with Class Editor SpA and other lessee companies; the fees are in line with those applied on the market for real estate properties with similar characteristics. Commentary on the primary economic data is provided below:

- In the viticultural sector, the revenues of the business increased from 0.2 to 1.04 million Euros: this increase is primarily attributed to the production and sales of wine by the subsidiary Feudi del Pisciotto S.r.l. During the course of the year, the start-up of marketing of wines of the Major Designers collection (with labels designed by Valentino, Versace, Missoni, Alberta Ferretti, Ferré, Anna Molinari – Bluemarine, Carolina Marengo) was initiated and a significant increase in sales volumes of the Baglio del Sole line, a product line marketed as of the second half of 2008, was reported. It should be noted that the first wine evaluations on the part of guides and magazines of the sector were extremely positive and ranked the wines as top quality (for example, Wine Spectator, the bible of the sector, ranked two of the wines of the collection amongst the absolute top five of Sicily).

- Revenues from leases and facility management activities showed a fundamental stability due to the fact that there were no variations during the period of reference, neither with respect to leased out properties, nor with respect to the contractual conditions which regulate the leases of properties with lessee companies, with the exception of normal ISTAT inflation adjustments as well as a reduction, effective the second half of the year, of compensation for the facility management contract relative to a property in Gian Galeazzo 29 following the reduction of disbursed services.
- The other operating proceeds decrease instead by around 2 million Euros, and this reduction can be attributed to extraordinary operations in 2008, which totaled circa 2.1 million Euros, resulting from the transfers of 19.3% in the shareholding of the affiliated company Società Infrastrutture Sicilia srl and of a real estate property on the Island of Capraia, which was considered non-strategic for CIA.

Investment activities progressed as follows:

- The works relative to the construction of the wine shop being built between Caltagirone and Piazza Armerina in Sicily realized by the subsidiary Feudi del Pisciotto S.r.l. are being completed. The final forecasted investment amount is circa 8.6 million Euros. This investment program was approved to receive a capital grant by means of a Decree of the Sicily Region, in accordance with the provisions of Mis.4.09 of Sicily's ROP (Regional Operational Plan) 2000/2006. The capital grant was equal to 50% of the expense considered admissible and totals 7.0 million Euro. The grant of 3.5 million Euro was fully collected on 30 June 2009 following the positive outcome of the final assessment and testing. In December, all the authorizations and certification necessary were obtained to guarantee the full operation of the production system. The wine cellar has a productive capacity of 10,000 Hl.
CIA, in conjunction with the subsidiaries Feudi del Pisciotto srl and Azienda Agricola Tenuta del Pisciotto srl, not only owns the real estate property subject of the investment but also the lands and vines in the surrounding areas as well as the adjacent historical building (and ancient Farmhouse) of 7,500 sq.m. As of now, approximately 40 hectares of vineyards have been planted, 85% of which are already in production, allowing the company to be essentially autonomous in terms of obtaining raw materials.
For the 2009 harvest, the production of its own grapes generated approximately 1,000 Hl of wine, equal to 135 thousand bottles.
The increasing production activity has inevitably generated greater costs. A significant part of the growth of operating costs is due to the start-up of wine-making activities.
- The restructuring works relative to the real estate property located in Corso Italia 64 – via Burigozzo 1, (owned by Diana Bis S.r.l., a subsidiary of Burigozzo 1 S.r.l.) are continuing according to plan: the first 870 sq.m. destined for office use have been finished, while the remaining 1,600 sq.m. will probably be completed within the month of June 2010.
In August, the work was started on the garages in the area of the adjacent property, in Via Borgazzi. The project anticipates the construction of 39 garages distributed on three underground floors. The work is scheduled to be finished in the last quarter of 2010.
- During the first six months of the financial year, CIA underwrote entirely its share of the increase in capital deliberated by the subsidiary, Donnafugata Resort S.r.l. In July, the company underwrote a non-optional share quota, in the amount of 113 thousand Euros, of the deliberated capital. The operation thus determined an increase in the holding from 15% to 16.27%.
Starting 1 October 2009 until 31 July 2013, CIA has been contractually granted the right to sell to an important listed company the stake owned in the company Donnafugata Resort srl of Ragusa (put option). Donnafugata Resort srl is in the process of building a five star deluxe hotel complex with two golf courses which will be inaugurated during the first six months 2010.

-
- In August, CIA exercised a (put) option for the sale of a 15.7% shareholding owned in Società Infrastrutture Sicilia S.r.l. (a right which was contractually guaranteed). The formalization of the sale of the shares could not take place because the buyer (EuroAirport Srl of the Miro Radici Finance Group of Bergamo) did not appear at the proceeding before the notary. From this refusal to execute the contract for all intents already valid, a dispute arose between the parties, which is currently underway. The court with interlocutory injunction has set the first hearing of the proceedings for 9 April 2010. Lack of compliance with the purchase order obligations by the Miro Radici Group of Bergamo has nullified a significant capital gain, which in the typical business of the portfolio management company would have created considerable profit in the financial statement in 2009 as well. As a result of the failed compliance with the obligations, as already pointed out, a legal proceeding was filed with the help of the Bonelli, Errede, Pappalardo law firm the first effects of which will be clear shortly and therefore this would have recommended postponing as much as possible the approval of the financial statements. Postponement was not possible because the law which allows listed companies to also take advantage of this longer deadline will go into effect with the statements of the first half of 2010. Not having complied with the contractual commitments, based on what is provided for in the actual contract, the Miro Radici group will have to pay a penalty of 150% of the price established for the put. The Radici Group, evidently aware of this, tried to initiate relations for a transaction that can only be accepted provided it respected, in terms of earnings for CIA, the contractual obligations.
 - In December, CIA submitted an offer for the purchase of a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th, paying at the same time an advance deposit of 10% of the price proposed. The purchase, conditional on the favorable opinion of the board of the condominium (as per American standard practice), was then concluded in the first quarter of 2010. The operation was financed in part with the company's own resources and part through a mortgage operation with a leading Italian bank.

In order to provide the company with the resources necessary for all the investment activities underway, a fixed-rate mortgage loan operation was completed in April on the property located at via Gian Galeazzo 29, in Milan, in the amount of 6.5 million Euro; it will be partially used for the repayment of the outstanding debt of 4.4 million Euro on the same property in connection with a property lease, and the remaining 2.1 million Euro for the financing of the aforementioned activities.

In October, the subsidiary Feudi del Pisciotto srl completed a fixed-rate mortgage operation on the wine cellar, in the amount of 3 million Euro, intended to provide the financial means to complete the construction work of the wine cellar, since it was not possible to collect the amount stemming from the put operation by the Miro Radici Finance Group.

With regards to current operations and costs of the year, the following in particular is noted:

- The costs for acquisitions basically concerns the raw materials needed by the subsidiary Feudi del Pisciotto srl.
- Personnel costs are 466 thousand Euros related to 4 employees at the group leader and all of the seasonal employees who worked in 2009 for the subsidiaries Feudi del Pisciotto srl and Azienda Agricola tenuta del Pisciotto srl. The small number of human resources at CIA 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.
- Service expenses totalled 1.43 million Euros and primarily included real estate management expenses. This amount includes service costs paid to the related party Class Editori S.p.A. for the provision of administrative, financial and IT services as well as other technical, economic/financial and strategic consulting services related to the management and development of all of the new operations underway.

- Other operating costs totalled 0.341 million Euros and primarily include ICI (property) taxes, registration fees and remuneration of corporate bodies as well as contingent liabilities.

Total depreciation and amortization amounted to 0.664 million Euros (against 0.618 million Euros as of 31 December 2008). The increase is booked in the subsidiaries Feudi del Pisciotto srl and Azienda Agricola tenuta del Pisciotto srl, for the entry into operation of the systems they own.

The Operating Result (Ebit) as of 31.12.09 was equal to 0.826 million Euro.

Net financial charges were equal to 1.291 million Euro (1.128 million Euros at 31 December 2008). The increase can be attributed to the investment activities carried out in 2009, which generated greater financial needs because of the investments carried out and not to the increase in the interest rates, since the financing was obtained at fixed rate and because the amount due from the Miro Radici Group could not be collected.

Consolidated Income Statement

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

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Sales revenues	5,293	4,089	(22.7)
Operating costs	(2,171)	(2,599)	19.7
Gross profit	3,122	1,490	(52.3)
<i>% of revenues</i>	58.98	36.44	
Amortizations	(618)	(664)	7.4
Operating result	2,504	826	(67.0)
<i>% of revenues</i>	47.31	20.20	
Net financial income and charges	(1,128)	(1,291)	14.5
Pre-tax profits	1,376	(465)	(133.8)
Taxes	6	13	116.7
Third parties profit/(loss)	-	-	
Net group profit	1,382	(452)	<i>note below</i>

- Revenues can be broken down as follows

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Revenues from rentals	2,045	2,096	2.5
Revenues from facility management	789	740	(6.2)
Wine production activities	172	1,045	<i>note below</i>
Other revenues	2,287	208	(90.9)
Total	5,293	4,089	(22.7)

The decrease in revenues is attributed to the fact that, in the previous year, extraordinary proceeds totaled circa 2.0 million Euro, following transfers of 19.3% of the related company Società Infrastrutture Sicilia srl and of a real estate property in the island of Capraia which were considered non-strategic for CIA.

Revenues relative to the wine cellar include both wine sales as well as the change in product inventories.

The item “Other revenues” includes quotas of revenues that do not relate to ordinary operations of the company.

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

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Purchases	88	417	<i>note below</i>
Services	1,369	1,430	4.5
Costs for personnel	217	466	114.7
Valuation of equity investments by shareholders' equity	118	(55)	<i>note below</i>
Other operating costs	379	341	(10.0)
Total operating costs	2,171	2,599	19.7

The increase in costs is primarily attributed to the activities of the subsidiaries Feudi del Pisciotto srl and Azienda Agricola Tenuta del Pisciotto srl.

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

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Leasing costs	31	31	--
Facility costs	322	311	(3.4)
Costs for financial and administrative consulting	677	529	(21.9)
Other costs	339	559	64.9
Total Costs for services	1,369	1,430	4.5

Consolidated balance sheet

A complete analysis of the consolidated balance sheet can be found in the financial statements and relative explanatory notes.

Trade receivables

Total trade receivables fell from 1.19 million Euros as of 31 December 2008 to 1.11 million Euros as of 31 December 2009.

The details were as follows:

<i>Euro/000</i>	31/12/08	31/12/09
Regular customers	1,181	633
Invoices to be issued	24	491
Provision for bad debts	(10)	(10)
Total trade receivables	1,195	1,114

Net group equity on 31.12.09 amounted to 2.3 million Euros against 3.3 million Euros on 31.12.08.

The consolidated net financial position is shown in the table below:

€ (thousands)	31/12/2008	31/12/2009	Changes 2009/2008	Change (%)
Securities	-	-	-	
Cash and cash equivalents	446	48	(398)	(89.2)
Non-current financial payables	(40,491)	(47,098)	(6,607)	(16.3)
Current financial payables	(2,987)	(3,027)	(40)	(1.3)
Net financial position:	(43,032)	(50,077)	(7,045)	(16.4)

The net financial position deteriorated by approximately 7,0 million Euros, with overall net liabilities to third parties going from 43,0 million Euros to 50,0 million Euros.

The difference is primarily due to the increased amount of resources which are required to complete the wine shop and the start-up of the current activity, as indicate above, and for the restructuring works on the property located in Italia 64 – via Burigozzo 1, owned by the company Diana Bis.

It should be noted that, in April, a fixed-rate mortgage operation was completed with Cassa di Risparmio di Genova for a sum of 6.5 million Euro which is partially allocated to reimburse the residual debt of 4.4 million Euro for a real-estate leasing transaction (Unicredit Leasing) while the remainder will be utilized for investment activities. The operation allowed for an improvement and stabilization of the interest rate as well as a reduction of the annual cash outflows for the capital quota and interest.

In October, the subsidiary Feudi del Pisciotto srl completed with the Banco di Sicilia a fixed-rate mortgage of 3 million Euros, intended partially to provide the financial needs to complete the construction work of the wine cellar and the financial resources for the start-up).

The credit line with Banca Nuova (an advance of the financing for the realization of the wine cellar) was closed as a result of the total reimbursement of the debt in the first days of the month of July.

Indebtedness therefore refers to the financing of development of real estate assets which, even if estimated with prudence, is much greater than the amount of indebtedness itself.

Disbursed dividends

In May 2009, dividends relative to the 2008 net income were paid out for a total of 921 thousand Euro.

Stock Exchange data

	2008	2009
Minimum quotation (Euro)	0.2004	0.1982
Maximum quotation (Euro)	0.329	0.388
Volume traded (overall) (Euro)	5,859,839	6,094,852
Minimum capitalization (million Euro)	18	18
Maximum capitalization (million Euro)	30	36
Average capitalization (million Euro)	23	28
<i>Number of shares</i>	92,295,260	92,295,260

In implementation of Directive 2003/51/EC ("Modernisation of Accounts Directive") adopted by Legislative Decree 32/2007 and the consequent amendments to Article 2428 of the Italian Civil Code, below we present the principal information.

As regards the so-called non-financial indicators required by law, and in particular market positioning, the efficiency of the productive factors and production processes, and innovation, we refer to the description in the report, both in the comments on the income statement data and the description of the sectoral data.

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 statement reclassified in accordance with the weight of each business areas

	31/12/2008	31/12/2009	% change
Revenues from sales	4,935	3,272	(33.7)
Internal production	--	--	--
Operating income	4,935	3,272	(33.7)
External operating costs	(1,457)	(1,847)	26.8
Value Added	3,478	1,425	(59.0)
Personnel Costs	(217)	(466)	114,7
Gross Operating profit - (EBITDA)	3,261	959	(70.6)
Amortisations and provisions	(618)	(664)	7.4
Operating result	2,643	295	(88.8)
Result for accessory area	(49)	527	<i>note below</i>
Net result for financial area	--	--	--
Normalized EBIT	2,594	822	(68.3)
Result for extraordinary area	(90)	4	<i>note below</i>
Total EBIT	2,504	826	(67.0)
Net financial income/(charges)	(1,128)	(1,291)	14.5
Gross Result	1,376	(465)	<i>note below</i>
Taxes on Income	6	13	<i>note below</i>
Third party result	--	--	--
Net profit/(loss)	1,382	(452)	(132.7)

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

Below we present the turnover trend for the last five financial years, and the values of the principal financial statements indexes:

<i>€uro/000</i>	2007	2008	2009
Total Turnover	3,015	5,293	4,089
Net Profit	67	1,382	(452)

		31/12/08	31/12/09
<u>Financing ratios of fixed assets</u>			
Primary Capital Assets (Own Equity - Fixed Assets)	€/000	(44,976)	(53,178)
Primary Capital Ratio (Own Equity / Fixed Assets)	%	0.07	0.04
Secondary Capital Assets (Own Equity + Consolidated Liabilities - Fixed Assets)	€/000	(2,189)	(3,781)
Secondary Capital Ratio (Own Equity + Consolidated Liabilities / Fixed Assets)	%	0.95	0.93

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)	%	15.59	25.64
Financial Indebtedness Ratio (Loan liabilities + current liabilities / Own Equity)	%	12.85	21.52

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

Profitability ratios

Net ROE (Net Result / Own Equity)	%	41.27	(19.42)
Gross ROE (Gross Result / Own Equity)	%	41.09	(19.98)
ROI (Operating Result / Fixed Assets)	%	3.14	(1.79)
ROS (Operating Result / Revenues from sales)	%	53.27	(30.44)

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	(2,189)	(3,781)
Availability Ratio (Current Assets / Current Liabilities)	%	0.77	0.63
Cash Margin (Deferred Liquidity + Immediate Liquidity - Current Liabilities)	€000	(2,375)	(4,576)
Cash Ratio (Deferred Liquidity + Immediate Liquidity / Current Liabilities)	%	0.75	0.55

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.

Business areas

A) Lease revenues

Results for the business segment in 2009 are summarized as follows:

€uro/000 (Data reclassified by management)	2008	2009	Change Absolute change	% change
Revenues	2,045	2,096	51	2.5
Direct operating costs	1,197	1,176	(21)	(1.7)
Contribution margin	848	920	72	8.5
% of revenues	41.6	43.9		

Operating costs, which include condominium expenses and insurance, have been re-classified to include payable interest paid on loans and leases taken out for the acquisition of the leased properties.

B) Revenues from services and facility management

Results for the business segment in 2009 are summarized as follows:

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	789	740	49	6.2
Direct operating costs	322	311	(11)	(3.4)
Contribution margin	467	429	(38)	(8.1)
<i>% of revenues</i>	<i>59.2</i>	<i>58.0</i>		

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

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 2009:

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	220	1.167	947	<i>note below</i>
Direct operating costs	256	1.078	822	<i>note below</i>
Contribution margin	(36)	89	125	<i>note below</i>
<i>% of revenues</i>	<i>(16.4)</i>	<i>7.6</i>		

Revenues from wine production activities include sales of wines, changes in inventories or products and capital grants for the quota of competence of the period.

Costs, on the other hand, include amortization/depreciation relative to wine cellars which became operational in addition to direct expenses for the production of wine.

Equity investments

Details on the **subsidiaries** are provided below, highlighting that these are all start-up companies which operate in the Sicilian farm holiday sector:

- **Agricola Tenuta del Pisciotto S.r.l.** The company, based in Palermo, is studying a project to create a 5-star resort. The company closed the 2009 financial year with a pre-tax result of -294 million Euros (-217 million Euros after taxes, as a consequence of advance taxes).
- **Feudi del Pisciotto S.r.l.** The company has a registered office in Palermo and implements wine-related activities. It closed 2009 with a pre-tax result of 78 thousand Euros (39 thousand after taxes).
- **Resort del Pisciotto S.r.l.** This company, based in Palermo, closed 2009 with a pre-tax result of -14 thousand Euros (-10 thousand Euros after taxation, as a consequence of advance taxes).

- **Resort & Golf Società Consortile A r.l.** The company, with a registered office in Palermo, closed 2009 with a loss of one thousand Euro.
- **Burigozzo 1 S.r.l.** This company, with registered office in Milan, closed 2009 with a pre-tax loss of -2 thousand Euros (- one thousand Euros after taxes, as a consequence of advance taxes).
- **Diana Bis S.r.l.** This company, with registered office in Milan, closed 2009 with a pre-tax loss of -88 thousand Euros (-70 thousand Euros after taxes, as a consequence of advance taxes).

Relations with related parties and affiliates

As of 31.12.09, there were no commercial relations with related parties.

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

<i>€uro/000</i>	31/12/08	31/12/09
<u>Balance Sheet Relationships</u>		
Supplies from Class Group for properties (capitalization)	--	80
Receivables from Class Editori and subsidiaries	1,015	220
Receivables from Italia Oggi Editori - Erinne	--	287
Receivables from Domini Castellare di Castellina	10	502
Payables to Class Editori and its subsidiaries	(950)	(906)
Payables to Class Editori for a commitment deposit	(2,000)	(2,000)

<i>€uro/000</i>	31/12/08	31/12/09
<u>Income statement relationships</u>		
Revenues from lease to Class Editori	1,743	1,777
Revenues from lease to Italia Oggi Editori	234	238
Revenues from lease to Class CNBC	31	32
Revenues for facility services from Class Editori	687	627
Revenues for facility services from Italia Oggi Editori	97	99
Revenues for wine production services from Domini Castellare di Castellina	--	436
Costs for administrative and consulting services from Class Editori	(531)	(328)

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

The increase in revenues from rent and facility was generated by ISTAT inflation adjustments provided for by the contracts.

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, which is being renovated by CIA, and a part of which will be used as offices for Class Editori.

As regards the distribution of the wines produced by Feudi del Pisciotto S.r.l., an agreement was stipulated in 2008 and renewed for 2009 with the specialized company Domini Castellare di Castellina S.r.l. which is equipped with a large network of agents and importers. The agreement was drawn up based on the traditional market parameters for the sector.

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

<i>€uro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
Receivables from Turistica Florio	99	99
Receivables from Isola Longa	4	4
Receivables from Società Infrastrutture Sicilia	1,664	1,677
Crediti verso Donnafugata Resort	120	--
<u>Income statement relationships</u>		
Revenues for consulting services from Donnafugata Resort	100	--

PRIMARY RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Risks related to the sector in which the company operates

The economic situation which has affected Italy and the global economy does not appear to be having significant repercussions on the company's holdings, as those holdings are not in a liquid portfolio, but rather concern investments projects of considerable range and breadth, for which the prospects for income are considered to be positive at this time.

For the real estate investments made in downtown Milan, no risks of fall in value are foreseen, and the same is true for the investments underway, the characteristics of which are amply described in the report. Reference is also made to what is highlighted concerning events subsequent to the closing of the financial year.

Credit risk in relation to commercial relations with customers

The primary areas of credit are relative to the leasing of real estate properties and the sale of facility management services to the companies of the Class Editori group and its affiliates (and for which there are no causes for risk).

The company has thus far never booked losses on receivables.

Interest rate risks

The policy of the Group 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 appropriate policy of financial equilibrium between resources and loans) were assumed with fixed rates in order to protect from potential rate increases.

Exchange rate risks

The activities of the Group in 2009 were virtually entirely developed in the Euro area. The investments made at the beginning of 2010 in the United States should not generate a negative impact on the financial flows of CIA. Management will in any case carefully assess the developments of the aforementioned investments in order to take, if necessary, the appropriate countermeasures.

Liquidity risks

Despite the increase compared to the previous financial year in the indebtedness to banks, the ability to generate cash flow, guaranteed by the leasing and facility management fees, together with the sales forecasts of the wines of the Feudi del Pisciotto srl subsidiary, render the risk of not having sufficient financial resources for operating needs and the ability to repay the mortgage installments unlikely.

Disputes and potential liabilities

In July 2008 and by means of a tax audit report, 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. The company is still waiting to receive the respective assessment notice.

Staff

Period average:

	31/12/08	31/12/09	Absolute change
Executives	--	--	--
Clerical staff	3.6	4.0	0.4
Total	3.6	4.0	0.4

Primary events after 31 December 2009:

Following 31 December 2009, business continued in a positive manner under conditions of cost-savings and efficiency and the new investments made further increased the value of the company assets.

In January, CIA underwrote in total the paid increase in share capital deliberated on 26 October 2009 by the Shareholders' Meeting of Donnafugata Resort S.r.l., for the share reserved for it. In February 2010, they underwrote a non-optioned share quota, for an amount of 159 thousand Euros, of the deliberated capital; this underwriting determined a further increase in its holding from 16.27% to 17.41%.

In light of the diversification of its investments in order to be able to seize new opportunities for development and increase the evaluation of the assets held in the real estate and wine and food fields, the company made two investments in the USA, also due to the favorable Euro/Dollar exchange rate and the prospects of a faster recovery of the American market.

- CIA completed the acquisition of a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th Street, between 5th Avenue and Broadway. The price per square meter was approximately 4,500 Euros. The operation was partially financed through a 25-year fixed rate Euro mortgage, for 1.8 million Euros, with a leading Italian bank. The building will be immediately generate income.

-
- CIA also carried out the entry in the share capital of LC International LLC, holding company that owns all the shares of the restaurants Le Cirque, Osteria Il Circo in NY, and five others, two of which are in Las Vegas and two in Santo Domingo, with the Le Cirque, Il Circo and Sirio trademark from the name of the founder, managed with the Management fee formula. The equity holdings in the restaurant companies belonging to the Maccioni family, represent the corporate assets. In America, Italian restaurants and in particular the Maccioni brand are positioned at the top of the fine dining field and Le Cirque is considered one of the most famous restaurants in the world. LC International is currently negotiating the opening of two other restaurants, again under management fee, in Istanbul and Qatar.
The overall investment was 4 million dollars for 40% of the capital:
CIA acquired directly 20% of the share capital, and another 20% as partner of SIMEST, company controlled by the Italian government (which holds 76% of the shares), the goal of which is to promote and support the internationalization process of Italian businesses and assist entrepreneurs in their activities abroad.
The operation was financed through a 8-year fixed rate mortgage, for 1.5 million Euros, with a leading Italian bank.

During the current financial year, for the activities in Sicily, we anticipate a growth in revenues thanks to the production system becoming operational of the wine-making cellar of the subsidiary Feudi del Pisciotto S.r.l. and the marketing of their wines, based on a demand in growth.

The end of the renovation of the first part of the building located in central Milan destined for commercial use, of approximately 2,300 m² will allow it to be immediately rented, within the time frame as forecasted in the first phase of the construction project identified for the area.

For the Board of Directors

The Chairman

Vittorio Terrenghi

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 of 27 February 2009), the list of liabilities related to real estate assets.

€ (thousands)	Sqm surface area	Historical cost	Book value as of 31/12/2009	Outstanding debt as of 31/12/2009	Form of debt	Initial debt principal	Date of execution	Date of maturity
MILAN - Via Burigozzo 5	3,152	749	749	(13,696)	Mortgage loan	(12,560)	07/02/03	29/02/28
					Mortgage loan	(3,000)	11/02/08	29/02/28
MILAN - Via Borgazzi 2	340	1,274	906	(174)	Mortgage loan	(248)	23/07/04	23/07/19
MILAN - Via Gian Galeazzo 31	465	1,855	1,486	(624)	Leasing	(1,200)	25/11/04	25/11/14
MILAN - Via Gian Galeazzo 29	3,510	8,576	7,863	(6,303)	Mortgage loan	(6,500)	20/04/09	20/04/21
MILAN - Via Burigozzo 1 / C.so Italia 64 Prop. Diana Bis Srl								
Commercial and residential properties and garages	4,500	29,722	29,722	(24,242)	Bridge Mutuo	(22,000) (2,242) ¹	19/09/08 19/09/08	15/09/11 15/09/38
SICILY-Niscemi, Loc. Pisciotto Prop. Feudi del Pisciotto Srl								
Construction new wine cellar	4,230		8,189 ²	(3,000)	Mortgage loan	(3,000)	14/10/09	14/10/29
Renovation antico Palmento	1,480							
Total	17,677	42,176	48,915	(48,039)		(50,750)		

We specify that in the above scheme, those assets for which no direct correlation exists between the assets and financial liabilities have not been included; those assets are: Feudo del Pisciotto (Sicily): land, vines and resort; Isola Longa (Sicily) land and buildings; Isola di Levanzo (Sicily) land, vines and buildings; Donnafugata (Sicily) land and buildings, time-share assets.

