CONSOLIDATED QUARTERLY REPORT AT 31/03/2008

CONTENTS

INTRODUCTION

The quarterly report of the Immobiliare Grande Distribuzione Società d'Investimento Immobiliare Quotata S.p.A. Group ("IGD SiiQ Spa" for short) at 31.03.2008, and the comparison periods, have been prepared in accordance with the IFRS (International Financial Reporting Standards). The quarterly report along with the notes to the financial statements consolidate the income statements and balance sheets of IGD Siiq S.p.a. ,Immobiliare Larice srl, Consorzio Forte di Brondolo ,Consorzio Leonardo , Millennium Gallery srl , M.V. srl and Porta Medicea srl, since 18 Februrary 2008. The balance sheet and income statement of RGD Srl, held 50%, have been consolidated on a proportional basis.
The IGD Group manages and leases properties, with the goal of profiting from its real estate portfolio through the acquisition, construction and leasing of retail properties (commercial centres, hypermarkets, supermarkets and malls) and by optimizing the yield of the properties it owns outright, including through the disposal of the malls. It also provides a vast range of agency and facility management services to freehold properties and those belonging to third parties.

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

Supervisory Board:

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

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

DIRECTORS' 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 for the aims envisaged 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 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. 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, or 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 to 30 June 2008.

As of 31 March 2008, the company had purchased a total of 9,677,456 ordinary shares equal to 3.129 % of the share capital for a total of €19,665,662.

As of 25 March 2008 IGD shares are once again traded as part of the Italian Stock Exchange's STAR segment.

INVESTMENTS

During first quarter 2008 the IGD Group signed an important preliminary agreement for the purchase of 15 commercial 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 commercial centres under construction.

On 18 February 2008 the company Porta Medicea Srl was set up, held 80% by the IGD Group and 20% by Azimut-Benetti SpA. Porta Medicea has taken over the commitments assumed by IGD, thus on 20 March 2008 it signed the definitive purchase and sale agreement for the land and buildings. 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 square meters GLA. The new real estate complex, zoned for shops, services, housing and accommodations, 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.

On 27 March IGD signed a preliminary agreement for the purchase of 100% of the company Winmarket Magazine SA for a total of €182.5 million; the company owns a real estate portfolio in Romania comprised of 15 Winmarkt brand commercial centres for a total of 147,000 sqm, as well as a commercial building leased in its entirety to a bank. The sellers are Ivington Enterprises Ltd. and Broadhurst Investment Ltd, companies of the NCH Capital Group, an American private equity firm.

IGD also signed a preliminary agreement for the purchase of an additional commercial centre in Carpati Sinaia; this preliminary agreement will be formalized within 30 months, once the seller has completed restructuring and re-commercialization. The purchase price has already been set at €16.24 million subject to having reached rental targets of approximately €1.35 million.
The total annual rent in 2008 of the 16 properties amounts to approximately €19.138 mn.

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

IGD will also purchase, for €258,000, 100% of the units in the company Winmarkt Management which, thanks to its specialized personnel, provides agency and facility management services. It is IGD's intention, therefore, to continue to work with the current management while integrating the existing organization with its own resources in order to create a team of professionals capable of taking advantage of development opportunities as they arise.

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 is an integral part as of 2007. This dynamic, which reflects the consolidated presence of important foreign investors, will obviously have 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 us to benefit from the 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 subsequent growth through optimization of the commercial offer and enhancement of the real estate which will call for investments of approximately €20-25 million.

The real estate enhancement will also be done 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 investment will be made in partnership with INPARTNER Spa, who will have a minority stake. INPARTNER Spa is an Italian operator specialized in the management and development of important real estate fund portfolios.

There will be a 3-5 year consolidation and optimization phase, 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.

SERVICES

In first quarter 2008 the development of commercial centre services continued positively.
The following management contracts were awarded:

- for the Millenium Commercial Centre in Rovereto
- for two commercial centres owned by the comany GAM s.r.l Heraclea and La Torre.

In terms of marketing activities, the following agreements were reached:

- with the company Minganti srl for the turnover management of the Commercial Centre "Officine Minganti"
- framework agreement with Vignale Immobiliare for the turnover management of their freehold centres
- framework agreement with Coop Adriatica for the turnover management of their freeholder centres. Currently turnover management has been requested for the following commercial centres : A. Costa (Bologna), P.ta Marcolfa (S.Giovanni in Persiceto), Castelfranco, Montebelluna, Lendinara, Occhiobello

PERFORMANCE

The first quarter 2008 results are in line with the targets for 2008, in terms of profit, growth and assets under management.

