IGD GROUP

Interim management statement

At 31 March 2005

Corporate Officers

BOARD OF DIRECTORS

- CHAIRMAN
  COFFARI GILBERTO

- VICE-CHAIRMAN
  COSTALLI SERGIO

- CHIEF EXECUTIVE OFFICER
  CARBONARI FILIPPO-MARIA

- DIRECTORS
  FILIPPINI MAURIZIO (*)
  FRANZONI MASSIMO (*)
  CANOSANI ARISTIDE (*)
  PELLEGRINI FERNANDO
  PIOLANTI GRAZIA MARGHERITA
  GENTILI FRANCESCO
  BINI MAURO
  POZZOLI STEFANO
  ROFFINELLA LORENZO
  SABADINI RICCARDO
  CARPANELLI FABIO

(*) MEMBERS OF CONTROL COMMITTEE

BOARD OF STATUTORY AUDITORS

- CHAIRMAN
  CONTI ROMANO

- STANDING AUDITORS
  GARGANI FRANCO
  LAZZARI MASSIMO

INCOME STATEMENT REVIEW

Business performance

The first quarter of 2005 closed with a consolidated profit for the period equal to € 1,661,569. Profit before taxes amounted to € 3.074 million increased by € 1.6 million compared to the result for the first quarter of 2004. This significant change is representative of the improvement in the group operating results due to the construction of the new development strategy, in line with the five-year business plan.
The following is a summary of the financial results as at 31 March 2005, compared with the corresponding values of the first quarter of 2004. It should be noted that the comparison extends to the profit before tax, as the previous year quarterly report didn't include the calculation of taxes for the period.

Consolidated 1Q 2004	31-Mar-05	31-Mar-04	Change	%
Rental income	12,665,273	11,085,753	1,597,520	14.25%
Rents and payable leases	3,192,990	3,224,064	-31,074	-0.97%
Other expenses and characteristic income	301,294	289,939	11,355	3.92%
Gross Margin	**9,773,577**	**8,151,628**	**1,621,949**	**19.90%**
Total direct costs	757,800	710,479	47,321	6.66%
Divisional Gross Margin	**9,015,777**	**7,441,150**	**1,574,627**	**21.16%**
TOTAL GENERAL EXPENSES	512,633	316,887	195,746	61.77%
EBITDA	**8,503,144**	**7,124,263**	**1,378,881**	**19.35%**
Total depreciation	4,227,681	4,568,040	340,359	-7.45%
Total provisions	0	91,335	-91,335	-100.00%
EBIT	**4,275,463**	**2,464,888**	**1,810,575**	**73.45%**
Financial management	-1,230,350	-990,794	-239,556	24.18%
Extraordinary charges and income	28,944	-12,781	41,725	-326.46%
PRE TAX PROFIT	**3,074,057**	**1,461,312**	**1,612,745**	**110.36%**

Growth in productivity, in line with the forecasts contained in the business plan of the group, depends on several factors:

1. increase in revenues from characteristic of the group (+13.9% approximately), thanks to the investment made in late March 2004 in the shopping center "Le Fonti del Corallo" of Livorno and thanks to higher revenues obtained through agency activities. In addition, it should be noted the good performance of revenues from the rent of the temporary spaces in malls of managed shopping centers. As the absolute value of the latter revenues are not comparable with leasing activities, it is an important development area for the group also in consideration of the high margin;
2. Operating costs totally increased of about € 243,000. This change depends on the strengthening of the organizational structure and therefore the cost of personnel, in line with the growth in size of the business; on IPO costs expensed during the year as recurring, but that will affect entirely only the first quarter of 2005. Finally, the higher cost of ICI related to the Livorno shopping center is to be reported;
3. The combined effect of higher revenues and operating costs results in an EBITDA of approximately € 8.5 million, an increase of € 1.4 million equal to 19.35%;
4. Depreciation decreased by € 340,359 due to the combined effect of:

a. the accounting policy change, decided by IGD's Board of Directors in September 2004, which led to the elimination of amortization of IGD owned land in order to ensure greater compliance of the financial statements to international accounting standards and, above all, as it is believed that the value of such property is not subject to reductions in time;

b. The increase in depreciation resulting from the purchase of the shopping center in Livorno;

c. The increase in amortization of intangible assets, arising from the capitalization of IPO costs and placement and sponsors fees.

