Quarterly report

at 30/09/2008

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Corporate Officers

Board of Directors:

1. Gilberto Coffari – Chairman
2. Filippo Maria Carbonari – Chief Executive Officer
3. Sergio Costalli – Vice Chairman
4. Mauro Bini - Director
5. Aristide Canosani - Director
6. Leonardo Caporioni - Director
7. Fernando Pellegrini - Director
8. Fabio Carpanelli - Director
9. Massimo Franzoni - Director
10. Roberto Zamboni - Director
11. Francesco Gentili - Director
12. Stefano Pozzoli - Director
13. Sergio Santi - Director
14. Claudio Albertini - Director
15. Riccardo Sabadini – Director

Board of Statutory Auditors:

1. Romano Conti - Chairman
2. Roberto Chiusoli - Standing Auditor
3. Franco Gargani - Standing Auditor

Internal Control Committee:

1. Franzoni Massimo - Supervisor
2. Canosani Aristide
3. Caporioni Leonardo

Remuneration Committee:

1. Sabatini Riccardo
2. Sergio Santi
3. Francesco Gentili

Supervisory Board:

1. Carpanelli Fabio – Chairman
2. Santi Sergio
3. Gentili Francesco

Independent Auditors: On 23 April 2007 the Shareholders' Meeting renewed the assignment for audit granted to the company Reconta Ernst & Young S.p.A. from 2007 through 2012.

The Group

The IGD Group mainly manages and leases properties and aims to create value from its real estate portfolio through the purchase, construction and leasing of retail properties (shopping centres, hypermarkets, supermarkets and malls) and by optimizing the yield on the properties it owns outright, including through the disposal of the malls. It also provides a broad range of agency and facility management services to its freehold properties and those belonging to third parties.

At 30 September 2008 the Group was made up as follows:

> IMMOBILIARE LARICE S.R.L. 100.00%
> Consorzio Forte di Brondolo 77.40%
> Consorzio proprietari Centro Leonardo 52.00%
> Rgd s.r.l. 50.00% ➢ RGD gestioni s.r.l. 100% ➢ New Mall s.r.l. 100%
> Millennium Gallery s.r.l. 100.00%
> MV s.r.l. 100.00%
> Portamedicea s.r.l. 80.00%
> WinMagazin S.A. 90%
> Winmarkt management s.r.l. 100%

Quarterly Report

Corporate Events

On 7 January 2008, the Shareholders' Meeting of IGD authorized the Board of Directors to purchase, including through the trading of options or financial instruments based on IGD shares, a maximum of 30,924,926 ordinary shares of par value € 1.00 each (i.e. up to the limit of 10% of the current share capital as provided for by law) in one or more tranches, for a period of 18 months from the date of the shareholders' resolution. The above amount is covered by the distributable reserves shown in the latest approved financial statements. The authorization to purchase and dispose of treasury shares was granted, in the interests of the company, for the aims provided for by law, such as carrying out trades, hedging and arbitrage transactions, investing liquidity, and using treasury shares in transactions pertaining to operating activities and business projects consistent with the company's strategic guidelines, in relation to which it is worthwhile to trade, swap, transfer, or otherwise dispose of the shares.

Further to the general meeting, the Board of Directors approved a Buyback Plan on the Regulated Market for a maximum of 20,101,200 ordinary shares, equal to 6.5% of the share capital, and in any case for a maximum amount of € 56 million for the purpose of investing liquidity on the following conditions:

"The buyback plan commenced on 8 January and will end when 6.5% of the share capital is acquired or the maximum of € 56 million is reached, and in any case no later than 30 June 2008 for a maximum of 112 Stock Exchange sessions.

The maximum buyback price is the lower of:

a) € 3.05, the average stock market price during the nine preceding months;
b) the stock market price during the trading session prior to each individual purchase, plus 20%.

The maximum number of ordinary IGD shares that can be purchased on any given day is 25% of total daily trades, and in any case 300,000 shares.

The shares purchased under the plan cannot be used for existing or future Stock Option Plans, and cannot be sold until approval of the interim financial statements for the half-year as at 30 June 2008".

At 30 June 2008 the company concluded the buyback plan with the purchase of a total of 10,976,592 ordinary shares or 3.549% of the share capital for an overall amount of € 22,141,778**.**

On 16 April IGD S.p.A. elected to exercise the option to be treated as a SIIQ under the tax regime introduced and regulated by Law no. 296 of 27 December 2006 and notified the Tax Authorities pursuant to the Tax Authority's provisions effective as of 28 November 2007.

This election, effective as of 1 January 2008, will result in the exemption of income from rental activities for the purposes of IRES (corporate income tax) and IRAP (regional business tax); the parent company's portion of earnings will be subject to direct taxation as allocated to shareholders at the time of distribution under the form of a withholding tax viewed as an advance for entrepreneurs and as a tax for other parties. Verification of the necessary requisites will be based on the financial statements (balance sheet and income statement) for the year ended on 31 December 2008.

This special regime involves the sale at the normal value of the real estate assets and property rights on the rental properties owned by IGD at the end of the last tax period; the related capital gains, net of any capital losses, are subject to a substitute tax of IRES and IRAP at a tax rate of 20 percent, to be paid in a maximum of 5 yearly instalments.

The charge for this special regime was € 30.8 million.

The decision to opt for the special regime rendered effective the resolution adopted by IGD's extraordinary Shareholders' Meeting on 21 December 2007 which included the change of the company's name to "IGD Immobiliare Grande distribuzione Società di investimento immobiliare quotata S.p.A".
On 23 April 2008 the Shareholders' Meeting of IGD Siiq spa met in ordinary session to approve the financial statements.
On 27 June 2008 the Board of Directors approved the project to merge the 100% owned subsidiary M.V. srl into IGD SIIQ spa. The merger is part of a broader reorganisation of the Group aimed at a more rational and cost-effective corporate structure in order to enable possession of the equity and income requisites at 31 December 2008 which are set out in the law establishing the SIIQs.

Investments

In 2008 the IGD Group signed an important preliminary agreement for the purchase of 15 shopping centres and a property leased to a bank in Romania. This transaction was in line with the Group's international expansion strategy outlined in the business plan. The development activities in Italy continued with negotiations and important preliminary agreements for the purchase of shopping centres under construction.

On 18 February 2008 Porta Medicea srl, which is held 80% by Immobiliare Larice srl and 20% by Azimut-Benetti spa, was incorporated; Porta Medicea took over agreements which previously had been entered into by IGD and signed the final contract for the land and properties on 20 March 2008.
On the same date, the parent company IGD Siiq spa and Porta Medicea signed a preliminary contract for the retail complex that will be built on the land owned by Porta Medicea. The multifunctional centre in Livorno will be built on a large area, resulting in 70,616 sq.m. GFA The new real estate complex, zoned for shops, services, housing and accommodation, will be built over the next six years. Work should begin by the end of the year, with progressive delivery of five sub-projects. The overall development works for the new company are valued at € 200-230 million, and IGD Siiq spa will invest around € 80 million to acquire the stores.

In April RGD, the 50/50 joint venture of Beni Stabili and IGD, signed a contract for the purchase also through corporate vehicles of the "Le Fornaci" shopping centre in Beinasco. The purchase value of the asset, including accessory costs, was € 42.6 million and will be subject to price adjustment – scheduled for December 2009 – which will be determined on the basis of the trend in lease payments for the centre.
The purchase price for the investment and real estate portion, including accessory costs, was € 17.9 million in addition to the assumption of the residual leasing which at the purchase date was € 18.9 million. In addition, there are outstanding preliminary agreements for the purchase by September 2008 of further retail units which are currently being renovated. During the first half of the year RGD gestioni s.r.l. was also set up and it deals with the management of shopping centres.