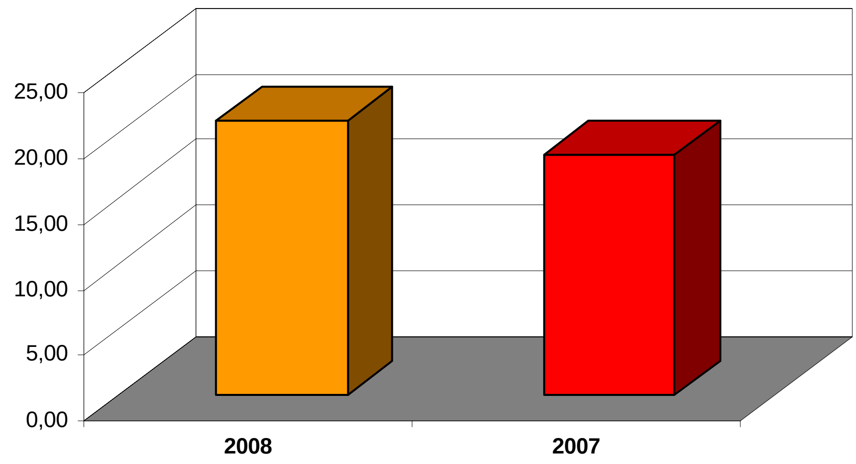
INCOME STATEMENT REVIEW

The IGD Group's income statement and the comparison figures for first quarter 2008 have been prepared in accordance with the IAS/IFRS issued by the IASB and approved by the European Union, as provided for by Art. 81 of the Issuers' Regulations (CONSOB Regulation 11971 of 14 May 1999, as amended).

Below is a summary of the income statement:

CONSOLIDATED INCOME STATEMENT				
	2008	2007	Δ	%
Revenues from freehold properties	14,36	13,70	0,66	4,81%
Revenues from leashold properties	3,30	3,23	0,07	2,11%
Revenues from services	1,56	0,62	0,94	151,94%
Other revenues	1,80	0,79	1,01	128,44%
TOTAL REVENUES	**21,02**	**18,34**	**2,68**	**14,62%**
Material and service costs	6,44	4,86	1,58	32,41%
Cost of labor	1,30	0,68	0,62	90,67%
Other operating costs	1,02	0,84	0,18	21,62%
Change in inventories	68,28	0,00	68,28	
Construction costs	-68,28	0,00	-68,28	
EBITDA	**12,26**	**11,96**	**0,31**	**2,57%**
Depreciation and amortization	0,03	0,08	-0,05	-63,93%
Change in fair value	-0,06	-0,04	-0,02	52,67%
EBIT	**12,18**	**11,84**	**0,34**	**2,88%**
FINANCIAL INCOME/(CHARGES)	**-4,44**	**-3,43**	**-1,00**	**29,15%**
Financial income	1,99	0,02	1,97	9967,03%
Financial charges	6,42	3,45	2,97	85,95%
PRE TAX PROFIT	**7,74**	**8,40**	**-0,66**	**-7,86%**
Income tax	0,00	0,00	0,00	#DIV/0!
NET PROFIT	**7,74**	**8,40**	**-0,66**	**-7,86%**

TOTAL REVENUES



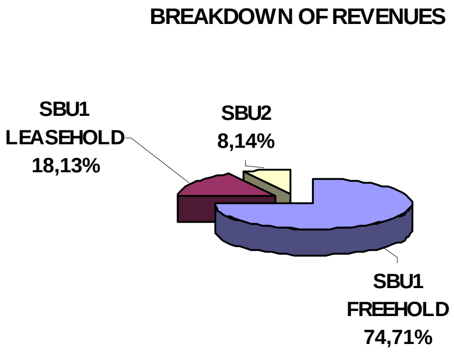
In first quarter 2008 the Group earned revenues of €21.02 million, an increase of 14.62% when compared to the prior year. The following factors contributed to this positive result:

- ✓ the acquisition of the Mondovicino mall, which contributed for the entire first quarter of 2008 as it was purchased in November 2007 and the Millenium Gallery, which contributed for the full quarter rather than for just one month as in first quarter 2007;
- ✓ the increase in service revenues which almost doubled in first quarter 2007 thanks to the increase in malls under management.

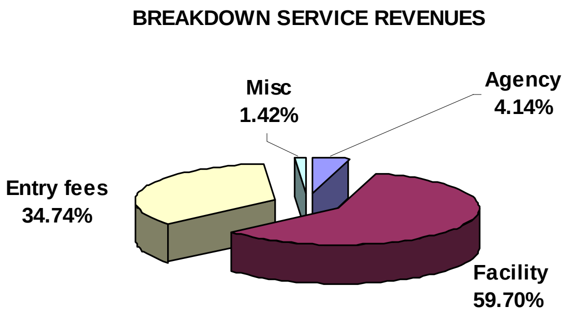
CONSOLIDATED INCOME STATEMENT				
	2008	2007	Δ	%
Margin from freehold properties	13,26	12,77	0,49	3,85%
Margin from leasehold properties	-0,12	0,00	-0,13	-3618,04%
Margin from services	0,77	0,25	0,52	210,62%
DIVISIONAL GROSS MARGIN	**13,91**	**13,02**	**0,89**	**6,80%**
Payroll costs at headquarters	-0,93	-0,45	-0,48	107,54%
General expenses	-0,71	-0,62	-0,09	15,40%
EBITDA	**12,26**	**11,96**	**0,31**	**2,57%**
Depreciation and amortization	0,03	0,08	-0,05	-63,93%
Change in fair value	-0,06	-0,04	-0,02	52,67%
EBIT	**12,18**	**11,84**	**0,34**	**2,88%**
Financial income/(charges)	-4,44	-3,43	-1,00	29,15%
✓ **PRE TAX PROFIT**	**7,74**	**8,40**	**-0,66**	**-7,86%**

- ✓ **SBU1 - Property leasing: margin on freehold assets:** in first quarter 2008 the margin grew by 3.85% when compared to € 12.77 million in the same period of the previous year to € 13.26 million.