5. Thanks to a growth in EBITDA and to the reduction in depreciation above mentioned, EBIT increased significantly (by € 4.3 million against € 2.5 million in first quarter 2005).

The balance sheet at 31 March 2005, compared with figures as at 31 December 2004 is summarized below:

Reclassified consolidated balance sheet		
Value in €	*31.03.2005*	*31.12.2004*
FIXED ASSETS (A)	435,380,250	431,478,835
NET WORKING CAPITAL (B)	(6,311,791)	4,028,588
Severance indemnities (C)	157,195	195,845
Other middle-long term liabilities (D)	22,240,809	17,156,521
NET INVESTED CAPITAL E=A+B+C+D	**406,670,455**	**418,155,057**
TOTAL NET EQUITY (F)	374,851,298	226,584,714
SHORT TERM FINANCIAL LIABILITIES	(102,240,239)	52,297,208
MIDDLE-LONG TERM FINANCIAL LIABILITIES	134,059,396	139,273,135
NET DEBT (G)	31,819,157	191,570,343
TOTAL SOURCES OF FUNDING H = (F+G)	**406,670,455**	**418,155,057**

The most significant change is seen in the net financial position, due to the financial resources flocked in IGD following the listing on the Telematic Stock Market managed by Borsa Italiana SpA, which took place on 11 February 2005. These resources, which amounted, net of fees for placement and sponsors, to €145,921,250 will be used for the realization of the investments planned in the business plan and to take advantage of new opportunities that the group could grasp on the market in the coming years.

As a result of new resources, resulting in the net assets, the gearing ratio increased from 45.81% to 7.82%. Loans to Medium/Long term on 31 March 2005 amounted to € 153.41 million. These loans, entered into floating rate, are fully covered by interest rate swaps, which serve to immunize IGD from the risk of future increases in interest rates. For more details on the financial structure and related costs, please refer to the notes.

The change in net working capital is for the most part, justified by IGD's debt to its shareholders for the dividend that will be paid on 19 May 2005, for an amount of € 5.6 million, for further details about the operational changes in receivables and short-term debt please see details in the notes.

The increase in fixed assets depends only on the capitalization of IPO costs and on the distribution and sponsors fees, for a total of € 7.6 million. Please note that this procedure is justified by the application of the accounting standards in force at the date of the results of first quarter of 2005 and that during the year the new accounting standards IAS/IFRS will be adopted.

The new accounting standards require a different treatment of placement and sponsors fees mentioned above and in particular their direct deduction from the share premium reserve.

MAIN EVENTS OF THE FIRST QUARTER 2005

In February 2005 ended the activity related to the listing of IGD S.p.A. on the Telematic Stock Market (MTA) of the Milan Stock Exchange. This event represented the fulfillment of this demanding project, with important strategic content as it has allowed the flow in IGD S.p.A. of financial means which will result in an important development program and for the high visibility that the group has achieved both nationally and internationally, allowing to enhance the exclusive competences that the group has gained in the real estate segment of Shopping Centers.

There were no new real estate investments in the first quarter of 2005.

During the first quarter of the year IGD obtains the "construction permit" for the extension of the shopping mall of the Centro Leonardo in Imola. Therefore it is given over to the construction work.

In line with the strategic plans of the Group, the development of the service activity carried out by Gescom Srl. In particular please note the acquisition of new mandates of agency and facility management:

1. Agency mandate for the extension of Savignano shopping center (RN), owned by Pradera;
2. Agency and Facility management mandate for the construction of “Minganti” shopping center in Bologna owned by Coop Adriatica;
3. Renewed the contract of facility management related to Centronova shopping center in Bologna owned by Nova Immobiliare Srl and Gester Srl and acquired the mandate of reletting of future extension;
4. Agency and Facility management mandate of the shopping mall, together with the extension in progress, of Centro Leonardo in Imola owned by Eurocommercial Properties S.a.