On 29 April the IGD SIIQ Group, following the preliminary agreement signed at the end of March, acquired all the share capital of WinMagazin SA for a total amount of € 191.78 million including accessory costs and, following the contractual price adjustment which occurred in September, the final price was € 192.14 million. The investment was made in partnership with INPARTNER SpA, a company which specialises in major real estate development and asset management operations, and which has been sold a minority stake of 10% of WinMagazin S.A.
The company owns a real estate portfolio in Romania, consisting of 15 Winmarkt brand shopping centres for a total of 147,000 sq. m., as well as a commercial property which is entirely leased to a bank. The sellers of the

shares are Ivington Enterprises Ltd and Broadhurst Investment Ltd, companies in the NCH Capital Group, an American private equity company.

IGD also signed a preliminary agreement for the purchase of an additional shopping centre in Carpati Sinaia; this preliminary agreement will be formalized within 30 months, once the seller has completed renovation and re-commercialization. The purchase price has already been set at € 16.24 million subject to having reached rental targets of at least € 1.35 million.

The total annual rent for 2008 of the 16 properties at the time of purchase amounted to approximately € 19.138 million.

The commercial buildings in the portfolio being purchased have an average GLA (Gross Leasable Area) of 9,000 sq.m. and are in unique, irreplaceable locations: the majority are, in fact, on the most important squares in 14 different cities in Romania, with sizes of between 100,000 and 300,000 inhabitants (Plojesti, Buzau, Cluj, Bistrita, Galati, Braila, Alexandria, Piatraneamt, Ramnicu Valcea, Slatina, Tulcea, Turda, Vaslui). These are promising centres featuring significant industrial, urban and demographic development thanks to investments made over the past few years by large foreign companies.

IGD also bought all the shares in Winmarkt Management srl for € 184,666. The company provides agency and facility management services thanks to specialized personnel and, following the contractual price adjustment which occurred at the end of August, the final price was € 184,818. It is IGD's intention, therefore, to continue to work with the current management while integrating the existing organization with its own resources. Thanks to the new Romanian team local development opportunities may also be exploited.

In accordance with the 2008-2012 business plan guidelines, IGD took advantage of an interesting opportunity to expand its investment horizons in foreign markets. This step was taken in a country, Romania, which has one of the most compelling growth rates in the European Union of which it has been an integral part since 2007. This dynamic, which reflects the consolidated presence of important foreign investors, obviously has an impact on current and future trends in the real estate sector.

Through this acquisition the company took advantage of an opportunity to reach a critical mass, given the size of the portfolio, which will allow it to benefit from economies of scale and, at the same time, extract value from the investment through the contribution of IGD's management.

IGD will focus on the stabilization of current rents and their subsequent growth through optimization of the commercial offer and enhancement of the real estate which will call for investments of approximately € 20-25 million over the next 5 years.

The real estate enhancement will also be achieved by exploiting the non-commercial potential of the properties, as well as the sale of assets which IGD considers non-core, which to date has an estimated value equal to between 5% and 10% of the portfolio.

The project calls for an initial period of consolidation and optimisation, both at a commercial level and in terms of the real estate assets, during which IGD will exploit the initial profitability and cash generation in order to finance investments.

As part of the business plan objectives, at the end of May a preliminary agreement was signed to buy a shopping mall in Gorizia; the project calls for the construction of a shopping centre consisting of a hypermarket and a shopping mall of approximately 14,300 sq.m. GLA. IGD SIIQ spa's investment is limited to the shopping mall the cost for which is set at around € 49 million; the opening of the centre is planned in the first half of 2011.

Income Statement Review

The three quarters of the year saw Group consolidated net income of € 41.08 million, up by 43.17% compared to € 28.70 million at 30 September 2007.

Below is a summary of the income statement:

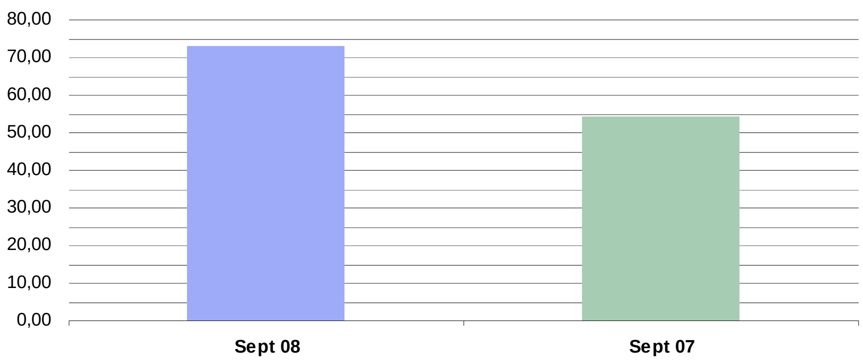
CONSOLIDATED INCOME STATEMENT

	Sept 08	Sept 07	Δ	%	3Q 2008	3Q 2007	Δ	%
Revenues from freehold properties	55,46	40,20	15,26	37,95%	21,00	13,84	7,15	51,65%
Revenues from leasehold properties	8,34	9,60	-1,26	-13,17%	2,78	3,15	-0,37	-11,85%
Revenues from services	3,14	2,09	1,05	50,45%	1,00	0,66	0,34	51,14%
Other revenues	6,20	2,66	3,54	133,44%	2,81	0,66	2,15	326,85%
TOTAL REVENUES	**73,14**	**54,55**	**18,59**	**34,08%**	**27,59**	**18,32**	**9,27**	**50,59%**
Material and service costs	20,19	14,72	5,47	37,14%	7,38	4,89	2,49	50,99%
Staff costs	4,30	2,76	1,54	55,62%	1,49	0,84	0,64	75,99%
Other operating costs	3,59	2,50	1,09	43,62%	1,55	0,88	0,67	75,92%
Change in inventories	52,12	-0,11	52,23		0,00	-0,03	0,03	
Construction costs	-52,12	0,00	-52,12		0,00	0,00	-0,00	
EBITDA	**45,06**	**34,68**	**10,39**	**29,96%**	**17,17**	**11,74**	**5,42**	**46,18%**
Depreciation and amortization	-0,41	-0,23	-0,17	73,95%	-0,21	-0,08	-0,12	150,21%
Change in fair value	7,14	24,36	-17,22	-70,70%	-0,96	-0,15	-0,81	543,59%
EBIT	**51,79**	**58,81**	**-7,01**	**-11,93%**	**16,00**	**11,51**	**4,49**	**39,01%**
Financial income/(charges):	-18,70	-10,45	-8,25	78,93%	-7,12	-3,62	-3,50	96,64%
Financial income	3,86	3,31	0,55	16,72%	1,29	2,78	-1,49	-53,73%
Financial charges	22,56	13,76	8,80	63,96%	8,41	6,40	2,01	31,48%
PRE TAX PROFIT	**33,09**	**48,36**	**-15,27**	**-31,58%**	**8,89**	**7,89**	**0,99**	**12,58%**
Income taxes for the period	-7,99	19,66	-27,65	-140,62%	2,03	3,23	-1,20	-37,15%
NET PROFIT	**41,08**	**28,70**	**12,39**	**43,17%**	**6,85**	**4,66**	**2,18**	**46,82%**

Revenues

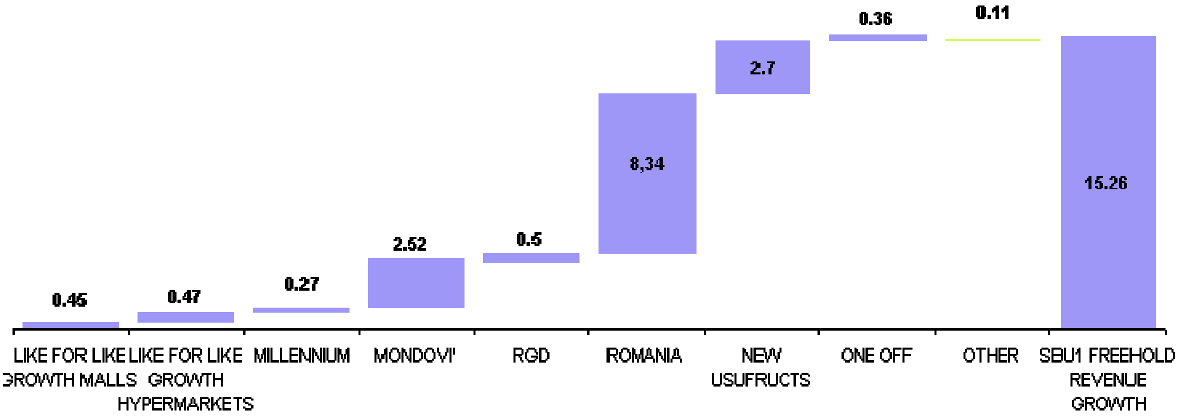
At 30 September 2008 revenues stood at € 73.14 million, up by € 18.59 million, or 34.08%, compared to the same period of the previous year. The significant increase in the quarter was due to the Romanian companies which, for the third quarter, contributed € 4.88 million to revenues from freehold properties.