- ✓ **SBU 1 - SBU1 - Property leasing: margin on leasehold assets:** the margin dropped by –0.12 million due primarily to extraordinary costs linked to the restructuring of Centronova.(i.e. the temporary closure of a few stores) .

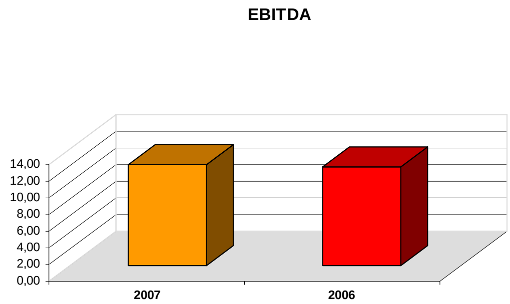


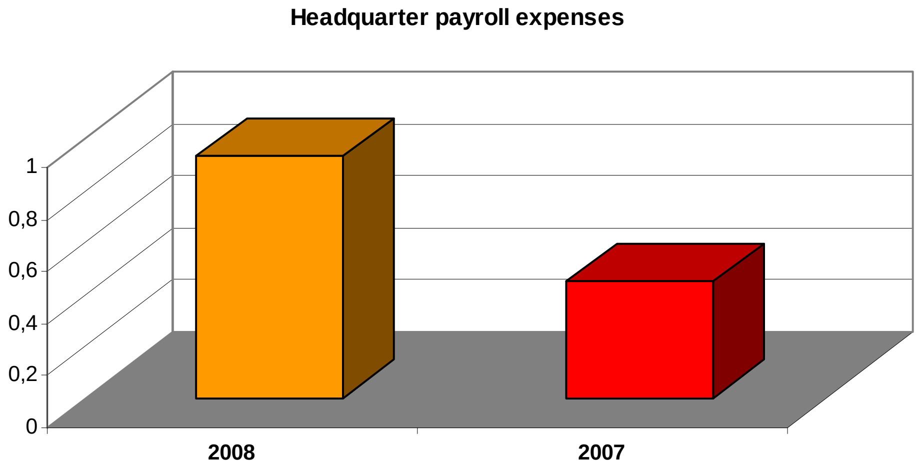
✓ **SBU 2 – Services: margin from agency and facility management services** The margin from services at March 2008 amounted to € 0.77 million. This increase is attributable to the marketing of the mall in Lodi and the facility management business in the following centres: Darsena City, Sesto Fiorentino, Mondovicino, Quarto, Vibo Valentia and Mercato S.Severino, begun in 2007. Marketing and facility management activities increased revenues (net of pilotage revenues, which are offset by pilotage costs) by 124.12%. Revenues are broken down in the graph below:



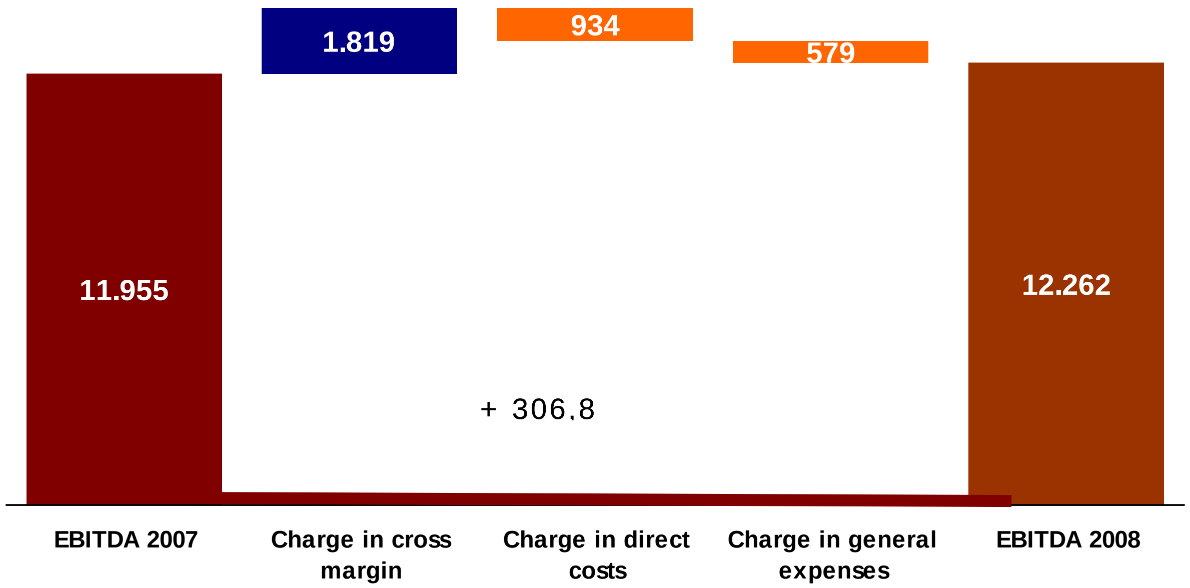
- **EBITDA** stood at € 12.26 million, an increase of 2.57% over the prior year. The biggest increase in costs came from headquarter payroll costs due to an expanded organizational structure. It is fairly typical of IGD's business model that costs are incurred prior to centre openings as the organizational structure's work begins to 18-24 months before the opening date.