SUBSEQUENT EVENTS SINCE THE END OF THE QUARTER AND ACTIVITY EVOLUTION

On 26 April 2005 was signed the preliminary agreement for the purchase of a part of the building within the Commercial Park "Mondovicino" in Mondovì (Cuneo).
IGD will acquire the shopping mall and the retail park for a total of about 18,000 sqm of GLA.
The IGD property will be part of a multifunctional center:

1. With hypermarket and Factory Outlet
2. High quality project: Giugiaro Architecture
3. Strong potential appeal

The investment made is of great importance for the IGD group because:

1. It demonstrates the high quality investment potential also outside the planned development plan with the shareholder;
2. It demonstrates the ability of the group to act from the planning phase to ensure its ability to maximize the creation of value through its management after the investment;
3. IGD and GESCOM contributed to the design of optimal layout for the planned tenant mix according to market needs in which the center will refer to.

Activities to assess new investment opportunities continued and work began on the construction work on the extension of Centro Leonardo shopping mall in Imola and of Centroborgo in Bologna.

The results already achieved in the first quarter and the projects under evaluation, including also initiatives not included in the budget, lead to forecast of a positive operating performance even in future quarters.

Reclassified Consolidated Balance Sheet for the period

Amounts in €	**31.03.2005**	**31.12.2004**
Intangible assets	13,165,949	6,192,521
Tangible assets	419,167,177	421,583,002
Financial assets	3,047,124	3,703,312
FIXED ASSETS (A)	**435,380,250**	**431,478,835**
Trade receivables	14,814,368	14,084,734
Other short term assets	9,275,265	8,957,664
Trade payables	(7,696,502)	(4,629,603)
Other liabilities	(17,393,280)	(9,054,417)
General provisions	(5,311,642)	(5,329,790)
NET WORKING CAPITAL (B)	**(6,311,791)**	**4,028,588**
Employees severance indemnities (C)	157,195	195,845
Other medium/long term liabilities (D)	22,240,809	17,156,521
NET INVESTED CAPITAL E= A+B-C-D	**406,670,455**	**418,155,057**
Group net equity	374,851,298	226,584,714
Third parties net equity	0	0
TOTAL NET EQUITY (F)	**374,851,298**	**226,584,714**
Short term payables to banks	34,403,450	53,145,799
Financial assets	(35,673,792)	0
(Cash)	(100,969,897)	(848,591)
SHORT TERM LIABILITIES	**(102,240,239)**	**52,297,208**
MEDIUM/LONG TERM LIABILITIES	**134,059,396**	**139,273,135**
LIABILITIES (G)	**31,819,157**	**191,570,343**
TOTAL SOURCE OF FUNDINGS H=(F+G)	**406,670,455**	**418,155,057**

Reclassified Consolidated income statement

Amounts in €	31.03.2005	31.03.2004
Revenues from sale	12,661,657	11,065,980
Other revenues	336,529	373,717
PRODUCTION VALUE	**12,998,186**	**11,439,697**
Cost of raw materials and consumables	0	0
Cost of external services	3,682,719	3,571,105
Other operating costs	491,769	498,232
	4,174,488	4,069,337
ADDED VALUE	**8,823,698**	**7,370,360**
Cost of labor	344,484	276,704
OPERATING GROSS MARGIN	**8,479,214**	**7,093,656**
Total depreciations	4,227,680	4,568,040
Other fund for adjustments	0	91,355
OPERATING PROFIT	**4,251,534**	**2,434,261**
Net financial expenses	(1,206,420)	(985,076)
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAXES	**3,045,114**	**1,449,185**
Net extraordinary costs	28,944	12,108
PROFIT (LOSS) BEFORE TAXES	**3,074,058**	**1,461,293**
Income taxes for the period	1,412,488	0
PROFIT (LOSS) FOR THE PERIOD	**1,661,570**	**1,461,293**
Third parties profit		12,406
GROUP NET PROFIT FOR THE PERIOD	**1,661,570**	**1,448,887**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Preparation criteria and consolidation of the quarterly report

This quarterly report for the first quarter of 2004 has been prepared in accordance with art.82 of CONSOB Resolution No. 11971 of 14 May 1999 and in accordance with the attachment 3D of this resolution.