Total revenues



The following contributed to this positive result:

- ✓ The most significant growth was recorded in the core business area of the IGD Group, **revenues from freehold properties** in line with the strategic guidelines:

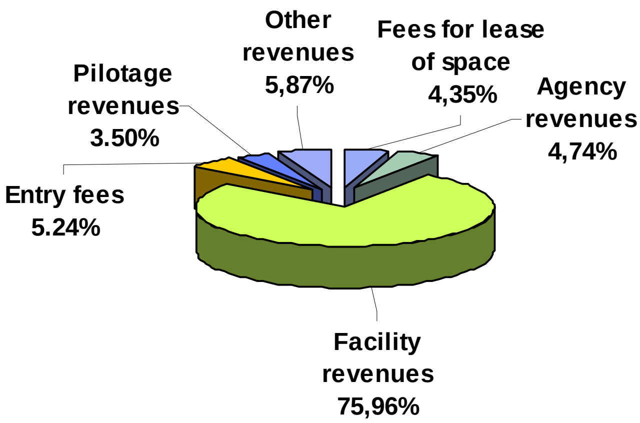


- The purchase of the Mondovicino mall, which provided a contribution for the three quarters of 2008 having been bought in November 2007; that of the Millennium Gallery, which also contributed for the first nine months of 2008, while in 2007 it contributed for just four months.
- The greater increase in revenues from freehold properties (around 53%) is due to the purchase of the Romanian company WinMagazin which occurred at the end of April 2008. The company owns 15 shopping centres and an office building which in the first nine months of the year contributed approximately € 8.34 million.
- In addition, note should be taken of the usufruct right on equal terms over the shopping malls of Città delle Stelle, Lungo Savio and S.Ruffillo. For this reason they have been reclassified under freehold properties..

✓ There was a fall in **revenues from leasehold properties** in line with Group strategies. This fall was due to the purchase of the above usufruct rights.

✓ There was a significant improvement in **revenues from services** which rose from a ratio to total revenues of 4.04% in 2007 to 4.69% in September 2008. These revenues consist of recurring revenues (Facility Management and Fees for the lease of space) and a variable part linked to the acquisition of new mandates for agency activity and the related fees. Besides these, there were pilotage revenues which are offset in the related pilotage costs in operating terms. **The contribution of each revenue source is shown below:**

BREAKDOWN OF REVENUES FROM SERVICES



- Revenues from facility management services rose by 31.18% owing to the acquisition of new facility management contracts in the following centres: Darsena City, Sesto Fiorentino, Mondovicino, Quarto, Vibo Valentia and Mercato S.Severino, which began in 2007.
- Revenues from agency services arise from the marketing activity of the mall in Lodi and other minor contracts.

✓ There was a significant increase in **Other revenues** (€ 3.54 million) due to the change in the scope of consolidation which at 30 September 2008 included the Romanian shopping centres (with revenues from rebilling of € 2.15 million) and the Consorzio proprietari Centro Leonardo (with revenues from rebilling of € 0.96 million).

Revenues from rebilling accounted for 92.81% of total other revenues. The remainder are revenues from services provided to related companies, reimbursements for employees' vehicles, and reimbursements for seconded staff.

Margins

The margins of each strategic business area rose compared to the third quarter of 2007, the margin from the leasing activity of leasehold properties rose only slightly since the usufruct right for three malls owned by Coop Adriatica (Città delle Stelle, Lungo Savio and S. Ruffillo) was established as from 1 March 2008. These malls therefore fall within revenues from freehold properties as from the usufruct start date.

CONSOLIDATED INCOME STATEMENT

	sept-08	sept-07	Δ	%	3Q 2008	3Q 2007	Δ	%
Margin from freehold properties	49,38	37,32	12,06	32,31%	18,48	12,74	5,74	45,09%
Margin from leasehold properties	0,89	0,71	0,18	25,39%	0,51	0,15	0,35	231,71%
Margin from services	0,88	0,86	0,02	2,63%	0,22	0,29	-0,07	-23,52%
DIVISIONAL GROSS MARGIN	**51,15**	**38,89**	**12,26**	**31,53%**	**19,21**	**13,18**	**6,03**	**45,73%**
Headquarters staff costs	-3,11	-1,99	-1,12	56,38%	-1,24	-0,46	-0,78	167,30%
Overheads	-2,97	-2,23	-0,74	33,36%	-0,80	-0,97	0,17	-17,57%
EBITDA	**45,06**	**34,68**	**10,39**	**29,96%**	**17,17**	**11,74**	**5,42**	**46,18%**
Depreciation and amortization	-0,41	-0,23	-0,17	73,95%	-0,21	-0,08	-0,12	150,21%
Change in fair value	7,14	24,36	-17,22	-70,70%	-0,96	-0,15	-0,81	543,59%
EBIT	**51,79**	**58,81**	**-7,01**	**-11,93%**	**16,00**	**11,51**	**4,49**	**39,01%**
Financial income/(charges)	-18,70	-10,45	-8,25	78,93%	-7,12	-3,62	-3,50	96,64%
PRE TAX PROFIT	**33,09**	**48,36**	**-15,27**	**-31,58%**	**8,89**	**7,89**	**0,99**	**12,58%**
(Income taxes for the period)	7,99	-19,66	27,65	-140,62%	-2,03	-3,23	1,20	-37,15%
NET PROFIT	**41,08**	**28,70**	**12,39**	**43,17%**	**6,85**	**4,66**	**2,18**	**46,82%**

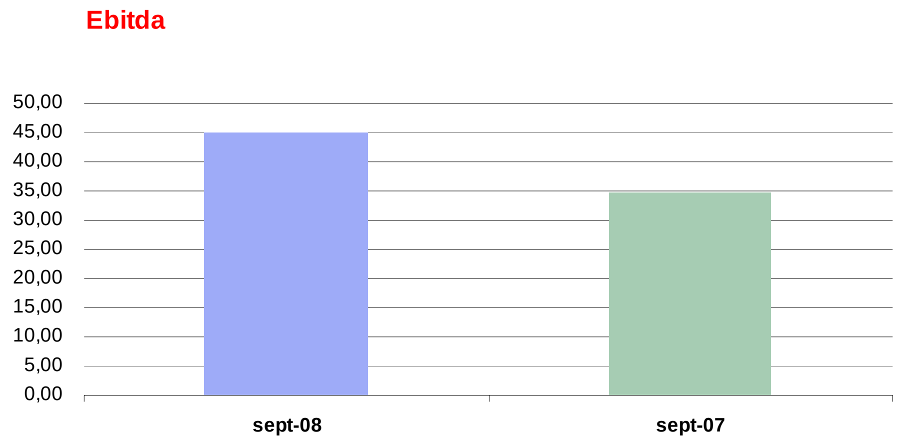
✓ **SBU 1 – property leasing – margin on freehold assets:** in the 3rd quarter of 2008 the margin was € 49.38 million compared to € 37.32 million in the prior-year period, an increase of 32.31%. This business has a very high margin of 89.03%.

✓ **SBU 1 – property leasing – margin on leasehold assets:** the margin fell by € 0.18 million due to the reasons given above. In percentage terms profitability was 25.39%.