¹ Loan with mortgage authorized up to 11 million Euros, disbursed in tranches based on the progress of the work. As of 31/12/2009, 2,242 thousand Euros used.

² The book value at 31/12/2009 includes the investment for the realization of the wine cellar and the systems and machinery. The rural buildings and lands have a historical cost of 1.5 million Euros. The acquisition cost cannot be split between buildings and lands, which have a direct correlation with the financial liabilities.

EQUITY HOLDINGS OF THE DIRECTORS AND AUDITORS

Surname First name	Company in which a stake is held	No. shares owned 31/12/2008	notes	Purchases	notes	Reductions or sales	No. shares owned 31/12/2009	notes
Directors								
Vittorio Terrenghi	Cia S.p.A.	-		-		-	-	
Panerai Paolo	Cia S.p.A.	7,883,080		2,237,784		-	10,120,864	
Marco Fanfani	Cia S.p.A.	-		-		-	-	
Nicoletta Costa Novaro	Cia S.p.A.	601,140		1,200,000		-	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.	57,500		830,000		-	887,500	
Beatrice Panerai	Cia S.p.A.	50,000		830,000		-	880,000	
Auditors								
Carlo Maria Mascheroni	Cia S.p.A.	-		-		-	-	
Pierluigi Galbusera	Cia S.p.A.	-		-		-	-	
Roberto Tettamanti	Cia S.p.A.	-		-		-	-	

SALARIES AND FEES PAID TO DIRECTORS AND STATUTORY AUDITORS

Name and surname	Office held	Period in which the office is held	Expiration of office	Compensation for the office in the company which drafts the financial statements	Non-monetary benefits	Bonus and other incentives	Other compensation
Fanfani Marco	Director (Chief Executive Officer)	1/1/09-31/12/09	Approval of the financial statements 2011	30,000	-	-	-
Paneraï Paolo	Director (Vice Chairman)	1/1/09-31/12/09	Approval of the financial statements 2011	8,000	-	-	-
Terrenghi Vittorio	Director (Chairman)	1/1/09-31/12/09	Approval of the financial statements 2011	10,000	-	-	-
Della Valle Diego	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Vitiello Umberto	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Paneraï Luca	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Paneraï Beatrice	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Costa Novaro Nicoletta	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Andrea Morante	Director	30/04/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Riccardi Angelo	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Carfagna Maurizio	Director	1/1/09-31/12/09	Approval of the financial statements 2011	3,000	-	-	-

Cattaneo Giovanni Della Volta	Director	1/1/09- 31/12/09	Approval of the financial statements 2011	3,000	-	-	-
Roberto Tettamanti	Chairman of the Board of Statutory Auditors	30/04/09- 31/12/09	Approval of the financial statements 2011	3,223	-	-	-
Pierluigi Galbussera	Statutory auditor	1/1/09- 31/12/09	Approval of the financial statements 2011	6,123	-	-	-
Mascheroni Carlo Maria	Statutory auditor	1/1/09- 31/12/09	Approval of the financial statements 2011	8,057	-	-	-
Maria Grazia Vassallo	Statutory auditor	1/1/08- 30/04/09	Approval of the financial statements 2008	3,867	-	-	-
	Executives with Strategic responsibilities	1/1/09- 31/12/09		--	-	-	--

The renewal of the Board of Directors was approved on 30 April 2009 by the Shareholders' Assembly of Compagnia Immobiliare Azionaria S.p.A., for three years until approval of the financial statements at 31 December 2011. There are no non-monetary benefits, bonuses or other incentives.

The renewal of the Board of Directors was approved on 30 April 2009 by the Shareholders' Assembly of Compagnia Immobiliare Azionaria S.p.A., for three years until approval of the financial statements at 31 December 2011. There are no non-monetary benefits, bonuses or other incentives.

FINANCIAL STATEMENT HIGHLIGHTS OF SUBSIDIARIES

BALANCE SHEET

(Euro x 000)

	Fixed assets	Other non-current assets	Current assets	Shareholders' equity	Severance Indemnities	Other non-current liabilities	Current liabilities
Az. Agricola Tenuta del Pisciotto S.r.l.	1,777	1	502	118	--	1,786	376
Resort del Pisciotto S.r.l.	--	4	15	(2)	--	--	21
Resort & Golf Società Consor. a r.l.	--	--	12	2	--	--	10
Feudi del Pisciotto S.r.l.	9,313	1	2,994	1,431	--	6,969	3,908
Burigozzo 1 S.r.l.	--	27,703	43	8	--	22,000	5,738
Diana Bis S.r.l.	28,077	40	409	25,507	--	2,242	777

FINANCIAL STATEMENT HIGHLIGHTS OF AFFILIATED COMPANIES

BALANCE SHEET

(Euro x 000)

	Fixed assets	Other non-current assets	Current assets	Shareholders' equity	Severance Indemnities	Other non-current liabilities	Current liabilities
Donnafugata Resort S.r.l. (*)	40,354	--	12,658	8,611	25	23,451	20,925
Azienda Turistica Florio S.r.l.	595	--	42	203	--	--	434
Isola Longa Turismo Rurale	6	--	11	5	--	--	12
Capital Infrastrutture Sicilia S.r.l.	643	--	28	13	--	--	3,658

FINANCIAL STATEMENT HIGHLIGHTS OF SUBSIDIARIES

INCOME STATEMENT

(Euro x 000)

	Revenues	Operating costs	Amortization, depreciation and write-downs	Proceeds/Net financial (charges)	Result (pre-tax)	Net result for year
Az. Agricola Tenuta del Pisciotto S.r.l.	87	(276)	(104)	(1)	(294)	(217)
Resort del Pisciotto S.r.l.	--	(14)	--	--	(14)	(10)
Resort & Golf Società Consor. a r.l.	--	(1)	--	--	(1)	(1)
Feudi del Pisciotto S.r.l.	1,174	(806)	(246)	(44)	78	39
Burigozzo 1 S.r.l.	89	(90)	(1)	--	(2)	(1)
Diana Bis S.r.l.	--	(88)	--	--	(88)	(70)

FINANCIAL STATEMENT HIGHLIGHTS OF AFFILIATED COMPANIES

INCOME STATEMENT

(Euro x 000)

	Revenues	Operating costs	Amortization, depreciation and write-downs	Proceeds/Net financial (charges)	Result (pre-tax)	Net result for year
Donnafugata Resort S.r.l.(*)	915	(380)	--	(589)	(54)	(54)
Azienda Turistica Florio S.r.l.	--	(8)	--	--	(8)	(4)
Isola Longa Turismo Rurale S.r.l.	--	(5)	--	--	(5)	(5)
Società Infrastrutture Sicilia S.r.l.	--	(7)	--	--	(7)	(7)

(*) Values refer to the position at 30/09/2009

Consolidated Financial Statements

- Table showing the consolidated balance sheet-financial situation as of 31.12.09

ASSETS (thousands of Euros)	notes	31 December 08	31 December 2009
Intangible fixed assets with an indefinite life		--	--
Other intangible fixed assets	1	706	4
Intangible fixed assets		706	4
Tangible fixed assets	2	45,180	52,007
Equity investments	3	1,997	2,713
Other equity investments	4	256	256
Financial receivables		--	--
Other receivables	5	186	525
NON-CURRENT ASSETS		48,325	55,505
Inventory	6	186	795
Trade receivables	7	1,195	1,114
Financial receivables	8	2	--
Tax receivables	9	1,728	2,394
Other receivables	10	3,677	2,134
Cash and cash equivalents	11	446	48
CURRENT ASSETS		7,234	6,485
TOTAL ASSETS		55,559	61,990

- Table showing the consolidated balance sheet-financial situation as of 31.12.09

LIABILITIES (thousands of Euros)	notes	31 December 08	31 December 2009
Share capital		923	923
Share premium account		1,526	1,526
Legal reserve		28	125
Other reserves		(511)	204
Profit (loss) for the year		1,382	(452)
Group shareholders' equity		3,348	2,326
Capital and reserves of third parties		1	1
Profit (loss) of third parties		--	--
Shareholders' equity of third parties		1	1
SHAREHOLDERS' EQUITY	12	3,349	2,327
Financial payables	13	40,491	47,098
Provisions for risks and charges		--	--
Severance fund and other employee funds	14	14	17
NON-CURRENT LIABILITIES		40,505	47,115
Financial payables	15	2,987	3,027
Trade payables	16	2,030	2,953
Tax payables	17	519	427
Other payables	18	6,169	6,141
CURRENT LIABILITIES		11,705	12,548
TOTAL LIABILITIES		52,210	59,663
LIABILITIES AND SHAREHOLDERS' EQUITY		55,559	61,990

- Separate consolidated Income Statement at 31.12.09

(thousands of Euros)	notes	31 December 08	31 December 2009
Revenues		2,844	3,272
Other operating revenues		2,449	817
Total revenues	19	5,293	4,089
Costs for purchases	20	(88)	(417)
Costs for services	20	(1,369)	(1,430)
Costs for personnel	20	(217)	(466)
Other operating costs	20	(379)	(341)
Valuation of equity investments by shareholders' equity	20	(118)	55
Gross operating profit - EBITDA		3,122	1,490
Amortization, depreciation and write-downs	2	(618)	(664)
Operating result - Ebit		2,504	826
Net financial income/(charges)	21	(1,128)	(1,291)
Pre-tax profit		1,376	(465)
Taxes	22	6	13
Profit (loss) attributable to third parties		--	--
Result attributable to the group		1,382	(452)
Profit per share, base		0.02	0.00
Profit per share, diluted		--	--

- Overall consolidated Income Statement as of 31.12.09

(thousands of Euros)	notes	31 December 08	31 December 2009
Net Result		1,382	(452)
Other items of the overall income statement			
...		--	--
Taxes on other items of the overall income statement		--	--
Total items of the overall income statement of the period net of fiscal effects	23	--	--
TOTAL OVERALL INCOME STATEMENT OF THE PERIOD		1,382	(452)
Attributable to:			
MINORITY SHAREHOLDERS		--	--
PARENT COMPANY SHAREHOLDERS		1,382	(452)
TOTAL OVERALL INCOME STATEMENT		1,382	(452)

Statement of changes in the consolidated shareholders' equity 31/12/2007 – 31/12/2008

<i>(thousands of Euros)</i>	Capital Share capital	Reserve Price premium	Reserve Legal	Reserve Stock Option	Other reserves	Net income	Net Result of the Period	SE Group	SE Third parties	SE Total
BALANCES AS OF 31/12/2007	923	1,526	18	--	31	--	67	2,565	--	2,565
<i>Movements in 2008:</i>										
Allocation of profit			10		57		(67)	--		--
Dividends										
Movements of reserves					(599)			(599)	1	(598)
<i>Result of the period</i>										
Proceeds/(Charges) booked under SE	--	--	--	--	--	--	--	--	--	--
proceeds/(Charges) booked under SE	--	--	--	--	--	--	--	--	--	--
Net result of the period							1,382	1,382	--	1,382
Overall result of the period	--	--	--	--	--	--	1,382	1,382	--	1,382
BALANCES AS OF 31/12/2008	923	1,526	28	--	(511)	--	1,382	3,348	1	3,349

Statement of changes in the consolidated shareholders' equity 31/12/2008 – 31/12/2009

<i>(thousands of Euros)</i>	Capital Share capital	Reserve Price premium	Reserve Legal	Reserve Stock Option	Other reserves	Net income	Net Result of the Period	SE Group	SE Third parties	SE Total
BALANCES AS OF 31/12/2008	923	1,526	28	--	(511)	--	1,382	3,348	1	3,349
<i>Movements in 2009:</i>										
Allocation of profit			97		362	923	(1,382)	--		--
Dividends						(923)		(923)		(923)
Movements of reserves					353			353		353
<i>Result of the period</i>										
Proceeds/(Charges) booked under SE	--	--	--	--	--	--	--	--	--	--
proceeds/(Charges) booked under SE	--	--	--	--	--	--	--	--	--	--
Net result of the period							(452)	(452)	--	(452)
Overall result of the period	--	--	--	--			(452)	(452)	--	(452)
BALANCES AS OF 31/12/2009	923	1,526	125	--	204	--	(452)	2,326	1	2,327

Statement of consolidated cash flows as of 31.12.09

(thousands of Euros)	notes	2008	2009
FINANCIAL YEAR ASSETS			
Net profit/(loss) of the period		1,382	(452)
Adjustments			
- Depreciation and amortization		612	664
Self-funding		1,994	212
Change in inventories		(186)	(609)
Change in trade receivables		1,048	81
Change in tax receivables/payables		(776)	(758)
Change in other receivables		(2,116)	(1,206)
Change in trade payables		664	923
Change in other payables		4,684	(28)
Cash flows of the financial year assets (A)		5,312	1,027
INVESTMENT ASSETS			
Tangible fixed assets		(29,246)	(7,490)
Intangible fixed assets		(117)	701
Investments in shareholdings		(26)	(716)
Cash flows of the investments assets (B)		(29,389)	(7,505)
FINANCING ASSETS			
Change in payables to banks and lending bodies		23,650	6,647
Change in Reserves for Risks and Charges		--	--
Changes in severance indemnities		4	3
Profit distribution		--	(923)
Change in reserves and shareholders' equity items		(599)	353
Change in reserves and shareholders' equity items pertaining to third parties:		1	-
Cash-flow from financing activities (C)		23,056	6,080
Change of liquid assets (A) + (B) + (C)		(1,021)	(398)
Liquid assets at start of financial year		1,467	446
Liquid assets at end of financial year		446	48

Consolidated balance sheet situation as of 31.12.09, in accordance with Consob Resolution no. 15519 of 27 July 2006

ASSETS (thousands of Euros)	notes	31 December 2008	of which related parties	31 December 2009	of which related parties
Intangible fixed assets with an indefinite life		--		--	
Other intangible fixed assets	1	706		4	
Intangible fixed assets		706		4	
Tangible fixed assets	2	45,180		52,007	80
Equity investments	3	1,997		2,713	
Other equity investments	4	256		256	
Financial receivables		--		--	
Other receivables	5	186		525	
NON-CURRENT ASSETS		48,325		55,505	80
Inventory	6	186		795	
Trade receivables	7	1,195	1,145	1,114	1,009
Financial receivables	8	2		--	
Tax receivables	9	1,728		2,394	
Other receivables	10	3,677	1,767	2,134	1,780
Cash and cash equivalents	11	446		48	
CURRENT ASSETS		7,234	2,912	6,485	2,790
TOTAL ASSETS		55,559	2,912	61,990	2,870

Consolidated balance sheet situation as of 31.12.09, in accordance with Consob Resolution no. 15519 of 27 July 2006

LIABILITIES (thousands of Euros)	notes	31 December 2008	of which related parties	31 December 2009	of which related parties
Share capital		923		923	
Share premium account		1,526		1,526	
Legal reserve		28		125	
Other reserves		(511)		204	
Profit (loss) for the year		1,382		(452)	
Group shareholders' equity		3,348		2,326	
Capital and reserves of third parties		1		1	
Profit (loss) of third parties		--		--	
Shareholders' equity of third parties		1		1	
SHAREHOLDERS' EQUITY	12	3,349		2,327	
Financial payables	13	40,491		47,098	
Provisions for risks and charges		--		--	
Severance fund and other employee funds	14	14		17	
NON-CURRENT LIABILITIES		40,505		47,115	
Financial payables	15	2,987		3,027	
Trade payables	16	2,030	950	2,953	906
Tax payables	17	519		427	
Other payables	18	6,169	2,000	6,141	2,000
CURRENT LIABILITIES		11,705	2,950	12,548	2,906
TOTAL LIABILITIES		52,210	2,950	59,663	2,906
LIABILITIES AND SHAREHOLDERS' EQUITY		55,559	2,950	61,990	2,906

Consolidated separate Income Statement as of 31.12.09 in accordance with Consob Resolution n. 15519 of 27 July 2006

(thousands of Euros)	notes	31 December 2008	of which related parties	31 December 2009	of which related parties
Revenues		2,844	2,792	3,272	3,209
Other operating revenues		2,449	100	817	
Total revenues	19	5,293	2,892	4,089	3,209
Costs for purchases	20	(88)		(417)	
Costs for services	20	(1,369)	(531)	(1,430)	(328)
Costs for personnel	20	(217)		(466)	
Other operating costs	20	(379)		(341)	
Valuation of equity investments by shareholders' equity	20	(118)		55	
Gross operating profit - EBITDA		3,122	2,361	1,490	2,881
Amortization, depreciation and write-downs	2	(618)		(664)	
Operating result - Ebit		2,504	2,361	826	2,881
Net financial income/(charges)	21	(1,128)		(1,291)	
Pre-tax profit		1,376	2,361	(465)	2,881
Taxes	22	6		13	
Profit (loss) attributable to third parties		--		--	
Result attributable to the group		1,382	2,361	(452)	2,881
Profit per share, base		0.02		0.00	
Profit per share, diluted		--			

The Chairman of the Board of Directors

Vittorio Terrenghi

***Explanatory notes to the
consolidated financial statements***

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

NOTES
to the
CONSOLIDATED FINANCIAL STATEMENTS
at 31.12.09

The statement of assets and liabilities of Compagnia Immobiliare Azionaria as of 31.12.09 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 note are expressed in thousands of Euro. Where this convention is not followed, express notice is given.

Content and form of the consolidated financial statements

The annual consolidated financial statements of the Group are drafted in compliance with the IFRS international accounting principles issued by the International Accounting Standards Board (IASB) and ratified by the European Community by means of Regulations no. 1606/2002. This consolidated financial report of the CIA Group as of 31 December 2009, subject to auditing, has been drafted by applying the international accounting principles established by the IFRS, in particular *IAS 34 – Interim Financial Statements*, in accordance with the specifications of Article 81 of Consob Regulations no. 11971/1999 (as amended with resolution no. 14990 of 14 April 2005) as well as attachment 3D of the Regulations themselves and Article 154 ter of Legislative Decree no. 58/1998.

The accounting principles adopted for drafting these consolidated financial statements at 31 December 2009 are the same as those adopted for drafting the consolidated annual financial statements of the Group for the year closed on 31 December 2008 with the exception of the adoption of the following principles and interpretations ratified by the European Union as of 1 January 2009:

- IAS 1 reviewed, “Presentation of the financial statements”: ratified by the European Commission in the month of December 2008. The application of this principle involves the representation of an income statement which includes those items – in addition to the normal income statement items – that were previously directly included within shareholders’ equity. The income statement therefore acquires the name of “overall income statement”. The choice of the Group – within the realm of application of the abovementioned principle – involved reporting the overall income statement in two statements: The first highlights the traditional items of the income statement with the result of the period while the second, starting with the net result of the traditional statement, reports in detail on the other items which were previously directly highlighted in the statement of changes of consolidated shareholders’ equity: in the specific case there were no items which should have been subject to re-classification on the part of the CIA Group.

The other principles and interpretations (IFRS 2 reviewed, “Payments based on shares”, IFRS 8, “Operational segments”, IFRIC 14 “Limits to the activities of fixed-benefit plans, minimum financial requirements and their interpretation” and IAS 23 reviewed, “Financial Charges”, ratified by the European Commission in December 2008 and applicable as of 1 January 2009) did not have an impact on the consolidated accounts of the Group and on this report.

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

Consolidation criteria

The consolidation is carried out using the line-by-line method for all the companies in which Compagnia Immobiliare Azionaria S.p.A. 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 line-by-line method. The criteria adopted for application of this method include the following points:

- a) The net book value of the equity holdings in subsidiary companies is offset against the shareholders’ equity of the subsidiary companies and the concomitant assumption of all the assets and liabilities of the subsidiaries. This cancellation yielded a goodwill value equal to **1,721 thousand Euro**. Of this greater value 138 thousand Euros was booked as an increase of the value of the lands held by the subsidiaries Azienda Agricola Tenuta del Pisciotto S.r.l. and Feudi del Pisciotto S.r.l. and 1,583 thousand Euros to an increase in the value of the building being realized by the subsidiary Diana Bis S.r.l.
- 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 shareholders’ 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 equity method, that is to say by measuring the share pertaining to the Group in the result and the shareholders’ equity of the subsidiary.

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 recognise 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 shareholders' equity and pre-tax profit shown in the balance sheet of CIA S.p.A. and those given in the consolidated balance sheet.

Reconciliation between shareholders' equity as of 31.12.09 and the profit for the period ending on that date, reflected in the consolidated financial statements and those of CIA S.p.A., is the following:

<i>€uro/000</i>	<u>Shareholders' equity</u>	<u>Profit</u>
As in CIA S.p.A. financial statement	3,795	(157)
Elimination of consolidation and adjustments Positive (negative):		
a) updating of the book values of the equity holdings to the relative net equity:	(3,190)	(295)
b) assets that emerged during consolidation	1,721	--
As in the consolidated financial statements	<u>2,326</u>	<u>(452)</u>

Valuation Criteria

The main evaluation criteria applied when working out the situations included in the scope of consolidation are shown below.

INTANGIBLE FIXED ASSETS

Under IAS 38, intangible assets are entered at purchase cost including accessory charges and are amortized systematically on a straight-line basis as a function of the residual possibility of utilization of the asset, which depends on its useful life.

In particular the following depreciation periods have been used:

- Patents	5 years
- 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:

Buildings	3%
Equipment	25%
Ordinary furniture and machinery	12%
Computer equipment	20%
Vehicles	25%
Generic facilities	10%
Expenses for the adjustment of facilities	20%
Improvements on third party facilities	constant quotas 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, the useful life of the asset

Leased assets

The Group's leasing contracts provide for the transfer of all the risks and benefits arising from ownership, and can therefore be classified as financial ones.

Leased assets are posted at the lower of their current value as indicated in the contract or the current value of the contract instalments, and the corresponding financial payable to the leasing companies are posted to liabilities.

The assets are amortized in a manner consistent with the other tangible fixed assets.

Loan charges are booked to the income statement throughout the duration of the contract.

Real estate investments

Buildings are entered at the cost of purchase or production net of depreciation and of accrued losses caused by reduction of value.

Costs are included where directly attributable to making the asset fit for use, according to company requirements.

Routine maintenance costs are directly posted to the income statement.

Costs incurred subsequent to purchase are only capitalised if they can be determined reliably and if they increase the future economic benefits of the asset to which they relate other costs are booked in the income statement.

Depreciation, using the straight-line method, is spread over the estimated useful life of the building, which ranges from 30 to 50 years.

Land – given its unlimited useful life - is not depreciated; for this purposes, lands and properties are booked separately even if jointly purchased.

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

RECEIVABLES AND OTHER ASSETS

The receivables are non-derivative assets with fixed or determinable payments and not quoted on 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.

The receivables are valued at cost amortized using the effective interest criterion.

If there is objective evidence that a loss has been incurred because of lasting reduction of value, the book value of the asset is reduced, recording the loss directly suffered in the income statement.

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

For non interest-bearing loans and for those outside market conditions, the fair value is estimated at the current value of all the updated revenues, using the prevalent market rate for a similar instrument.

The Group checks, at least on the date of reference of the financial statements, whether there is objective evidence that the financial assets have suffered a loss of value.

Any loss, calculated as the difference between the book value of the asset and the current value of the estimated future financial flows, discounted at the original effective interest rate, is recorded in the income statement. If the amount of the loss decreases in subsequent financial years, a reverse entry is made in the income statement, showing the reduction of the loss previously recorded. In any case the new book value does not exceed the amortized cost that would have existed if the loss caused by the reduction of value had never been recorded.

EQUITY INVESTMENTS

Unqualified shareholdings are entered at their purchase cost. Investments in equity holdings for which there is no quoted price on an active market and for which the *fair value* can not be evaluated reliably are valued at the cost adjusted for any lasting losses of value.

CASH AND CASH EQUIVALENTS

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

DEBTS, LOAN DEBTS AND OTHER LIABILITIES

Pursuant to IAS 39, debts, loan debts and other liabilities are initially recorded at fair value and subsequently valued at cost, amortised using the effective interest criterion.

PROVISIONS FOR RISKS AND CHARGES

The contingency reserves relate to legal or implicit obligations towards third parties for which it is likely that the use of Group resources will be necessary and for which a reliable estimate of the amount of the obligation can be made.

Variations in the estimate are posted to the income statement of the year in which the variation occurred.

EMPLOYEE BENEFITS

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.

According to the IAS/IFRS, Severance Indemnities represents a “plan of definite benefits” subject to valuations of an actuarial nature linked to estimates (such as mortality and foreseeable salary changes) designed to express the current value of the benefit, to be paid on termination of employment, that employees have accrued at the closing date of the financial period.

Severance indemnities are determined by applying an actuarial method based on demographic forecasts, the discount rate reflecting the long-term monetary value of the provision, the inflation rate, and, as regards severance indemnities, the current and future salary levels, in accordance with IAS 19.

ENTRY OF REVENUES, PROCEEDS, COSTS AND CHARGES

Revenues are entered at the *fair value* of the consideration received, net of returns, discounts, rebates and premiums, as well as taxes directly connected with sale of the products.

Revenues for performance of services are recorded on the basis of the percentage completion of the service.

Revenues of a financial nature are recognised by using the principle of relating items to the correct period.

Costs are recorded on the basis of recognition of the related revenues.