The quarterly report refers to the Group's consolidated data that are represented in a reclassified format.

Such statements have been prepared using the same accounting and consolidation principles applied in preparing the consolidated financial statements at 31 December 2004. There were not used estimated data not so different from those used for the preparation of the annual accounts. We report also that the consolidated figures include the situation of the parent company Immobiliare Grande Distribuzione S.p.A. and the situation at 31 March 2005 of Gescom s.r.l., held at 100%.

The scope of consolidation in the first quarter of 2005 has not changed compared to 31 December 2004. Compared to 31 March 2004 the only change in the scope of consolidation relates to the purchase of a further 40% of Gescom s.r.l., that took place in December 2004.

COMMENT ON THE MAIN FINANCIAL ITEMS OF THE FIRST QUARTER OF 2005

Revenues

The value of production for the first quarter of 2005 amounted to € 12,998,186, an increase of € 1,558,489 compared to the same period of last year, due mainly to rents from "Le Fonti del Corallo" shopping center bought on 29 March 2004.

In relation to revenues from sales of the first quarter of 2005, they amounted to € 12,661,657. The following table shows the breakdown by geographical area:

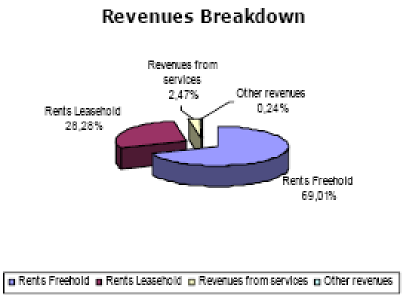
Production value	31-Mar-2005	31-Mar-2004	Change
Emilia Romagna	6,026,505	5,796,622	229,883
Tuscany	1,155,000	0	1,155,000
Veneto	634,753	602,108	32,645
Lazio	871,649	857,500	14,149
Marche	1,913,774	1,809,935	103,839
Abruzzo	778,342	748,315	30,027
Campania	1,281,634	1,251,500	30,134
TOTAL	**12,661,657**	**11,065,980**	**1,595,677**

Other revenue and income equal to € 336,529 are mainly due to:

- € 299,357 for revenues from Gescom company for facility management of shopping centers
- € 26.525 for invoicing to operators of shopping centers for various costs incurred on their behalf by the group
- € 5.094 for extraordinary income
- € 1.937 to provide services to third parties
- € 3.616 for operations

The following table shows the breakdown of group revenues by business areas:

Revenues breakdown	31-Mar-2005
Rents from freehold	8,970,336
Rents from leasehold	3,675,401
Revenues from services	320,830
Other revenues	31,618
TOTAL REVENUES	**12,998,186**



The table shows the revenues generated by the Group core business divided between:

- "Rents from freehold and leasehold", regarding letting activities of Hypermarkets and Mall, rent of business units and temporary spaces within the malls and trading of malls;
- "Revenues from services" including management and pre-opening of shopping centers activities;
- "Other revenues" relating to other residual activities not related to the previous, mainly related to the re-invoicing of services to operators.

Services costs

This cost item is primarily made up of the rental charges for the assets managed by the group, a decrease compared to the same period of last year for the termination of lease contracts of small malls in April 2004 because not considered in line with the group's profitability objectives.