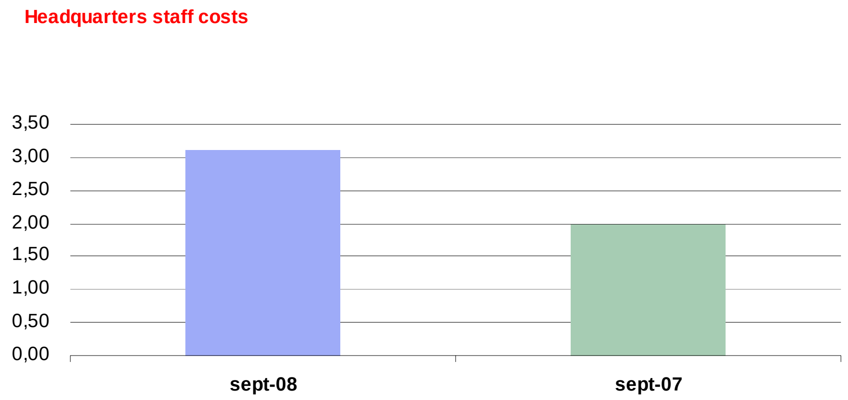
✓ **SBU 2 – Services – margin from services:** at the end of September 2008 the margin from services stood at € 0.88 million, up by 2.63% compared to the end of September 2007. This business does not absorb capital and generates a significant margin, which at the end of September 2008 was 28.07%. It should be stressed that the main cost item for this business is that of staff costs.

EBITDA

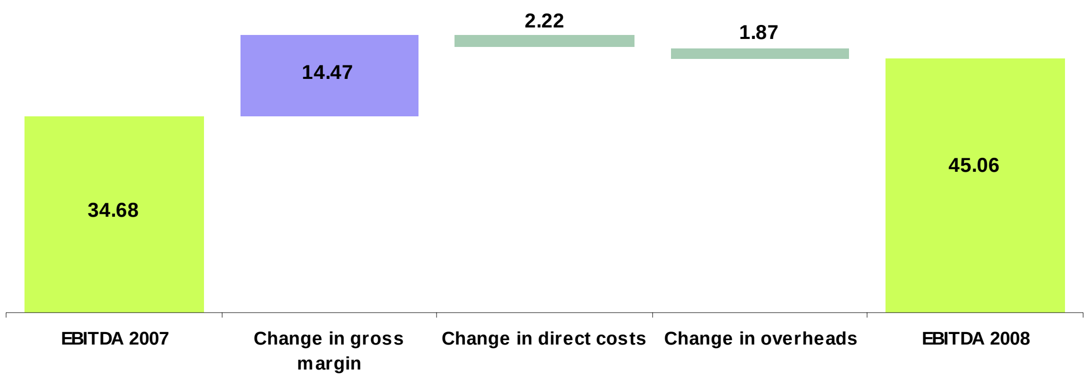
EBITDA was € 45.06 million, up by 29.96% on the prior-year period. The aforementioned increase in revenues was accompanied by a rise in overheads and staff costs.



The biggest increase in costs came from headquarter staff costs due to an expanded organizational structure, since owing to the type of business the organizational structure's work begins 18-24 months before opening dates.



Overheads totalled € 6.09 million, in line with the budget.



EBIT

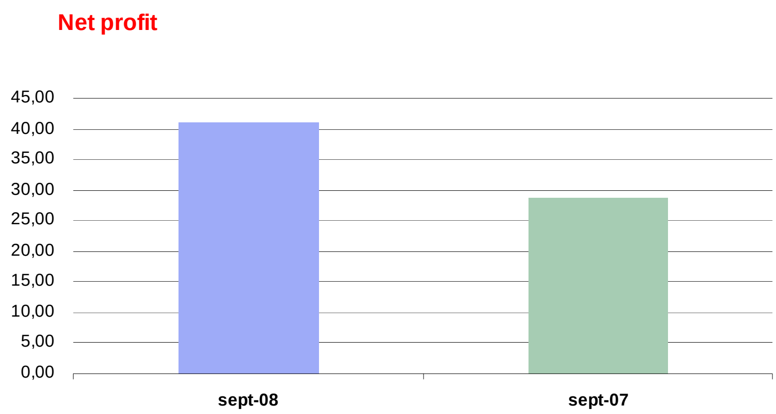
EBIT was € 51.79 million, the main cause of the difference between EBIT and EBITDA was the change in fair value which, on the basis of the independent assessment made by CBRE at 30/06/08 and of the interventions taking place on IGD and the Romanian companies in the quarter, was € 7.14 million. This increase consolidates the results achieved from 2006 to September 2007, where the whole real estate sector, in particular the retail segment, expanded sharply.

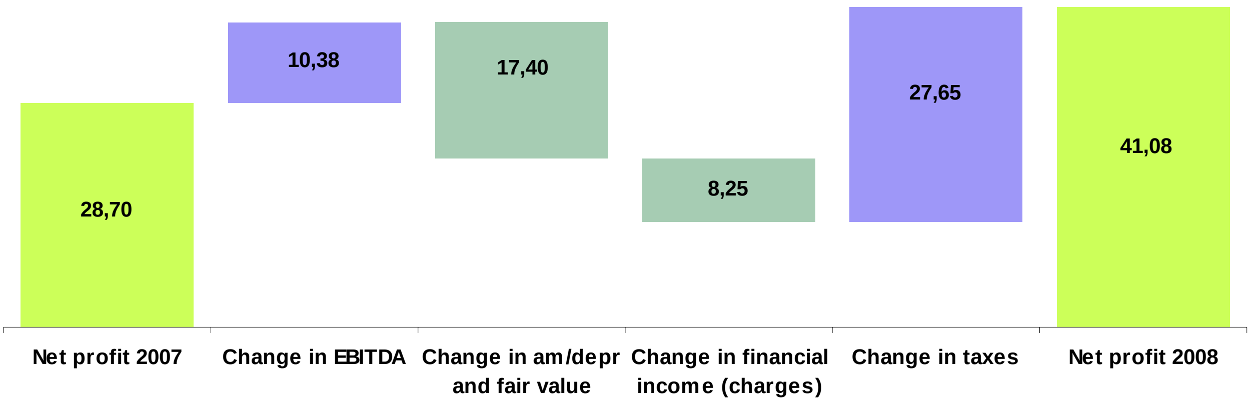
Financial Income and Charges

Financial income and charges: net financial charges rose by € 8.25 million; this increase was due to the subscription of a € 230 million convertible bond on 28 June 2007, the subscription of a € 100 million mortgage loan with Unipol Banca and Unipol Merchant on 10 April 2007, and the increase in short-term debt. Net debt stood at € 642.10 million, thus increasing gearing to 0.86 from 0.81 at 30/06/2008. The increase in net debt was accompanied by an increase in interest rates, the effect of which was partly mitigated by the fact that most of the long-term debt is covered by interest rate swaps.

Net Profit

NET PROFIT was € 41.08 million, up by 43.17% compared to the prior-year period. The profit was affected by the recovery of deferred taxes, net of substitute tax, charged to the income statement after the parent company joined the special SIIQ regime.