TAXES

Taxes on current income are entered, for each company, on the basis of the estimate of taxable income in compliance with the current rates and laws, or those substantially approved at the financial year closing date, while taking account of applicable exemptions and any tax receivables due.

Pre-paid and deferred taxes are calculated on the timing difference between the value attributed to assets and liabilities in the financial statements and the corresponding values recognised for tax purposes, on the basis of the rates in force when the timing differences are reversed. When the results are recorded directly in the net equity, the current taxes, the assets for pre-paid taxes and the liabilities for deferred taxes are also allocated to the net equity.

The deferred tax assets and liabilities are offset when there is a legal right to counterbalance the positive and negative current taxes and when they relate to the same tax authority and the Group plans to settle the 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.

Pursuant to IAS 8, the effect of a change in the accounting estimates is allocated in advance to the income statement, starting from the financial year in which the estimates are adopted.

Scope of consolidation

Line by line method

The following subsidiaries of Compagnia Immobiliare Azionaria S.p.A., apart from Compagnia Immobiliare Azionaria S.p.A. itself, have been consolidated using the global line-by-line consolidation method:

	<u>Percentage stake</u>
- Company Agricola Tenuta del Pisciotto S.r.l.	100.00%
- Resort del Pisciotto S.r.l.	100.00%
- Feudi del Pisciotto	100.00%
- Burigozzo 1 S.r.l.	100.00%
- Diana Bis S.r.l. (1)	100.00%
- Resort & Golf Società Consortile a r.l. (2)	55.75%

-
- (1) Controlled by CIA through Burigozzo 1 S.r.l.;
- (2) Consolidated with the line-by-line method given that it is 20% controlled by Resort del Pisciotto for 20% Agricola Tenuta del Pisciotto holding 20%, Azienda Turistica Florio holding 20% and Isola Longa Turismo Rurale holding 20%.

Equity method

The following affiliated companies of Compagnia Immobiliare Azionaria S.p.A. have been consolidated using the equity method:

- Azienda Turistica Florio S.r.l.	43.75%
- Isola Longa Turismo Rurale S.r.l.	35.00%
- Donnafugata Resort S.r.l.	16.27%
- Società Infrastrutture Sicilia S.r.l.	25.70%

With respect to 31 December 2008, the only change in the area of consolidation is the increase in the shareholding quota of the affiliated company Donnafugata Resort S.r.l., which increased from 15% to 16.27%. This was the result of the underwriting – during the course of July 2009 - of a quota increasing the non-opted capital.

DETAILED STATEMENT AND EXPLANATORY NOTES

ASSETS

NON-CURRENT ASSETS

1) Other intangible fixed assets

The value of other intangible fixed assets, amounting to 4 thousand Euro as of 31 December 2009, changed during the year as follows:

<i>€uro/000</i>	<u>Start-up and expansion costs</u>	<u>Costs of R&D and advert.</u>	<u>Industrial patent rights</u>	<u>Authorizations, licenses, trademarks</u>	<u>Intang. in progress and part- payments</u>	<u>Other non- current assets</u>	Total
Historical cost		--	--	--	--	838	838
Prior revaluations							
Prior write-downs							
Prior amortization		--	--	--	--	(132)	(132)
Opening balance		--	--	--	--	706	706
Purchases for financial year							
Change in consolidation area							
Reclassifications (-)						(701)	(701)
Reclassifications (+)							
Alienations for financial year							
Revaluations for financial year							
Writedowns for financial year							
Exchange differences							
Amortizations for financial year		--	--	--	--	1	1
Total		--	--	--	--	4	4
Movements pursuant to Art. 2426, nr. 3							
Severance Indemnities: other intang. assets		--	-	--	--	4	4

The amount specified under the re-classifications refer to that transferred from intangible and tangible fixed assets as a result of the effective transfer of the subsidiaries Azienda Agricola Tenuta del Pisciotto and Feudi del Pisciotto to IAS.

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

€uro/000	31/12/08	31/12/09
Plant expenses	184	--
Multi-year charges	517	--
Software	5	4
Assets under construction	--	--
Total	706	4

2) Tangible fixed assets

The value at 31/12/2009 of tangible fixed assets consisted of:

€uro/000	31/12/08	31/12/09
Land and Buildings	13,054	18,359
Plants and machinery:	2,801	3,703
Industrial and trade equipment	--	54
Other assets	117	169
Assets under construction	29,208	29,722
Total	45,180	52,007

Tangible fixed assets show the following changes:

€uro/000	
Balance as of 31 December 2008	45,180
Change in scope of consolidation	--
Reclassification	701
Financial year increases	5,206
Increased value at time of consolidation	1,583
Financial year decreases	--
Amortization for financial year	(663)
Balance as of 31/12/2009	52,007

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

<i>€uro/000</i>	<u>Lands*</u>	<u>Leased land</u>	<u>Properties</u>	<u>Leased properties</u>	<u>Plants and machinery</u>	<u>Ind. and commer. equipm.</u>	<u>Fixed assets under construc.</u>	<u>Other assets</u>	Total
Historical cost	2,232	2,571	2,360	7,209	3,255	7	29,013	452	47,099
Prior revaluations									
Prior write-downs									
Prior amortization			(549)	(826)	(203)	(7)		(334)	(1,919)
Opening balance	2,232	2,571	1,811	6,383	3,052	--	29,013	118	45,180
Purchases for financial year	1,811		144		743	60	2,389	59	5,206
Value which emerged at time of consolidation:							1,583		1,583
Change in consolidation area									
Reclassifications (-)		(2,571)		(5,331)	(90)		(3,433)		(11,425)
Reclassifications (+)	6,286		5,331		302		170	37	12,126
Alienations for financial year									
Revaluations for financial year									
Writedowns for financial year									
Exchange differences									
Amortizations for financial year	(28)		(244)	(36)	(304)	(6)	--	(45)	(663)
Total	10,301	--	7,042	1,016	3,703	54	29,722	169	52,007
Movements pursuant to Art. 2426, nr. 3									
Total Tangible Fixed Assets	10,301	--	7,042	1,016	3,703	54	29,722	169	52,007

* Lands refer 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 thousand Euro.

It should be noted that the company did not deem it necessary to implement impairment tests on assets with indefinite lifetimes at the time of this financial statement.

The fixed assets under way refer to the realization activities of the building owned by Diana Bis S.r.l. which is being built in the center of Milan. The value at 31 December 2009 includes the amount of 1,583 thousand Euros. This value emerged due to the particular rules of the process of consolidation of the 100% equity stake of Burigozzo 1 in Diana Bis, and was charged to the building held by Diana Bis, the market value of which is much greater than the book value.

In April, the property in Via Gian Galeazzo 29 was redeemed with a reimbursement of the residual debt from which stems the reclassification with the properties in leasing.

3) Equity investments

This item refers to the value of equity holdings in affiliated companies and amounts to **2,713 thousand Euro** against 1,997 thousand Euro at 31 December 2008.

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

<i>€uro/000</i>	Balance as of 31/12/2008	Acquisitions	Alienations	Revaluations (write-downs)	Consolid. changes	Balance as of 31/12/2009
Azienda Turistica Florio S.r.l.	1,283			(2)		1,281
Isola Longa Turismo Rurale S.r.l.	3			(2)		1
Donnafugata Resort S.r.l.	711	655		61		1,427
Società Infrastrutture Sicilia S.r.l.	--	6		(2)		4
Total	1,997	661	--	55		2,713

The principal changes are linked to the evaluation of the subsidiaries using the Shareholders' Equity method. During the financial year, additional investments were made in the company, Donnafugata Resort S.r.l., as shown in the report.

4) Other equity investments

<i>€uro/000</i>	Balance as of 31/12/2008	Acquisitions	Alienations/ Writedowns	Fair Value change	Balance as of 31/12/2009
Marina di Punta Ala	155	--	--	--	155
Audoin De Dampierre	101	--	--	--	101
Total	256	--	--	--	256

5) Other receivables

The other credits went from 186 thousand Euros at 31 December 2008 to the current 525 thousand Euros following the advance deposit paid in December for the purchase of a portion of building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th Street, between 5th Avenue and Broadway.

CURRENT ASSETS

6) Inventory

Final inventory, equal to 795 thousand Euro, regards semi-finished goods (unbottled wine) of the Feudi del Pisciotto company. The corresponding value as of 31 December 2008 was equal to 186 thousand Euro.

7) Trade receivables

<i>€uro/000</i>	31/12/08	31/12/09
Regular customers	1,181	633
Invoices to be issued	24	491
Provision for bad debts	(10)	(10)
Total trade receivables	1,195	1,114

Receivables due from customers were primarily of commercial nature and linked to the debiting of rents and facility management activities which were performed, in particular, with respect to the Class Editori Group as well as the wine production activities of the subsidiary Feudi del Pisciotto S.r.l.

8) Financial receivables

There are no financial receivables at 31 December 2009. The relative amount at 31 December 2008 was equal to 2 thousand Euro.

9) Tax receivables

<i>€uro/000</i>	31/12/08	31/12/09
Bank withholding tax	8	--
Advance taxes	291	249
IRES/IRAP authority	36	71
Advance VAT payments	1,372	2,058
Amounts due for Advance VAT payments for pro-forma invoices	6	2
Other receivables from tax authority	15	14
Total tax receivables	1,728	2,394

The increase in tax receivables is primarily due to VAT receivables accrued on investments which are being implemented by the subsidiaries Feudi del Pisciotto and Diana Bis.

10) Other receivables

<i>€uro/000</i>	31/12/08	31/12/09
Credit notes to be received from/advanced to suppliers	71	96
Receivables and pre-paid charges	31	43
Capital contributions	1,781	--
Receivables from affiliate companies	1,777	1,789
Other receivables	17	206
Total other receivables	3,677	2,134

Receivables for capital grants, equal at 31 December 2008 to 1,781 thousand Euro, booked by the subsidiary Feudi del Pisciotto S.r.l. following the resolution of the Council Office for Agriculture and Forests of the Sicily Region, were fully collected during the period.

11) Cash and cash equivalents

<i>€uro/000</i>	31/12/08	31/12/09
Bank deposits	444	43
Postal accounts	--	--
Cash and cash equivalents on hand	2	5
Total Liquid Funds	446	48

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

Net total financial position:

<i>€uro/000</i>	31/12/08	31/12/09
A. Cash on hand	2	5
- <i>Bank deposits</i>	444	43
- <i>Postal deposits</i>	--	--
B. Other liquid funds	444	43
2. Liquid funds and other financial assets (A+B)	446	48
D. Securities held for trading	--	--
- <i>Financial receivables from affiliated companies</i>	--	--
- <i>Derivative instruments and other financial assets</i>	2	--
3. Receivables and other financial assets	2	--
3. Current financial assets (D+E)	2	--
3. Current financial payables	1,503	1,943
- <i>Leasing</i>	904	98
- <i>Capital grants</i>	162	146
- <i>Loans</i>	418	840
I. Current quota of non-current debt	1,484	1,084
- <i>Financial payables due to affiliated companies</i>	--	--
- <i>Derivative instruments and other financial assets</i>	--	--
. Other current financial payables	--	--
3. Payables due to banks and other current financial liabilities (G+H+I)	2,987	3,027
4. Net current financial position (C+F-L)	(2,539)	(2,979)
- <i>Leasing</i>	4,299	525
- <i>Fixed-term financing</i>	22,000	22,000
- <i>Loans</i>	14,192	24,573
4. Part of non-current debt	40,491	47,098
D. Other non-current financial payables	--	--
5. Non-current financial debt (N+O)	40,491	47,098
6. Net financial position (M-P)	(43,030)	(50,077)

LIABILITIES

SHAREHOLDERS' EQUITY

12) Shareholders' equity movements

<i>Euro/000</i>	<u>Balance as of 31/12/2008</u>	<u>Result transfer</u>	<u>Dividends distributed</u>	<u>Translation differences</u>	<u>Other changes</u>	<u>Result of the period</u>	<u>Balance as of 31/12/2009</u>
<i>Shareholders' Equity:</i>							
<i>Of the Group:</i>							
Capital	923						923
Share premium reserve	1,526						1,526
Revaluation reserve							
Legal reserve	28	97					125
Legal reserves							
Consolidation reserves	(981)	(546)			353		(1,174)
Other	470	908					1,378
Profit (loss) of the period	1,382	(459)	(923)			(452)	(452)
Group shareholders' equity	3,348	--	(923)	--	353	(452)	2,326
<i>Pertaining to third parties:</i>							
Capital and reserves of third parties	1	--					1
Profit (loss) of third parties	--	--					--
Shareholders' equity of third parties	1	--	--	--	--	--	1
Total Shareholders' Equity	3,349	--	(923)	--	353	(452)	2,327

The primary movements of Shareholders' Equity are due to the booking of the result of the period as of 31/12/2009 and the relative allocation of the net income for the 2008 financial year which resulted in the distribution of dividends for a total of 923 thousand Euro. Other movements stem from the process of consolidation with the cancellation of the value of shareholdings against the corresponding quota of shareholders' equity of the subsidiaries. This process of exclusion, due to the particular rules of consolidation, created a deficit in fact of consolidation of 1,583 thousand Euro which, as described previously, was allocated in the consolidated financial statement to increase in the value of the buildings being realized whose real value is far greater than the book value.

Disbursed dividends

In May 2009, dividends relative to the 2008 net income were paid out for a total of 921 thousand Euro. The residual debt with respect to shareholders as of 31.12.09 was equal to 2 thousand Euro.

NON-CURRENT LIABILITIES

13) Financial payables

<i>€uro/000</i>	31/12/08	31/12/09
Loans received (M/L-term amounts)	36,192	46,573
Payables to Leasing companies	4,299	525
Total financial payables	40,491	47,098

The Group's debt dynamics are described in the Report on operations.

All the loans opened by the Group are guaranteed by mortgages on the properties owned, with the exception of a loan of 22 million Euro granted by Centrobanca to Burigozzo 1, for which there is a letter of patronage signed by the parent company CIA. There is also the pledge on 100% of the company shares of the Burigozzo 1 and Diana Bis companies as guarantee of this loan.

We also wish to specify that the amount of the consolidated financial payables with a term greater than 5 years equals 21,123 thousand Euro.

14) Severance indemnities

<i>€uro/000</i>	<u>Provision balance at 31/12/2008</u>	<u>Change in scope of consolidation</u>	<u>Transfers/ Utilisations</u>	<u>Financial charges</u>	<u>Actuarial charges</u>	<u>Allocations</u>	<u>Balance as of 31/12/2009</u>
<i>Category:</i>							
Clerical staff	14	-	(4)	1	-	6	17
Provision for Severance Indemnities	14	-	(4)	1	-	6	17

CURRENT LIABILITIES

15) Financial payables

<i>€uro/000</i>	31/12/08	31/12/09
Current payables due to banks	1,503	1,943
Affiliates' C/A	--	--
Payables due to financial institutions (short-term quota)	1,484	1,084
Total financial payables	2,987	3,027

16) Trade payables

<i>€uro/000</i>	31/12/08	31/12/09
Payables to suppliers and collaborators	1,826	2,199
Invoices to be received and credit notes to be issued	204	754
Payables to affiliated companies	--	--
Total trade payables	2,030	2,953

17) Tax payables

<i>€uro/000</i>	31/12/08	31/12/09
Advance VAT payments	--	--
Payables to Liabilities to tax authority for withholding tax	10	12
Deferred taxes	359	342
Taxes of the period	150	73
Total Tax Payables	519	427

18) Other payables

<i>€uro/000</i>	31/12/08	31/12/09
Payables to Social Security institutions	17	19
Other Accrued Expenses and Deferred Income	3,827	3,762
Payables to employees	14	43
Received deposits	2,000	2,000
Other payables	311	317
Total other payables	6,169	6,141

Deferred income includes the amount of 3,349 thousand Euro and refers to the abovementioned capital grant; the deferral method was utilized for the booking. This method provides for the booking of revenues relative to the grant based on the effective useful life of the goods to which the grants refer. It should be noted that the grants in question have been recognized in order to finance the realization of the wine cellar on the part of Feudi del Pisciotto S.r.l. and which is currently being constructed.

INCOME STATEMENT

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

19) Revenues

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Revenues from rentals	2,045	2,096	2.5
Revenues from facility management	789	740	(6.2)
Wine production activities	172	1,045	<i>note below</i>
Other revenues	2,287	208	(90.9)
Total	5,293	4,089	(22.7)

The figure for other revenues includes extraordinary income due to capital gains and contingent assets, for a total of 120 thousand Euros.

20) Production costs

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

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Purchases	88	417	<i>note below</i>
Services	1,369	1,430	4.5
Costs for personnel	217	466	114.7
Valuation of equity investments by shareholders' equity	118	(55)	<i>note below</i>
Other operating costs	379	341	(10.0)
Total operating costs	2,171	2,599	19.7

The figure for other operating costs includes extraordinary charges for contingent liabilities from operations totaling 116 thousand Euro.

Further details are given below of the costs relating to services:

<i>€uro/000</i>	31/12/08	31/12/09	Change (%)
Leasing costs	31	31	--
Facility costs	322	311	(3.4)
Costs for financial and administrative consulting	677	529	(21.9)
Other costs	339	559	64.9
Total Costs for services	1,369	1,430	4.5

21) Net financial income/(charges)

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

<i>€uro/000</i>	31/12/08	31/12/09
Receivable bank interest	27	1
Taxed interest on securities held	--	--
Other financial income	40	11
Total financial income	67	12
Bank and loan charges	(4)	(15)
Payable bank interest	(20)	(77)
Interest payable on loans	(883)	(1.077)
Other financial charges	(288)	(134)
Total financial charges	(1,195)	(1,303)
Net financial income/(charges)	(1,128)	(1,291)

The Group's debt dynamics and the effects on financial charges are described in the Report on operations.

22) Taxes

The details were as follows:

<i>€uro/000</i>	31/12/08	31/12/09
Taxes of the financial year	150	73
Net deferred taxes	(156)	(86)
Total profit and loss account Taxes	(6)	(13)

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

a) The description of the temporary differences which led to the booking of advance and deferred taxes specified the rate applied and any changes with respect to the previous year as well as the amounts credited or debited to the Income Statement or to Shareholders' Equity, the items excluded from the calculations and their relative 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 at 31/12/21008			Balance at 31/12/21008		
	Amount of timing differences	Fiscal Effect	Effect on result	Amount of timing differences	Fiscal Effect	Effect on result
Tax rate applied	27,50%			27,50%		
Tax rate applied	31,40%			31,40%		
Effect of change in rate compared with previous year:						
Increase (decrease) in deferred tax reserve			-			
Prepaid taxes:						
losses	-843	232	68	-1.158	318	87
administrators	-133	36	0,0	-133	36	0,0
Cancellation of lands	-53	-17	0	-53	-17	0
Write-off for properties	-1.416	-445	0	-1.416	-445	0
Excess financial charges	-323	89	88,8	-323	89	0,0
Total prepaid taxation		-104	156		-18	87
Deferred taxation:						
cancellation of listing expenses	0	0	0			0
cancellation of other fixed assets	10	3	0	7	2	-1
Discounting back of employee severance indemnities	-1	0	0	-1	0	0
Total deferred taxation		3	0		2	-1
Net deferred/(prepaid) taxation		-101	156		-16	86
Net effect:						
1995 CONSOLIDATED NOTE		156			86	
On Opening Shareholders' Equity		-213			-68	
Change in scope of consolidation						
Differences against previous years		-11			-111	
On Closing Shareholders' Equity		-68			-93	

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

Operations which directly affected shareholders' equity without affecting the income statement were not noted.

MEMORANDUM ACCOUNTS

Received guarantees - referring to guarantees received from Banca Intesa, for a total of Euro 1,067,500.00, relative to receivable rental contracts for properties located in Milan in Via Gian Galeazzo, 31 and in Via Burigozzo, 5, and in effect with the companies Class Editori S.p.A. and Italia Oggi Editori Erinne S.r.l., as well as Euro 9,600.00 received from Banca Popolare dell'Emilia Romagna.

Provided guarantees – referring to mortgage guarantees provided in connection with the medium to long-term financing stipulated with Unicredit Banca for Euro 24,000,000.00, with Banca Popolare dell'Emilia Romagna for Euro 450,000.00 and with Banca CARIGE for Euro 13,000,000.00. Mortgage lien on the wine cellar located in Niscemi (Caltanissetta) for the Euro 6,000,000 loan granted. 100% pledge of the shares of the company Burigozzo 1 in favor of Centrobanca for the bridge financing of Euro 22,000,000.00. Mortgage guarantee on the property located in Milan in Corso Italia 64-Burigozzo 1 for work-in-progress financing up to Euro 11,000,000.00. Letter of patronage in favor of Centrobanca for the financing of Euro 22,000,000.00 to the subsidiary Burigozzo 1 S.r.l.

Assets held by third parties – includes the value of securities held by Monte Titoli and totalling Euro 125,870.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As required by IAS 32, the following table compares the values booked to the financial statements at 31.12.09 and the relative fair value of financial assets and liabilities:

€ (thousands)	Accounting value	Fair value
Financial assets		
Cash and cash equivalents	48	48
Trade receivables	1,114	1,114
Other receivables	5,053	5,053
Financial liabilities		
Financial payables	50,125	50,125
Trade payables	2,953	2,953
Other payables	427	427

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

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	2,045	2,096	51	2.5
Direct operating costs	1,197	1,176	(21)	(1.7)
Contribution margin	848	920	72	8.5
<i>% of revenues</i>	<i>41.6</i>	<i>43.9</i>		

B. Facility management

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	789	740	49	6,2
Direct operating costs	322	311	(11)	(3.4)
Contribution margin	467	429	(38)	(8.1)
<i>% of revenues</i>	<i>59.2</i>	<i>58.0</i>		

C. Wine production activities

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	220	1.167	947	<i>note below</i>
Direct operating costs	256	1.078	822	<i>note below</i>
Contribution margin	(36)	(89)	125	<i>note below</i>
<i>% of revenues</i>	<i>(16.4)</i>	<i>(7.6)</i>		

DISPUTES AND POTENTIAL LIABILITIES

In July 2008 and by means of a tax audit report, 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. The company is still waiting to receive the respective assessment notice.

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 28 March 2006 and updated in March 2009.

RELATIONS WITH RELATED PARTIES AND SUBSIDIARIES

As of 31.12.09, there were no commercial relations with related parties.

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

<i>€uro/000</i>	31/12/08	31/12/09
<u>Balance Sheet Relationships</u>		
Receivables from Class Editori	987	185
Receivables from Class Pubblicità	--	7
Receivables from Italia Oggi Editori - Erinne	--	287
Receivables from Class CNBC	28	29
Receivables from Domini Castellare di Castellina	10	502
Real estate supplies	--	80
Payables to Class Editori	(950)	(830)
Payables to Class Pubblicità	--	(62)
Payables to Class Editori Service	--	(14)
Payables to Class Editori for a commitment deposit	(2,000)	(2,000)
<i>€uro/000</i>	31/12/08	31/12/09
<u>Income statement relationships</u>		
Revenues from lease to Class Editori	1,743	1,777
Revenues from lease to Italia Oggi Editori	234	238
Revenues from lease to Class CNBC	31	32
Revenues for facility services from Class Editori	687	627
Revenues for facility services from Italia Oggi Editori	97	99
Revenues for wine production services from Domini Castellare di Castellina	--	436
Costs for administrative and consulting services from Class Editori	(531)	(328)

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

The increase in revenues from rent and facility was generated by ISTAT inflation adjustments provided for by the contracts.

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, which is being renovated by CIA, and a part of which will be used as offices for Class Editori.

As regards the distribution of the wines produced by Feudi del Pisciotto S.r.l., an agreement was stipulated in 2008 and renewed for 2009 with the specialized company Domini Castellare di Castellina S.r.l. which has a large network of agents and importers. The agreement was drawn up based on the traditional market parameters for the sector.

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

<i>€uro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
<i>Receivables from Turistica Florio</i>	99	99
<i>Receivables from Isola Longa</i>	4	4
<i>Receivables from Società Infrastrutture Sicilia</i>	1,664	1,677
<i>Crediti verso Donnafugata Resort</i>	120	--
<u>Income statement relationships</u>		
Revenues for consulting services from Donnafugata Resort	100	--

SUBSEQUENT EVENTS

Primary events following 31.12.09

The crisis in the financial markets did not have, and we do not anticipate that it will during the current year, have any impact on the income and assets of CIA, which on the contrary continues to invest in high caliber projects.

Following 31 December 2009, business continued in a positive manner under conditions of cost-savings and efficiency and the new investments made further increased the value of the company assets.

In January, CIA underwrote in total the paid increase in share capital deliberated on 26 October 2009 by the Shareholders' Meeting of Donnafugata Resort S.r.l., for the share reserved for it. In February 2010, they underwrote a non-optional share quota, for an amount of 159 thousand Euros, of the deliberated capital; this underwriting determined a further increase in its holding from 16.27% to 17.41%.

In light of the diversification of its investments, to seize new opportunities for development and to increase the value of the assets held in the real estate and wine and food fields, the company made two investments in the USA, also due to the favorable Euro/Dollar exchange rate and the prospects of a faster recovery of the American market.

-
- CIA purchased a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th Street, between 5th Avenue and Broadway. The price per square meter was approximately 4,500 Euros. The operation was partially financed through a 25-year fixed rate Euro mortgage, for 1.8 million Euros, with a leading Italian bank. The building will be immediately generate income.
 - CIA also carried out the entry in the share capital of LC International LLC, holding company that owns all the shares of the restaurants Le Cirque, Osteria Il Circo in NY, and five others, two of which are in Las Vegas and due in Santo Domingo, with the Le Cirque, Il Circo and Sirio trademark from the name of the founder, managed with the Management fee formula. The equity holdings in the restaurant companies belonging to the Maccioni family, represent the corporate assets. In America, Italian restaurants and in particular the Maccioni brand are positioned at the top of the fine dining field and Le Cirque is considered one of the most famous restaurants in the world. LC International is currently negotiating the opening of two other restaurants, again under management fee, in Istanbul and Qatar.
The overall investment was 4 million dollars for 40% of the capital:
CIA acquired directly 20% of the share capital, and another 20% as partner of SIMEST, company controlled by the Italian government (which holds 76% of the shares), the goal of which is to promote and support the internationalization process of Italian businesses and assist entrepreneurs in their activities abroad.
The operation was financed through a 8-year fixed rate mortgage, for 1.5 million Euros, with a leading Italian bank.