The other significant changes are related to the costs for:

- Telephone Utilities increased following activation by the IGD group of dedicated phone lines;
- Administrative Service increased as new outsourcing contracts with Coop Adriatica s.c.a.r.l. have been signed in January 2005 to regulate all services provided;
- Remuneration of corporate bodies increased for the extension of the number of directors appointed in September 2004;
- There was an increase of the various consulting since assessments of new investments to independent experts have been commissioned.

Costs for external services	31-Mar-2005	31-Mar-2004	Change
For services	**462,225**	**337,357**	**124,868**
Utilities	8,557	2,153	6,404
Administrative services	60,810	43,189	17,621
Service costs for cleaning and surveillance	9,504	26,174	-16,670
Insurances	76,684	67,998	8,686
Professional fees	108,241	77,660	30,581
Costs for listing	0	10,733	-10,733
Maintenance and repairs	1,300	30,253	-28,953
Consulting	53,135	4,601	48,534
Other costs	143,994	74,596	69,398
For third parties assets	**3,220,494**	**3,233,748**	**-13,254**
TOTAL	**3,682,719**	**3,571,105**	**111,615**

Other operating costs

The item mainly consists of the ICI property cost, increased compared to the same period of last year for the acquisition of the asset "Le Fonti del Corallo" in Livorno.

Other operating costs	31-Mar-2005	31-Mar-2004	Change
Municipal taxes	430,832	373,529	57,303
Contract registration	549	17,571	-17,022
Capital losses	0	0	0
Out-of-period (income)/charges	38,631	83,272	-44,641
Licenses and permits	328	9,285	-8,957
Other	21,428	14,575	6,853
TOTAL	**491.768**	**498.232**	**-6.464**

Cost of labor

The increase in cost of labor is justified by the increase in IGD personnel. In fact, in September 2004 a general manager and in January 2005 a development director have been recruited.

Personnel costs	31-Mar-2005	31-Mar-2004	Change
Wages and salaries	256,190	205,098	51,092
Social security	63,874	48,751	15,123
Severance pay	13,909	14,072	-163
Other costs	10,511	8,783	1,728
TOTAL	**344,484**	**276,704**	**67,780**

Depreciation and amortization

As is clear from the table presented below depreciation and provisions for the first quarter of 2005 amounted to € 4,227,681, decreasing of € 431,695 compared to the same period of last year. The main changes have been:

- Intangibile amortization:
  - the amortization of the consolidation difference related to the purchase of 40% of Gescom occurred in December 2004;
  - the capitalization of € 7,587,720 of costs relating to IGD’s listing ended in February 2005, depreciated with a rate of 20%;
- In September 2004, IGD's Board of Directors, supported by CBRE report, resolved the change in accounting policies aimed at not depreciate the value of plots of land, that is why amortization of buildings decreased;
- In the first quarter of 2005 amortization related to the asset in Livorno for the entire period are calculated;
- In the first quarter of 2005 additional provisions for doubtful accounts were not made, as the doubtful loans have already been written down at the time of year end. The provision for doubtful debts amounted to 33.6% of total loans to customers.

Depreciation and amortization	31-Mar-2005	31-Mar-2004	Change
Amortization of intangible assets	620,932	183,588	437,344
Amortization of tangible assets (buildings)	1,646,253	2,666,268	-1,020,015
Amortization of tangible assets (plant and equipment)	1,896,273	1,652,588	243,685
Amortization of tangible assets (facility)	64,223	65,597	-1,374
Provisions for risks	0	91,335	-91,335
TOTAL	**4,227,681**	**4,659,376**	**-431,695**

Financial income and expenses

Financial income at 31 March 2005 amounted to € 999,610, an increase of € 837,895 compared to the same quarter of last year and consist of:

- € 30,027 income from securities included in current IGD’s securities;
- € 969,303 are mainly positive differentials IRS, interests on bank account for short-term liquidity invested.