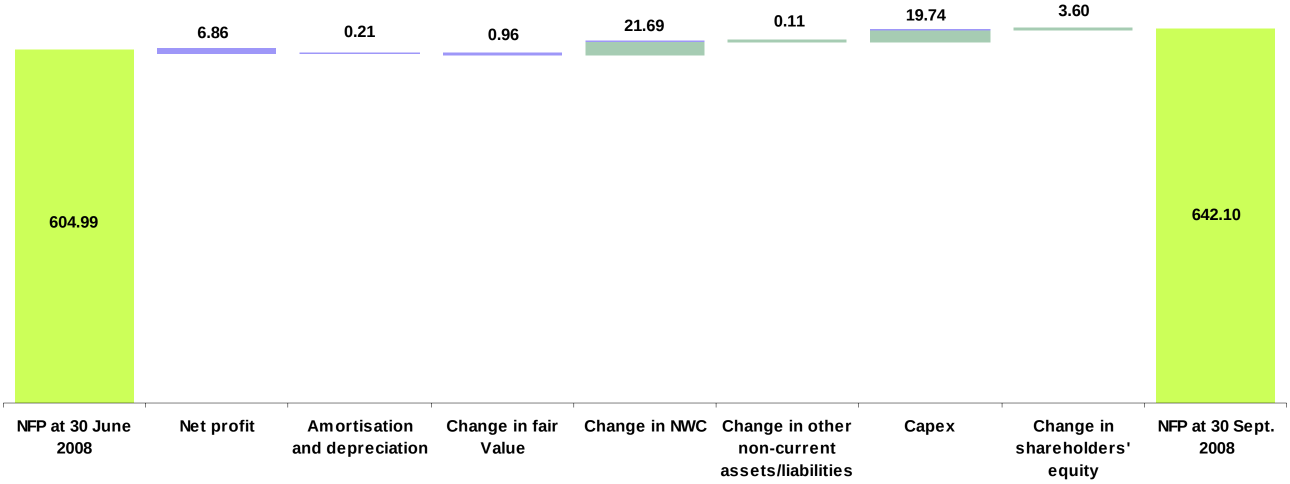
Balance Sheet and Financial Review

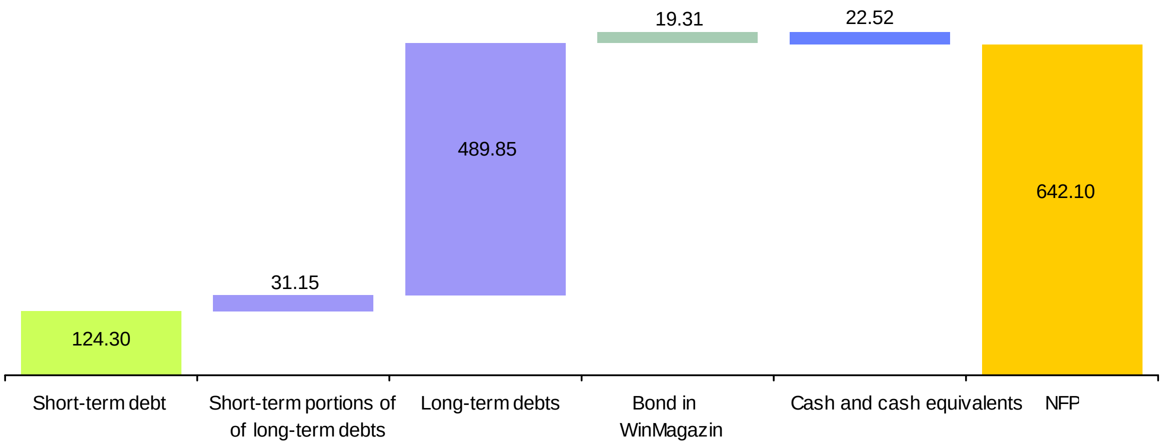
The IGD Group's balance sheet and financial situation at 30 September 2008 are summarized as follows:

SOURCE-USE OF FUNDS	a) 30/09/2008	b) 30/06/2008	c) 31/12/2007	a)-b) Δ	a)-b) %	a)-c) Δ	a)-c) %
Fixed assets	1,450.44	1,432.01	1,164.45	18.43	1.29%	285.99	24.56%
NWC	55.53	33.84	21.55	21.69	64.10%	33.98	157.68%
Other long-term liabilities	-113.92	-114.17	-103.19	0.25	-0.22%	-10.73	10.40%
TOTAL USE OF FUNDS	**1,392.05**	**1,351.68**	**1,082.81**	**40.37**	**2.99%**	**309.24**	**28.56%**
Shareholders' equity	749.95	746.69	741.17	3.26	0.44%	8.78	1.18%
NFP	642.10	604.99	341.64	37.11	6.13%	300.46	87.95%
TOTAL SOURCE OF FUNDS	**1,392.05**	**1,351.68**	**1,082.81**	**40.37**	**2.99%**	**309.24**	**28.56%**

The main changes in the third quarter of 2008 compared to 30 June 2008 are set out below:

- ✓ **Fixed assets** rose from € 1,432.01 million at 30 June 2008 to € 1,450.44 million at 30 September 2008; the change of € 18.43 million is explained by the increases in:
- ✓ **Assets under construction**: The change was mainly due to:
- ✓ the payment of further deposits for outstanding preliminary contracts concerning Catania and Conegliano;
- ✓ **Goodwill**: The change was mainly due to:
- ✓ the contractual price adjustment during the quarter and the acquisitions of WinMagazin SA and Winmarkt management s.r.l.
- ✓ **NWC**: The change was mainly due to:
- ✓ the contractual payment in instalments for investments made in the first half of 2008;
- ✓ **Shareholders' equity**: at 30 September 2008 it stood at € 749.95 million and the change of € 3.26 million was due to the net profit in the quarter and the change relating to outstanding derivative contracts accounted for using the Cash Flow hedge method.
- ✓ **Net debt:** at 30/09/2008 there was an increase of € 37.11 million compared to the previous quarter , owing to investments in the period and the trend in net working capital.


604.99
6.86
0.21
0.96
21.69
0.11
19.74
3.60
642.10
NFP at 30 June 2008
Net profit
Amortisation and depreciation
Change in fair Value
Change in NWC
Change in other non-current assets/liabilities
Capex
Change in shareholders' equity
NFP at 30 Sept. 2008



Net debt shown in the diagram highlights, under the Short-term portion of long-term debt, the amounts relating to the current portion of mortgages, loans due to leasing companies and the coupon due to bondholders.

Segment Information

Here below are the balance sheet and income statement divided by individual business units.

INCOME STATEMENT	30-sept-08	30-sept-07	30-sept-08	30-sept-07	30-sept-08	30-sept-07
	RENTAL ACTIVITIES		SERVICES		TOTAL	
REVENUES	**63,80**	**49,81**	**3,14**	**2,09**	**66,94**	**51,89**
DIRECT COSTS	13,53	11,77	2,26	1,23	15,79	13,00
DIVISIONAL GROSS MARGIN	**50,27**	**38,03**	**0,88**	**0,86**	**51,15**	**38,89**
UNDIVIDED REVENUES-COSTS					6,09	4,22
EBITDA	**50,27**	**38,03**	**0,88**	**0,86**	**45,06**	**34,68**
AMORT., DEPR. & WRITEDOWNS	6,79	24,14	-0,06	0,00	6,73	24,13
EBIT	**57,06**	**62,18**	**0,82**	**0,86**	**51,79**	**58,81**
FINANCIAL INCOME					**- 18,70**	**- 10,45**
INCOME TAX					**7,99**	**- 19,66**
NET PROFIT					**41,08**	**28,70**

BALANCE SHEET	30-sept-08	30-jun-08	30-sept-08	30-jun-08	30-sept-08	30-jun-08	30-sept-08	30-jun-08
	RENTAL ACTIVITIES		SERVICES		UNDIVIDED		TOTAL	
REAL ESTATE PORTFOLIO	1.184,66	1.184,29	0,00	0,00	0,00	0,00	1.184,66	1.184,29
OTHER NON-CURRENT ASSETS	0,00	0,00	0,00	0,00	49,38	49,10	49,38	49,10
CURRENT INVESTMENTS	216,39	198,62	0,00	0,00			216,39	198,62
NWC	30,99	8,91	0,24	0,09	24,30	24,83	55,53	33,84
OTHER LONG-TERM LIABILITIES	-113,60	-113,86	-0,33	-0,31			-113,92	-114,17
TOTAL USE OF FUNDS	**1.318,45**	**1.277,96**	**-0,09**	**-0,21**	**73,70**	**73,93**	**1.392,05**	**1.351,68**
NFP	572,24	535,00	-3,84	-3,95	73,70	73,93	642,10	604,99
EQUITY	746,20	742,96	3,75	3,73			749,95	746,69
TOTAL SOURCE OF FUNDS	**1.318,45**	**1.277,96**	**-0,09**	**-0,22**	**73,70**	**73,93**	**1.392,05**	**1.351,68**