During the current financial year, for the activities in Sicily, we anticipate a growth in revenues thanks to the production system becoming operational of the wine-making cellar of the subsidiary Feudi del Pisciotto S.r.l. and the marketing of their wines, based on a demand in constant growth.

The end of the renovation of the first part of the building located in central Milan destined for commercial use, of approximately 2,300 m² will allow it to be immediately rented, within the time frame as forecasted in the first phase of the construction project identified for the area.

The Board of Directors
The Chairman
Vittorio Terrenghi

***Schedule 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

<i>Name</i>	<i>City or State</i>	<i>Share capital</i>	<i>Consolidated % of group</i>	<i>Method of equity holding</i>	<i>Shareholder</i>	<i>% of stake in capital</i>
Agricola Tenuta del Pisciotto S.r.l.	Palermo	120,000	100.00	direct	CIA S.p.A.	100.00
Resort del Pisciotto S.r.l.	Palermo	10,000	100.00	direct	CIA S.p.A.	100.00
Feudi del Pisciotto S.r.l.	Palermo	35,000	100.00	direct	CIA S.p.A.	100.00
Burigozzo 1 S.r.l.	Milan	10,000	100.00	direct	CIA S.p.A.	100.00
Diana Bis S.r.l.	Milan	260,000	100.00	indirect	Burigozzo 1 S.r.l.	100.00
Donnafugata Resort S.r.l.	Ragusa	8,926,500	16.27	direct	CIA S.p.A.	16.27
Azienda Turistica Florio S.r.l.	Trapani	216,750	43.75	direct	CIA S.p.A.	43.75
Isola Longa Turismo Rurale S.r.l.	Palermo	10,000	35.00	direct	CIA S.p.A.	35.00
Società Infrastrutture Sicilia S.r.l.	Palermo	10,000	25.70	direct	CIA S.p.A.	25.70

REPORT ON CORPORATE GOVERNANCE AND THE SHAREHOLDING STRUCTURE

Pursuant to Article 123-bis of the Consolidated Financial Act
(model of traditional administration and control)

Issuing Party: Compagnia Immobiliare Finanziaria - CIA S.p.A.

Web site: www.compagniaimmobiliareazionaria.it

Financial year to which the 2009 Report refers

Approval date of the Report 25 March 2009

1. PROFILE OF THE ISSUING PARTY

This report on corporate governance, prepared based on the second edition of February 2010 of the new experimental format promoted by the Borsa Italiana, represents the system of corporate governance of Compagnia Immobiliare Azionaria S.p.A., in its current configuration, in many aspects already in line with the relevant recommendations of Borsa Italiana (Self-Regulation Code of listed companies) and with the legislative and regulatory dispositions which over the years outlines the frame of regulatory reference for compliance of listed companies.

The corporate governance model adopted is, by its nature, is constantly changing, just like the regulatory overview in the setting of which the model is required to operate and, therefore, sets as its objective to incorporate the changes made by the legislator through the novation of different sources (i.e. Consolidated Financial Act, Issuers Regulations, etc.) in the context of its own corporate operating system.

The Company, in fact, reserves the right to verify and make to its own system of corporate governance the modifications that become necessary and appropriate following the forthcoming effective date of the Consob regulation regarding operations with related parties.

2. INFORMATION ON THE SHAREHOLDING STRUCTURE **(at 31 December 2008)**

Structure of Share Capital

The share capital is Euro 922,952.60 (nine hundred twenty two thousand nine hundred fifty two comma sixty), fully paid up, represented by 92,295,260 (ninety two million two hundred ninety five two hundred sixty) shares of Euro 0.01 (zero comma zero one) each. The shares may be freely transferred.

It can be increased at any time by resolution of the Shareholders' Assembly, also through issuance of shares having rights other than those shares already issued.

In case of increase of the share capital, the option on the new shares being issued will be reserved for all the shareholders in proportion to the shares held at the time deliberated increased, barring the exceptions allowed by law.

In the resolutions of increase of share capital, the option right can be excluded to the maximum extent of ten percent of the preexisting capital, provided the issue price corresponds to the market value of the shares and this is confirmed in specific report by the entrusted auditing company.

b) Restriction on transfers

The shares may be freely transferred.

**c) Significant stakes in the share capital
(at 31.12.09)**

Below we indicate the significant stakes in the share capital based on the communications provided in accordance with Art. 120 of the Consolidated Financial Act, updated based on the information available to the company.

Shareholder	%	Number of ordinary shares
Euroclass Multimedia Holding S.A.	49.45%	45,643,261
Paolo Panerai	10.97%	10,120,864
Felice D'Aniello	2.48%	2,286,628

d) Securities which give special rights

There are no securities granting special rights;

e) Equity investments by employees: mechanism of exercising voting rights

No system exists for employee equity shares which provides for a mechanism of exercising voting rights different from that for shareholders in general;

f) Restrictions on voting rights

There are no restrictions on voting rights;

g) Shareholder Agreements

The company is not aware of the existence of any agreements between shareholders in accordance with art. 122 of the Consolidated Financial Act;

h) Change of control clauses

There are no change of control clauses stipulated by the company or its subsidiaries;

i) Proxies to increase the share capital and authorization for the purchase of own shares

With resolution of the Assembly of 29 April 2008, the Directors have the right, in accordance with Article 2443 of the Civil Code, to increase, at one or several times, the share capital, within the term of five years, from the date of the actual resolution for a maximum face value of Euro 922,952.60, through the issue of 92,295,260 ordinary shares, to be offered in option to the shareholders.

With resolution of the Assembly of 29 April 2008, the Directors have the right, in accordance with Article 2443 of the Civil Code, to increase, paid (also with share premium) or free-of-charge, at one or several times, the share capital for a maximum of Euro 18,500, within five years, from the date of the actual resolution through the issue of 1,850,000 ordinary shares to be allocated to the employees and collaborators of the Company and its subsidiaries in accordance with Articles 2441 and/or 2349 of the Civil Code and Art. 134 Legislative Decree 58/1998.

With resolution of the assembly of 30 April 2009, the Board of Directors in accordance with Article 1443, second paragraph of the Civil Code, was granted the right to increase the share capital by means of payments, in one or more installments, within the maximum deadline of the term of the current Board at the time this resolution was made (approval of the financial statements at 31

December 2011), and therefore by the final deadline of 30 April 2012 for a maximum amount of 10% of the share capital existing on the date of the resolution (Euro 922,952.60) and this (taking into account the face value of the each share) for a maximum amount of Euro 92,295.20 through the issue of a maximum of 9,229,520 shares, at the face value of Euro 0.01 with exclusion of the right of option. These shares are to therefore be offered to third parties, establishing each time the issue price which must correspond to the market value of the shares, value which must be confirmed by specific report of the entrusted auditing company.

3. COMPLIANCE

The Compagnia Immobiliare Azionaria – CIA S.p.A. adheres to the Self-Regulation Code (the “Code”) drafted by the Corporate Governance Committee in March 2006, in accordance with the modalities and terms illustrated below.

4. BOARD OF DIRECTORS

4.1 Appointment and replacement of administrators

The appointment and replacement of the administrators is governed by Art. 18 of the Articles of Association, which is included in full below.

Art. 15

The company shall be managed by a Board of Directors composed of no less than three (3) and no more than fifteen (15) members elected by the Shareholders’ Meeting, who need not be shareholders. They shall have a term of office of up to three years, and may be re-elected. They shall forfeit their position and be replaced in accordance with provisions of law.

The Ordinary Shareholders’ Meeting shall set the number of members of the Board of Directors.

The Board of Directors is nominated by the Assembly based on lists submitted by the Shareholders in which the candidates must be listed in sequential order. The lists of candidates, signed by the Shareholders submitting them, must be filed at the Company’s registered office at least fifteen days before the date set for the first call of the Shareholders’ Assembly.

Only those shareholders who represent at least 1/40th of the share capital - or a lower percentage pursuant to currently existing regulations - shall have the right to present lists. They must demonstrate their ownership of the required number of shares as of the date on which the list is filed at the company's registered office.

Lists which are presented without observing the above rules shall be considered as not having been presented.

No Shareholder may present or contribute to presenting more than one list, even through third parties or a trust company; Shareholders who are subject to common control in accordance with Art. 2359 of the Italian Civil code or those who participate in the same voting trust, may present or contribute to presenting only one list.

Each shareholder may only vote for one list;

Each candidate may only be present in one list, on penalty of being declared ineligible.

By the deadline indicated above, together with each list, the following must be filed: declarations by which the individual candidates accept the candidacy and certify - under their own responsibility - the absence of any causes for ineligibility or incompatibility as set forth by law as well as the meeting of any requirements which may be set by law and the regulations for the members of the Board of Directors; a curriculum vitae regarding the candidate's personal and professional characteristics, specifying the administrative and auditing positions held in other companies and their suitability to be qualified as an independent director pursuant to the law or the regulations.

Any incomplete elements or irregularities related to individual candidates shall only entail the exclusion of the name of that candidate from the list which shall be voted upon.

In order to achieve the appointment of the designated candidates, the lists presented and put to a vote must obtain a percentage of votes equal to at least half of that required under the provisions of this article regarding the presentation of the lists themselves; if this condition is not met, those lists shall not be taken into consideration.

The election of the members of the Board of Directors shall proceed as follows:

a) based on the sequential order with which the candidates are listed, a number of Directors shall be taken who represent the total number of those to be elected, minus one, from the list which receives the highest number of votes;

b) the remaining Director shall be taken from the list which obtains the second highest number of votes, and which must not be connected in any manner, even indirectly, with the shareholders who presented or voted for the list with the highest number of votes. The person to be chosen shall be the candidate in the first position on that list, who must meet the requirements of integrity and professionalism set by existing laws. If those requirements are not met, the individual shall forfeit the position.

In the event that only one list has been presented or admitted for the vote, all of the Directors shall be taken from that list.

In the event that no list has been presented, or a number of directors is elected that is lower than the number set by the Shareholders' Assembly, the assembly itself must be reconvened in order to appoint the entire Board of Directors.

In the event that, due to resignation or any other cause, the majority of the Board Members is no longer in office, the entire Board of Directors shall be terminated, and the remaining Board Members must urgently convene the Shareholders' Meeting for the appointment of the new Board of Directors.

Even once it has been terminated, the Board of Directors shall remain in office to carry out only acts of ordinary administration, until the new Board Members accept their appointments.

4.2 Composition of the Board of Directors

The current Board of Directors of the Company was nominated by the Assembly of 30 April 2009. It is made up of 12 directors, of which one appointed by minority shareholders, and will remain in office until the approval of the financial statements at 31 December 2011.

The following individuals hold the office of director:

Name	Office	Minority appointment
Vittorio Terrenghi	Chairman	
Paolo Panerai	Vice Chairman	
Marco Fanfani	Chief Executive	
Maurizio Carfagna	Director	
Nicoletta Costa Novaro	Director	
Angelo Riccardi	Director	
Diego Della Valle	Director	
Umberto Vitiello	Director	
Luca Nicolò Panerai	Director	
Beatrice Panerai	Director	
Giovanni Battista Cattaneo della Volta	Director	
Andrea Morante	Director	X

The following are executive directors:

Vittorio Terrenghi - Chairman
Paolo Panerai - Vice Chairman
Marco Fanfani – Chief Executive Officer

The non-executive directors are:

Nicoletta Costa Novaro
Beatrice Panerai
Luca Panerai
Maurizio Carfagna
Giovanni Battista Cattaneo della Volta
Diego Della Valle
Angelo Riccardi
Umberto Vitiello
Andrea Morante

The Board believes that the number, competencies and authoritativeness of non-executive directors are capable of guaranteeing that their judgement may have a significant effect on Board decision-making.

Non-executive directors are

Maurizio Carfagna
Giovanni Battista Cattaneo della Volta
Diego Della Valle
Andrea Morante

Considered independent in accordance with Legislative Decree 58 of 24 February 1998 (the “Consolidated Financial Act”) and the Self-Regulation Code.

With regards to the above, it should be noted that at the time of the appointment and during the meeting of 25.03.10, the Board of Directors verified the presence of the pre-requisites that are required by currently effective regulations, including the Self-Regulation Code, for administrators who have qualified themselves as such. The Board of Statutory Auditors - during the course of the meeting held on 25.03.10 - verified the correct application of the verification criteria and procedures that were adopted by the Board of Directors for evaluating the independence of directors.

With regards to the independence requirements, the Board of Directors adopted the Self-Regulation Code while inserting two degrees of independence: The first follows the requirements established by Art. 147-ter of the Consolidated Financial Act and included in the Articles of Association (loss of these requirements will result in forfeiture of the office of director); the second degree of independence applies the more flexible criteria established by the New Self-Regulation Code but are not included in the Articles of Association. Specifically, the Board, after reviewing the criteria outlined in point 3.C.1., deliberated to postpone the application.

of case e), according to which a party which has been a director of the issuing party for more than nine of the last twelve years would no longer be considered independent.

The Board believes that the long duration of experience accrued by a director who has always operated independently is not a factor which weakens but rather strengthens the nature of independence (given no other factors to the contrary); this is all to the advantage of the company in terms of contribution of the director to an appropriate decision-making process.

In the meeting of 25.03.10, the Board of Directors performed the annual assessment of the size, composition and functioning of the Board itself and its committees, and did not note any need to change the current structure. In particular, it noted that the number of offices of director or auditor which are currently held by directors of the Company in other companies listed on regulated markets or in financial, banking, insurance or larger-sized companies, may be considered compatible with the effective implementation of the office of director within the Company.

The Board also specified that a maximum of 8 offices may be held in other companies listed on regulated markets or in financial, banking, insurance or larger-sized companies; this figure was considered compatible with the effective implementation of the task of director.

The number of offices held by Directors in other companies listed on regulated markets or in financial, banking, insurance or larger-sized companies, are reported below:

Director/Number of offices:

Director	Number of offices held
Vittorio Terrenghi – Chairman	P.Vi Fondi SGR S.p.A. - Auditor Banca della Nuova Terra S.p.A. - Auditor Class Editori S.p.A. (listed) - Vice President
Paolo Panerai - Vice Chairman	Class Editori S.p.A. (listed) - Vice Chairman and Managing Director
Marco Fanfani – Chief Executive Officer	
Maurizio Carfagna	Class Editori S.p.A. (listed company) - Director Mediolanum S.p.A. (listed company) - Director Molmed S.p.A. (listed company) - Director Banca Esperia S.p.A. - Director Banca Mediolanum S.p.A. - Director Duemme Sgr S.p.A. - Director Mediolanum Distribuzione Finanziaria S.p.A. - Director Futura Invest S.p.A. - Director
Giovanni Battista Cattaneo della Volta	-
Nicoletta Costa Novaro	-
Diego Della Valle	Tod's S.p.A. (listed) - Chairman of the Board and CEO DDV Partecipazioni S.r.l. - Sole Director Le Monde Europe S.A. - Director Ferrari S.p.A. - Director RCS Mediagroup S.p.A. (listed company) - Director L.V.M.H Moet Hennessy Louis Vuitton (listed company) - Director Assicurazioni Generali S.p.A. (listed company) - Director Marcolin S.p.A. (listed company) - Director
Beatrice Panerai	-
Angelo Riccardi	Class Editori S.p.A. (listed company) - Director
Umberto Vitiello	Pirelli Re Sgr - Director
Luca Panerai	Class Editori S.p.A. (listed company) - Director
Andrea Morante	Pomellato S.p.A. - CEO

4.3 Role of the Board of Directors

The Board of Directors meets at least once per quarter or more frequently, in accordance with the operational needs of the Company, and is invested with the broadest powers, except those reserved by law to the Assembly.

During the course of 2009, the meetings of the Board of Directors totalled four, with a regular frequency.

In 2010, the meeting of 25 March 2010 has been held. The meetings witnessed the regular participation of Directors as well as of the members of the Board of Statutory Auditors, as specified in detail within the summary table of attachment 1 (refer to the latter for more information).

At the time of each meeting, the Directors are provided with support documentation illustrating the topics of discussion as well as any information which may be required for the Board to deliberate effectively; this information must be provided with reasonable advance.

At the beginning of each financial year and in compliance with the provisions of the Regulations of the Market organized and managed by Borsa Italian SpA, the Company publishes the annual calendar which reports, amongst other items, the dates of meetings of the Board for the approval of the results of the period as well as the Assembly date for the approval of the financial statements.

With regards to the assessment of the Board on general operational trends, please refer to the Report of the Directors, as approved by the Board and attached to the draft financial statements of the year and the annual and consolidated financial statements of Compagnia Immobiliare Azionaria – CIA S.p.A., respectively.

The Board, in addition to the obligations required by law and the Articles of Association, must:

- 1) assess the adequacy of the organizational, administrative and accounting structure of the company with reference to the internal auditing system and the management of conflicts of interest;
- 2) assigns and revokes proxies to directors, defining the limits and modalities for the exercise of the latter;
- 3) determines the compensation of CEO's after reviewing the proposals of the relative committee and the assessment of the Board of Statutory Auditors;
- 4) assesses general operational trends by taking into account the information that is provided on at least a quarterly basis by the Vice Chairman and the CEO, comparing actual with forecasted results;
- 5) reviews and approves in advance the operations of the Company and of the subsidiaries when these operations are of extraordinary nature, such as mergers, spin-offs, operations on share capital of particular economic and strategic relevance, while paying particular attention to the situations of conflict of interest and operations with correlated parties;
- 6) implements an annual assessment of the size, composition and functioning of the Board and its Committees.

4.4 Delegated Bodies

Delegated Directors

The Chairman, Vice Chairman and the Managing Director are granted powers of legal representation.

At the time of the renewal of the Board of Director, the following powers were granted:

- To the Chairman of the Board of Directors, Vittorio Terrenghi, in addition to legal representation as per the Articles of Association, all powers of ordinary administration and the authority, with independent signature power, to purchase and sell real estate properties, including through financial leasing contracts, and also to take out and/or pay off mortgage loans on properties owned by the company and to request any other form of bank lines of

credit. He was also granted the right, with independent signature power, to purchase, establish and sell shares or quotas in Italian or foreign companies.

- To the Vice Chairman, Paolo Panerai, in addition to legal representation as per the Articles of Association, all powers of ordinary administration and the authority, with independent signature power, to purchase and sell real estate properties, including through financial leasing contracts, and also to take out and/or pay off mortgage loans on properties owned by the company and to request any other form of bank lines of credit. He was also granted the right, with independent signature power, to purchase, establish and sell shares or quotas in Italian or foreign companies.
- To the Chairman of the Board of Directors, Vittorio Terrenghi and the Vice Chairman, Paolo Panerai, with joint signature power, were granted all the other powers of extraordinary administration.
- To the CEO, Marco Fanfani, in addition to legal representation of the company with respect to third parties and in the courts, was granted all powers of ordinary administration.

Chairman of the Board of Directors

The Chairman, in addition to legal representation with respect to third parties and in the courts, was granted the above operational authority.

4.5 Other executive directors

In addition to the Directors listed above there are no other members of the Board of Directors who hold executive positions in subsidiaries of the Compagnia Immobiliare Azionaria S.p.A.

4.6 Independent Directors

The Board of Directors verified at the time of the appointment, and again in the meeting of 25 March 2010, the presence of the pre-requisites that are required by currently effective regulations, including the Self-Regulation Code, for administrators who have qualified themselves as such.

The Board of Statutory Auditors - during the course of the meeting held on 25.03.10 - verified the correct application of the verification criteria and procedures that were adopted by the Board of Directors for evaluating the independence of directors.

4.7 Lead Independent Director

There not being the preconditions provided for by the Code, a lead independent director was not designated.

5. PROCESSING OF CONFIDENTIAL INFORMATION

The Vice Chairman, Paolo Panerai, oversees communications to the public and to authorities in relation to facts occurring within the realm of activities of the Company and its subsidiaries.

External communication of documents and information, in particular with regards to confidential information, are handled by the relevant departments.

The Employees, Directors and Auditors, as well as anyone working for the company in the positions of administration, finance and control, with regard to a services contract with the Class Editori company, are required to keep confidential the documents and the information acquired during the performance of their duties.

The Board of Directors has adopted regulations for the management of confidential information, with particular reference to confidential information, in accordance with currently effective norms.

In light of the legislative and regulatory provisions regarding *Market Abuse* and *Internal Dealing*, the company has arranged to introduce the so-called Register of the Insiders, in compliance with Articles 152-bis and subsequent of the Issuers Regulations and has adopted a procedure (or code) regarding communications relative to *Internal Dealing*.

6. COMMITTEES WITHIN THE BOARD

The Board has established the Committee for Internal Control and the Remuneration Committee.

7. NOMINATIONS COMMITTEE

The Board did not establish a nominations committee.

8. REMUNERATIONS COMMITTEE

By means of the resolution of 15 May 2007, the Board of Directors created the Remuneration Committee, appointing the following members: Umberto Vitiello - Presidente, Giovanni Battista Cattaneo della Volta and Angelo Riccardi.

Committee meetings are drafted into minutes; non-member parties may also attend in relation to the topics of discussion.

The Committee is granted the powers pursuant to Article 5.C.1.e) of the Code. Directors must not attend the meetings of the Committee in which the Board deliberates upon their remuneration.

In particular, the competencies of the Remuneration Committee consist in the following:

- (i) formulating proposals to the Board in relation to the compensation of delegated directors and other directors holding specific offices;
- (ii) periodically assessing the criteria adopted for determining the remuneration of executives with strategic responsibilities;
- (iii) supervising over their application and formulating general recommendations in this area to the Board.

During 2009, the Remuneration Committee met one time.

9. REMUNERATION OF THE DIRECTORS

No variable part linked to the financial results achieved by the company and/or the achievement of specific objectives indicated in advance by the Board is anticipated.

In addition, no compensation in case of resignation, discharge or termination from the relationship as a result of a public tender offer is provided for.

10. INTERNAL CONTROL COMMITTEE

The Committee for Internal Control and Corporate Governance (hereinafter the "Committee") was established by the Board of Directors on 15 May 2009. The Committee consists of non-executive administrators, one of whom is independent, in the persons of Angelo Riccardi, Umberto Vitiello and Maurizio Carfagna, with advisory and proposal functions, and with the task of analyzing problems and developing the appropriate responses for the control of the company's operations.

The Committee has been granted the powers pursuant to Article 8 of the new Code of Self-Regulation, which was adopted on 28.05.07, with the exclusion, however, of the criterion provided for in letter e) of point 8.C.3; this was due to the fact that it was not deemed appropriate for the Committee to supervise the "efficacy of the auditing process."

During the year 2009, the Internal Auditing Committee met 2 times, while in the first months of the current financial year, the Committee met once.

The meetings of this Committee are drafted into minutes and are attended by the Chairman of the Board of Statutory Auditors or another auditor appointed by the latter.

Depending on the subjects to be discussed, individuals can participate who are not members of the Committee, among whom, in particular, the Head of Internal Auditing and Supervisory Board in accordance with Legislative Decree 231/01, Mr. Enrico Maffi, the executive director in charge of supervising the functioning of the internal auditing system, Mr. Paolo Panerai, as well as other individuals that the Committee decides to invite.

The Committee has contributed to the process of implementation of corporate governance instruments for the Company, participating in the analysis, definition and updating of these instruments, in addition to drafting the Internal Procedures Manual and periodically updating the Organizational Control Model, in accordance with Legislative Decree no. 231/2001.

The Committee has monitored the work implemented by the Internal Control and Internal Auditing Manager in relation to the adequacy and efficacy of the internal control system, examining the reports on auditing results and any related documentation. The Internal Control Committee has also verified the proper maintenance of the Registry of parties which have access to confidential information as well as the application of the Regulations for the Handling and Communication of Confidential Information.

During the activity described above and based on the reports received from the Head of Internal Auditing, no significant facts worth reporting emerged and the Committee has judged the internal auditing system adequate. Furthermore, in consideration of the evolution of the activities managed, it recommended that the supervisory board be strengthened and, in particular, for aspects relative to the implementation of Legislative Decree 231/2001.

11. INTERNAL AUDITING SYSTEM

During the course of 2009, the Company continued its activities for strengthening the internal auditing system on the basis of the relative guidelines approved by the Board of Directors for the purposes of guaranteeing correct and transparent management of the firm while safeguarding company assets as well as the efficiency and efficacy of company operations, the reliability of information and the identification and management of risk.

The Board of Directors, in accordance with the provisions of the Code of Self-Regulation which was adopted on 28 May 2007, assesses the adequacy of the internal auditing system with respect to the characteristics of the company while ensuring that its evaluations and decisions relative to the system itself - as well as to the approval of the financial statements and half-year reports and to the relations between the company and independent auditors - are supported by adequate preliminary activities.

11.1 Executive director or head of the Internal Auditing System

Vice Chairman, Paolo Panerai, has been charged with supervising the functionality of the internal auditing system, fills out the structure and the bodies assigned to internal control.

During the financial year, he took care of identifying the main corporate risks, executed guidelines of the Board referring periodically to the Board.

In particular, together with the Manager of Internal Auditing, the implementation of the internal procedures continued in order to adjust them to the dynamics of the operating and regulatory conditions.

11.2 Internal Control Manager

The position of Internal Control Manager, and also that of Manager of Internal Auditing is performed by Mr. Enrico Maffi who also holds the title of Manager of the Control Body, in accordance with Legislative Decree 231/2001 with the duties and the powers provided for by the points from 8.C.6. to 8.C.8. of the new Self-Regulation Code.