We would also like to point out the seasonality of a few income items, such as temporary rentals, which are usually generated in the second half of the year.

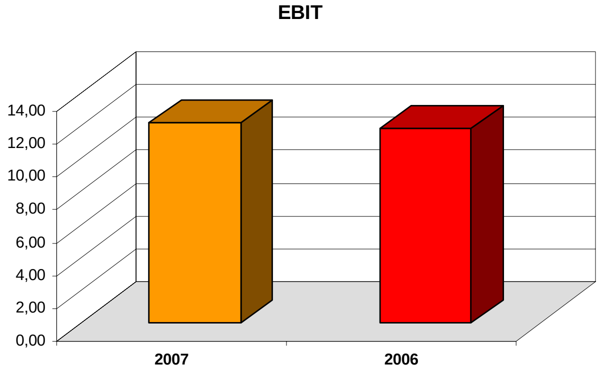




General expenses amounted to € 0.71 million and were in line with forecasts.

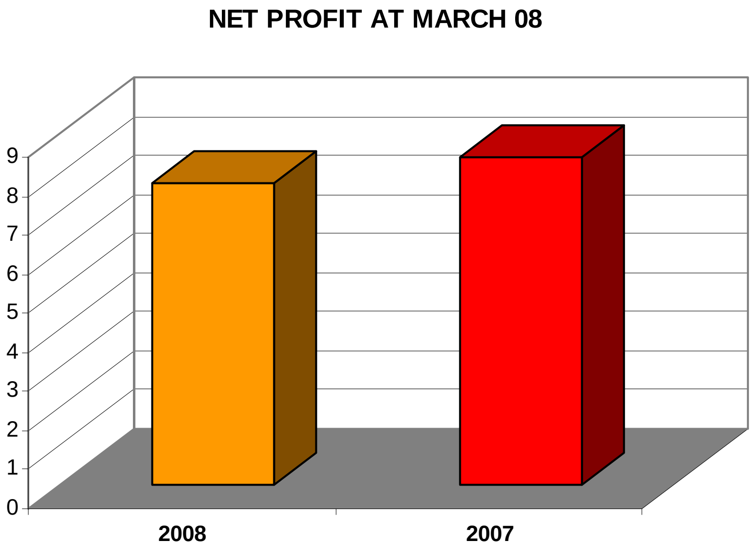


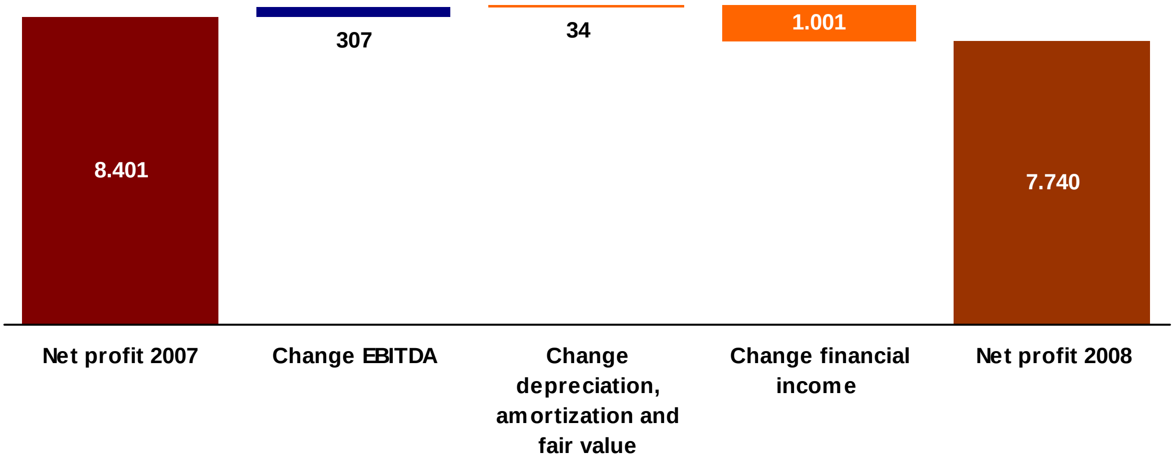
EBIT: Like EBITDA, EBIT also rose by 2.88% over the same period in 2007 to €12.18 million .