Subsequent Events

It should be noted that on 29 October 2008 the merger of "M.V. s.r.l." into "IGD SIIQ S.p.A." was signed. The merger is effective as from 3 November 2008. Pursuant to art. 2504 bis, para. 3 of the Civil Code and pursuant to art. 172, para. 9 of the Income Tax Consolidation Act the merger is effective as from 1 January 2008.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET	30/09/2008	30/06/2008	31/12/2007	Change	Change
Amounts in millions of euro	**(A)**	**(B)**	**(C)**	**(A-B)**	**(A-C)**
NON-CURRENT ASSETS:					
Intangible assets					
- Intangible assets with a finite useful life	0.20	0.15	0.01	0.05	0.19
- Goodwill	30.34	29.97	26.67	0.37	3.67
	30.54	**30.12**	**26.68**	**0.42**	**3.86**
Plant, property and equipment					
- Investment property	1,181.47	1,181.47	947.81	0.00	233.66
- Plants and machinery	0.70	0.43	0.33	0.27	0.37
- Equipment and other assets	0.67	0.67	0.46	0.00	0.21
- Leasehold improvements	1.84	1.73	0.12	0.11	1.72
- Assets under construction	216.39	198.62	168.15	17.77	48.24
	1,401.07	**1,382.92**	**1,116.87**	**18.15**	**284.20**
Other non-current assets					
- Prepaid tax assets	5.23	5.37	2.88	(0.14)	2.35
- Miscellaneous receivables and other non-current assets	13.60	13.60	18.02	0.00	(4.42)
- Non-current financial assets	5.06	8.95	5.65	(3.89)	(0.59)
	23.89	**27.92**	**26.55**	(4.03)	**(2.66)**
TOTAL NON-CURRENT ASSETS (A)	**1,455.50**	**1,440.96**	**1,170.10**	**14.54**	**285.40**
CURRENT ASSETS:					
Inventories for assets under construction	52.37	52.37	0.00	0.00	52.37
Inventories	0.01	0.01	0.00	0.00	0.01
Trade and other receivables	9.19	9.49	9.65	(0.30)	(0.46)
Other current assets	33.36	32.52	19.48	0.84	13.88
Financial receivables and other current financial assets	0.68	0.17	40.51	0.51	(39.83)
Cash and cash equivalents	21.84	17.10	123.07	4.74	(101.23)
TOTAL CURRENT ASSETS (B)	**117.45**	**111.66**	**192.71**	**5.79**	**(75.26)**
TOTAL ASSETS (A + B)	**1,572.95**	**1,552.62**	**1,362.81**	**20.33**	**210.14**
SHAREHOLDERS' EQUITY:					
portion pertaining to the parent company	741.90	738.64	741.01	3.26	0.89
portion pertaining to minorities	8.05	8.05	0.16	0.00	7.89
TOTAL SHAREHOLDERS' EQUITY (C)	**749.95**	**746.69**	**741.17**	**3.26**	**8.78**
NON-CURRENT LIABILITIES:					
Non-current financial liabilities	514.23	515.34	478.10	(1.11)	36.13
Employee severance indemnity fund (TFR)	0.39	0.37	0.36	0.02	0.03
Deferred tax liabilities	75.14	75.73	90.45	(0.59)	(15.31)
Provisions for risks and future charges	0.75	0.57	0.64	0.18	0.11
Misc. payables and other non-current liabilities	37.64	37.50	11.74	0.14	25.90
TOTAL NON-CURRENT LIABILITIES (D)	**628.15**	**629.51**	**581.29**	**(1.36)**	**46.86**
CURRENT LIABILITIES:					
Current financial liabilities	155.45	115.87	32.77	39.58	122.68
Trade and other payables	22.41	38.02	4.47	(15.61)	17.94
Current tax liabilities	9.05	7.68	0.94	1.37	8.11
Other current liabilities	7.94	14.85	2.17	(6.91)	5.77
TOTAL CURRENT LIABILITIES (E)	**194.85**	**176.42**	**40.35**	**18.43**	**154.50**
TOTAL LIABILITIES (F=D + E)	**823.00**	**805.93**	**621.64**	**17.07**	**201.36**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (C + F)	**1,572.95**	**1,552.62**	**1,362.81**	**20.33**	**210.14**

CONSOLIDATED INCOME STATEMENT AMOUNTS IN MILLIONS OF EURO	30/09/2008 (A)	30/09/2007 (B)	CHANGE (A-B)		3Q 2008 3Q 2008	3Q 2007 3Q 2007	CHANGE (A-B)
Revenues	63.57	49.53	14.04		24.09	16.67	7.42
Other income	9.57	5.02	4.55		3.50	1.65	1.85
Total revenues and operating income	73.14	54.55	18.59		27.59	18.32	9.27
Change in inventory of assets under construction	52.12	0.00	52.12		0.00	0.00	0.00
Construction costs	(52.12)	0.00	(52.12)		0.00	0.00	0.00
Net change in assets under construction	0.00	0.00	0.00		0.00	0.00	0.00
Material and service costs	20.19	14.72	5.47		7.38	4.89	2.49
Staff costs	4.30	2.76	1.54		1.49	0.84	0.65
Other operating costs	3.59	2.50	1.09		1.55	0.88	0.67
Change in inventories	0.00	(0.11)	0.11		0.00	(0.03)	0.03
Total operating costs	28.08	19.87	8.21		10.42	6.58	3.84
EBITDA	45.06	34.68	10.38		17.17	11.74	5.43
(Amortization and depreciation)	(0.41)	(0.23)	(0.18)		(0.21)	(0.08)	(0.13)
Change in fair value - increases / (decreases)	7.14	24.36	(17.22)		(0.96)	(0.15)	(0.81)
EBIT	51.79	58.81	(7.02)		16.00	11.51	4.49
Financial income	3.86	3.31	0.55		1.29	2.78	(1.49)
Financial charges	22.56	13.76	8.80		8.41	6.40	2.01
Net financial result	(18.70)	(10.45)	(8.25)		(7.12)	(3.62)	(3.50)
PROFIT BEFORE TAX	33.09	48.36	(15.27)		8.88	7.89	0.99
Income taxes for the period	(7.99)	19.66	(27.65)		2.03	3.23	(1.20)
NET PROFIT FOR THE PERIOD	41.08	28.70	12.38		6.85	4.66	2.19
Attributable to:							
* Parent company net profit for the period	41.09	28.70	12.39		6.86	4.66	2.20
* Minority interest net profit for the period	(0.01)	0.00	(0.01)		(0.01)	0.00	(0.01)

NET FINANCIAL POSITION AMOUNTS IN MILLIONS OF EURO	30/09/2008	30/06/2008	31/12/2007
Cash and cash equivalents	(21.84)	(17.10)	(123.07)
Financial receivables and other current financial assets	(0.68)	(0.17)	(40.51)
LIQUIDITY	**(22.52)**	**(17.27)**	**(163.59)**
Current financial liabilities	124.30	88.00	3.49
Current portion of non-current part	31.15	27.87	29.28
CURRENT DEBT	**155.45**	**115.87**	**32.77**
CURRENT NET DEBT	**132.93**	**98.60**	**(130.82)**
Non-current financial assets	(5.06)	(8.95)	(5.65)
Convertible bond loan	203.60	202.04	198.91
Non-current financial liabilities	310.63	313.31	279.19
NON-CURRENT DEBT	**509.17**	**506.39**	**472.44**
NET DEBT	**642.10**	**604.99**	**341.62**

Notes to the Consolidated Financial Statements

Accounting Standards and Scope of Consolidation

Introduction

The quarterly report and the consolidated financial statements of the Immobiliare Grande Distribuzione Group at 30 September 2008, which are not subject to financial audit, have been prepared pursuant to art. 154 ter of Leg. Decree 58/1998 and in compliance with the assessment and measurement criteria established by the IFRS and adopted by the European Commission in accordance with the procedure as set out in art. 6 of EC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002 relating to the application of the international accounting standards as well as in compliance with the provisions of art. 82 of the “Regulation implementing Legislative Decree no. 58 of 24 February 1998 regarding Issuers”, Consob resolution no. 11971 of 14 May 1999 and subsequent amendments.