The Internal Control Manager has no responsibility in any operating area and does not report to any manager of the operational areas.

He had direct access to all the information necessary to carry out his task, he reported on his activity to the Internal Auditing Committee, the Board of Statutory Auditors and the Vice Chairman, Paolo Panerai.

At the time of the approval of the six-month report and the financial statements, he submitted to the Board of Directors the report on his activity, the audit plan and its status.

11.3 Organizational, managerial and control model (Legislative Decree no. 231/01)

In 2004 and by means of a Board resolution, the company adopted its own Ethics Code as well as an Organizational, managerial and control model (the "Model") relative to administrative liabilities of companies and suitable for preventing the crimes in question.

The crimes covered by the Model refer to crimes committed against the Public Administration, corporate crimes, crimes against individuals as well as administrative crimes and offences related to market abuse.

The Model is constantly updated in order to include or broaden additional types of crimes as specified in Legislative Decree no. 231/01.

The behavioral rules contained within the Model are constantly evolving, integrating and strengthening the corporate control systems by means of the drafting of operational protocols and with continuous training and communications activities at all levels of the company of the Consolidated Financial Act and Articles 152-sexies and subsequent of the Issuers Regulation.

The Company-in accordance with the interpretational guidelines of Consob--has adopted a solution based on the principles of prudence and transparency in order to monitor the circulation of confidential information relative to specific operations classified by category as of the initial stage.

The company has identified the following as parties subject to Internal Dealing communication obligations, among others: the Board Members, the Statutory Auditors, individuals who perform managerial functions, managers with regular access to confidential information, as well as any individual holding more than 10% of the share capital.

11.4 Auditing company

The company in charge of auditing is BDO S.p.A.

The appointment, granted for nine financial years, will expire with the approval of the financial statements at 31 December 2012.

11.5 Manager of corporate accounting documents

During the course of the meeting held on 13 September 2007, in compliance with the relative introduced clause of the articles of association, the Board of Directors provided for the appointment of a manager in charge of drafting corporate accounting statements.

Mr. Emilio Adinolfi was appointed.

The manager appointed performs the duties provided for by Art. 154-bis of the Consolidated Financial Act; the Board has entrusted him with the required powers for implementing these tasks.

The manager appointed, as provided for by Art. 22 of the Articles of Association, has accrued an overall amount of experience of at least three years in managerial functions within the administrative and/or financial and/or auditing sectors or within the primary companies of the industrial, commercial or financial sector.

12. INTERESTS OF THE DIRECTORS AND OPERATIONS WITH CORRELATED PARTIES

The Board of Directors has adopted - after being advised by the Internal Control Committee - special guidelines which establish the approval and execution modalities for operations with correlated parties, including details informational obligations relative to the nature of correlation and the operation, particularly in the case that a director retains an interest for him(her)self or for third parties.

The operations made by the company with correlated parties, as defined by the accounting principle IAS 24, which include the subsidiaries, the parent company and the companies controlled by it as well as directors and managers with strategic responsibilities of the Compagnia Immobiliare Azionaria S.p.A., their close relatives or companies controlled by them, respect the principles and criteria of transparency and substantial and procedural correctness.

Intragroup operations which are not typical or usual or not completed under standard conditions are presented for assessment and approval to the Board of Directors.

The Board which must approve an operation with a correlated party must receive adequate information: 1) on the nature of the correlation, ii) on the executive modalities of the operation, iii) on the conditions, even economic, for their realization, iv) on the assessment procedure that is implemented, v) on the interests, underlying motivations and potential risks for the company in question.

Operations with correlated parties that must not be presented to the Board for approval in advance are implemented by Directors equipped with proxies who must collect and save the same type of information, even by typology or group of operations.

In any case and if the correlation involves a Director or a close relative of a Director or with a controlled entity, or an entity that is jointly controlled or subject to significant influence on the part of a Director, the latter must provide the information pursuant to Article 2391 of the Italian Civil Code and possible additional clarifications that may be requested.

In the case that the nature, value or specific characteristics of the operation require the use of independent experts, the Board may avail itself of the latter.

13. APPOINTMENT OF THE AUDITORS

The appointment and replacement of Statutory Auditors is governed by Art. 23 of the Articles of Association, which is included in full below:

Art. 23

In accordance with law, every three years, the Shareholders' Meeting shall appoint the Board of Statutory Auditors, consisting of three Regular Auditors and two substitute auditors, and appoint the Chairman of the Board.

Appointed auditors of the company can be those persons who have the requirements provided for by current legislation and regulations. For that purpose, the industrial, finance and banking sectors, and services in general, shall be considered strictly related to the company's operations.

Individuals who do not meet the requirements set by applicable laws, or who already hold the position of regular auditor in more than five companies with shares listed on regulated Italian markets, or in a smaller number of companies listed on regulated Italian markets determined by law, or who in any case exceed the limits of plurality of appointments set by law, may also not be appointed as statutory auditors.

The appointment of the statutory auditors shall be made based on lists presented by the shareholders, following the procedure described below, in order to ensure that the minority appoints a regular auditor and a substitute auditor.

The lists shall contain a number of candidates not greater than the number of members to be elected, and the candidates shall be listed in sequential order. Lists may be presented by the Board of Directors or shareholders who, by themselves or jointly with others, represent at least one-fortieth of the shares with voting rights in the Ordinary Shareholders' Meeting, or a different percentage set by applicable regulations.

Every shareholder - directly or indirectly through a trust company or third party - and the entities belonging to the same group (meaning the controlling body - even if it is not a company - the subsidiaries and those controlled by the same entity), as well as the individuals and entities among whom an agreement exists pursuant to Article 122 of Legislative Decree No. 58 of 24 February 1998 can present or contribute to the presentation of only one list. In the event of violation of this rule, the vote of the shareholder for any list shall not be taken into consideration.

Each candidate may only be present in one list, on penalty of being declared ineligible. The lists must be signed by the shareholders who present them, and be filed at the company's registered office at least fifteen days before the date set for the first call of the Shareholders' Meeting.

The lists must be accompanied by:

a) information regarding the identity of the shareholders who present the lists, indicating the overall percentage stake held, and a certification demonstrating the ownership of that stake;

b) a declaration by the shareholders other than those who hold, including jointly, a controlling or relative majority stake, certifying the absence of relationships with the latter as identified by Article 144-quinquies;

c) exhaustive information on the personal and professional characteristics of the candidates, and a declaration from the candidates themselves certifying that they possess the requirements set by law and that they accept the candidacy.

In the event that only one list has been filed by the above deadline, or if lists have only been presented by shareholders who are connected to each other, the threshold set in point six of this article shall be reduced by half, with the methods of presentation provided for by applicable laws as of the date of the resolution convening the Shareholders' Assembly.

Those with voting rights may only vote for a single list.

Two regular auditors and one substitute auditor shall be taken from the list which receives the highest number of votes from the shareholders, following the sequential order of each list.

The third regular auditor and the other substitute auditor shall be taken from the other lists, electing the first and second candidates from the list which receives the highest percentage of votes. In the event of a tie between two or more lists, the oldest candidate shall be elected.

The Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Assembly from among the statutory auditors elected by the minority.

In the event of a tie between two or more lists, the oldest candidate shall be elected as Chairman.

In the event of the replacement of a regular auditor, the substitute auditor from the same list as the original auditor shall take over the position.

The shareholders' meeting which is to appoint the regular and substitute auditors necessary to fill the vacant position on the Board in accordance with Art. 2401 of the Italian Civil Code, must choose from the names on the list to which the auditor terminated from the position belonged, and in any case observing the principle of necessary representation of minorities

The Shareholders' Meeting shall set the remuneration for the statutory auditors, in addition to the reimbursement of expenses incurred in performing their functions.

Their powers, duties and duration shall be those set by law.

The meetings of the Board of Statutory Auditors shall be duly-constituted even if held by teleconference or videoconference, provided that all of the participants can be mutually identified by all of those present, that they are able to follow the discussion and intervene in real time in the

treatment of the subjects discussed, that they can exchange documents related to those subjects, and that all of the circumstances above are acknowledged in the relevant minutes. Once those preconditions are verified, the meeting shall be considered to be held in the location where it was convened, and where at least one statutory auditor must be present.

14. AUDITORS

The mandate of the Board of Statutory Auditors, appointed by the Assembly of 30 April 2009, expires with the approval of the financial statement at 31 December 2001, is composed of:

Name	Office	Minority appointment
Roberto Tettamanti	President Board of Statutory Auditors	X
Pierluigi Galbusera	Statutory auditor	
Carlo Maria Mascheroni	Statutory auditor	
Luciano Barbucci	Alternate auditor	
Maurizio Bottoni	Alternate auditor	X

The President of the Board of Statutory Auditors, Roberto Tettamanti, and the Alternate Auditor, Maurizio Bottoni, were appointed by minority shareholders.

In compliance with the criteria provided for by the Code of Self-Regulation, the Board of Statutory Auditors holding office has verified that its members continue to retain the independence characteristics which are required by the law and the Code.

The other offices held by auditors in listed companies are reported below:

Name	Company
Roberto Tettamanti	
Pierluigi Galbusera	Fastweb S.p.A.
Carlo Maria Mascheroni	Class Editori S.p.A.
Luciano Barbucci	
Maurizio Bottoni	

All the auditors are registered in the Register of Auditors and have accrued over ten years of experience in auditing.

The Assembly of 30 April 2009 appointed the new control body reconfirming, with the majority list, the Auditors Carlo Maria Mascheroni, Pierluigi Calbusera and the Alternate Auditor Luciano Barbucci, and with the minority list the Auditor Roberto Tettamanti and the Alternate Auditor, Maurizio Bottoni.

The Presidency of the Board of Statutory Auditors is granted the Auditor elected by the minority, Roberto Tettamanti.

Therefore the terms of the Statutory Auditor, Maria Grazia Vassallo, and the Alternate Auditor, Vieri Chimenti, ended.

During the financial year 2009 the Board of Auditors has held six meetings. It met twice in 2010 up until 25 March 2009.

The meetings involved the regular participation of statutory auditors, as described in detail in the attached table no. 2 which we ask you to refer to.

The Board of Statutory Auditors, in compliance with the provisions of Article 10.C.5 of the Code, also verified--with a positive outcome--on the independence of the auditing company, ensuring compliance with regulatory provisions on this topic as well as on the nature and size of services other than auditing functions which were performed for the issuer and its subsidiaries on the part of the auditing company itself and the entities belonging to the latter's network.

The auditor who retains an interest in a specific operation of the company-on behalf of itself or third parties-must promptly and fully inform the other auditors and the Chairman of the Board with regards to the nature, terms, origin and extent of this interest.

15. RELATIONS WITH SHAREHOLDERS

A specific Investor Relations structure operates within the company's organization; the manager of this structure is entrusted with the task of promoting dialogue between the shareholders and institutional investors while acting in conjunction with the Vice Chairman, Mr. Paolo Panerai.

During assembly meetings, all shareholders are provided with information on the Company and its future trends.

In particular, the Board of Directors reports on implemented and planned activities, in accordance with regulations on confidential information.

The Board of Directors prepares and publishes, moreover, and reports on it to the Assembly, the report pursuant to Art. 3 of Ministerial Decree No. 437 of 5 November 1998, which includes a report on the proposals concerning the subjects listed in the agenda, in order to ensure that the shareholders receive adequate information for their voting obligations. The Assembly called to approve the financial statements

will also present the report on operations to the shareholders, this report illustrates the situation of the company and operational trends, particularly with regards to costs, revenues and investments.

16. ASSEMBLIES

The operating mechanisms of the assemblies are not different than those provided for by legislative and regulatory provisions additionally applicable.

In order to be able to participate in the assembly, the certifications of the brokers must be issued and communicated to the company no later than two days before that set for the meeting and the securities cannot be withdrawn before the assembly has taken place.

The Board did not consider it was necessary to adopt assembly regulations given that legal provisions and the Articles of Association are deemed sufficient to ensure an orderly and functional implementation of assemblies.

The institutional site, www.compagniaimmobiliareazionaria.it, provides documents and information of interest to shareholders and institutional investors within the section, *Investor relation* and *Annual report*, particularly in reference to the modalities for attendance and the exercising of voting rights in the assembly. This section also includes documentation relative to the topics of the agenda as well as lists of candidates for director or auditor--and their relative personal and professional characteristics, in the case of appointments.

17. ADDITIONAL PRACTICES OF CORPORATE GOVERNANCE

As described in Point 11.3 of this Report, the Company has adopted a Management and Organization Model in accordance with Legislative Decree No. 231/2001, with resolution of the Board of Directors in 2004, updating it with subsequent resolutions.

18. CHANGES IN THE CLOSING OF THE FINANCIAL YEAR OF REFERENCE

There were no changes in the structure of corporate governance.

TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS

Board of Directors											Internal Control Committee		Remun. Committee	
Office	Members	In office from	In office until	Exec.	List	Non-executive	Ind, from code	Ind, from TUF	(%) part.	Number other duties	App.	% part.	App.	% part.
Chairman	Vittorio Terrenghi	30/04/09	App. Bil 2011	Yes	M	No	No	No	100	3				
Vice Chairman	Paolo Panerai	30/04/09	App. Bil 2011	Yes	M	No	No	No	100	1				
CEO	Marco Fanfani	30/04/09	App. Bil 2011	Yes	M	No	No	No	100	--				
Director	Angelo Riccardi	30/04/09	App. Bil 2011	No	M	Yes	No	No	75	1	Yes	100	Yes	100
Director	Luca Panerai	30/04/09	App. Bil 2011	No	M	Yes	No	No	50	1				
Director	Nicoletta Costa Novaro	30/04/09	App. Bil 2011	No	M	Yes	No	No	100	--				
Director	Umberto Vitiello	30/04/09	App. Bil 2011	No	M	Yes	No	No	75	1	X	100	X	100
Director	Andrea Morante	30/04/09	App. Bil 2011	No	m	Yes	Yes	Yes	75	1				
Director	Beatrice Panerai	30/04/09	App. Bil 2011	No	M	Yes	No	No	50	--				
Director	Diego Della Valle	30/04/09	App. Bil 2011	No	M	Yes	Yes	Yes	0	8				
Director	Maurizio Carfagna	30/04/09	App. Bil 2011	No	M	Yes	Yes	Yes	100	8	X	100		
Director	Giovanni Cattaneo	30/04/09	App. Bil 2011	No	M	Yes	Yes	Yes	100	--				
Director	Domenico Zonin	02/05/06	App. Bil. 2008	No	N/a	Yes	No	No	0	6				
Director	Gianni Zonin	02/05/06	App. Bil. 2008	No	N/a	Yes	No	No	0	6				

The Assembly of 30 April 2009 appointed the new administrative body reconfirming with the majority list, the Directors Vittorio Terrenghi, Paolo Panerai, Marco Fanfani, Maurizio Carfagna, Giovanni Battista Cattaneo della Volta, Nicoletta Costa Novaro, Diego Della Valle, Beatrice Panerai, Angelo Riccardi, Umberto Vitiello, Luca Panerai and appointing, with the minority list, a new Director in the person of Andrea Morante.

During the financial year of reference there were:

Four meetings of the Board of Directors;

Three meetings of the Internal Auditing Committee;

One meeting of the Remuneration Committee.

TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Office	Members	In office from	In office until	List (M/m)	Independence from Code	% attendance	Number other duties	Term ended with approval 2008 financial statement
Chairman	Carlo Maria Mascheroni	2/5/2007	Approval financial statement 2008	M	S	100	1	YES
Chairman	Roberto Tettamanti	30/04/09	App. Financial Statement 2011	m	S	100	--	
Statutory auditor	Pierluigi Galbusera	30/04/09	Approval financial statement 2011	M	S	100	1	
Statutory auditor	Maria Grazia Vassallo	02/05/07	App. Financial Statement 2008	M	S	100		YES
Statutory auditor	Carlo Maria Mascheroni	30/04/09	App. Financial Statement 2011	M	S	67	--	
Alternate auditor	Luciano Barbucci	30/04/09	Approval financial statement 2011	M	S	N/A		
Alternate auditor	Vieri Chimenti	02/05/07	Approval financial statement 2008	M	S	N/A		YES
Alternate auditor	Maurizio Bottoni	30/04/09	Approval financial statement 2011	m	S	N/A		

The Assembly of 30 April 2009 appointed the new control body reconfirming, with the majority list, the Auditors Carlo Maria Mascheroni, Pierluigi Calbusera and the Alternate Auditor Luciano Barbucci, and with the minority list the Auditor Roberto Tettamanti and the Alternate Auditor, Maurizio Bottoni.

The Presidency of the Board of Statutory Auditors is granted the Auditor elected by the minority, Roberto Tettamanti.

During the financial year of reference six meetings of the Board of Statutory Auditors was held.

Certification of the consolidated financial statements pursuant to Article 81-ter of the CONSOB Regulation No. 11971/1999 and subsequent modifications and integrations

1. The undersigned Marco Fanfani 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 24 February 1998, that the administrative and accounting procedures applied to the preparation of the consolidated financial statement at 31 December 2009:
 - are consistent with the administrative/accounting system and the company's structure;
 - are adequate and have been effectively applied.
2. No items worth noting emerged from this assessment.
3. It is also hereby certified that the consolidated financial statements for the period closing on 31.12.09:
 - 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. and of the sum of the companies included in the consolidation;
 - 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, 25.03.10

CEO

Marco Fanfani

Entrusted Executive

Emilio Adinolfi

***Report of the Board of Statutory Auditors
to the Consolidated Financial Statements***

COMPAGNIA IMMOBILIARE AZIONARIA S.p.A. — CIA
Via G. Borgazzi 2 — MILAN
Share Capital EUR 922,952.60

**Report of the Statutory Board of Auditors of CIA Group to the Shareholders
Meeting
Relative to the consolidated financial statement at 31 December 2009**

Dear Shareholders,

The consolidated financial statements at 31 December 2009 of the CIA Group which was delivered to us together with the financial statements of the parent company Compagnia Immobiliare Azionaria S.p.A. includes the balance sheet, the income statement, the financial statement, the statement of changes in the net shareholders/ equity, the information by business sector, as well as the explanatory notes and the Board of Director's report on operations.

It was prepared in compliance with the International Financial Reporting Standards adopted by the European Union.

It shows a Group shareholders' equity of 2,326 thousand Euros, and a loss attributable to the Group of 452 thousand Euros.

The information from BDO S.p.A., in charge of the audit of the financial statements, allows us to observe that the figures expressed therein are consistent with the accounting entries of the parent company and the information officially sent by its subsidiaries. The independent auditor issued a report without comments on the consolidated financial statements, certifying that it was prepared with clarity and accurately and correctly represents the financial situation, the economic performance, the changes in net shareholders' equity and the cash flow of the CIA Group.

The report does not request information.

The report on operations contains and illustrates the elements, the figures and the information required by Art. 2428 of the Civil Code and Art. 40 of Legislative Decree 127/1991.

The specific information concerning the Group considered as a whole, as expressed in its economic-financial items through the figures contained in the consolidated financial statements, are reported in detail in the Directors' Report, which illustrates a true, balanced and exhaustive analysis of the situation of all the companies included in the consolidation and of the trend and the result of operations overall.

Milan, 12.04.10

Board of Statutory Auditors

Roberto Tettamanti

Pierluigi Galbussera

Carlo Maria Mascheroni

***Report of the auditing company
Consolidated Financial Statements***

**Auditor's report on the consolidated financial statements
in accordance with art. 156 of legislative decree n. 58 of 24 February 1998
(now art. 14 of legislative decree n. 39 of January 27, 2010)**

(This report has been translated from the original Italian text
which was issued in accordance with the Italian legislation)

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

1. We have audited the consolidated financial statements including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of Compagnia Immobiliare Azionaria S.p.A. and its subsidiaries (the "CIA Group") as of and for the year ended December 31, 2009. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005, are the responsibility 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 recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The audit on the consolidated financial statements at December 31, 2009 was conducted in accordance with local regulations during this year.

For the opinion on the consolidated financial statements of prior year, the data of which presented for comparative purposes have been reclassified to consider the changes to the financial statements' schemes required by the amendment of IAS 1, reference should be made to our auditor's report issued on April 10, 2009.

3. In our opinion, the consolidated financial statements of the CIA Group as of December 31, 2009 comply with International Financial Reporting Standards as adopted by European Union and the requirements of national regulations issued pursuant to art. 9 of legislative decree n. 38/2005; therefore, they are clearly stated and give a true and fair view of the financial position, the results of the operations and the cash flows of the CIA Group for the year then ended.

4. The Directors of Compagnia Immobiliare Azionaria S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998 included in the annual report on corporate governance and ownership structures, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998, included in the annual report on corporate governance and ownership structures, are consistent with the consolidated financial statements of the CIA Group as of December 31, 2009.

Milan, April 12, 2010

BDO S.p.A.

Signed by:
Paolo Scelsi
(Director)

Report on operations of Class Editori S.p.A.

REPORT ON OPERATIONS OF THE PARENT COMPANY
at 31.12.09

Introduction

The report of Compagnia Immobiliare Azionaria S.p.A. at 31 December 2009, audited, was prepared in compliance with the **IFRS** international accounting principles, ratified with (EC) Regulation No. 1126/2008 of the European Commission, taking into account the recommendations contained in the Consob Resolution No. 15519 of 27 July 2006 and the Consob communication DEM/6064293 of 28 July 2006.

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

Operational trends and results as of 31.12.09

The result shows a pre-tax loss of 108,545 Euros (156,899 Euros after taxes).

The gross operating margin was equal to 1,382,463 Euros.

Revenues from sales attained by the company are primarily derived from the management of securities and real estate assets. The company has leased and stipulated facility management contracts with Class Editor SpA and other lessee companies; the fees are in line with those applied on the market for real estate properties with similar characteristics. Commentary on the primary economic data is provided below:

- Revenues from leases and facility management activities showed a fundamental stability due to the fact that there were no variations during the period of reference, neither with respect to leased out properties, nor with respect to the contractual conditions which regulate the leases of properties with lessee companies, with the exception of normal ISTAT inflation adjustments as well as a reduction, effective the second half of the year, of compensation for the facility management contract relative to a property in Gian Galeazzo 29 following the reduction of disbursed services.
- The other operating proceeds decrease instead by around 2 million Euros, and this reduction can be attributed to extraordinary operations in 2008, which totaled circa 2.1 million Euros, resulting from the transfers of 19.3% in the shareholding of the affiliated company Società Infrastrutture Sicilia srl and of a real estate property on the Island of Capraia, which was considered non-strategic for CIA.

Investment activities progressed as follows:

- The works relative to the construction of the wine cellar being built between Caltagirone and Piazza Armerina in Sicily realized by the subsidiary Feudi del Pisciotto S.r.l. are being completed. The final investment is approximately 8.6 million Euro. This investment program was approved to receive a capital grant by means of a Decree of the Sicily Region, in accordance with the provisions of Mis.4.09 of Sicily's ROP (Regional Operational Plan) 2000/2006. The capital grant was equal to 50% of the expense considered admissible and totals 7.0 million Euro. The grant of 3.5 million Euro was fully collected on 30 June 2009 following

the positive outcome of the final assessment and testing. In December, all the authorizations and certification necessary were obtained to guarantee the full operation of the production system. The wine cellar has a productive capacity of 10,000 Hl.

CIA, in conjunction with the subsidiaries Feudi del Pisciotto srl and Azienda Agricola Tenuta del Pisciotto srl, not only owns the real estate property subject of the investment but also the lands and vines in the surrounding areas as well as the adjacent historical building (and ancient Farmhouse) of 7,500 sq.m. As of now, approximately 38 hectares of vineyards have been planted, 85% of which are already in production, allowing the company to be essentially autonomous in terms of obtaining raw materials.

For the 2009 harvest, the production of its own grapes came to approximately 1,000 Hl, equal to 135 thousand bottles.

The increasing production activity has inevitably generated greater costs. A significant part of the growth of operating costs is due to the start-up of wine-making activities.

- The restructuring works relative to the real estate property located in Corso Italia 64 – via Burigozzo 1, (owned by Diana Bis S.r.l., a subsidiary of Burigozzo 1 S.r.l.) are continuing according to plan: the first 870 sq.m. destined for office use have been finished, while the remaining 1,400 sq.m. will probably be completed within the month of June 2010.

In August, the work was started on the garages in the area of the adjacent property, in Via Borgazzi. The project anticipates the construction of 39 garages distributed on three underground floors. The work is scheduled to be finished in the last quarter of 2010.

- During the first six months of the financial year, CIA underwrote entirely its share of the increase in capital deliberated by the subsidiary, Donnafugata Resort S.r.l. In July, the company underwrote a non-optioned share quota, in the amount of 113 thousand Euros, of the deliberated capital. The operation thus determined an increase in the holding from 15% to 16.27%.

Starting 1 October 2009 until 31 July 2013, CIA has been contractually granted the right to sell to an important listed company the stake owned in the company Donnafugata Resort srl of Ragusa (put option). Donnafugata Resort srl is in the process of building a five star deluxe hotel complex with two golf courses which will be inaugurated during the first six months 2010.

- In August, CIA exercised a (put) option for the sale of a 15.7% shareholding owned in Società Infrastrutture Sicilia S.r.l. (a right which was contractually guaranteed). The formalization of the sales of the shares could not take place because the buyer (EuroAirport Srl – Miro Radici Finance Group) did not appear at the proceedings, circumstance which has created a dispute, currently under way between the parties. The court with interlocutory injunction has set the first hearing of the proceedings for 25 May 2010.

- In December, CIA submitted an offer for the purchase of a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th, paying at the same time an advance deposit of 10% of the price proposed. The purchase, conditional on the favorable opinion of the board of the condominium (as per American standard practice), was then concluded in the first quarter of 2010. The operation was financed in part with the company's own resources and part through a mortgage operation with a leading Italian bank.