Financial income and charges: net financial charges increased by € 1 million due to the subscription of a €230 million convertible bond and a €100 million mortgage loan with Unipol Banca and Unipol Merchant for Immobiliare Larice. Another contributing factor is the rise in net debt to € 386.83 million which brought the gearing ratio from 0.46 at 31/12/2007 to 0.53.

✓ **NET PROFIT** was € 7.74 million, a decrease of 7.86% with respect to the same quarter of the prior year due to a rise in financial charges of 85.95% linked to the increased debt.
The increase in interest rates had a marginal impact on financial income and charges as the IGD Group's debt consists primarily in non-current debt which is covered by IRS (Interest Rate Swaps), and convertible bond debt, recognized at 6.3% in accordance with IAS, which has a coupon of 2.5%. Please refer to the notes to the financial statements for more information.





BALANCE SHEET AND FINANCIAL REVIEW

The IGD Group's balance sheet and financial situation at 31 December 2007 are summarized as follows:

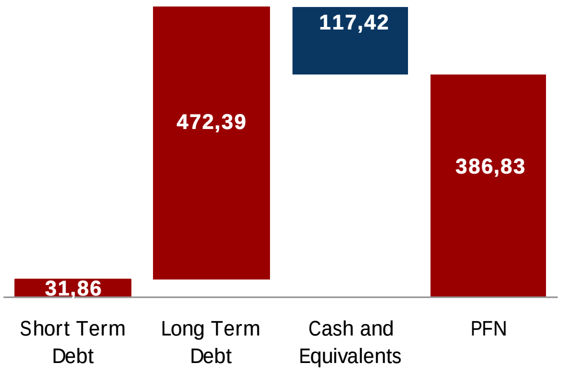
		SOURCE - USE OF FUNDS		
	FY 2007	1Q 2008	Δ	%
Fixed assets	1.164,43	1.117,05	-47,38	-4,07%
NWC	21,55	68,38	46,84	217,34%
Other LT liabilities	-103,19	-110,22	-7,03	6,82%
TOTAL USE OF FUNDS	**1.082,79**	**1.075,21**	**-7,58**	**-0,70%**
Net equity	741,17	736,08	-5,09	-0,69%
NFP	341,62	386,83	45,21	13,23%
TOTAL SOURCE OF FUNDS	**1.082,79**	**1.122,91**	**40,12**	**3,71%**

The principal changes in the first quarter are summarized below:

- ✓ **Fixed assets** rose from € 1,164.43 million at 31 December 2007 to € 1,164.75 million at 31 March 2008; the change of € 0.32 million is explained by the combined effect of increases and decreases in:

- ✓ **Assets under construction**: the change is attributable to the refund of a deposit and down payments made for works in progress in Catania and Palermo**.**

- ✓ **<u>Plant, machinery, equipment and leasehold improvements:</u>** the changes are primarily attributable to work done at the Nova commercial centre.
- ✓ **<u>Other long term assets and liabilities</u>**: the negative difference of € 7.03 million is largely explained by contractual commitments and works to done in Livorno and for the company Porta a Mare
- ✓ **<u>Shareholders' equity</u>** at 31 March 2008 reached €736.08 million due to income in the period and the purchase of treasury shares.
- ✓ **<u>Net debt</u>:** net debt in first quarter 2008 increased by € 45.21 million, due to development activities in the quarter.



SEGMENT INFORMATION

The balance sheet and income statement of each business unit are summarized below.

INCOME STATEMENT	31-mar-08	31-mar-07	31-mar-08	31-mar-07	31-mar-08	31-mar-07
	RENTAL ACTIVITIES		SERVICES		TOTAL	
REVENUES	**17,66**	**16,93**	**1,56**	**0,62**	**19,22**	**17,55**
DIRECT COSTS	4,52	4,16	0,80	0,37	5,32	4,53
DIVISIONAL GROSS MARGIN	**13,14**	**12,77**	**0,77**	**0,25**	**13,91**	**13,02**
UNDIVIDED REVENUES - COSTS					1,64	1,06
EBITDA	**13,14**	**12,77**	**0,77**	**0,25**	**12,26**	**11,96**
AMORT, DEPR & WRITEDOWNS	-0,09	-0,12	0,00	0,00	-0,09	-0,12
EBIT	**13,05**	**12,65**	**0,77**	**0,25**	**12,18**	**11,84**
FINANCIAL INCOME					**- 4,44**	**- 3,43**
INCOME TAX					**-**	**-**
NET PROFIT					**7,74**	**8,40**