Financial charges amounted to € 2,206,030, an increase compared to the same period of last year of € 1,077,452, due to the taking over of two mortgages relating to the property in Livorno, for a total amount of € 62,491,285. Between late December 2004 and the first days of January 2005 the renegotiation of all the transactions of interest rate swaps entered into in the interest rate risk on medium/long-term financial operations coverage took place. Following the Board of Director's decision to implement full coverage of this risk, the existing IRS operations were renegotiated in order to exceed the expected cap. It was also extended the coverage to all financial transactions in the medium/long term; to date, the total coverage has a fixed cost of 3.23% to which is added an average spread of 0.36% as per the contract.

The charges are mostly made up of:

- € 99,938 interest expense on hot money and bank accounts;
- € 986,370 interest expense on loans;
- € 960,102 IRS negative spreads.

Taxes

Current taxes for the quarter amounted to € 675,384 and are represented by the IRES and IRAP for the period, amounting respectively to € 473,622 and € 201,762.
The deferred tax charge in the quarter, equal to € 737,104 related mainly to the use of residual tax losses of IGD, amounting at 31 December 2004 to € 2,259,700.

COMMENT ON THE MAIN CHANGES IN THE BALANCE SHEET COMPARED TO 31 DECEMBER 2004

Intangible assets

In the quarter the increase of intangible assets amounted to € 7,594,159 mainly related to the capitalization of listing costs (€ 1,258,970), and to the distribution fees (€ 6,328,750).

	Plant and expansion costs	Grants, licenses and trademarks	Goodwill	Other	Consolidation difference	Total
Historical cost at 31/12/04	197,265	1,748,763	2,867,691	1,427,605	3,078,310	9,319,634
Accumulated depreciation	(151,571)	(838,930)	(1,161,021)	(603,474)	(372,117)	(3,127,113)
Balance at 01/01/05	**45,694**	**909,833**	**1,706,670**	**824,131**	**2,706,193**	**6,192,521**
Acquisitions	7,587,720	0	0	6,639	0	7,594,359
Amortizations	(387,236)	(37,422)	(71,692)	(47,624)	(76,958)	(620,932)
Decreases	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Balance at 31/03/05	**7,246,178**	**872,412**	**1,634,978**	**783,146**	**2,629,235**	**13,165,949**

Tangible assets

The breakdown of tangible assets is described in the following table:

	Plots of land and buildings	Plants and equipment	Industrial and commercial facilities	Other assets	Assets in progress and advances	Total
Historical cost at 31/12/04	418.621.195	65.511.593	651.356	15.720	9.987.335	494.787.199
Revaluations before 31/12/04	2.346.054	0	0	0	0	2.346.054
Writedowns before 31/12/04	0	0	0	0	0	0
Depreciation fund at 31/12/04	(52.300.086)	(22.772.166)	(462.279)	(15.720)	0	(75.550.251)
Balance at 01/01/05	**368.667.163**	**42.739.427**	**189.077**	**0**	**9.987.335**	**421.583.002**
Acquisitions	59.150	59.572	0	0	1.072.202	1.190.924
Disposals and divestments	0	0	0	0	0	0
Amortizations	(1.646.253)	(1.946.748)	(13.747)	0	0	(3.606.748)
Use of depreciation fund	0	0	0	0	0	0
Use of depreciation and revaluation fund	0	0	0	0	0	0
Writedowns	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Reallocations	0	0	0	0	0	0
Transfers	16.914	0	0	0	(16.914)	0
Balance at 31/03/05	**367,096,974**	**40,852,251**	**175,330**	**0**	**175,330**	**419,167,178**

In particular should be noted that the increments are made up of:

- *the item plots of land and buildings*: purchase of portions of land in Chioggia;
- *the item plants and equipments*: investments related to the building of Centroborgo in Bologna;
- *the item assets in progress and advances*: investments related to buildings of Centroborgo and Centro Leonardo in Imola both object of extension.

Financial assets

This item includes reclassified financial assets in addition to the claims for long-term taxes, to other debtors and to parent companies (Coop Adriatica) over 12 months. Long term loans to Coop Adriatica amount to € 3,012,666 and relates to part of the complaint of the advanced payments relating to the hypermarket rent located inside of the shopping center "Centronova": the decrease compared to 31 December 2004 is € 645,571 and is related to the collection of the competences of the first quarter of 2005.