In order to provide the company with the resources necessary for all the investment activities under way, a fixed-rate mortgage loan operation was completed in April on the property located at via Gian Galeazzo 29, in Milan, in the amount of 6.5 million Euro; it will be partially used for the repayment of the outstanding debt of 4.4 million Euro on the same property in connection with a property lease, and the remaining 2.1 million Euro for the financing of the aforementioned activities.

With regards to costs of the year, the following is specifically noted:

- Personnel costs were 153 thousand Euros, related to the cost of 4 employees;
- Service expenses totalled 1,161 thousand Euros and primarily include real estate management expenses. This amount includes service costs paid to the correlated party, Class Editori, for the supply of administrative, financial and IT services and legal consulting services;
- Other operating costs totaled 224 thousand Euros and primarily include ICI (property) taxes, registration fees and remuneration for corporate bodies, as well as contingent liabilities.

Total depreciations amounted to 314 thousand Euros.

The Operating Result (EBIT) as of 31 December 2009 is 1,069 million Euro.

Net financial charges were equal to -1,177 thousand Euros.

With regards to the financial situation, the following is noted:

- Total trade receivables were equal to 688 thousand Euros as of 31 December 2009 and were related to annual revenues from real estate leasing fees.
- The net financial position was -18.6 million Euros.

€ (thousands)	31/12/2008	31/12/2009	Changes 2009/2008	Change %
Net medium/long-term financial indebtedness	(18,167)	(19,856)	1,689	9.3
Net short-term financial indebtedness/net short-term cash in hand	(996)	1,237	2,233	<i>note below</i>
<i>Of which:</i>				
<i>Financial payables</i>	(1,322)	(2,886)	1,564	118.3
<i>Availability and financial amounts receivable</i>	326	4,123	3,797	<i>note below</i>
Net financial position: Net Indebtedness/net availability	(19,163)	(18,619)	544	2.8

Total shareholders' equity as of 31 December 2009 was equal to **3,795** thousand Euros.

Stock Exchange data

	2008	2009
Minimum quotation (Euro)	0.2004	0.1982
Maximum quotation (Euro)	0.329	0.388
Volume traded (overall) (Euro)	5,859,839	6,094,852
Minimum capitalization (million Euro)	18	18
Maximum capitalization (million Euro)	30	36
Average capitalization (million Euro)	23	28
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 statement reclassified in accordance with the weight of each business areas

	<u>31/12/2008</u>	<u>31/12/2009</u>	<u>% change</u>
Revenues from sales	4,925	2,836	(42.4)
Internal production	--	--	--
Operating income	4,925	2,836	(42.4)
External operating costs	(1,240)	(1,161)	(6.4)
Value Added	3,685	1,675	(54.5)
Personnel Costs	(134)	(153)	14.2
Gross Operating profit - (EBITDA)	3,551	1,522	(57.1)
Amortisations and provisions	(315)	(314)	(0.3)
Operating result	3,236	1,208	(62.7)
Result for accessory area	(96)	(156)	63.4
Net result for financial area	--	--	--
Normalized EBIT	3,141	1,052	(66.5)
Result for extraordinary area	(6)	16	<i>note below</i>
total EBIT	3,135	1,068	(65.9)
Net financial income/(charges)	(1,107)	(1,177)	6.3
Gross Result	2,028	(109)	<i>note below</i>
Taxes on Income	(100)	(48)	(52.0)
Net profit/(loss)	1,928	(157)	<i>note below</i>

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

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

<i>€uro/000</i>	2005	2006	2007	2008	2009
Total Turnover	2,508	2,818	2,986	5,099	2,921
Net Profit (Loss)	118	188	215	1,928	(157)

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

		31/12/08	31/12/09
<u>Financing ratios of fixed assets</u>			
Primary Capital Assets (Own Equity - Fixed Assets)	€/000	(11,450)	(13,385)
Primary Capital Ratio (Own Equity / Fixed Assets)	%	0.30	0.22
Secondary Capital Assets (Own Equity + Consolidated Liabilities - Fixed Assets)	€/000	9,013	8,770
Secondary Capital Ratio (Own Equity + Consolidated Liabilities / Fixed Assets)	%	1.55	1.51

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)	%	4.92	7.26
Financial Indebtedness Ratio (Loan liabilities + current liabilities / Own Equity)	%	3.93	5.99

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

<u>Profitability ratios</u>			
Net ROE (Net Result / Own Equity)	%	35.55	(4.13)
Gross ROE (Gross Result / Own Equity)	%	41.60	(2.86)
ROI (Operating Result / Fixed Assets)	%	13.04	0.18
ROS (Operating Result / Revenues from sales)	%	43.22	1.09

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	9,013	8,770
Availability Ratio (Current Assets / Current Liabilities)	%	3.57	2.62
Cash Margin (Deferred Liquidity + Immediate Liquidity - Current Liabilities)	€/000	9,013	8,770
Cash Ratio (Deferred Liquidity + Immediate Liquidity / Current Liabilities)	%	3.57	2.62

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

PRIMARY RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Risks related to the sector in which the company operates

The economic situation which has affected Italy and the global economy does not appear to be having significant repercussions on the company's holdings, as those holdings are not in a liquid portfolio, but rather concern investments projects of considerable range and breadth, for which the prospects for income are considered to be positive at this time.

For the real estate investments made in downtown Milan, no risks of fall in value are foreseen, and the same is true for the investments underway, the characteristics of which are amply described in the report. Reference is also made to what is highlighted concerning events subsequent to the closing of the financial year.

Credit risk in relation to commercial relations with customers

The primary areas of credit are relative to the leasing of real estate properties and the sale of facility management services to the companies of the Class Editori group and its affiliates (and for which there are no causes for risk).

The company has thus far never booked losses on receivables.

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 appropriate policy of financial equilibrium between resources and loans) were assumed with fixed rates in order to protect from potential rate increases.

Exchange rate risks

The activities of CIA in 2009 were virtually entirely developed in the Euro area. The investments made at the beginning of 2010 in the United States should not generate a negative impact on the financial flows of CIA. Management will in any case carefully assess the developments of the aforementioned investments in order to take, if necessary, the appropriate countermeasures.

Liquidity risks

Despite the increase compared to the previous financial year in the indebtedness to banks, the ability to generate cash flow, guaranteed by the leasing and facility management fees, render the risk of not having sufficient financial resources for operating needs and the ability to repay the mortgage installments unlikely.

Disputes and potential liabilities

In July 2008 and by means of a tax audit report, 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. The company is still waiting to receive the respective assessment notice.

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 costs

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

Trends and relationships with subsidiaries

With regards to relations with subsidiaries/affiliated companies, it should be noted that these exclusively refer to non-interest bearing financial relationships.

With regards 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 31.12.09.

Relations with related parties and affiliates

At 31/12/2009 there are relations with correlated parties relative to commercial operations concerning the leasing of real estate, with the Società Class Editori S.p.A. (1,777 thousand Euros for rents and 627 thousand Euros for facility management), with the Società Italia Oggi Editori Erinne S.r.l. (238 thousand Euros for rents and 99 thousand Euros for facility management), and with the Società Class CNBC S.p.A. (32 thousand Euros). In addition, the Company has been charged by Class Editori SpA for strategic, accounting and administrative assistance services (328 thousand Euros).

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, which is being renovated by CIA, and 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

<i>Euro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
Receivables from Class Editori	987	185
Receivables from Italia Oggi Editori Erinne	--	287
Receivables from Class CNBC	28	29
Payables to Class Editori	(950)	(795)
Payables to Class Pubblicità	--	(7)
Payables to Class Editori Service	--	(14)
Payables to Class Editori for a commitment deposit	(2,000)	(2,000)
<u>Income statement relationships</u>		
Revenues from lease to Class Editori	1,743	1,777
Revenues from lease to Italia Oggi Editori	234	238
Revenues from lease to Class CNBC	31	32
Revenues for facility services from Class Editori	687	627
Revenues for facility services from Italia Oggi Editori	97	99
Costs for administrative and consulting services from Class Editori	(531)	(328)

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

<i>Euro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
Receivables from Turistica Florio	99	99
Receivables from Isola Longa	4	4
Receivables from Società Infrastrutture Sicilia	1,664	1,677
Crediti verso Donnafugata Resort	120	--
<u>Income statement relationships</u>		
Revenues for consulting services from Donnafugata Resort	100	--

In accordance with the provisions of Art. 10 of Law 72/1983, no asset entered in the balance sheet as of 31 December 2009 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 disputes with customers, suppliers and other third-parties, we hereby state that at present there are no significant 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

The crisis in the financial markets did not have, and we do not anticipate that it will during the current year, have any impact on the income and assets of CIA, which on the contrary continues to invest in high caliber projects.

Following 31 December 2009, business continued in a positive manner under conditions of cost-savings and efficiency and the new investments made further increased the value of the company assets.

In January, CIA underwrote in total the paid increase in share capital deliberated on 26 October 2009 by the Shareholders' Meeting of Donnafugata Resort S.r.l., for the share reserved for it. In February 2010, they underwrote a non-optioned share quota, for an amount of 159 thousand Euros, of the deliberated capital; this underwriting determined a further increase in its holding from 16.27% to 17.41%.

In light of the diversification of its investments, to seize new opportunities for development and to increase the value of the assets held in the real estate and wine and food fields, the company made two investments in the USA, also due to the favorable Euro/Dollar exchange rate and the prospects of a faster recovery of the American market.

- CIA purchased a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 7-9 East 20th Street, between 5th Avenue and Broadway. The price per square meter was approximately 4,500 Euros. The operation was partially financed through a 25-year fixed rate Euro mortgage, for 1.8 million Euros, with a leading Italian bank. The building will be immediately generate income.
- CIA also carried out the entry in the share capital of LC International LLC, holding company that owns all the shares of the restaurants Le Cirque, Osteria Il Circo in NY, and five others, two of which are in Las Vegas and due in Santo Domingo, with the Le Cirque, Il Circo and Sirio trademark from the name of the founder, managed with the Management fee formula. The equity holdings in the restaurant companies belonging to the Maccioni family, represent the corporate assets. In America, Italian restaurants and in particular the Maccioni brand are positioned at the top of the fine dining field and Le Cirque is considered one of the most famous restaurants in the world. LC International is currently negotiating the opening of two other restaurants, again under management fee, in Istanbul and Qatar.
The overall investment was 4 million dollars for 40% of the capital:
CIA acquired directly 20% of the share capital, and another 20% as partner of SIMEST, company controlled by the Italian government (which holds 76% of the shares), the goal of which is to promote and support the internationalization process of Italian businesses and assist entrepreneurs in their activities abroad.
The operation was financed through a 8-year fixed rate mortgage, for 1.5 million Euros, with a leading Italian bank.

The end of the renovation of the first part of the building located in central Milan destined for commercial use, of approximately 2,300 m² will allow it to be immediately rented, within the time frame as forecasted in the first phase of the construction project identified for the area.

Board of Directors' proposals

Dear Shareholders,

We request that you approve the financial statement at 31 December 2009, and resolve to cover the loss for the period of 156,899 Euros using in equal amount the extraordinary reserve.

For the Board of Directors

Vittorio Terrenghi

***Separate financial statements
of the parent company***

C I A
Compagnia Immobiliare Azionaria

Headquarters in Milan, Via G. Borgazzi, 2
 Corporate Capital €922,952.60 entirely deposited
 Tax Code and VAT Registration No. 03765170968
 Registration within the Economic & Administrative Index of the Chamber of Commerce of
 Milan under No. 1700623
Financial statements ended at 31/12/2009

TABLE SHOWING THE FINANCIAL SITUATION - ASSETS

ASSETS	notes	31/12/2008	31/12/2009
NON-CURRENT ASSETS			
Intangible fixed assets with an indefinite life		0	0
Other intangible fixed assets	1	4,416	3,376
Total intangible fixed assets		4,416	3,376
Tangible fixed assets	2	152,282	146,420
Real estate investments	2	11,211,824	11,075,091
Equity investments	3	4,953,901	5,612,122
Other equity investments		0	0
Financial receivables		0	0
Other receivables	4	3,940	343,453
TOTAL NON-CURRENT ASSETS		16,326,363	17,180,642
CURRENT ASSETS			
Inventory		0	0
Trade receivables	5	1,236,233	687,517
Securities		0	0
Financial receivables	6	0	4,115,400
Tax receivables	7	50,140	93,980
Other receivables	8	10,913,219	9,271,869
Cash and cash equivalents	9	325,508	7,207
TOTAL CURRENT ASSETS		12,525,100	14,175,972
TOTAL ASSETS		28,851,463	31,356,435

TABLE SHOWING THE FINANCIAL SITUATION - LIABILITIES

SHAREHOLDERS' EQUITY & LIABILITIES	notes	31/12/2008	31/12/2009
SHAREHOLDERS' EQUITY			
Share Capital		922,953	922,953
Reserves		2,024,310	3,029,396
Net profit (loss) for the year		1,928,038	(156,899)
<hr/>			
TOTAL SHAREHOLDERS' EQUITY	10	4,875,301	3,795,450
<hr/>			
NON-CURRENT LIABILITIES			
Financial payables	11	18,166,859	19,856,377
Provision for risks and charges		0	0
Severance fund and other employee funds	12	14,446	17,038
<hr/>			
TOTAL NON-CURRENT LIABILITIES		18,181,305	19,873,415
<hr/>			
CURRENT LIABILITIES			
Financial payables	13	1,321,907	2,885,897
Provisions for risks and charges		0	0
Trade payables	14	1,299,858	1,703,533
Tax payables	15	423,793	406,633
Other payables	16	2,749,299	2,691,507
<hr/>			
TOTAL CURRENT LIABILITIES		5,794,857	7,687,570
<hr/>			
TOTAL LIABILITIES		23,976,162	27,560,985
<hr/>			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,851,463	31,356,435

SEPARATE INCOME STATEMENT

INCOME STATEMENT	notes	31/12/2008	31/12/2009
REVENUES			
Revenues		2,834,276	2,836,313
Other operating revenues		2,265,085	84,517
TOTAL REVENUES	17	5,099,361	2,920,830
Costs for purchases	18	(110)	0
Costs for services	19	(1,240,546)	(1,161,200)
Costs for personnel	20	(133,713)	(153,083)
Other operating costs	21	(275,849)	(224,084)
Gross operating profit - Ebitda		3,449,143	1,382,463
Amortization, depreciation and write-downs	22	(314,825)	(313,817)
Operating result - Ebit		3,134,318	1,068,646
Net financial income (charges)	23	(1,106,685)	(1,177,191)
Pre-tax profit		2,027,633	(108,545)
Taxes	24	(99,595)	(48,354)
NET RESULT		1,928,038	(156,899)

Balances in the financial statements match those in accounts.

Overall Income Statement at 31 December 2009

(Euros)	notes	31.12.2008	31.12.2009
Net Result		1,928,038	(156,899)
Other items of the overall income statement	23		
N/A		--	--
Taxes on other items of the overall income statement		--	--
Total items of the overall income statement of the period net of fiscal effects		--	--
TOTAL OVERALL INCOME STATEMENT OF THE PERIOD		1,928,038	(156,899)

Statement of changes in the shareholders' equity 31/12/2007 – 31/12/2008

	Capital Share capital	Reserve Price premium	Reserve Legal	Other reserves	Transition reserve IAS	Net Result of the Period	SE Total
BALANCES AS OF 31/12/2007	922,953	1,526,025	17,527	333,012	(66,725)	214,471	2,947,263
<i>Movements in 2008:</i>							
Allocation of profit			10,724	203,747		(214,471)	--
Dividends							
Movements of reserves							
<i>Result of the period</i>							
Proceeds/(Charges) booked under SE	--	--	--	--	--	--	--
proceeds/(Charges) booked under SE	--	--	--	--	--	--	--
Net result of the period						1,928,038	1,928,038
Overall result of the period	--	--	--	--	--	1,928,038	1,928,038
BALANCES AS OF 31/12/2008	923,953	1,526,025	28,251	536,759	(66,725)	1,928,038	4,875,301

Statement of changes in the shareholders' equity 31/12/2008 – 31/12/2009

	Capital Share capital	Reserve Price premium	Reserve Legal	Other reserves	Transition reserve IAS	Net Result of the Period	SE Total
BALANCES AS OF 31/12/2008	923,953	1,526,025	28,251	536,759	(66,725)	1,928,038	4,875,301
<i>Movements in 2008:</i>							
Allocation of profit			96,402	908,683		(1,005,085)	--
Dividends						(922,953)	(922,953)
Movements of reserves							
<i>Result of the period</i>							
Proceeds/(Charges) booked under SE	--	--	--	--	--	--	--
proceeds/(Charges) booked under SE	--	--	--	--	--	--	--
Net result of the period						(156,899)	(156,899)
Overall result of the period	--	--	--	--	--	(156,899)	(156,899)
BALANCES AS OF 31/12/2009	923,953	1,526,025	124,653	1,445,442	(66,725)	(156,899)	3,795,450

TABLE OF THE CASH FLOW AT 31 DECEMBER 2009

(thousands of Euros)	notes	2008	2009
Financial year assets			
Operating profit		1,928,038	(156,899)
Amortizations		308,595	313,482
Self-funding		2,236,633	156,583
Changes in warehouse stock			
Changes in trade receivables		1,005,643	548,716
Change in tax receivables/payables		97,610	(61,000)
Change in other receivables		(5,719,181)	(2,813,563)
Change in trade payables		725,861	403,675
Change in other payables		1,306,864	(57,792)
Cash flows of the financial year assets (A)		(346,570)	(1,823,381)
Investment assets			
Tangible fixed assets		83,043	(169,847)
Intangible fixed assets		(5,200)	--
Long-term investments		(623,650)	(658,221)
Cash flows of the investments assets (B)		(545,807)	(828,068)
Financing activities			
Changes in amounts due to banks and other lenders		(183,698)	3,253,508
Change in Reserves for Risks and Charges		--	--
Changes in severance indemnities		4,747	2,592
Profit distribution		-	(922,952)
Cash-flow from financing activities (C)		(178,951)	2,333,148
Change of liquid assets (A) + (B) + (C)		(1,071,328)	(318,301)
Liquid assets at start of financial year		1,396,836	325,508
Liquid assets at end of financial year		325,508	7,207

The Chairman of the Board of Directors

Vittorio Terrenghi

***Notes to the financial statements
of the parent company***

CIA

Compagnia Immobiliare Azionaria S.p.A.

Registered office: Milan, Via G. Borgazzi 2
Share Capital €922,952.60
Economic & Administrative Index of Milan under no. 1205471
Tax and VAT no. 03765170968

Notes to the financial statements for the year ended at 31/12/2009

Accounting policies

The Company prepared the financial statements at 31 December 2009 in compliance with the International Accounting Principles (“IFRS”) issued by the International Accounting Standards Boards (“IASB”) and adopted by the European Union. IFRS means all the international accounting principles reviewed (“IAS”), all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously called Standing Interpretations Committee (“SIC”).

Declaration of compliance with the International Accounting Principles

The 2009 financial statements are prepared in compliance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) and relative interpretations of the International Financial Reporting Committee (IFRC) ratified by the European Commission according to the procedure as per Art. 6 of Regulation No. 1606/2002 of the European Parliament and the Council of 19 July 2002 in effect at the date of reference of the financial statements.

The application of the IAS/IFRS was made also referring to the “systematic framework for the preparation and presentation of the financial statements”, with particular concern to the fundamental principle that concerns the prevalence of substance over form, as well as the concept of the pertinence and significance of the information.

On the interpretative level, the documents on the application of the IFRS in Italy provided for by the Italian Organization of Accounting (OIC) were also taken into account.

Accounting principles adopted

The accounting principles adopted for the preparation of the financial statements at 31 December 2009 are the same as those adopted for the preparation of the financial statements at 31 December 2008 with the exception of the adoption of the following principles and interpretations ratified by the European Union applicable as of 1 January 2009:

- IAS 1 reviewed, “Presentation of the financial statements”: ratified by the European Commission in the month of December 2008. The application of this principle involves the representation of an income statement which includes those items – in addition to the normal income statement items – that were previously directly included within shareholders’ equity. The income statement therefore acquires the name of “overall income statement”. The choice of the Company, within the realm of application of the abovementioned principle, involved reporting the overall income statement in two statements: The first highlights the traditional items of the income statement with the result of the period while the second, starting with the net result of the traditional statement, reports in detail on the other items which were previously directly highlighted in the statement of changes of consolidated shareholders’ equity: In this specific case, no effects were encountered from the application of this principle.

The other principles and interpretations (IFRS 2 reviewed, “Payments based on shares”, IFRS 8, “Operational segments”, IFRIC 14 “Limits to the activities of fixed-benefit plans, minimum financial requirements and their interpretation” and IAS 23 reviewed, “Financial Charges”, ratified by the European Commission in December 2008 and applicable as of 1 January 2009) did not have an impact on the accounts of the Company and on this report.

Valuation Criteria

The following evaluation criteria were adopted when drawing up the financial statement:

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 capitalised 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
- ordinary furniture and 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

The trade receivables are shown at the *fair value* of future cash flows, less any write-downs.

Payables

Payables are reported at their nominal value.

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 it is planned to retain 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, whichever 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

The leasing contracts related to assets in which the Company 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 leased asset is booked at either its current value or the current value of the contractually agreed minimum installments, whichever of the two is lower. The total amount of the instalments is spread between financial charges and capital 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.

Advance and deferred taxation is calculated according to the time differences between the assets and liabilities booked in the financial statements and the corresponding values recognised for fiscal purposes, carrying forward tax debits 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 shareholders' 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

Average company personnel totalled three employees.

The Business sector labour contract is used.

BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

1) *Other intangible fixed assets*

Balance as of 31/12/2008	€	4,416
Balance as of 31/12/2009	€	3,376
	€	<u>(1,040)</u>

Item	Value at 31/12/2008	Increases	Decreases	Amortization	Value at 31/12/2009
Research and Development Pub.	0	0	0	0	0
Dir. Industrial Patents. Eng. work	0	0	0	0	0
Other Fixed assets (Software)	4.416	0	0	1.040	3.376
Total	4.416	0	0	1.040	3.376

Other intangible fixed assets

This heading includes expenses incurred for software purchases.

Pursuant to art. 2427, No. 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		-	-				5.200	5.200
previous write-ups								-
previous write-downs								-
previous depreciation and amortisation		-	-				(784)	(784)
OPENING BALANCE	-	-	-	-	-	-	4.416	4.416
acquisitions during the year							-	-
reclassifications (-)								-
reclassifications (+)								-
disposals during the year								-
write-ups during the year								-
write-downs during the year								-
Depreciation and amortization during the year		-	-				(1.040)	(1.040)
BALANCE	-	-	-	-	-	-	3.376	3.376
Movements pursuant to Art. 2426, nr. 3								
CLOSING BALANCE	-	-	-	-	-	-	3.376	3.376

2) Tangible fixed assets and real estate investments.

Balance as of 31/12/2008	€	11,364,106
Balance as of 31/12/2009	€	11,221,511
	€	<u>(142,595)</u>

Euros	Land and buildings	Land and buildings in leasing	Properties	Properties in leasing	Plants and machinery	Industrial and commercial equipment	Other goods	Total
HISTORICAL COST	445,987	2,570,863	2,360,956	7,209,179	155,814	5,291	364,829	13,112,919
Previous write-ups								-
Financial charges (Writedowns)								-
Previous amortizations			(549,096)	(826,065)	(49,050)	(5,291)	(319,311)	(1,748,813)
BALANCE 31/12/2008	445,987	2,570,863	1,811,860	6,383,114	106,764	--	45,518	11,364,106
Acquisitions of the financial year			143,500		2,480		23,867	169,847
Reclassifications (-)		(2,570,863)		(5,330,847)				-
Reclassifications (+)	2,570,863		5,330,847					-
Financial charges								-
Alienations for financial year								-
Revaluations of the financial year								-
Devaluations of the financial year								-
Amortizations of the financial year			(244,156)	(36,076)	(15,645)		(16,564)	312,442
BALANCE	3,016,850	--	7,042,050	1,016,191	93,599	--	52,821	11,221,511
Amortization								-
Fiscal Advances								-
Transactions Pursuant to Art 2426, no.3								-
BALANCE 31/12/2009	3,016,850	--	7,042,050	1,016,191	93,599	--	52,821	11,221,511

Real estate investments

Euros		HISTORICAL	Amortization/	BALANCE	Acquisition	Amortization/	BALANCE
		COST	depreciation/	AT	(Disinvestment)	depreciation/	AT
			from	31.12.08		from	31.12.09
			previous year			Financial year	
G.Galeazzo	31	1,202,591	(150,324)	1,052,267		36,077	1,016,190
	ground floor						
Tot. leased properties		1,202,591	(150,324)	1,052,267		36,077	1,016,190

Burigozzo 5		303,975		303,975			303,975
G.Galeazzo 29 (*)		6,006,588	(675,741)	5,330,847	143,500	183,288	5,291,059
Borgazzi 2 ground floor		770,506	(232,864)	537,642		23,115	514,527
Borgazzi 2 lab.		149,773	(48,418)	101,355		4,493	96,862
Borgazzi 2 3rd floor		353,239	(47,679)	305,560		10,597	294,963
G. Galeazzo 31 1st floor		651,898	(162,661)	489,237		19,557	469,680
Malindi KENYA		14,202	(4,474)	9,728		426	9,302
Portorotondo		22,134	(6,972)	15,162		664	14,498
France, Haute-Savoie		20,658	(4,028)	16,630		620	16,010
Venice		46,528	(13,958)	32,570		1,396	31,174
Tot. other properties		8,339,501	(1,196,795)	7,142,706	143,500	244,156	7,042,050

Burigozzo 5		445,987		445,987			445,987
G. Galeazzo 29		2,570,863		2,570,863			2,570,863
Tot. land and buildings		3,016,850		3,016,850			3,016,850

TOTAL Properties and lands		12,558,942	(1,347,119)	11,211,823	0	0	11,075,091
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*At 31/12/2008 among the properties in leasing. Redeemed during 2009

3) Equity investments

Balance as of 31/12/2008	€	4,953,901
Balance as of 31/12/2009	€	5,612,122
	€	<u>658,221</u>

Equity holdings in subsidiary enterprises

Item	Value at 31/12/2008	Devaluations		Value at 31/12/2009
		Acquisitions	Alienations	
Az. Agr. Ten. Pisciotto	829.098	0	0	829.098
Feudi del Pisciotto	1.663.037	0	0	1.663.037
Buigozzo 1	10.000	0	0	10.000
Resort del Pisciotto	32.500	0	0	32.500
Total	2.534.635	0	0	2.534.635

Equity holdings in affiliated enterprises

Item	Value at 31/12/2008	Acquisitions	Alienations	Devaluations	Value at 31/12/2009
Donnafugata Resort	799.000	653.079	0	0	1.452.079
Azienda Turistica Florio	1.312.570	0	0	0	1.312.570
Feudi del Pisciotto	0	0	0	0	0
Isola Longa	7.000	0	0	0	7.000
Capital Infrastructures	44.659	5.140	0	0	49.799
Total	2.163.229	658.219	0	0	2.821.448

Shareholdings in other businesses

Item	Value at 31/12/2008	Acquisitions	Alienations	Devaluations	Value at 31/12/2009
Marina di Punta Ala	154.937	0	0	0	154.937
Audoin de Dampierre	101.100	0	0	0	101.100
Total	256.037	0	0	0	256.037

For greater clarity, the movements of tangible fixed assets are set out in the following table.