BALANCE SHEET	31-mar-08	31/1207	31-mar-08	31/1207	31-mar-08	31/1207
	RENTAL ACTIVITIES		SERVICES		TOTAL	
REAL ESTATE PORTFOLIO	949,49	948,71	0,00	0,00	949,49	948,71
INVESTMENTS	167,56	168,15	0,00	0,00	167,56	168,15
NWC	39,46	2,58	0,13	0,44	39,59	3,01
OTHER LONG TERM LIABILITIES	-109,92	-102,88	-0,31	-0,31	-110,22	-103,19
UNDIVIDED ASSETS					76,50	66,11
TOTAL USE OF FUNDS	**1.046,59**	**1.016,56**	**-0,17**	**0,12**	**1.122,91**	**1.082,79**
NFP NET AFTER INDIV FIN LIAB	314,19	279,09	-3,85	-3,58	310,34	275,51
EQUITY	732,40	737,46	3,68	3,71	736,08	741,17
UNDIVIDED LIABILITIES					76,50	66,11
TOTAL SOURCE OF FUNDS	**1.046,59**	**1.016,55**	**-0,17**	**0,13**	**1.122,91**	**1.082,79**

SUBSEQUENT EVENTS

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 n. 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 was based on the financial statements (balance sheet and income statement) for the year ended on 31 December 2008 .
Eligibility for this special regime is determined based on the normal value of the real estate assets and the property rights on the rental properties owned by IGD at the end of the last tax period; the relative capital gains, net any losses, will be subject to IRES and IRAP at a tax rate of 20 per cent, to be paid in a maximum of five yearly installments.
The application charge for this special regime is estimated at approximately €29.9 million.
The decision to opt for the special regime renders 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 RGD , the 50/50 joint venture of Beni Stabili and IGD, signed a contract for the purchase of a significant portion of the mall in the "Le Fornaci " commercial centre in Beinasco . The transaction was completed through the purchase of 100% of the shares in New Mall srl for €13.8 million and the assumption of the residual lease worth some €3.8 million. The total purchase price of €17.6 million (net the lease) is subject to an adjustment to be calculated at 31 December 2009 linked to the centre's profitability.

On 23 April 2008 the Shareholders' Meeting of IGD Siiq spa met in ordinary session to approve the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Amounts in millions of euros		31-mar-08	31-dec-07	Change
CONSOLIDATED BALANCE SHEET		**(a)**	**(b)**	**(a-b)**
NON-CURRENT ASSETS:				
Intangible assets				
- Intangible assets with a finite useful life		0,13	0,01	0,12
- Goodwill		26,67	26,67	0,00
		26,80	26,68	0,12
Plant, property and equipment				
- Real estate assets		947,81	947,81	0,00
- Investment property		0,34	0,33	0,01
- Equipment		0,47	0,45	0,02
- Leasehold improvements		0,87	0,12	0,75
- Assets under construction		167,56	168,15	(0,59)

		1.117,05	1.116,86	0,19
Other non-current assets				
- Prepaid taxes		2,88	2,88	0,00
- Miscellaneous receivables and other non-current assets		18,02	18,02	0,00
- Non-current financial assets		4,54	5,65	(1,11)
		25,44	26,55	(1,11)
TOTAL NON-CURRENT ASSETS (A)		**1.169,29**	**1.170,09**	**(0,80)**
CURRENT ASSETS:				
Assets under construction		68,54	0,00	68,54
Trade and other receivables		9,81	9,64	0,17
Other current assets		30,08	19,48	10,60
Financial receivables and other current financial assets		0,11	40,52	(40,41)
Cash and cash equivalents		117,31	123,07	(5,76)
TOTAL CURRENT ASSETS (B)		**225,85**	**192,71**	**33,14**
TOTAL ASSETS (A + B)		**1.395,13**	**1.362,79**	**32,34**
NET EQUITY:				
Portion pertaining to the Parent Company		727,93	741,01	(13,08)
Portion pertaining to minorities		8,15	0,16	7,99
TOTAL NET EQUITY (C)		**736,08**	**741,17**	**(5,09)**
NON-CURRENT LIABILITIES:				
Non-current financial liabilities		476,93	478,10	(1,17)
Employee severance indemnity fund (TFR)		0,36	0,36	0,00
Deferred tax liabilities		90,04	90,45	(0,41)
Provisions for risks and future charges		0,81	0,64	0,17
Misc. payables and other non-current liabilities		19,01	11,74	7,27
TOTAL NON CURRENT LIABILITIES (D)		**587,15**	**581,29**	**5,86**
CURRENT LIABILITIES				
Current financial liabilities		31,86	32,77	(0,91)
Trade and other payables		35,86	4,47	31,39
Current tax liabilities		1,28	0,94	0,34
Other current liabilities		2,90	2,16	0,74
TOTAL CURRENT LIABILITIES (E)		**71,90**	**40,34**	**31,56**
TOTAL LIABILITIES (F=D + E)		**659,06**	**621,62**	**37,44**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**1.395,13**	**1.362,79**	**32,34**