In particular it should be noted that the quarterly report at 30 September 2008 has been prepared on the basis of the criteria indicated in annex 3D of the aforementioned “Regulation”.

The quarterly report at 30 September 2008 was authorised for publication by means of a resolution of the relevant administrative body on 13 November 2008.

Accounting Standards

The consolidated financial statements have been prepared on the basis of the accounting situations at 30 September 2008 as provided by the companies included in the consolidation and adjusted, where necessary, to align them to accounting standards and Group classification criteria in compliance with the IFRS.

The consolidation principles, the accounting standards, the measurement and assessment criteria and methods adopted are in line with those used to prepare the consolidated financial statements at 31 December 2007 and the condensed half-year consolidated financial statements at 30 June 2008, to which reference is made.

It should be noted that the assessment and measurement of the accounting balances shown are based on the international accounting standards and the related interpretations currently in force; therefore, the data could undergo changes in order to reflect the changes which might occur up to 31 December 2008 due to future approvals by the European Commission of new standards, new interpretations, or guidelines that emerge from the International Financial Reporting Interpretation Committee (IFRIC).

The consolidated financial statements, tables and notes are expressed in millions of euro, unless otherwise stated.

In compliance with CONSOB provisions, the income statement data is provided with regard to the quarter under examination and the period between the start of the year and the closure of the three-month period (progressive); these are compared with the data for the same periods of the previous year. The balance sheet data for the third quarter is compared to the data at the end of the previous quarter and of the previous year. Therefore, information on income statement items is made in comparison with the same prior-year period (30 September 2007), while balance sheet data is compared to the previous quarter (30 June 2008).

No data has been used which has been estimated to be significantly different from that calculated in preparing the annual accounts.

Finally, it should be noted that a calculation has been made of the current, deferred and/or prepaid taxes.

Scope of Consolidation

The consolidated financial statements have been prepared on the basis of the accounting situations at 30 September 2008 as provided by the companies included in the consolidation and adjusted, where necessary, to align them to accounting standards and Group classification criteria in compliance with the IFRS.

Compared to the situation at 30/06/2008 the scope of consolidation remained unchanged.

The table below shows the list of companies included in IGD Group's scope of consolidation at 30/09/2008.

Company name	% investment	Control	Registered office	Share capital (In Euro)	Consolidation method	Business
Immobiliare Larice s.r.l.	100%	IGD SIIQ S.p.A.	Ravenna Via Villa Glori 4	75,071,221	Line-by-line	Shopping centre management
Consorzio Forte di Brondolo	77.4%	IGD SIIQ S.p.A.	Castenaso (Bologna) Via Villanova 29/7	63,033.35	Line-by-line	Urbanistic consortium
Millennium Gallery s.r.l.	100%	IGD SIIQ S.p.A.	Ravenna Via Villa Glori 4	100,000.00	Line-by-line	Shopping centre management
MV s.r.l.	100%	IGD SIIQ S.p.A.	Ravenna Via Villa Glori 4	10,000.00	Line-by-line	Shopping centre management
RGD s.r.l.	50%	IGD SIIQ S.p.A.	Milan Via Dante 7	52,000.00	Proportional	Purchase and sale of properties
RGD Gestioni s.r.l.	50%	RGD s.r.l. 100%	Milan Via Dante 7	10,000.00	Proportional	Shopping centre management
New Mall s.r.l.	50%	RGD s.r.l. 100%	Turin Via B. Buozzi 5	60,000.00	Proportional	Shopping centre management
Consorzio dei proprietari del Centro comm.le Leonardo	52%	IGD SIIQ S.p.A.	Imola (Bologna) Via G. Amendola 129	100,000.00	Line-by-line	Management consortium
Porta Medicea s.r.l.	80%	Immobiliare Larice s.r.l.	Livorno Via Gino Graziani 6	40,000,000.00	Line-by-line	Construction company
WinMagazin S.A.	90%*	Immobiliare Larice s.r.l.100%	Bucarest Romania	31,128.00	Line-by-line	Shopping centre management
Winmarkt Management s.r.l.	100%	Immobiliare Larice s.r.l. 90% IGD SIIQ S.p.A. 10%	Bucarest Romania	274,014.00	Line-by-line	Agency and Facility Management services

* The investment is 100% consolidated in light of the Put&Call option on the minority stake

Business Combinations

Acquisition of WinMagazin S.A.

On 29 April IGD SIIQ spa, following the preliminary agreement signed at the end of March, bought 100% of the share capital of WinMagazin S.A. through its subsidiary Immobiliare Larice s.r.l. for an overall amount of € 192.14 million, including accessory costs. The investment was realized in partnership with INPARTNER SpA, which was sold a minority stake of 10% in WinMagazin S.A. Following the Put&Call contract signed between Inpartner and Immobiliare Larice, WinMagazin was 100% consolidated, while at the same time recording a financial liability representing the future payable for the purchase of the minority stake. WinMagazin S.A. has assets consisting of 15 shopping centres and a retail property located in Romania. The acquisition of this equity investment was accounted for using the purchase method which requires the fair value recognition at the acquisition date of the identifiable assets (including intangible fixed assets previously not recognized) and the identifiable liabilities (including potential liabilities and excluding future restructuring) of the company purchased.

The surplus of the purchase cost compared to the purchaser's share of the net fair value of identifiable assets, identifiable liabilities and potential liabilities of the companies bought was allocated to goodwill. The acquisition had an overall cost of € 192,144,173.00 and it was funded using cash and credit lines for the purpose. In particular the fair value of the investment properties refers to the fair value assessment at the acquisition date of investment properties owned by the company. The comparison between the fair value and the book value (expressed in accordance with IAS/IFRS accounting standards) of the identifiable assets and liabilities of WinMagazin S.A. at the acquisition date is shown in the following table:

WinMagazin Amounts in euro	BOOK VALUE	FAIR VALUE
NON-CURRENT ASSETS		
Intangible assets	33	33
Plant, property and equipment	205,099,448	205,099,448
Other non-current assets	10,246	10,246
TOTAL NON-CURRENT ASSETS	***205,109,727***	***205,109,727***
CURRENT ASSETS		
Inventories	10,102	10,102
Trade receivables	391,593	391,593
Other non-current assets	588,023	588,023
Cash and cash equivalents	8,407,397	8,407,397
TOTAL CURRENT ASSETS	***9,397,115***	***9,397,115***
TOTAL ASSETS	**214,506,842**	**214,506,842**
NON-CURRENT LIABILITIES		
Deferred tax liabilities	22,176,981	22,176,981
TOTAL NON-CURRENT LIABILITIES	***22,176,981***	***22,176,981***
CURRENT LIABILITIES		
Trade payables	639,694	639,694
Other current liabilities	3,217,305	3,217,305
TOTAL CURRENT LIABILITIES	***3,856,999***	***3,856,999***
TOTAL LIABILITIES	**26,033,980**	**26,033,980**
NET ASSETS	**188,472,861**	**188,472,861**
GOODWILL		**3,671,312**
ACQUISITION COST		**192,144,173**

It should be pointed out that the income statement of the subsidiary included in the Group's consolidated income statement as from the acquisition date shows a net profit of € 2,722,469. If the acquisition had occurred at the start of 2008, the consolidated revenues would have been higher by about € 6,830,117 and the consolidated net profit for the period higher by around € 2,769,839.

Acquisition of Winmarkt Management s.r.l.

On 29 April the IGD SIIQ Group also bought for € 184,818 100% of Winmarkt Management srl, which provides agency and facility management services.