	Equity holdings Subsidiaries	Equity holdings Affiliates	Equity holdings in other	TOTAL
HISTORICAL COST	2.534.635	2.163.229	256.037	4.953.901
previous write-ups				-
previous write-downs				-
OPENING BALANCE	2.534.635	2.163.229	256.037	4.953.901
acquisitions during the year		658.220		658.220
reclassifications				-
disposals during the year				-
write-ups during the year				-
write-downs during the year				-
BALANCE	2.534.635	2.821.449	256.037	5.612.121
Movements pursuant to Art. 2426, nr. 3				-
CLOSING BALANCE	2.534.635	2.821.449	256.037	5.612.121

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

Name	City or State	Capital corporate	Quota % Of property	Profit (loss)	Accounting Balance	Net property
Azienda Agric. Tenuta Pisciotto	Caltanissetta	120.000	100	(216.999)	829.098	117.992
Resort del Pisciotto	Palermo	10.000	100	(10.911)	32.500	-911
Feudi del Pisciotto	Palermo	35.000	100	38.951	1.663.038	1.431.486
Burigozzo 1	Milano	10.000	100	(1.271)	10.000	8.069
Donnafugata Resort	Ragusa	8.926.500	16,27	(53.889)	1.452.080	1.401.032
Isola Longa Turismo Rurale	Palermo	10.000	35,00	(5.480)	7.000	1.582
Società Infrastrutture Sicilia S.r.l.	Palermo	10.000	25,70	(7.218)	49.799	3.336
Az. Turistica Florio	Trapani	90.000	43,75	(4.156)	1.312.570	202.670
Audoin De Dampierre SA	Francia	123.072	2,00	n.d	101.100	n.d
Marina di Punta Ala	Punta Ala	2.080.000	0,171	n.d	154.937	n.d

The equity holdings entered in the non-current assets represent a lasting, strategic investment on the company's part.

Shareholdings in subsidiaries and other companies are valued in compliance with the principle of continuity in valuation principles and at their acquisition or underwriting cost.

The equity holdings entered at purchase cost have not undergone write-downs because of lasting losses of 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 – the company, owner of lands on which vines are planted, is still in the start-up phase. During 2009 it increased its production capacity and we anticipate an additional increase of approximately 20% during the 2010 financial year.
- Resort del Pisciotto – the company is in the start-up phase and its activity is closely correlated to the development of the investments made by the affiliates Azienda Agricola Tenuta del Pisciotto and Feudi del Pisciotto.
- Feudi del Pisciotto – the company is at the moment in start-up. The production capacity of the vines owned and those owned by the affiliate Azienda Agricola Tenuta del Pisciotto will increase, thereby allowing the production capacity of the wine cellar to increase, from the current 1,500 hectoliters to the 3,300 hectoliters anticipated when it is fully operational.
- Burigozzo 1 – it holds the equity stake in the Diana Bis S.r.l. company, involved in the restoration of a valuable building located in the center of Milan. At the end of 2009, the first lot was completed which is therefore able to produce income already starting in 2010.
- Donnafugata Resort - the realization of the two golf courses in the area of Ragusa, with tourism structure, is essentially completed. Inauguration is expected during the first half of 2010.
- Isola Longa Turismo Rurale - the company is inactive at the moment, waiting for the administrative situation in the Trapani area to become unblocked which will allow a project for the realization of a tourist structure to be developed.
- Società Infrastrutture Sicilia - it owns an equity stake in the Airgest Company that manages the Airport of Trapani. The airport experienced a considerable increase in the number of passengers in 2009. The agreement stipulated with Airone should guarantee an additional development of flow.
- Azienda Turistica Florio – the company is in start-up. It owns the entire non-government area of the Island of Levanzo, as well as farmhouse on it. The value of the lands is considerably greater than that on the financial statements. The projects for developing a tourist structure are currently suspended awaiting the receipt of the relative building permits.

4) Other receivables

Balance as of 31/12/2008	€	3,940
Balance as of 31/12/2009	€	<u>343,453</u>
	€	<u>339,513</u>

The other receivables shows the balance of security deposits. The increase compared to the preceding financial year is due to the deposit paid for the purchase of the apartment in New York, which was finalized in the first part of 2010, as described in the report.

CURRENT ASSETS

5) Trade receivables

Balance as of 31/12/2008	€	1,236,233
Balance as of 31/12/2009	€	<u>687,517</u>
	€	<u>(548,716)</u>

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

Following are the details of trade receivable items.

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Regular customers	1.179.767	129.263	-1.050.504
Invoices to be issued	3.835	438.028	434.193
Receivables from Burigozzo 1	0	67.930	67.930
Receivables from Diana bis	62.424	62.424	0
Provision for depreciation Credits Art. 106 TUIF	-9.793	-10.128	-335
	1.236.233	687.517	-548.716

The nominal values of receivables were adjusted to their presumed collection value by setting up an allowance for bad debts provision which was subject to the following movements during the year:

Description	Total
Provision balance at 31/12/2008	9,793
Utilisation during the year	335
Allocation Art. 106	0
Balance as of 31/12/2009	10,128

6) Financial receivables

They come to 4,115,400 and completely represented by payments made to the subsidiary Burigozzo 1 S.r.l. This financial current account report is regulated at normal market conditions.

7) Tax receivables

Balance as of 31/12/2008	€	50,140
Balance as of 31/12/2009	€	93,980
	€	<u>43,840</u>

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Withholding tax Bank and post office accounts	6.764	152	-6.612
Advance VAT payments	4.195	23.535	19.340
Advance IRAP (Regional Corporate Income Tax) payments	34.877	62.245	27.368
IRES advance payments	0	6.764	6.764
Trans. Proforma VAT	4.281	1.261	-3.020
IRPEF on Employee Severance Indemnity	23	23	0
TOTAL	50.140	93.980	43.840

8) Other receivables

Balance as of 31/12/2008	€	10,913,219
Balance as of 31/12/2009	€	9,271,869
	€	<u>(1,641,350)</u>

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Advances to suppliers	3.400	5.405	2.005
Receivables from third parties	6.081	5.715	-366
Receivables from employees	100	100	0
Receivables from Az. Agricola Ten. Del Pisciotto	1.363.787	1.785.787	422.000
Receivables from Feudi del Pisciotto	3.343.736	3.966.736	623.000
Receivables from Resort del Pisciotto	0	20.000	20.000
Receivables from Gestpor	6.500	6.500	0
Receivables from Az Turistica Flori.	98.658	98.658	0
Receivables from Isola Longa Turismo Rurale	3.500	3.500	0
Receivables from Soc. Infrastrutture Sicilia	1.664.482	1.677.332	12.850
Receivables from Burigozzo 1	4.400.400	1.500.000	-2.900.400
Advance on property	4.282	181.409	177.127
Insurance deferral	4.130	2.949	-1.181
Deferrals of rent and leasing	8.490	8.490	0
Deferral of IAS actuarial fees for employee termination indk	277	466	189
Other deferred income	5.396	8.822	3.426
TOTAL	10.913.219	9.271.869	-1.641.350

9) Cash and cash equivalents

Balance as of 31/12/2008	€	325,508
Balance as of 31/12/2009	€	<u>7,207</u>
	€	<u>(318,301)</u>

Bank deposits

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Unicredit	14.088	0	-14.088
Banca Popolare di Sondrio	296.866	0	-296.866
Banca Popolare dell'Emilia Romagna	9.323	0	-9.323
Bipop Carire	4.173	6.158	1.985
Cash on hand	1.058	1.049	-9
TOTAL	325.508	7.207	-318.301

The balance represents the cash and cash equivalents, including cash and securities, at the closing date of the financial year. Accounting balances were reconciled on 31.12.09 with those indicated in the bank statements.

LIABILITIES

10) Shareholders' equity

Balance as of 31/12/2008	€	4,875,301
Balance as of 31/12/2009	€	<u>3,795,450</u>
	€	<u>(1,079,851)</u>

Item	Value at 31/12/2008	Increases	Decreases	Value at 31/12/2009
Share Capital	922.953	0	0	922.953
Legal reserve	28.251	96.402	0	124.653
Extraordinary reserve	536.759	908.684	0	1.445.443
Share premium reserve	1.526.025	0	0	1.526.025
IAS asset movements	(66.725)	0	0	(66.725)
Profit (loss) carried forward	0	0	0	0
TOTAL	2.947.263	1.005.086	0	3.952.349
Net profit (loss) for the year	1.928.038	(156.899)	(1.928.038)	(156.899)
SHAREHOLDERS' EQUITY	4.875.301	848.187	(1.928.038)	3.795.450

The only movements of the shareholders' equity items pertain to the accounting of the period result and the allocation of the result of the 2008 financial year, which entailed the distribution of dividends amounting to Euro 922,952.

The share capital is composed as follows:

CATEGORY OF SHARES	INITIAL AMOUNT		ISSUES IN FINANCIAL YEAR		FINAL AMOUNT	
	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

The total number of shares in circulation at 31/12/09 was 92,295,260.

Shareholders' equity, in addition to the share capital of 922,952.60 Euros, consists of the following items:

Legal reserve	124,653
Share premium reserve	1,526,025
Extraordinary reserve	1,445,443
Transition reserve to the IAS/IFRS	(66,725)
Loss of the financial year	(156,899)

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 at 31/12/2008	Increases	Decreases	Value at 31/12/2009
Share premium reserve	1,526,025	0	0	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 use of balance sheet items during the previous three financial years is shown below:

	Share Capital	Premium reserve Shares	Legal reserve	Other reserves	Reserves from IAS corrections	Profit (Loss) for the year	Total
Values at 31/12/2007	922.953	1.526.025	17.527	333.012	(66.725)	214.471	2.947.263
Allocation of profit			10.724	203.747		(214.471)	
Dividends (€ ..per share)							
Other allocations							
Other changes:							
...							
Profit (Loss) for the year						1.928.038	1.928.038
Values at 31/12/2008	922.953	1.526.025	28.251	536.759	(66.725)	1.928.038	4.875.301
Allocation of profit			96.402	908.683		(1.005.085)	
Dividends Euro 0.01 per share)						(922.952)	(922.952)
Other allocations							
Other changes:							
...							
Profit (Loss) for the year						(156.899)	(156.899)
Values at 31/12/2009	922.953	1.526.025	124.653	1.445.442	(66.725)	(156.898)	3.795.450

The following table shows the possibility of utilization of the items that make up the net equity, pursuant 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	124,652	B	-
Other profit reserves	1,445,442	A, B, C	1,445,442
IFRS* Transition Reserve	(66,725)	-	(66,725)
Total			2,904,742

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

NON-CURRENT LIABILITIES

11) Financial payables

Balance as of 31/12/2008	€	18,166,859
Balance as of 31/12/2009	€	<u>19,856,377</u>
	€	<u>1,689,518</u>

Financial payables include:

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Loan debts Mortgage loan	13.867.709	19.330.647	5.462.938
Real estate debts In leasing	4.299.150	525.730	-3.773.420
TOTAL	18.166.859	19.856.377	1.689.518

The financial payables include two real estate mortgage loan contracts stipulated with Unicredit Banca, at fixed rate, one for 25 years, for the initial amount of Euro 12,560,000 and the other for 20 years, for the amount of Euro 3,000,000, a loan agreement with Banca Carige in the amount of Euro 6,500,000 and a loan agreement with Banca Popolare dell'Emilia, fixed rate, for 15 years, originally of 248,000 Euro.

All current financing is guaranteed by mortgages on properties owned.

The quota of financial debt with expiration greater than 5 years is Euro 16,147,826.

12) Employee severance indemnities

Balance as of 31/12/2008	€	14,446
Balance as of 31/12/2009	€	<u>17,038</u>
	€	<u>2,592</u>

Changes are shown below:

Item	Provision balance at 31/12/2008	Uses	Provisions	Charges Financial	(Profit)/Loss discounting back	Provision balance at 31/12/2009
Clerical staff	14.446	-3.653	5.706	406	133	17.038
	14.446	-3.653	5.706	406	133	17.038

Severance indemnity is determined in accordance with IAS 19, by applying an actuarial method 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.

The value of severance indemnities liabilities at 31/12/2009, quantified according to labour legislation and Italian Accounting Standards, amounts to 20,642 Euro.

CURRENT LIABILITIES

13) Financial payables

Balance as of 31/12/2008	€	1,321,907
Balance as of 31/12/2009	€	2,885,897
	€	<u>1,563,990</u>

Financial payables include:

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Loan debts Mortgage loan	417.920	839.715	421.795
Payables to Banks	0	1.943.027	1.943.027
Other current loans	903.987	98.155	-805.832
Payables to Diana Bis	0	5.000	5.000
TOTAL	1.321.907	2.885.897	1.563.990

14) Trade payables

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Suppliers and collaborators	741.233	771.269	30.036
Invoices and notes receivable	155.915	116.031	-39.884
Class Editori	400.604	794.925	394.321
Classpi	2.106	7.184	5.078
Class Editori Service	0	14.124	14.124
TOTAL	1.299.858	1.703.533	403.675

15) Tax payables

This heading shows the tax liabilities.

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
IRPEF (Income Tax) on employee withholdings	2.917	4.564	1.647
IRPEF (Income Tax) on freelance and independent contractor v	0	0	0
Deferred tax payables	359.805	341.867	-17.938
Treasury IRES/IRAP	61.071	60.202	-869
TOTAL	423.793	406.633	-17.160

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

a) the description of the temporary differences which led to the booking of advance and deferred taxes specified the rate applied and any changes with respect to the previous year as well as the amounts credited or debited to the Income Statement or to Shareholders' Equity, the items excluded from the calculations and their relative 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 at 31/12/2008			Balance at 31/12/2009		
	Amount of timing differences	Fiscal Effect	Effect on result	Amount of timing differences	Fiscal Effect	Effect on result
Tax rate applied	27.50%			27.50%		
Tax rate applied	31.40%			31.40%		
Effect of change in rate compared with previous year:						
Increase (decrease) in deferred tax reserve		-	-		-	-
Prepaid taxes:						
taxes on compensation for administrators	(132,500)	36,438	--	(132,500)	36,438	--
Cancellation of lands	(52,717)	(16,553)	--	(52,717)	(16,553)	--
Write-off for properties	(1,416,048)	(444,639)	--	(1,416,048)	(444,639)	--
Tax benefit on losses for the year	(139,340)	38,319	(38,437)	(185,132)	50,911	12,4593
Total prepaid taxation		(386,436)	(38,437)		(373,843)	12,593
Deferred taxation:						
cancellation of other fixed assets	9,700	3,046	--	6,743	2,117	(928)
Discounting back of employee severance indemnities	(1,466)	(403)	(87)	(798)	(219)	184
Total deferred taxation		2,643	(87)		1,898	(745)
Net deferred/(prepaid) taxation		(383,794)	(38,524)		(371,946)	11,848
Net effect:						
1995 CONSOLIDATED NOTE		(38,524)			11,848	
On Opening Shareholders' Equity		(321,282)			(359,805)	
Non-recurrent income					6,090	
On Closing Shareholders' Equity		(359,805)			(341,867)	

16) Other payables

This entry includes the following amounts:

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Social Security contributions	4.048	5.274	1.226
To Byblos	706	757	51
Caution money	282.000	282.000	0
Payables to shareholders for dividends	0	1.940	1.940
Diana Bis deferrals	169.583	107.917	-61.666
Payables to Class for deposit	1.999.998	1.999.998	0
Payables to collaborators	1.068	16.436	15.368
Accrual 13th 14th editorial	7.297	0	-7.297
Accrued holiday pay	8.120	8.552	432
Miscellaneous accrued liabilities	274.575	266.729	-7.846
Deferral of IAS actuarial fees for employee termination inder	1.904	1.904	0
TOTAL	2.749.299	2.691.507	-57.792

Memorandum accounts

Received guarantees - referring to guarantees received from Banca Intesa, for a total of Euro 1,067,500.00, relative to receivable rental contracts for properties located in Milan in Via Gian Galeazzo, 31 and in Via Burigozzo, 5, and in effect with the companies Class Editori S.p.A. and Italia Oggi Editori Erinne S.r.l., as well as Euro 9,600.00 from Banca Popolare dell'Emilia Romagna.

Guarantees provided - these are mortgage guarantees provided in connection with the medium-long term financing with Unicredit Banca for Euro 24,000,000.00, with Banca Popolare dell'Emilia Romagna for Euro 450,000.00 and with Banca CARIGE for Euro 13,000,000.00. Letter of patronage in favor of Centrobanca for financing of Euro 22,000,000.00 to the subsidiary Burigozzo 1 S.r.l.

Assets held by third parties - includes the value of securities held by Monte Titoli and totalling Euro 125,870.

INCOME STATEMENT

TOTAL REVENUES

17) Revenue and other income

Balance as of 31/12/2008	€	5,099,361
Balance as of 31/12/2009	€	<u>2,920,830</u>
	€	<u>(2,178,531)</u>

Revenues from sales and services

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Revenues from Class rents and facility	2.431.271	2.403.681	-27.590
Revenues from Class CNBC rents and facility	31.480	31.952	472
Revenues from Italia Oggi rents and facility	330.686	337.135	6.449
Other business revenues	40.839	63.545	22.706
	2.834.276	2.836.313	2.037

The revenues achieved were generated from the management of securities and real estate assets. The company has leased and stipulated facility management contracts with Class Editor SpA and other lessee companies; the fees are in line with those applied on the market for real estate properties with similar characteristics. The increase was generated by normal ISTAT inflation adjustments.

Other

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Other revenues and income	100.000	0	-100.000
Provision of services Diana Bis	15.417	61.667	46.250
Recoupment of costs Class	710	0	-710
Recoupment of costs Diana Bis	52.020	0	-52.020
Capital gains	2.091.461	3.333	-2.088.128
Non-recurrent income	5.477	19.517	14.040
	2.265.085	84.517	-2.180.568

OPERATING COSTS

Balance as of 31/12/2008	€	1,650,218
Balance as of 31/12/2009	€	<u>1,538,367</u>
	€	<u>(111,851)</u>

18) Costs for purchases

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Purchase of other goods	110	0	-110
	110	0	-110

19) Costs for services

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Editorial costs	22.000	0	-22.000
Entertainment expenses	977	1.387	410
Maintenance	49.440	31.673	-17.767
General expenses	496.536	514.611	18.075
Tax consulting and legal expenses	627.720	573.229	-54.491
Other services	9.262	6.511	-2.751
Use of third-party assets	34.611	33.789	-822
	1.240.546	1.161.200	-79.346

20) Costs for personnel

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

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Salaries and wages	97.288	107.392	10.104
Social security charges	31.839	37.555	5.716
Other expenses for personnel	0	2.430	2.430
Adjustment of IAD discounting back of Employee Severanc	4.586	5.706	1.120
	133.713	153.083	19.370

21) Other operating costs

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Emoluments to company bodies	95.415	96.046	631
Contingent operating liabilities	1.972	6.303	4.331
Contingent liabilities	9.328	1.173	-8.155
Taxes and fees	92.556	95.192	2.636
Actuarial costs for employee termination indemnity reserv	-73	-25	48
Other expenses	6.871	7.936	1.065
Costs to be recouped from Class	710	0	-710
Costs to be recouped from Diana Bis	52.020	0	-52.020
Listing of securities	17.050	17.459	409
	275.849	224.084	-51.765

22) Amortization, depreciation and write-downs

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 at 31/12/2008	Value at 31/12/2009	Changes
Depreciation of tangible fixed assets	307.811	312.442	4.631
Amortization of intangible fixed assets	784	1.040	256
Allocation to the provision for write-downs of receivables	6.230	335	-5.895
	314.825	313.817	-1.008

23) Net financial income and charges

Balance as of 31/12/2008	€	-1,106,685
Balance as of 31/12/2009	€	-1,177,191
	€	<u>70,506</u>

Other financial income

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Interest on deposits with banks and post offices	25.052	565	-24.487
Other	40.297	11.532	-28.765
Interest Burigozzo 1 assets	0	67.930	67.930
TOTAL	65.349	80.027	14.678

Interest and other financial charges

Item	Value at 31/12/2008	Value at 31/12/2009	Changes
Payable bank interest	0	42.513	42.513
Banking fees and commissions	2.069	3.785	1.716
Interest payable on loans	52.122	20.477	-31.645
Payable interest on mortgage loans	830.366	1.056.372	226.006
IAS financial charges on Employee Severance Indemnities	455	406	-49
Other financial charges	287.022	133.665	-153.357
Total financial charges	1.172.034	1.257.218	85.184
Net financial income/(charges)	-1.106.685	-1.177.191	-183.693

24) Taxation on income for the year

Balance as of 31/12/2008	€	99,595
Balance as of 31/12/2009	€	48,354
	€	<u>51,241</u>

The balance includes IRAP of the year for Euro 60,202, and deferred/advance taxes receivable of Euro 11,848.

25) Fair value of financial assets and liabilities

As required by IAS 32, the following table compares the values booked to the statements at 31 December 2009 and the relative *fair value* of financial assets and liabilities:

€ (thousands)	Accounting value	Fair value
Financial assets		
<i>Cash and cash equivalents</i>	7,207	7,207
<i>Trade receivables</i>	687,517	687,517
<i>Other holdings and securities</i>	--	--
<i>Other receivables</i>	13,481,249	13,481,249
Financial liabilities		
<i>Loans</i>		
- <i>fixed interest</i>	20,794,247	20,794,247
- <i>variable interest</i>	--	--
<i>Trade payables</i>	1,703,533	1,703,533
<i>Other payables</i>	3,098,140	3,098,140
<i>Payables to banks and others</i>	1,948,027	1,948,027

26) Information on the industry

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)	2008	2009	Change Absolute change	% change
Revenues	2,045	2,096	51	2.5
Direct operating costs	1,197	1,176	(21)	(1.7)
Contribution margin	848	920	72	8.5
% of revenues	41.6	43.9		

B. Facility management

<i>€uro/000</i> <i>(Data reclassified by management)</i>	2008	2009	Change Absolute change	% change
Revenues	789	740	49	6.2
Direct operating costs	322	311	(11)	(3.4)
Contribution margin	467	429	(38)	(8.1)
<i>% of revenues</i>	<i>59.2</i>	<i>58.0</i>		

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

27) Disputes and potential liabilities

In July 2008 and by means of a tax audit report, 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. The company is still waiting to receive the respective assessment notice.

28) Business with related parties

At 31/12/2009 there are relations with correlated parties relative to commercial operations concerning the leasing of real estate, with the Società Class Editori S.p.A. (1,777 €/000 for rents and 627 €/000 for facility management), with the Società Italia Oggi Editori Erinne S.r.l. (238 €/000 for rents and 99 €/000 for facility management), and with the Società Class CNBC S.p.A. (32 €/000). In addition, the Company has been charged by Class Editori SpA for strategic, accounting and administrative assistance services (328 €/000).

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, which is being renovated by CIA, and 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

<i>€uro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
Receivables from Class Editori	987	185
Receivables from Italia Oggi Editori Erinne	--	287
Receivables from Class CNBC	28	29
Payables to Class Editori	(950)	(795)
Payables to Class Pubblicità	--	(7)
Payables to Class Editori Service	--	(14)
Payables to Class Editori for a commitment deposit	(2,000)	(2,000)

Income statement relationships

Revenues from lease to Class Editori	1,743	1,777
Revenues from lease to Italia Oggi Editori	234	238
Revenues from lease to Class CNBC	31	32
Revenues for facility services from Class Editori	687	627
Revenues for facility services from Italia Oggi Editori	97	99
Costs for administrative and consulting services from Class Editori	(531)	(328)

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

<i>Euro/000</i>	31/12/2008	31/12/2009
<u>Balance Sheet Relationships</u>		
Receivables from Turistica Florio	99	99
Receivables from Isola Longa	4	4
Receivables from Società Infrastrutture Sicilia	1,664	1,677
Crediti verso Donnafugata Resort	120	--
<u>Income statement relationships</u>		
Revenues for consulting services from Donnafugata Resort	100	--

29) Finance lease operations

The CIA company has two financial leasing contract for which, in accordance with No. 22 of Art. 2427, the following information is provided:

Description: Property located in Milan in Via Gian Galeazzo 31

Contract n. IF/00793987

Contract duration: 120 months from delivery and testing

Cost of the good: Euro 1,200,000

Maxi fee equal to Euro 120,000

Present value of non-expired instalments: Euro 623,886

Actual financial charge: Euro 20,478

Virtual amortization/depreciation of the period: Euro 36,077

Value of the good at the end of the year, booked as a fixed asset: Euro 1,016,192

30) Off balance sheet operations

In compliance with Art. 2427, 22-ter), we wish to specify that the company does not have agreements that do not appear in the Balance Sheet that could cause significant risks or benefits.