Net working capital

The net working capital increased from € 4,028,588 to a negative balance of € 6,311,091 with a change of € 10,340,379. In particular:

1. *Trade receivables*: the increase in the quarter amounted to € 729,634 and is mainly due to the increase in IGD's receivable to Coop Adriatica for invoices to be issued; please note that trade receivables include receivables to customers relating to the group normal activity and to Coop Adriatica
2. *Other short term assets*: the change is mainly due to the accrued income to the IRS, to bonds in portfolio.
3. Other receivables consist mainly of receivables arising from invoices already paid relating to the rent fees of the 2nd quarter of 2005 of Piave and Nova shopping centers equal to € 2,137,437.
4. *Short term trade payables*: increased by € 3,066,899. In particular Gescom's debt to Coop Adriatica for bills of deferred payments increased, amounting to € 923,124, issued on an accrual before 31 March 2005 but subsequently paid.

Trade receivables	31-Mar-2005	31-Dic-2004	Change
Payables to suppliers within 12 months	5,173,344	3,287,522	1,885,822
Payables to parent company	2,509,162	1,335,370	1,173,792
Payables to other subsidiaries	13,996	6,711	7,285
TOTAL	**7,696,502**	**4,629,603**	**3,066,899**

5. *Other short term liabilities:* increased by € 8,338,863, the increase is mainly due to IGD's debt for the dividend distribution, to be paid on 19 May. This debt is included into payables to parent company for the Coop Adriatica's dividend and short term payables to others for the dividend due to all other shareholders. Accrued expenses relates to the mortgage interest (€ 1,176,723), as well as the IRS negative spreads interests (€ 1,095,990).

Other short term liabilities	31-Mar-2005	31-Dic-2004	Change
Tax payables	1,446,828	205,241	1,241,587
Pension funds and social security payables	24,333	56,248	-31,915
Payables to other creditors	3,830,595	1,060,369	2,770,226
Payables to parent companies	2,651,828	0	2,651,828
Accrued liabilities	2,746,414	331,378	2,415,036
Deferred income	6,693,282	7,401,181	-707,899
TOTAL	**17,393,280**	**9,054,417**	**8,338,863**

6. *Provisions for risks and charges:* consist of provisions for advanced/deferred taxes that have not changed in the first quarter of 2005.

Provisions for risks and charges	31-Mar-2005	31-Dic-2004	Change
Tax provisions	5,124,565	5,142,713	-18,148
Other provisions	187,077	187,077	0
TOTAL	**5.311.642**	**5.329.790**	**-18.148**

Net invested capital

Net invested capital increased from € 418,155,057 to € 406,670,455 with a decrease of € 11,484,602. The most significant change is related to the *Other long term liabilities*. The change of € 5,084,288 is due mainly to the increase in payables to other creditors for the deposit paid by Eurocommercial Properties S.A. for the sale of the expansion in progress of the mall of Leonardo shopping center in Imola.

Other long term liabilities	31-Mar-2005	31-Dic-2004	Change
Payables to suppliers over 12 months	3,012,665	3,666,889	-654,224
Payables to parent company over 12 months	7,058,275	7,058,275	0
Payables to other subsidiaries	12,169,869	6,431,357	5,738,512
TOTAL	**22,240,809**	**17,156,521**	**5,084,288**

Net financial position

The net financial position went from € 191,570,343 to € 31,819,157 with an increase of € 159,751,186.