The acquisition of this equity investment was accounted for using the purchase method which requires the fair value recognition at the acquisition date of the identifiable assets (including intangible fixed assets previously not recognized) and the identifiable liabilities (including potential liabilities and excluding future restructuring) of the company purchased. The surplus of the purchase cost compared to the purchaser's share of the net fair value of identifiable assets, identifiable liabilities and potential liabilities of the companies bought was allocated to goodwill. The acquisition had an overall cost of € 184,818 and it was funded using cash and credit lines for the purpose. The comparison between the fair value and the book value (expressed in accordance with IAS/IFRS accounting standards) of the identifiable assets and liabilities of Winmarkt management s.r.l. at the acquisition date is shown in the following table:

Winmarkt Management s.r.l. Amounts in euro	BOOK VALUE	FAIR VALUE
NON-CURRENT ASSETS		
Intangible assets	3,683	3,683
Plant, property and equipment	61,612	61,612
Other non-current assets	8	8
TOTAL NON-CURRENT ASSETS	***65,303***	***65,303***
CURRENT ASSETS		
Other non-current assets	5,555	5,555
Cash and cash equivalents	352,146	352,146
TOTAL CURRENT ASSETS	***357,701***	***357,701***
TOTAL ASSETS	**423,004**	**423,004**
NON-CURRENT LIABILITIES		
Non-current financial liabilities	9,843	9,843
TOTAL NON-CURRENT LIABILITIES	***9,843***	***9,843***
CURRENT LIABILITIES		
Trade payables	25,238	25,238
Other current liabilities	203,892	203,892
TOTAL CURRENT LIABILITIES	***229,130***	***229,130***
TOTAL LIABILITIES	**238,973**	**238,973**
NET ASSETS	**184,031**	**184,031**
GOODWILL		**787**
ACQUISITION COST		**184,818**

It should be noted that the income statement of the subsidiary included in the Group's consolidated income statement as from the acquisition date shows a loss of € 1,733. If the acquisition had taken place at the start of 2008, the net profit for the period would have been lower by about € 71,224.

Notes to the Main Balance Sheet Items

Non-current assets:

The change in non-current assets between 30 September 2008 and 30 June 2008 was mainly due to:

- an increase in **goodwill** owing to the adjustment to the price for the acquisitions of WinMagazin SA and Winmarkt management srl;
- an increase in "**Assets under construction**" due to:
  - the payment of further deposits for outstanding preliminary contracts concerning Catania and Conegliano;

- the decrease in "**Non-current financial assets**" refers to the market to market valuation of IRS contracts outstanding at the end of the quarter. During the third quarter of 2008 the change compared to the previous quarter was particularly significant.

Current assets

The increase in **"Cash and cash equivalents**" compared to the previous quarter was mainly due to the cash flow generated by Winmagazine SA.

Shareholders' equity

Shareholders' equity rose in the 3rd quarter due to:

- the change relating to outstanding derivative contracts accounted for using the cash flow hedge method;
- the net profit for the period.

Non-current liabilities

The net change in **Non-current liabilities** compared to 30 June 2008 is due to:

- the change in **non-current financial liabilities**, the decrease in outstanding mortgage loans compared to the previous quarter for the share relating to the subsequent period which was reclassified under current financial liabilities.

- the increase in debt relating to the convertible bond loan. In relation to the latter it should be noted that:

  - **On 28 June 2007 a convertible bond loan was issued for € 230,000,000 with coupons at a rate of 2.5%.**
  - In accordance with IAS 32, a financial liability of € 200,305,352 has initially been recognized, corresponding to a similar liability without an equity component. **The effective interest rate used is** 5.53%.
  - Under the amortized cost method, the accessory costs of the bond issue (€ 4,473,388.98) have been deducted from the amount payable in connection with the bond loan.
  - The effect of this method is to increase financial charges, with an effective rate of 6.03%; the higher charges compared to the nominal rate of 2.5% actually paid are accounted for as an increase in the payable for the bond loan. At 31/12/2007 they stood at € 3,078,511, at 30/06/2008 totalled € 3,126,140 and at 30/09/2008 € 4,689,209.

Current liabilities:

The net change in Current liabilities compared to 30 June 2008 was mainly due to:

- the increase in **current financial liabilities** for the use of hot money to finance temporary cash requirements;
- the decrease in "**Trade payables**" for the contractual payment in instalments for investments made during the first half of 2008.

Notes to the Main Income Statement Items

Revenues and operating income

Consolidated revenues and other income at 30 September 2008 stood at € 73.14 million; compared to the prior-year period there was a € 18.59 million increase. The change is commented on in the paragraph "**Income Statement Review**".

Material and service costs

The item mainly includes the costs for rent of properties managed by the Group. The increase compared to 30 September 2007 was due in particular to the change in the scope of consolidation.

Staff costs

Staff costs rose compared to the previous period of 2007 owing to the increase in the number of staff, in line with the Group's growth in size and with its estimated organisational structure.

Other operating costs

There were no significant changes.

Financial income and charges

There was a financial charge of € 18.7 million, up on the prior-year period by € 8.25 million, due to charges for the higher debt owing to the subscription of a € 230 million convertible bond on 28 June 2007, the subscription of a € 100 million mortgage loan, and the increase in short-term financial liabilities and the rise in rates for loans not hedged by IRS.

Interest expense on the convertible bond included under financial charges was € 9 million and corresponds to an interest rate of 6.03%. This rate results from the amortized cost method and the effective interest rate method.

This accounting method leads to higher financial charges as detailed hereafter:

- Interest due to bondholders at a rate of 2.5%, for € 4.3 million
- Higher financial charges owing to the effective interest rate going from 2.5% to 5.53%, or € 4.1 million
- Higher financial charges owing to the amortized cost method of € 0.6 million (0.5% increase in rate)

Net spreads on hedging derivatives have been reclassified compared to the same period of the previous year under financial charges, in order to reflect the substance of the hedging transaction undertaken which was to turn the financial charge into a fixed rate. Therefore, € 4.39 million has been reclassified from financial income to charges as follows:

FINANCIAL INCOME AND CHARGES AMOUNTS IN EURO	NEW 30/09/2007	OLD 30/09/2007	RECLASSIFICATION
Financial income	3,31	7,70	4,39
Financial charges	13,76	18,15	4,39
Net financial result	**(10,45)**	**(10,45)**	0,00

Taxes for the period

Current taxes for the period totalled € 3.4 million.

On 16 April IGD S.p.A. elected to exercise the option to be treated as a SIIQ under the tax regime introduced and regulated by Law no. 296 of 27 December 2006 and notified the Tax Authorities pursuant to the Tax Authority's provisions effective as of 28 November 2007.

This election, effective as of 1 January 2008, will result in the exemption of income from rental activities for the purposes of IRES (corporate income tax) and IRAP (regional business tax); the parent company's portion of earnings will be subject to direct taxation as allocated to shareholders at the time of distribution under the form of a withholding tax viewed as an advance for entrepreneurs and as a tax for other parties. Verification of the necessary requisites will be based on the financial statements (balance sheet and income statement) for the year ended on 31 December 2008.

This special regime involves the sale at the normal value of the real estate assets and property rights on the rental properties owned by IGD at the end of the last tax period; the related capital gains, net of any capital losses, are subject to a substitute tax of IRES and IRAP at a tax rate of 20 percent, to be paid in a maximum of 5 yearly instalments.

The charge for this special regime was € 30.8 million.

The substitute tax, following the parent company joining the SIIQ special regime, is accounted for the whole amount at 20% of the difference at 31/12/2007 between the fair value of investment properties and their related tax value. The parent company has opted to make the substitute tax payment in 5 instalments.

Deferred tax assets and liabilities had a positive balance of € 42.3 million. The change was largely caused by the recording of the deferred tax liabilities allocated to the higher value of the properties up to 31/12/2007.

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The manager responsible for preparing the accounting and corporate documents, Grazia Margherita Piolanti, states, pursuant to paragraph 2, article 154 bis of the Consolidated Finance Act, that the accounting information contained in this document corresponds to the documentary evidence, and accounting books and entries.