31) 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 28 March 2006 and updated in March 2009.

32) Subsequent events

The crisis in the financial markets did not have, and we do not anticipate that it will during the current year, have any impact on the income and assets of CIA, which on the contrary continues to invest in high caliber projects.

Following 31 December 2009, business continued in a positive manner under conditions of cost-savings and efficiency and the new investments made further increased the value of the company assets.

In January, CIA underwrote in total the paid increase in share capital deliberated on 26 October 2009 by the Shareholders' Meeting of Donnafugata Resort S.r.l., for the share reserved for it. In February 2010, they underwrote a non-optioned share quota, for an amount of 159 thousand Euros, of the deliberated capital; this underwriting determined a further increase in its holding from 16.27% to 17.41%.

In light of the diversification of its investments, to seize new opportunities for development and to increase the value of the assets held in the real estate and wine and food fields, the company made two investments in the USA, also due to the favorable Euro/Dollar exchange rate and the prospects of a faster recovery of the American market.

- CIA purchased a portion of a building for offices of approximately 430 m² located in Manhattan, New York, 79 East 20th Street, between 5th Avenue and Broadway. The price per square meter was approximately 4,500 Euros. The operation was partially financed through a 25-year fixed rate Euro mortgage, for 1.8 million Euros, with a leading Italian bank. The building will be immediately generate income.
- CIA also carried out the entry in the share capital of LC International LLC, holding company that owns all the shares of the restaurants Le Cirque, Osteria Il Circo in NY, and five others, two of which are in Las Vegas and due in Santo Domingo, with the Le Cirque, Il Circo and Sirio trademark from the name of the founder, managed with the Management fee formula. The equity holdings in the restaurant companies belonging to the Maccioni family, represent the corporate assets. In America, Italian restaurants and in particular the Maccioni brand are positioned at the top of the fine dining field and Le Cirque is considered one of the most famous restaurants in the world. LC International is currently negotiating the opening of two other restaurants, again under management fee, in Istanbul and Qatar.
The overall investment was 4 million dollars for 40% of the capital:
CIA acquired directly 20% of the share capital, and another 20% as partner of SIMEST, company controlled by the Italian government (which holds 76% of the shares), the goal of which is to promote and support the internationalization process of Italian businesses and assist entrepreneurs in their activities abroad.
The operation was financed through a 8-year fixed rate mortgage, for 1.5 million Euros, with a leading Italian bank.

The end of the renovation of the first part of the building located in central Milan destined for commercial use, of approximately 2,300 m² will allow it to be immediately rented, within the time frame as forecasted in the first phase of the construction project identified for the area.

Other information

Pursuant to legal requirements, the overall remuneration to directors and Statutory Auditors is shown below.

<i>Office</i>	<i>Fee</i>
Directors	75,000
Board of Statutory Auditors	21,270

In compliance with Art.149-duodicies of the Issuers Regulations, the following table reports the compensation disbursed to the auditing company in the year 2009, subdivided by type of service:

<i>€uro</i>	Year 2009
Auditing of the annual financial statements at 31.12.09	3,000
Auditing of the consolidated financial statements as of 31.12.09	1,000
Limited audit of the consolidated half-year report as of 30.06.09	1,500
Auditing for the year 2009	1,100
Total auditing for the parent company	6,600
Other services certifying the parent company	-
Total costs of the parent company	6,600
Auditing of the annual financial statements as of 31.12.09: subsidiaries	12,900
Auditing of the financial year 2009: subsidiaries	3,600
Total costs of subsidiaries	16,500
Total costs of auditing companies	23,100

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

Vittorio Terrenghi

Certification of the consolidated financial statements pursuant to Article 81-ter of the CONSOB Regulation No. 11971/1999 and subsequent modifications and integrations

1. The undersigned Marco Fanfani 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 24 February 1998 that for the administrative and accounting procedures applied to the preparation of the consolidated financial statement at 31 December 2009:
 - are consistent with the administrative/accounting system and the company's structure;
 - are adequate and have been effectively applied.
2. No items worth noting emerged from this assessment.
3. In addition, it is hereby certified that the financial statements as of 31 December 2009:
 - a) are consistent with accounting ledger entries and records;
 - d) 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. and of the sum of the companies included in the consolidation;
 - e) the Report on Operations includes a reliable analysis of the performance and operating result as well as of the situation of the issuer in addition to a description of the principal risks and uncertainties to which it is exposed.

Milan, 25.03.10

CEO

Marco Fanfani

Entrusted Executive

Emilio Adinolfi

***Report of the Board of Statutory Auditors at
Separate financial statements
of the Parent Company***

**Report of the Board of Statutory Auditors to the Shareholders' Meeting in
accordance with Art. 153, Legislative Decree no. 5811998/98 and Art. 2429,
Section 3 of the Italian Civil Code, concerning the financial statements for the
financial year closed on 31 December 2009**

Dear Shareholders,

pursuant to Art. 153 of Legislative Decree no. 58/1998, and in compliance with currently applicable statutory regulations, the Board of Statutory Auditors provides the following report on the oversight activity it has carried out.

During the financial year closed on 31 December 2009 we performed the duties set forth in Art. 149 of Legislative Decree no. 58/1998 and, with reference to the recommendations contained in the CONSOB announcements issued to date concerning the regulation of issuers, we acknowledge that we have:

- taken part in all the shareholders' meetings, Board of Directors' meetings and Internal Control Committee meetings held during the financial year and obtained from the Directors, pursuant to Art. 150 of Legislative Decree 58/1998, prompt and suitable information on the work carried out, with the purpose of supervising observance of the law and the articles of association, as well as compliance with the principles of proper administration;
- having acquired the knowledge necessary to carry out controls on aspects in its remit, on the adequacy of the company's organizational structure, through direct investigations, the gathering of information from managers of departments involved, the exchange of data and information with the independent auditors;
- having verified the observance of laws pertaining to the drawing up and layout of the financial statements and report on operations through direct verification and specific information from the independent auditors.

During supervision work, carried out according to the procedures described above, no important facts emerged that were necessary to report to controlling bodies.

Having considered the above, the specific indications to be provided in this report are listed below according to the layout provided for by the CONSOB Communication No. DEM/1025564 dated April 6th 2001.

1. Operations of greatest economic, financial and asset significance.

The financial statement and the management report provide an exhaustive illustration of the operations of major economic, financial and asset significance carried out by the company and its subsidiaries; the Board of Statutory Auditors acquired sufficient information on these operations that has allowed to verify compliance with the law, with the articles of association and with the principles of correct administration. None of these operations concerns any aspects calling for specific observations or comments.

2. Any existence of atypical and/or unusual operations, including intra-group or with related parties:

2.1. Atypical and/or unusual with related parties: No comments to be made.

2.2. Atypical and/or unusual with third parties or within the group: No comments to be made.

2.3. Routine operations within the group or with related parties:

Operations with Group companies and with related parties (amply described in the report on operations) come under normal company activities in whose interest they have been established and carried out under market economic conditions.

3. Adequacy of the information provided, in the directors' report of operations, regarding atypical and/or unusual transactions, infra-group or with related parties:

The Directors accounted in the statement for operations of an ordinary nature carried out during the financial year with companies of the Group and related parties, to which we refer, also as regards the characteristics of the operations and their economic effect.

4. Observations and proposals on references and comments for information in the report of the auditing company.

The auditing company issued, pursuant to Art. 156 of Legislative Decree 581/1998, its report which does not contain observations or comments for information.

5. Complaints pursuant to Art. 2408 of the Italian Civil Code.

No complaints have been presented pursuant to Art. 2408 of the Italian Civil Code during financial year 2009.

On 9 April 2010, the Board of Statutory Auditors received communication from the company that the shareholder, Carlo Fabris, with registered letter dated 6 April 2010, has reported pursuant to Art. 2408 of the Italian Civil Code to the Board of Statutory Auditors and the Board of Directors, a fact considered censurable and specifically: "The company, which convened the ordinary assembly for 29 and 30 April 2010, respectively in first and second convocation, did not comply with the provisions of Art. 84, section 2 of the Issuers Regulation.

In the report, the shareholder Fabris has asked the Board of Directors what it intended to do to remedy this failure and the Board of Statutory Auditors to take care of that which is within their competence”.

The Board of Directors with notice dated 8 April and published in the newspapers Italia Oggi and MF/Milano Finanza of 9 April, in addition to announcing that the assembly would be held in second convocation on 30 April, also provided additional information that the shareholders would need for their participation in the assembly. This notice was sent in advance to Borsa Italiana via Network Information System on 8 April 2010.

The Board of Statutory Auditors has reviewed the content of the report and based on the

- provision of Art. 84, 2nd section, of the Issuers Regulation;
- of the Articles of Association;
- of the notice of convocation of 25 March 2010 published on 27 March in the Italia Oggi and MF/Milano Finanza newspapers;
- of the explanatory communication of 8 April 2010, published on 9 April 2010 in the same newspapers by the Board of Directors;

considers that, as far as the fact reported is concerned, there are not procedural faults of convocation of the Shareholders' Assembly called for 29 and 30 April 2010, respectively in first and second convocation.

The Board of Statutory Auditors, having complied with the provision as per section 1 of Art. 2408 of the Italian Civil code, thus considers to have responded to the shareholder, Mr. Fabris, although they were not obliged to pursuant to section 2 of Art. 2408 of the Italian Civil Code, for reasons of correctness and transparency in corporate relations.

The Board of Statutory Auditors will inform Consob of the complaint pursuant to Art. 2408 of the Italian Civil code in the summary chart of the control activity that will be sent to Consob within the deadlines provided for by current legislation.

6. Presentation of any complaints.

The company's administrators have not informed us of any petitions received during the financial year, not subsequent to the closing of the same.

7. Any granting of additional appointments to independent auditors and related costs.

The BDO s.p.A. company was granted the following additional duties by the Company and the subsidiaries.

	Annual fees		Duration of appointment
	Auditing of the financial statements	Auditing of accounts	
Feudi del Pisciotto S.r.l.	3,800.00	700.00	2008-2012
Agricola Tenuta del Pisciotto S.r.l.	3,300.00	700.00	2008-2012
Diana Bis S.r.l.	3,300.00	1,200.00	2009-2012
Burigozzo 1 S.r.l.	2,500.00	1,000.00	2009-2012

Payments indicated do not include VAT and reimbursable running costs.

The Board of Statutory Auditors, in compliance with the provisions of the Self-Regulation Code, has also performed oversight of the independence of the Independent Auditor, verifying both compliance with regulatory provisions in the field, and the nature and extent of the different accounting control services provided to the issuer and its subsidiaries by the Independent Auditor and the entities belonging to its network.

8. Further appointments given to individuals or entities linked to the Independent Auditor.

No other appointments have been assigned to subjects linked to the independent auditors BDO S.p.A.

9. Opinions issued pursuant to law.

No opinions pursuant to law were issued by the Board of Statutory Auditors during the financial year.

10. Frequency and number of Board of Directors and Statutory Board of Auditors meetings.

We took part in the Board of Directors' meeting and we obtained information on activities and the most important economic, financial and equity operations carried out by the company and its subsidiaries from the directors every quarter. In particular, during the 2009 financial year, the Board of Directors held four meetings and the Board of Statutory Auditors held six meetings.

11. Observations on the observance of principles of proper administration.

The Board of Statutory Auditors, having carried out its activity, has not comments to make regarding the compliance with the principles of correct administration.

12. Observations on the suitability of the organizational structure.

The Board of Statutory Auditors believes that the company's organisational structure is sufficient for the size of the company and the type of business it carries out.

13. Observations on the suitability of the Internal Control System.

We monitored, verified and determined the adequacy of the Internal Control System.

As shown in the Board of Directors' report, Compagnia Immobiliare Azionaria has a procedures manual that governs individual operational cycles. The managers of individual areas report to the Managing Director and to the Internal Control Committee composed of three non-executive directors one of which is independent. The Board has also updated the "Organization, management and control model", adopted under the terms of Legislative Decree 231/2001, based on new laws, also following recommendations from the Manager of the control body. Within the terms established in Legislative Decree 196/03, the Company issued the Personal Data Security Policy Document on 28 March 2006. The document was updated in March 2009.

14. Observations on the suitability and reliability of the administration-accounting system.

The Board of Statutory Auditors has assessed the suitability of the administration-accounting system and its reliability in correctly representing operations through information obtained from department managers, the examination of company documents and analysis of the results of work carried out by the independent auditors.

15. Observation on the adequacy of the dispositions given to the subsidiaries (pursuant to Art. 114, 2nd section, Legislative Decree 58/1998).

The parent company imparted suitable instructions to the subsidiaries pursuant to Art. 114, 2nd section, Legislative Decree 58/1998.

16. Any important aspects concerning meetings with auditors (pursuant to Art. 150, 3rd section, Legislative Decree 58/1998).

During the meetings and discussions held with the representatives of the Independent Auditor, no significant issues emerged which deserve mentioning.

17. Adherence to the Self-Discipline Code of the Committee for Corporate Governance of listed companies.

The Corporate Governance structure adopted by the Company is based on recommendations and regulations in the Self-Discipline Code proposed by the Committee for Corporate Governance of listed companies and is in line with principles set out in the Code itself.

On this matter, it is observed that in 2009:

- the Remuneration Committee established on 28 May 2007 met one time;
- the Internal Control Committee met two times.

We point out that the Company has provided for adequate procedures regarding access to privileged information and the Code of Conduct as per Art. 114 section 7 of Legislative Decree 58/1998 regarding internal dealing.

18. Independent evaluation of the members of the Board of Directors.

The Board of Statutory Auditors verified the correct application of the verification criteria and procedures that were adopted by the Board of Directors for evaluating the independence of its own members.

19. Final evaluations on supervisory activity carried out.

During the supervisory activity as described above, no important issues emerged that needed to be reported to controlling bodies or mentioned in this report, nor were there any communications of violations of the Organisation and management model pursuant to Legislative Decree 231/01 by the Supervisory Board.

20. Any proposals made by the Board of Auditors to the Shareholders' Meeting pursuant to Art. 153, 2nd section, Legislative Decree 58/1998).

The Board of Statutory Auditors, as regards the areas under its purview, expresses its favourable opinion concerning the approval of the financial statement closed on 31 December 2009 and the proposal prepared by the Directors for covering the loss for the financial year.

Milan, 12.04.10

The Board of Statutory Auditors

Roberto Tettamanti

Pierluigi Galbusera

Carlo Maria Mascheroni

ROBERTO TETTAMANTI

CERTIFIED PUBLIC ACCOUNTANT
REGISTERED IN THE REGISTER OF AUDITORS

The undersigned, Dr. Roberto Tettamanti, born in Lurate Caccivio (Como) on 20 March 1953,
Tax Code TTT RRT 53020 E753S, pursuant to Art. 144-quinquiesdecies of the Consob Issuers Regulation
certifies

That the duties invested in the company as per Book V, Title V, Chapters V, VI and VII of the
Italian Civil Code at the date the report was issued prepared in accordance with Art. 153, section
1, of the Legislative Decree No. 58 of 24 February 1998 are the following:

Num	Name	Tax Code	<u>Type of assignment</u>	Expiration Assignment	Issuers Company
				Approval financial statements at:	
1	Agie Charmilles S.p.A.	01928120169	Statutory auditor	31.12.2009	
2	Buccellati Holding Italia S.p.A.	00739600153	Statutory auditor	31.12.2009	
3	Canova 2007 S.p.A	97471310157	Statutory auditor	31.12.2011	
4	Cedro 99 S.r.l.	12985040158	Statutory auditor	31.12.2009	
5	Compagnia immobiliare Azionaria S.p.A.	03765170968	President Board of Statutory Auditors	31.12.2011	x
6	Elc-Electroconsult S.p.A.	06813070965	Statutory auditor	31.12.2012	
7	Finiper S.p.A.	01449850153	Statutory auditor	31.12.2009	
8	Food Italia S.p.A.	06769930584	President Board of Statutory Auditors	31.12.2010	
9	Futura S.r.l.	07729640016	Statutory auditor	31.12.2011	
10	La Grande I Società Consortile a r.l.	04161920964	Statutory auditor	31.12.2011	
11	Ortofin S.r.l.	00850010182	Statutory auditor	31.12.2009	
12	Particom Uno S.p.A.	13466240150	Statutory auditor	31.12.2012	
13	S.I,T,I. S.p.A.	00702910159	Statutory auditor	31.12.2010	
14	Unes Centro Soc. Coop, a r. l.	00813020153	Statutory auditor	31.12.2009	
15	Unes Maxi S.p.A.	07515280159	Statutory auditor	31.12.2009	
	Total Assignments		15		
	Total Assignments Issuers Company		1		

Como, 12 April 2010

Roberto
Tettamanti

22100 COMO - VIA CESARE CANTU', 50 TEL. 031/26,75.01 - fax 031/27.16.74

robertotettamanti@tin.it

Tax Code: TTT RRT 53C20 E753S - VAT.: 02127150130

LIST DUTIES DR. CARLO M. MASCHERONI

A) Boards of Statutory Auditors	Type of assignment	Expiration assignment
❖ CLASS EDITORI S.p.A. Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 10,391,138.50	President Board of Statutory Auditors	Approval Financial Statements 31/12/2009
❖ COMPAGNIA IMMOBILIARE AZIONARIA — C.I.A. S.p.A. Gerolamo Borgazzi 2 -- MILANO Share Capital EUR 922,952.60	Statutory auditor	Approval Financial Statements 31/12/2011
Milano Finanza Editori S.p.A. Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 291,837	President Board of Statutory Auditors	Approval Financial Statements 31/12/2010
E.CLASS S.p.A. Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 608,400	President Board of Statutory Auditors	Approval Financial Statements 31/12/2011
CLASS PUBBLICITA S.p.A.. – CLASSPI Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 260,000	President Board of Statutory Auditors	Approval Financial Statements 31/12/2011
PMF NEWS EDITORI S.p.A. Via Gerolamo Burigozzo 5 – MILANO Share Capital EUR 156,000	President Board of Statutory Auditors	Approval Financial Statements 31/12/2009
FAINEX S.p.A. Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 676,000	President Board of Statutory Auditors	Approval Financial Statements 31/12/2009
CLASS EDITORI SERVICE S.p.A. Via Gerolamo Burigozzo 5 - MILAN Share capital Euro 2,971,400 (300,000 paid)	President Board of Statutory Auditors	Approval Financial Statements 31/12/2010
NEW SATELLITE RADIO S.r.l. Via Gerolamo Burigozzo 5 - MILAN Share capital Euro 10,897.00 (10,000.00 paid)	President Board of Statutory Auditors	Approval Financial Statements 31/12/2009
MF HONYVEM S.p.A. Via Canova Antonio, 23— MILANO Share Capital EUR 260,000	Statutory auditor	Approval Financial Statements 31/12/2010
CLASS CNBC SPA Via Gerolamo Burigozzo 5 - MILAN Share Capital EUR 627,860.48	Statutory auditor	Approval Financial Statements 31/12/2009
HACHETTE RUSCONI S.p.A. Viale Sarca 235 — MILANO Share Capital EUR 8,658,255	President Board of Statutory Auditors	Approval Financial Statements 31/12/2009
HACHETTE RUSCONI PUBBLICITA' S.p.A. Viale Sarca 235 — MILANO Share Capital EUR 682,500	President Board of Statutory Auditors	Approval Financial Statements 31/12/2010
H.M.C. ITALIA S.r.l. Viale Sarca 235 — MILANO Share Capital EUR 10,000	President Board of Statutory Auditors	Approval Financial Statements 31/12/2010

VISCOLUBE S.p.A. Via Tavernelle 19— PIEVE DI FISSIRAGA Share Capital EUR 10,200,000	Statutory auditor	Approval Financial Statements 31/12/2010
HERMES ITALIE S.p.A. Via Gabrio Serbelloni 1— MILANO Share Capital EUR 7,786,000	President Board of Statutory Auditors	Approval Financial Statements 31/12/2011
LABORATOIRES BOIRON S.R.L. Via Nirone 8 - MILAN Share Capital EUR 2,500,000	Statutory auditor	Approval Financial Statements 31/12/2010
SOCIETÀ PER AZIONI LOMBARDA PETROLI Via Raffaello Sanzio, 4— VILLASANTA Share capital € 1,456,000.00	Statutory auditor	Approval Financial Statements 31/12/2010
IMM.RE BERSAGLIO B. SPA Via Carlo Alberto, 11 – MONZA Share Capital EUR 1,470,000.00	Statutory auditor	Approval Financial Statements 31/12/2011
LUBRA SPA Via Giuseppe Frua, 24 —MILANO Share Capital EUR 1,033,000.00	Statutory auditor	Approval Financial Statements 31/12/2009
LA SOLIDALE S p A Via Damiano Chiesa 3— MONZA Share Capital EUR 1,344,200	Statutory auditor	Approval Financial Statements 31/12/2009
ROCCA DI FRASSINELLO S.R.L. Loc. Caselle 5 — CASTELLINA IN CHIANTI SI Share Capital EUR 5,214,550	Auditor	Until revocation
A.I.D.A.F. — ASSOCIAZIONE DELLE IMPRESE FAMILIARI Via Bigli 15 MILANO	Board Director	Approval Financial Statements 29/05/2012

B) Boards of Directors

CONSORZIO VINO CHIANTI CLASSICO Via Pianigiani, 9 - RADDA IN CHIANTI	Board Director	Approval Financial Statements 29/05/2012
COMPAGNIA DI VOLPAIA S.R.L. Loc. Volpaia — RADDA IN CHIANTI SI Share Capital EUR 96,000	Chairman, Board of Directors	Until revocation
COITALIA FISCALE E GIURIDICA LOOP. a r.l. P.za Erculeo 9 MILANO Share Capital EUR 300,000	Chairman, Board of Directors	Until revocation
SO.MO.CO. SRL P.tta S. Bernardo 3— MONTEVECCHIA Share Capital EUR 12,000.00	Chairman, Board of Directors	Until revocation
TERRITORI DIVINI SRL Consortile Corso Porta Nuova, 96 — VERONA Share capital Euro 12,000.00 (3,000.00 paid)	Board Director	Approval Financial Statements 31/12/2011

CIA Compagnia Immobiliare Azionaria S.p.A.
Report of Financial Statements closed at 31 December 2009

GALBUSSERA PIERLUIGI — STATUTORY AUDITOR

CORPORATE NAME	TYPE ASSIGNMENT	EXPIRATION ASSIGNMENT	ASSIGNMENTS IN ISSUERS
IMMOBILIARE GIANNONE SUD SRL	Sole Director	Until revocation or resignation	
PREMUDA SUISSE S.R.L.	Sole Director	Until revocation or resignation	
AGANIPPE II° S.p.A.	Statutory auditor	Approval Financial Statements at 31/12/2010	
BUDIMEX S.R.L.	Statutory auditor	Approval Financial Statements at 31.12.11	
CASTEL MAC S.p.A	Statutory auditor	Approval Financial Statements at 31/12/2010	
CITTA' DEL SOLE S.R.L.	Statutory auditor	Approval Financial Statements at 31.12.11	
COMPAGNIA IMM.RE AZ. SpA	Statutory auditor	Approval Financial Statements at 31.12.11	X
FASTWEB S.p.A.	Statutory auditor	Approval Financial Statements at 31/12/2010	X
FRIMONT S.p.A	Statutory auditor	Approval Financial Statements at 30.09.12	
LA BAZZANELLA SOC. AGRICOLA SRL	Statutory auditor	Approval Financial Statements at 31.12.09	
PAPUA S.R.L.	Statutory auditor	Approval Financial Statements at 31.12.09	
PARTNERS Sound under Liquidation	Statutory auditor	Approval Financial Statements at 30.06.10	
TOTAL			12

Milan, 12.04.10

***Report of the Auditing Company on
Separate financial statements
of the Parent Company***

Auditor's report on the financial statements
in accordance with art. 156 of legislative decree n. 58 of February 24, 1998
(now art. 14 of legislative decree n. 39 of January 27, 2010)
(This report has been translated from the original Italian text
which was issued in accordance with the Italian legislation)

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

1. We have audited the financial statements including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of Compagnia Immobiliare Azionaria S.p.A. as of and for the year ended December 31, 2009. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility 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 recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The audit on the statutory financial statements at December 31, 2009 was conducted in accordance with local regulations during this year.

For the opinion on the financial statements of prior year, the data of which presented for comparative purposes have been reclassified to consider the changes to the financial statements' schemes required by the amendment of IAS 1, reference should be made to our auditor's report issued on April 10, 2009.

3. In our opinion, the statutory financial statements of Compagnia Immobiliare Azionaria S.p.A. as of December 31, 2009 comply with International Financial Reporting Standards as adopted by European Union and the requirements of national regulations issued pursuant to art. 9 of legislative decree n. 38/2005; therefore, they are clearly stated and give a true and fair view of the financial position, the results of the operations and the cash flows of Compagnia Immobiliare Azionaria S.p.A. for the year then ended.

4. The Directors of Compagnia Immobiliare Azionaria S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998 included in the annual report on corporate governance and ownership structures, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998, included in the annual report on corporate governance and ownership structures, are consistent with the financial statements of Compagnia Immobiliare Azionaria S.p.A. as of December 31, 2009.

Milan, April 12, 2010

BDO S.p.A.

Signed by:
Paolo Scelsi
(Director)