

The impact on the result for the year includes the effect on:

- financial income and expenses of floating-rate receivables and payables;
- liquidated income and expenses of interest rate derivatives;
- change in fair value of interest rate derivatives.

The direct impact on equity is connected with the change in fair value of cash flow hedge derivatives.

### Price risk associated with financial assets

The Group is exposed to price risk to the extent of the volatility of financial assets such as listed and unlisted equity shares and bonds, listed real estate investment funds and unlisted closed-end real estate investment funds for an amount equal to about 9 percent of total consolidated assets at December 31, 2008 (12 percent at December 31, 2007); the change in fair value of these financial assets is recognized in equity or in the income statement in accordance with IAS 39.

Listed equity shares and listed real estate investment funds, whose change in fair value is recognized in equity, represent 59 percent of total financial assets subject to price risk (77 percent at December 31, 2007). A change of 1 percent in these listed securities, all other conditions being equal, would cause a change of Euros 3,641 thousand (Euros 8,233 thousand at December 31, 2007) in the equity of the Group.

Financial assets, whose change in fair value is recognized through profit or loss, refer to unlisted closed-end real estate investment funds, whose fair value is arrived by reference to a basket of similarly listed securities. A change in the reference index relating to listed closed-end real estate funds of 1 percent, all other conditions being equal, would cause an impact on the result for the year of Euros 296 thousand (Euros 319 thousand at December 31, 2007).

### Credit risk

Credit risk represents the Group's exposure to potential losses due to the non-fulfillment of obligations undertaken by commercial and financial counterparts.

The Group does have significant concentrations of credit risk.

In order to limit this risk with commercial counterparts, the Group has put into place procedures to assess the potential and financial creditworthiness of the customers in order to monitor flows of estimated collections and for recovery actions, if any.

The aim of these procedures is to define the customer credit limits which, if exceeded, will activate the rule causing supplies to be blocked.

In some cases the client is asked to furnish guarantees; these will mainly be bank guarantees provided by high-credit standing banks or personal guarantees. Mortgages are requested less frequently.

Another tool used to manage commercial credit risk are insurance policies taken out to forestall the risk of non-payment through a meticulous selection of the customer portfolio made together with the insurance company, which undertakes to guarantee compensation in the case of insolvency.

As for financial counterparts, for the management of temporary excess resources or for the negotiation of derivatives, the Group only uses high-credit worthy counterparts.

Receivables for shareholders' loans are evaluated together with the interest invested in the capital of the investment holding, using an analysis of cash flows generated by the relative underlying real estate projects.

The carrying amount of junior notes and non-performing loans is adjusted each time there is a change in the estimate of discounted cash flows expected and, in the case of impairment, is indirectly reduced through recognition of a specific provision account. In some cases, the customers are asked to furnish guarantees; these are mainly bank guarantees provided by high-credit standing banks, personal guarantees or mortgages.

Impairment losses on receivables are calculated on the basis of the risk of non-fulfillment by the counterpart determined by considering the information available on the solvency of the counterpart and historical experience. The carrying amount of receivables is indirectly reduced through recognition of a provision account.