Net financial position	31-Mar-2005	31-Dic-2004	Change
Short term liabilities to banks	34,403,450	53,145,799	-18,742,349
Financial assets not held as fixed assets	-35,673,792	0	-35,673,792
Cash	-100,969,897	-848,591	-100,121,306
Total short term liabilities	**-102,240,239**	**52,297,208**	**-154,537,447**
Medium/long term financial liabilities	**134,059,396**	**139,273,135**	**-5,213,739**
NET FINANCIAL POSITION	**31,819,157**	**191,570,343**	**-159,751,186**

In particular:

- *Short term liabilities to banks:* consist of current portion of mortgages and of the turning on of an hot money, the positive change of € 18,742,349, following the collection of income from IPO;
- *Financial assets not held as fixed assets*: during the first quarter of 2005 government securities and bonds were purchased through asset management;
- *Cash*: the change is mainly due to the collection of income from IPO;
- *Medium/long term financial liabilities:* decreased due to the payment of competence rates.

Net equity

Description	Capital	Share premium reserve	Legal reserve	Other reserves: by € conversion	Other reserves: by merger surplus	Other reserves: advance amortization reserves	Gains/ losses from previous years	Consolidation reserve	Profit for the year	Total group assets	Minority interests	Total net equity
Balance at 01/01/05	**177,249,261**	**28,930,288**	**696,160**	**23,113**	**13,735,610**	**0**	**0**	**(323,305)**	**6,273,587**	**226,584,714**	**0**	**226,584,714**
Destination of the 2004 result	0	0	302,560	0	0	0	5,748,635	222,392	(6,273,587)	0	0	0
Increases	105,000,000	47,250,000	0	0	0	0	0	0	0	152,250,000	0	152,250,000
Decreases for dividends	0	0	0	0	0	0	(5,644,986)	0	0	(5,644,986)	0	(5,644,986)
Increases	0	0	0	0	0	0	0	0	0	0	0	0
Income at 31/03/05	0	0	0	0	0	0	0	0	1,661,570	1,661,570	0	1,661,570
Balance at 31/03/05	**282,249,261**	**76,180,288**	**998,720**	**23,113**	**13,735,610**	**0**	**103,649**	**(100,913)**	**1,661,570**	**374,851,298**	**0**	**374,851,298**

The changes in net equity have been significant and are attributable to:

- Capital increase of n.105,000,000 shares with par value of € 1
- Increase of the share premium reserve for € 47.25 million due to the placement of n.105.000.000 with € 0.45 surcharge.
    - Allocation of € 6,051,195 of the profit for the year. In this regard it should be noted that the Ordinary Shareholders' Meeting which approved the financial statements at 31 December 2004 has resolved to allocate the profit for the year as follows:
    - € 302.560 to legal reserve
    - € 103.649 to profits carried forward
    - € 5.644.986 to dividend distribution equal to € 0.02 per share.

TRANSITION IAS/IFRS

During 2004, IGD SpA launched a specific project on the adoption of international standards through the establishment of a dedicated working group that includes the involvement of IGD Group's company.
In particular, an analysis was conducted to identify the main differences between Italian accounting principles and the IAS/IFRS principles and to quantify, on the basis of the identified differences, the most significant impact on IGD Group's consolidated financial statements.
The project has the following objectives:

- identification of the main differences between Italian and IAS/IFRS accounting principles, including those for the preparation of the first opening balance sheet (1/1/2004, transition date) and the quantification of its impacts;
- implementation of administrative processes and corporate information systems to enable the preparation of financial statements and interim financial statements in accordance with IAS/IFRS principles.

In accordance with IAS 1, the balance sheet according to IAS/IFRS shall include, in terms of comparative information, the previous year than the reference. The financial statements at 31 December 2005 will be the first annual report presented by the IGD Group in accordance with international standards and it will include for comparative purposes, the financial statements according to IAS/IFRS as at 31 December 2004.

The analysis conducted so far, as part of the ongoing project, has led to the identification of certain differences between Italian and IAS/IFRS accounting principles mainly concerning the following financial statements areas:

1) intangible assets;
2) tangible assets;
3) financial instruments.

With regard to the differences identified on the major areas of the financial statements, projects have been started to establish operating procedures for the relative quantification for each company.

The IGD Group expects to draw up the first financial statements in accordance with international standards (IAS/IFRS) in the half-year ending 30 June 2005.