CONSOLIDATED INCOME STATEMENT				
Amounts in millions of euros		**31-mar-08**	**31-mar-07**	**Change**
		(a)	**(b)**	**(a-b)**
Revenues		17,66	16,80	0,86
Other income		3,36	1,54	1,82
Total revenues and operating income		**21,02**	**18,34**	**2,68**
Change in inventory of assets under construction		68,28		68,28
Construction costs		(68,28)		(68,28)
Net change in assets under construction		**0,00**	**0,00**	**0,00**
Material and service costs		6,44	4,86	1,58
Cost of labor		1,30	0,68	0,62
Other operating costs		1,02	0,84	0,18

Change in inventories		0,00	0,00	0,00
Total operating costs		**8,76**	**6,38**	**2,38**
EBITDA		**12,26**	**11,96**	**0,30**
Amortization and depreciation		0,03	0,08	(0,05)
Change in fair value - increases / (decreases)		(0,06)	(0,04)	(0,02)
EBIT		**12,18**	**11,84**	**0,34**
Financial income		1,99	0,02	1,97
Financial charges		6,42	3,45	2,97
Net financial result		**(4,44)**	**(3,43)**	**(1,01)**
PROFIT BEFORE TAX		**7,74**	**8,40**	**(0,66)**

Net Financial Position

Amounts in millions of euros		
	31/03/2008	**31/12/2007**
CASH AND CAS EQUIVALENTS	(117,31)	(123,07)
FINANCIAL RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	(0,11)	(40,52)
LIQUIDITY	**(117,42)**	**(163,59)**
CURRENT FINANCIAL LIABILITIES	31,86	32,77
CURRENT FINANCIAL DEBT	**31,86**	**32,77**
NET CURRENT FINANCIAL DEBT	**(85,56)**	**(130,83)**
NON-CURRENT FINANCIAL ASSETS	(4,54)	(5,65)
NON-CURRENT FINANCIAL LIABILITIES	476,93	478,10
NET NON-CURRENT FINANCIAL DEBT	**472,39**	**472,45**
NET FINANCIAL DEBT	**386,83**	**341,62**

NOTES TO THE FINANCIAL STATEMENTS

Accounting standards and scope of consolidation

Introduction

The quarterly report and the consolidated financial statements of the Immobiliare Grande Distribuzione Group at 31 MARCH 2008, which are not subject to financial audit, have been prepared in accordance with the IFRS (International Financial Reporting Standards) and approved by the European Union pursuant to the procedure outlined in article 6 of the EC Regulation n° 1606/2002 issued by the European Parliament and by the Counsel on 19 July 2002 with regard to the application of international accounting standards as well as with article 82 of the “Framework Statute for Legislative Decree n. 58 of 24 February 1998” related to Issuers”, under Consob resolution n. 11971 of 14 May 1999 and subsequent amendments.
Please note that the quarterly report at 31 March 2008 is presented as per the criteria indicated in annex 3D of the above mentioned “Regulation”.
Publication of the quarterly report at 31 March 2008 was authorized by the administrative organ in charge on 14 May 2008.

Accounting standards
The consolidated financial statements were prepared based on the company's accounting records at 31 March 2008 as prepared by the companies included in the scope of consolidation and, adjusted, where necessary to reflect IFRS compliant accounting and classification standards.
The methods of consolidation and valuation and the accounting standards are the same as those used to prepare the consolidated financial statements at 31 December 2007.

The accounting standards and measures are based on international accounting standards and interpretations currently in effect; therefore, they could be amended to reflect any changes through 31 December 2008 following approval by the European Commission of new standards, interpretations or guidelines as per recommendations of the International Financial Reporting Interpretation Committee (IFRIC).
Unless provided otherwise, the consolidated financial statements, tables and explanatory notes are expressed in millions of euros.
As provided for by the CONSOB, the Income Statement figures for the quarter under examination are provided along with those from the beginning of the year through the close of the quarter; they are compared with the same period of the prior year. With regard to the Balance Sheet figures they are shown as of the close of the quarter which are compared with the close of the previous quarter and the prior year. Therefore, the comments on the Income Statement refer to a comparison with the same period of the previous year (31 March 2007),while the balance sheet figures are compared with those of the prior year (31 December 2007).
Estimates used were not significantly different from those used to prepare the year-end accounts.

Lastly, please note that current tax and/or deferred tax assets/liabilities were not calculated for this period.

Scope of consolidation
Please note that with respect to 31/12/2007, the scope of consolidation has changed following the formation of Porta Medicea srl, which is held 80% by Immobiliare Larice srl and 20% by Azimut-Benetti spa. For additional information please refer to the Investments section.

The companies included in the IGD Group's scope of consolidation at 31/03/2008 are shown below.

Name	% held	Registered office	Share capital (in euros)	Consolidation	Activities
Immobiliare Larice srl	100%	Ravenna - via Villa Glori 4	74.500.000,00	Line-by-line	Shopping centre management
Consorzio Forte di Brondolo	77,4%	Castenaso (Bologna) Via Villanova 29/7	63.033,35	Line-by-line	Urbanistic consortium
Millenium Gallery s.r.l	100%	Ravenna - via Villa Glori 4	100.000,00	Line-by-line	Shopping centre management
MV s.r.l.	100%	Castenaso (Bologna) Via Villanova 29/7	10.000,00	Line-by-line	Shopping centre management
RGD s.r.l	50%	Milan via Venezia	52.000,00	Proportional	Purchase and sale of rea estate
Consorzio dei proprietari del Centro Leonardo	52%	Castenaso (Bologna) Via Villanova 29/7	300.000,00	Line-by-line	Management consortium
PORTA MEDICEA S.R.L.	80%	Livorno Via Gino Grazioni 6	40.000.000,00	Line-by-line	Construction company

Balance sheet highlights

NON-CURRENT ASSETS
The change in non -current assets between 31 December 2007 and 31 March 2008 is due primarily to:

- A slight decrease in "Assets under construction" due to the combined effect of the refund of a deposit and down payments made for works in progress in Catania and Palermo.

- A change in “Plants and machinery”, “Equipment” “Leasehold improvements” linked to purchases made in the quarter related primarily to the Nova commercial centre
- an increase in intangible assets with indefinite useful lives due to the purchase of software
- a decrease in “Non current financial assets” related to the market-to-market valuation of the IRS contracts in place at the end of the quarter.

CURRENT ASSETS
The increase in “Assets under construction” is related to the purchase of land and construction costs for the start-up of the multifunctional centre in Livorno, already commented on in the investments section.

The increase in “Trade receivables” is attributable to normal management activities, while the change in “Other current assets” relates primarily to the VAT refund received for investments made by subsidiaries.

The decrease in “Financial receivables and other current financial assets” is related to securities disposed of at the beginning of 2008.

There is also a decrease in “Cash and cash equivalents” due primarily to new acquisitions/investments.

SHAREHOLDERS’ EQUITY
The change in shareholders’ equity is attributable primarily to income generated in the period and the change in derivative contracts booked in accordance with Cash Flow hedge accounting .

There is also a change of - €19,763,987 linked to the purchase of treasury shares which were charged to net equity. This amount includes accessory charges of € 98,328.

Following the purchase of 80% of Porta Medicea the minorities’ portion of shareholders’ equity increased by € 8 million.

NON-CURRENT LIABILITIES
The net change in non-current liabilities is due to:

- a decrease in the “Non-current financial liabilities” following inclusion of the current mortgage payments under current liabilities;

- in increase in “Other non-current liabilities” linked to the works to be completed benefiting the municipality of Livorno and Porta a Mare as per contract and existing agreements.

CURRENT LIABILITIES

The increase in “Trade payables” is primarily attributable to the investments made in the land for the multifunctional centre in Livorno.

Income statement highlights

REVENUES AND OPERATING INCOME
The consolidated revenues and other income at 31 March 2008 amounted to €21.02 million, an increase of € 2.68 million with respect to same period in the previous year. This positive change is attributable to:

- ✓ the natural increase of rents
- ✓ the change in the scope of consolidation which included the Mondovì commercial centre for the full period and Millenium Gallery for two months more than in the comparison period;
- ✓ an increase in revenues from services.

MATERIAL AND SERVICE COSTS

This item consists primarily in the rental charges for the properties managed by the Group. The increase, with respect to 31 March 2007, is due to the change in the scope of consolidation.

COST OF LABOR

The increase with respect to the same period in 2007 is related to the larger workforce linked to the Group's growth and the forecast organizational structure.

OTHER OPERATING COSTS

There were no significant changes.

FINANCIAL INCOME AND CHARGES

The financial charges rose by €4.44 million with respect to the same period in 2007 due to the subscription of a convertible bond of €230 million and a mortgage loan of €100 million The rise in interest rates had a marginal impact due to the IRS contracts currently in place.

Net spreads on hedge derivatives were reclassified here with respect to same period of the prior year to reflect the substance of the hedging transaction, which is to stabilize the financial charge at a fixed rate.

Financial charges and income of €1.68 were, therefore, reclassified as follows:

Amounts in euros

		New	**Old**	
		31/03/2007	**31/03/2007**	**Reclassification**
Financial income		19.740	1.704.677	(1.684.937)
Financial charges		3.454.120	5.139.057	(1.684.937)
Net financial income/(charges)		**(3.434.380)**	**(3.434.380)**	**0**

Bond interest and charges, which amount to €3 million, are made up as follows:

- interest to bondholders at 2.5% = €1.4 million
- higher financial charges due to rise in effective interest rate from 2.5% to 5.53% = €1.4 million
- higher financial charges due to use of amortized cost method = €0.2 million (rate increase of 0.5%)

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Grazia Margherita Piolanti, IGD S.p.A.'s Financial Reporting Officer, declares, pursuant to para. 2, article 154-bis of the Uniform Finance Act 8/1998, that the accounting information relating to the financial statements at 31 March 2007, as reported in this report, corresponds to the underlying documentary records, books of account and accounting entries.